

Town Centre Regeneration Overview and Scrutiny 22nd June 2015

Introduction to Regeneration

Wokingham Borough Council is undergoing a period of intense change.

In 2004 the Council started the process of developing the Core Strategy (Local Plan) which identified the best locations for building the 13,232 new houses that needed to be delivered within the Borough in response to the South East Plan (The Regional Spatial Strategy).

Following an extensive period of consultation and options reviews the decision was made to move forward with the majority of new homes being delivered in four Strategic Development Locations (SDLs) at Arborfield (3,500 new homes), South of the M4 (2,700 new homes), North Wokingham (1,600 new homes) and South Wokingham (2,500 new homes). Locations for the remainder of the new housing were identified through the Managing Development Delivery (MDD) process, which includes the allocation of Wokingham Town Centre as a good location for sustainable residential growth. A plan of the local development can be found in Appendix 1 – Overarching Plans

In addition to identifying where this residential growth should occur within Wokingham borough the Core Strategy process also involved a comprehensive review of local infrastructure needs and what would be required to support both the existing and the proposed local residential levels. A variety of assessments were undertaken looking at areas such as roads, school places and leisure facilities. The infrastructure review also looked in detail at retail provision across the Borough with the Council commissioning Donaldsons to undertake a comprehensive Retail Study in 2007.

The Donaldson's report looked at both food (Convenience) and non-food (Comparison) retail across the borough, reviewing a range of factors such as local demographics, spend patterns, retail location and quantity of existing provision. The results of the study identified that there would be a significant shortfall within Wokingham Borough by 2026 of comparison and convenience retail floorspace necessary to support the size of the local population. The Core Strategy and Study went onto identify the best locations for this shortfall to be delivered in response to the SDL locations.

Wokingham town centre was identified as a key retail growth location. This reflected the level of local development which would see 4,000 new homes delivered to the edges of Wokingham town centre, a growth of circa 30% on the existing town base and Wokingham's classification as an important sub-regional centre within the South East Plan, and its identity as the major town centre within the borough.

Town Centre Masterplan

In order to provide clear, distinctive and deliverable vision for Wokingham, the Core Strategy identified the need to produce an additional Supplementary Planning Document (SPD) which would look specifically at development within Wokingham Town Centre. This document was titled the Wokingham Town Centre Masterplan SPD and was adopted in June 2010 following extensive public consultation.

Work on developing a Masterplan began in 2008 when a public workshop was held to look at the level of development and where it would best be located to create a successful and sustainable town centre that met local resident and business's needs.

To further guide this process the Council commissioned a Retail Study Refresh from Nathaniel Lichfield and Partners (NLP) in February 2010 to ensure the Masterplan was based upon the latest retail needs information. The NLP findings continued to demonstrate a significant shortfall in retail needs for the area.

The final Masterplan covers a comprehensive range of infrastructure including approaches to parking, public transport, highways, leisure, residential and retail growth within the town centre. The role of the Masterplan is to provide planning guidance on development within the town centre and it is a strong material consideration in the assessment of planning application within the town centre.

A copy of the Masterplan can be seen in Appendix 1 – Overarching Plans or the full SPD document can be downloaded from the Council website at <http://www.wokingham.gov.uk/planning-and-building-control/planning-policy/supplementary-planning-guidance-and-documents/>

Council Led Regeneration Scheme

The need for a strong local Masterplan vision had become increasingly evident in consideration of private led development schemes emerging in the town centre.

Although, at the time, these schemes were generally acceptable in terms of planning policy there were concerns that they could result in overdevelopment and potentially lead to a fracturing of the town centre through the delivery of two retail locations which would work in competition rather than together to reinforce the retail circuits identified in the Masterplan. There were also concerns that the developments concentrated on profit making to the detriment of local residents and business. In addition it was becoming unsure whether the private schemes could be delivered due to market shifts and concerns over commercial viability.

Following discussions in June 2008 it was agreed to move forward with a Wokingham Borough Council led regeneration scheme for Wokingham Town Centre. This initial phase of the project involved the locations of Elms Field, the Paddocks car park and Peach Place, with the Carnival Pool site being brought forward in 2014 as a further phase of regeneration.

As this represented the first major mixed use commercial led development the council had been involved with a decision was made to identify a development partner and project team with demonstrable experience in delivering this type of scheme. Following a comprehensive OJEU Competitive Dialogue procurement process Wilson Bowden and their partner company David Wilson Homes were identified as the Council's preferred development partners in October 2010 for the Elms Field, Paddocks and Peach Place Regeneration projects.

A further procurement process was undertaken in July 2013 to identify a multi-disciplinary project team and lead consultant to aid in developing a new Carnival Pool Leisure Hub and Multi-storey car park. Ove ARUP was appointed in response to this process.

Objectives of Regeneration

Taking into account public consultations and the work done for the Core Strategy and Masterplan the following objectives were set out for the Town Centre Regeneration project –

- Improving the economic vitality and viability of the town
- Improving the social vitality and viability of the town

- Improving and enhancing public open spaces and active use of public realm
- Enhancing the architectural quality of the town centre and public realm
- Improving pedestrian accessibility in the town centre and access to the town

Further information on the objectives can be found in Appendix 2 – Wokingham Town Centre Project Briefing Document.

Benefits of Council as Developer

A review of what needed to be done in order to meet the aforementioned objectives identified key points which need to be addressed for the town to succeed. It was also agreed that the Council were best placed to deliver regeneration directly if the following benefits are to be realised for the wider community.

- The town is declining and needs successful regeneration to occur in a timely manner when many private schemes are failing or being delayed.
- Regeneration needs to deliver the right balance of community and non-profit benefits and commercially profitable elements to meet the desires of local residents and businesses.
- Local residents need to be able to access a better variety of quality facilities and services in the town, reducing their need to go elsewhere for shopping, socialisation and leisure.
- The quality and range of retail, leisure and service offer should meet local aspirations and help differentiate Wokingham from other larger local neighbours or ‘clone towns’
- Development needs to be high quality and flexible to remain successful for the long term
- Key sites need to be developed with an overarching regeneration so that they work together to strengthen the town rather than in competition which risks weakening Wokingham
- Wokingham needs to support and attract business by providing the infrastructure they request such as hotels, business spaces, schools and good quality housing to attract skilled employees
- A need to secure a good range of local jobs and employment opportunities to meet the needs of a larger population
- Regeneration is a starting point and needs to act as a catalyst to encourage other projects to come forward in the town, both private and public, and to attract ongoing investment in Wokingham
- Regeneration must be financially viable, self-funding and must not rely on additional taxpayer support to pay for its delivery.
- The Council needs to invest in the community to create long term sources of funding for the council which are not dependent on local council tax or central government allocations.

Project Scope

The Council’s regeneration proposals encompass four priority projects in line with sites identified in the Masterