

EAST HERTS COUNCIL

EXECUTIVE – 28 NOVEMBER 2017

REPORT BY EXECUTIVE MEMBER FOR FINANCE AND SUPPORT SERVICES

OLD RIVER LANE LAND USE

WARD(S) AFFECTED: ALL BISHOP'S STORTFORD

Purpose/Summary of Report

- To provide a detailed update on the progress of the Old River Lane site in Bishop's Stortford, and to provide additional indicative costing required to proceed with the next stage of the development.

<u>RECOMMENDATIONS:</u> That the Executive:	
(A)	recommends to Full Council that the land at Old River Lane and adjoining Northgate End should be used to develop a mixed town centre scheme, as set out in option 1a, to include: <ul style="list-style-type: none">• a significant new Arts/Cultural Centre that includes a 500 seat theatre, 3-4 cinema screens, shared reception space, potentially the Bishop's Stortford library, a one-stop-shop for Council services, hot-desking work space, cafe/bar• housing• retail and• parking provision for the whole site;
(B)	recommends to Full Council that funding of £225,000 be allocated to the next stage of scheme feasibility, in line with the requirements as set out in Exempt Essential Reference Paper 'E' (funding to be allocated from the NHB Priority Spend Reserve);
(C)	supports the continued discussions with Bishop's Stortford Town Council and the Rhodes Birthplace Trust to create a delivery model for the Arts/Cultural centre which transfers

	the existing Rhodes Arts Centre business to the new building;
(D)	notes the work programme set out in section 5 of this report, including the likely timeframes for submission of a planning application for a new multi-storey car park, and soft market testing for a development partner for the rest of the development; and
(E)	recommends to Council that it endorses delegation to Heads of Service for any general matters arising within their individual remits in order to progress the next stage of this project, including submission of a planning application for a new multi-storey car park.

1.0 Background

- 1.1 The Bishop's Stortford Town Centre Planning Framework was commissioned by the Council in January 2016 in order to provide a long term, coherent vision for the development of the town centre, taking into account the key site of Old River Lane amongst other strategic sites. The framework was completed in March 2017 and subsequently adopted by the Council at its meeting in July 2017.
- 1.2 A report was submitted to Council in February 2017 setting out the initial indicative budget requirements for the project.
- 1.3 Since then, work has been led by the Old River Lane Delivery Board, established in March 2017, and comprising the following members:
- Cllr Linda Haysey
Cllr Gary Jones
Cllr Eric Buckmaster
Cllr Keith Warnell
Cllr Geoffrey Williamson
- 1.4 The final stage of the planning framework involved an extensive consultation process at the end of 2016. Old River Lane site was an essential part of the consultation and specific feedback was provided on Culture and Leisure, Retail, Public Spaces and Parking. A summary of the feedback relevant to Old River Lane is set out below:

- 65% of responses rated the ideas for improving the culture and leisure offer as excellent or good.
- Some felt the location of the Rhodes Arts Centre was too far out of town and that there was insufficient parking. It was suggested that a new purpose built facility near the restaurants in the centre of town would support activity and vitality.
- 56% of consultees rated the ideas for improving the retail offer as excellent or good.
- 62% of consultees rated the ideas for new or improved public spaces as excellent or good.
- A number of respondents were excited by the potential of the Old River Lane site to encourage people to use Castle Park more.
- A number of respondents suggested that there needed to be better parking for local workers in the town centre.

1.5 Following the completion of the town centre planning framework Allies & Morrison were commissioned to undertake a more detailed options appraisal on the Old River Lane site, including the Northgate End car park area (a plan can be found in **Essential Reference Paper 'G'**), to inform a decision on preferred land use for the site. At the same time, property consultants – Montagu Evans – were commissioned to undertake a high level viability assessment of the options proposed by Allies & Morrison. Additional studies were / are being undertaken to inform the options study and future decisions including:

- Arts Centre Outline Business Case – completed in August 2017
- A Parking demand / supply review study for the BS Town Centre – completed in July 2017.
- A Transport Strategy for the town centre (sits with Shaping Stortford board) – still underway; due to be complete in February 2018.

1.6 The core site is presently characterised by low intensity uses: namely a large surface car park. Other uses include Waitrose and its associated car park, office accommodation within Charringtons House, including the provision of a customer contact centre for the Council, and three residential units which are currently let. No 1 The Causeway has been demolished and construction works to build a temporary surface car park are underway.

- 1.7 The core site extends to around 1.7 hectares (4.3 acres). To the north of the site on the other side of the A1250 lies Northgate End car park (0.4 hectares), also owned by East Herts Council. This would form part of the development opportunity. An area of open ground immediately to the north of Northgate End car park and owned by HCC may also form part of the Council's development proposals. East Herts Council has engaged with the County Council to explore options for the possible use of this land. The development opportunity might also extend into land to the east of Northgate car park, presently owned by BS Town Council. Surrounding uses to the core ORL site include the Waitrose food-store, the United Reform Church building and Coopers of Stortford. Overall the broader site (core site and land to the north of the site) is a package of land which creates the potential for a significant development opportunity which, depending on the uses proposed could substantially rejuvenate the wider town centre.
- 1.8 The following report details the progress undertaken so far on the masterplan for the site and recommends a preferred land use in order to proceed with further work on the scheme.

2.0 **The Vision for ORL**

- 2.1 The Options Study sets out a vision for Old River Lane which is defined by a series of principles for development on the site.

These are summarised below:

- Deliver a cultural and learning centre creating activity throughout the day and evening, providing an anchor within the area. The new mix of uses will drive footfall into Old River Lane, creating a welcoming destination for residents and visitors to Bishop's Stortford. A mix of uses could include a theatre or cinema, Council civic facilities such as a one-stop-shop and library, a cafe and workspaces.
- The scheme should deliver a small number of high quality retailers in a pedestrianised environment, a new destination which creates spaces for restaurants, bars and cafes with outdoor seating, generating activity and vibrancy within the area.

- New and enhanced green spaces as well as new tree planting and landscaping should be created within the development.
- The development will improve the connectivity to Castle Gardens, opening up attractive routes to this high quality green space on the edge of the town centre.
- A key aspiration is to rebalance the proportion of the site that is for people rather than cars, confining vehicles to the outer edges of the scheme.
- High quality and accessible car parking should be delivered to serve the new development, existing uses and the wider town centre.
- Any development should be in keeping with the town's existing scale and massing, reflecting the varied roofscape, building type and features of the town.

The Concept Masterplan

- 2.2 The concept Masterplan for the site establishes the principle of a strong north-south spine which acts as the focus for a mix of leisure, civic and commercial uses. This effectively extends the existing town centre, linking in to key existing points including Waitrose, Jackson Square, Coopers and the wider hinterland of North Street. An illustrative plan is set out overleaf.
- 2.3 As set out in 1.4 above, Allies and Morrison was commissioned to undertake an options appraisal for the site. Three options were presented. It should be noted that these options were for modelling purposes only, in order to assist in arriving at a land use decision. They are not definitive and the final option is likely to vary in some parts, depending on negotiations with partners, acquisition of tenants, and other factors, not least of which is a viable funding package.
- **Option 1a – Full Arts offer**
A large Arts Centre that includes a new theatre (relocating the Rhodes Arts Centre business), niche cinema operator, shared reception space, potentially the library, one-stop-shop for Council services, hot-desking work space, cafe/bar, plus housing, retail and parking

- Option 1b – Full Arts offer**
 A new arts venue on Old River Lane *as well* as the existing Rhodes Arts Centre (in situ). The new arts venue to offer a complementary offer to the current Rhodes programme focusing on a music programme, niche cinema operator, shared reception space, library, one-stop-shop for council services, hot-desking work space, café/bar
- Option 2 – Smaller Arts offer**
 A niche cinema operator, shared reception space, library, one-stop-shop for council services, hot-desking work space, cafe/bar, plus housing, retail and parking.
- Option 3 – No Arts offer**
 This would be a residential scheme as there would be less scope / traction for retail/leisure use on the site without an associated arts offer.



- 2.4 While it is acknowledged that a scheme with purely residential accommodation would generate a higher capital receipt, this would offer little in terms of supporting the future functioning of the town centre, and particularly diversifying the range of present uses. This option was therefore excluded early on in the deliberations of the Old River Lane board.
- 2.5 Of the remaining options (1a, 1b and 2), the Old River Lane Board agreed the following at their meeting on 8 August 2017:

“The decision from the options presentation by Fourth Street at the last meeting was to move forward with option 1a. This was on the basis that the provision of a high quality, multi-purpose arts centre in Bishop’s Stortford, rather than a specialist music venue alongside the Rhodes, would create a better outcome for the residents of Bishop’s Stortford and would reduce the possibility that the two venues compete for audiences. A single purpose built venue could be designed in order to deliver a wide, high-quality programme capturing those artistic areas which are already well provided for in the Rhodes, whilst filling the gaps for those areas which do not currently work well and the larger shows which Rhodes cannot currently programme due to financial constraints related to the size of the auditorium. A single venue would require less subsidy from the public sector overall compared to creating a new venue alongside the Rhodes, and would therefore provide better value for money to the tax payer.”

- 2.6 A mixed development including an arts centre would create a very significant attraction in the centre and, subject to high quality design, provide a very strong addition to the town centre mix. This is particularly relevant given that town centres are facing significant challenges as purely retail destinations. A well held view is that a much greater emphasis needs to be placed on leisure and community oriented activities and excellent place-making if towns are to remain strong, vibrant and healthy destinations which residents want to use and people want to visit.

ORL in partnership with HCC, BSTC and RBT

- 2.7 Bishop's Stortford Town Council and the Rhodes Birthplace Trust (RBT) have been engaged in the options appraisal process and there is broad support for Option 1a, subject to a solution being found for the Rhodes museum. A series of working meetings have been held between the three parties to deliver a Heads of Terms which sets out the broad parameters guiding the delivery of this option. The draft Heads of Terms is set out at exempt **Essential Reference Paper 'C'**. This document will be considered by the Rhodes Birthplace Trust at a trust meeting on 28 November and by the Bishop's Stortford Town Council at a Finance Sub-Committee meeting on 4 December. The Heads of Terms is exempt, but can broadly be summarised as a significant joint venture between the three parties, with both councils contributing financially (capital and revenue) and the Rhodes Birthplace Trust relocating all of its arts centre business (including the majority of community use and hires) to the new arts centre. This would provide an excellent opportunity to build upon the success of the Rhodes Arts Complex to meet the growing population of the town.
- 2.8 It should be noted that the existing, very successful, Rhodes Arts Centre business will continue as it is now, and that any rumours that have arisen about its imminent closure should be dispelled.
- 2.9 There have been positive talks so far with HCC about the potential relocation options for the library in the Arts Centre proposed in Option 1a.
- 2.10 Discussions with other stakeholders, including Waitrose, the United Reform Church, Coopers of Stortford have been ongoing since the initial Town Centre Planning Framework was drawn up.

3.0 Benefits of ORL development

Section 3 of this report has been written by the Council's advisors, Fourth Street, which specialises in placemaking and destination development.

- 3.1 The vacancy rate in the town centre is below the national average and the typical line of high street chains is punctuated by a few good quality independent operators, suggesting that there is enough affluence in the town and its environs to support a healthy

retail offer in the town centre. The existing Arts Centre has built up a loyal audience and is well-attended by residents, schools and community groups. Set against these attractive features of the town are a number of key challenges, many of which are typical of towns that are within easy commuting distance of London:

- Facilities in the town have not kept pace with the significant planned growth of housing
- The town centre is ringed by wide, busy and – in places – seemingly impenetrable roads
- Although there is sufficient affluence in and around the town to support a substantial town centre retail offer, the town centre lacks the character and ambience of smaller towns and villages in the surrounding Hertfordshire countryside, which are likely to attract more affluent buyers and renters
- While there is ample public realm in and around the town centre, there is no real focal point for people to congregate – i.e. the place ‘where the city celebrates’
- There is a perception amongst shopkeepers and other stakeholders that the town centre has an underdeveloped evening economy in particular.

3.2 Because of its location and its strong road and rail connections, Bishop’s Stortford will invariably be popular as a place to live for people who require short, frequent and reliable connections into London. In that respect it is and, as it grows, will increasingly be in competition with that whole category of town in London’s commuter belt that benefits from the “push” factors that incentivise young professionals, in particular, to look outside of London for places to rent or purchase their first homes.

3.3 The key challenge that towns such as Bishop’s Stortford then face is the possibility of becoming transient “dormitory” towns for people who then move on when their financial circumstances improve. This has a number of damaging consequences, including the possibility that towns lapse into a vicious cycle of underinvestment, due to a lack of local spending – on one hand – and insufficient pressure from local stakeholders to improve conditions and amenities within the town. We see this pattern repeated across a whole range of commuter towns throughout London’s hinterland.

3.4 It follows that the key placemaking challenge for Bishop’s Stortford – and the signal it needs to send to the market – is the

fact that this is a vibrant and distinctive town with a clear sense of its own identity and not a staid, sterile town defined by its 'convenience' or connectivity.

- 3.5 Hertfordshire LEP's Strategic Economic Plan places an overwhelming focus on concentrations or clusters of businesses in the life science and pharmaceutical industries, as well as advanced engineering and film, media and creative industries. These are all high value added 'knowledge' industries that rely on easy access to the best talent. Attracting and retaining that talent – and ensuring that it remains in Hertfordshire, even as their career paths advance and their economic circumstances improve – is central to achieving this important pillar of the strategy. This puts an added premium on the sense of place and quality of life that is engendered through arts, culture, heritage, leisure and sport.
- 3.6 From that perspective, objectives for Bishop's Stortford could be the following, several of which are well served by a well-designed, residential-led mixed use development that is anchored by a multi-use arts centre:

- To attract those residents that are more likely to stay in Bishop's Stortford longer
- To add character and a unique sense of place to the town centre such that it fulfils its full potential and does not look and feel like a non-descript, suburban commuter hub
- To encourage residents to become active and "invested" stakeholders in their local community
- To encourage new arrivals to "graduate" to other parts of the town, as their economic circumstances improve or their personal / family circumstances change
- To encourage residents to spend more of their leisure time and money in the town, as opposed to London, Cambridge or surrounding villages (and, by extension, to attract more leisure spending into the town from its hinterland)

An integrated mixed use development of scale that not only relocates the Arts Centre to an improved town centre location, but also introduces high quality public realm, a critical mass of new town centre residents and new drivers of evening trade could make a material impact in place making terms.

- 3.7 A key priority within East Herts Council's Corporate Plan is to "enable a flourishing economy" with the intended outcome of

“vibrant town centres”. A number of the specific actions underneath this area relate to Old River Lane. The priorities are currently being refreshed by Members to reflect progress made through the ORL project and the measures below will be captured in the new plan. A copy of the current version can be found here: <https://www.eastherts.gov.uk/article/34767/Vision--Corporate-Priorities>

3.8 Quantifiable economic impact

This section summarises a preliminary Economic Impact Assessment for the Old River Lane project in Bishop’s Stortford Town Centre. Its main purpose is to provide a reasonable and substantiated projection of the employment that is likely to be created by the project generally and, in particular, by a relocated and expanded Arts Centre. This work is still high-level and if support is gained from the Executive and Council to proceed to the next stage, further detailed work will be undertaken.

3.9 The economic effects can be summarised as follows:

- Construction Employment: Jobs created by the capital project itself
- Direct Economic Impact: On-site employment created by the operation of the facility and surrounding commercial units
- Indirect Economic Impact: Off-site employment created as a result of the facility’s expenditure on goods and services

3.10 A detailed explanation of how the numbers in the table below are derived is set out in exempt **Essential Reference Paper ‘D’**.

Figure 1: Summary of Construction, Direct and Indirect Employment

TYPE OF IMPACT	DESCRIPTION	DIRECT	INDIRECT	TOTAL
Temporary Construction Employment	Employment created on a temporary basis during the capital project. Some of this is direct and some is indirect through the additional jobs supported in the local construction industry supply chain. HM Treasury guidelines used to convert "person years" of employment into FTEs and a supply chain multiplier of 0.2 was used to estimate the indirect effect.	73.0	13.6	86.7
Direct Employment	Jobs created on-site by the new BSAC and other A1-A3 businesses within the development. Gross estimate is simply the anticipated headcount of all business units. Allowance is made for displacement to arrive at a Net Direct impact. This would normally be high for the reference area and further allowance is made for the fact that BSAC is a relocation of operational RAC.	54.8		54.8
Indirect Employment	Additional benefits generated through the operational spending of BSAC and other A1-A3 businesses as they purchase goods and services from suppliers. These indirect benefits are calculated on the basis of supply chain multipliers.		19.1	19.1
TOTAL		127.8	32.7	160.5

4.0 The Viability Assessment

4.1 A high level breakdown of the viability assessment is set out in exempt **Essential Reference Paper B**.

5.0 Work programme

5.1 The Old River Lane Delivery Board has approved the work programme for the development of the site based on four work packages:

1. **No 1 The Causeway** – tasks including: demolition and construction of a temporary car park
2. **Multi-Storey Car Park (MSCP)** – tasks including: land negotiations, design, planning, procurement, construction.
3. **Old River Lane** – tasks including: masterplanning, viability assessment, consultations, design, planning, procurement, construction.
4. **The Rhodes Arts Centre relocation** – tasks including: business case, agreement with BSTC and Rhodes Trust, concept design.

5.2 There are two drivers for the work programme – funding and sequencing.

5.3 Funding

While package one (demolition of 1 The Causeway) is already underway, packages two, three and four are contingent on funding being in place for the overall scheme. Therefore, while package two (the multi-storey car park) can proceed as far as the planning application, no construction would start on site until funding for the whole scheme is in place.

A summary of funding opportunities is set out in Exempt **Essential Reference Paper 'C'**.

5.4 Sequencing

The completion of the tasks envisaged in the first work-package triggers the planning application for the MSCP. Subsequently the completion of the MSCP unlocks the core site. It is therefore assumed that construction works on the core site may start only once the MSCP is up and running to avoid any distress to local residents with regards to parking (notwithstanding the comments in 5.3 above about funding).

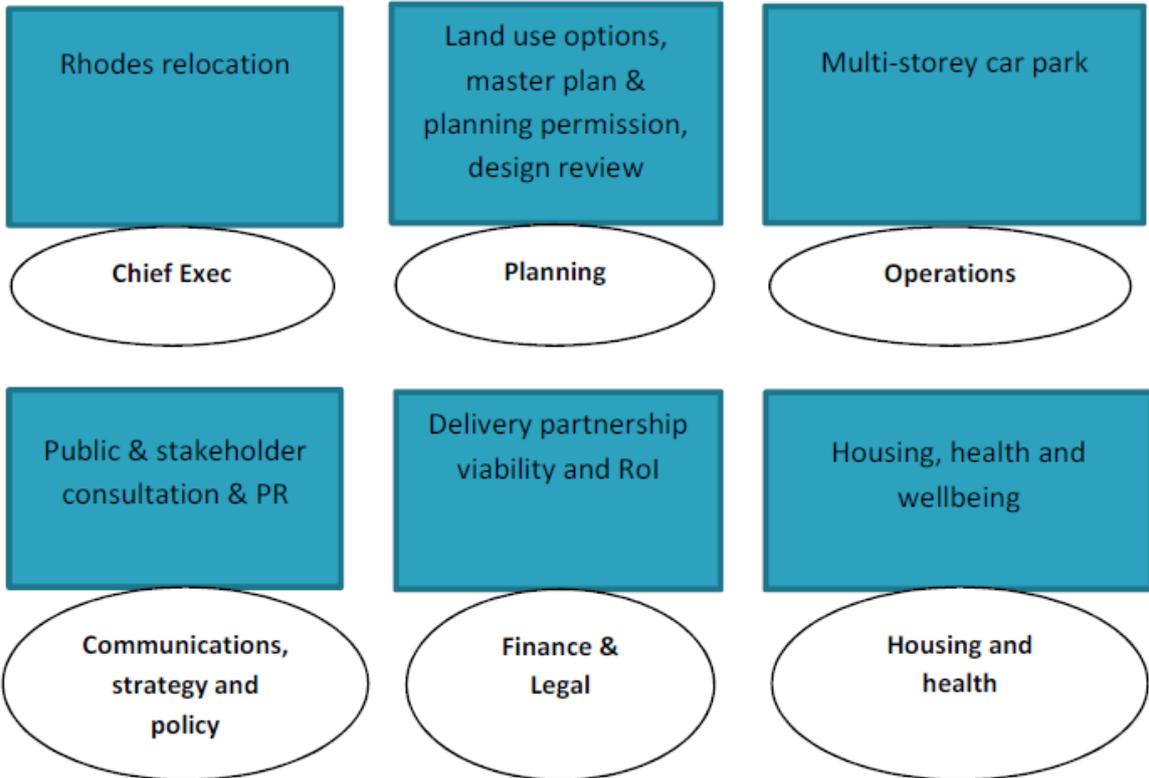
5.5 The third and the fourth work-packages run in parallel. The fourth work-package is however complementary to the main one – Old River Lane.

5.6 The work programme is monitored and reviewed by a dedicated ORL officer group established in March 2017 and leads have been appointed to specific work streams deriving from the work programme (set out overleaf):

5.7 Approval is requested for an additional £225k in order to advance the next stage of the project up to the submission of the planning application for the MSCP. The breakdown of this can be found at Exempt **Essential Reference Paper E**.

5.8 The funding source for this activity is the NHB Priority Spend Reserve.

Work stream Leads Group
Chair: Chief Executive



6.0 Other Options

6.1 As set out in 2.3 above, a number of options were considered by the Old River Lane Delivery Board. If the chosen option (1a) were not pursued for any reason, it would be possible to revisit the other options. There is also a 'do nothing' option available to the Council.

7.0 List of Essential Reference Papers

ERP A	Implications/consultations
Exempt ERP B	High Level Viability assessment and Indicative Delivery Options
Exempt ERP C	Funding opportunities and Heads of Terms with BSTC and RBT
Exempt ERP D	Economic benefits
Exempt ERP E	Funding breakdown (committed and next stage of project)
Exempt ERP F	Risk Register
ERP G	Plan of the site

Background Papers

None

Contact Member: Geoffrey Williamson – Executive member for
Finance and Support Services
geoffrey.williamson@eastherts.gov.uk

Contact Officer: Annie SaliAj – Project Manager
Tel: 01992 531684
anjeza.saliAj@eastherts.gov.uk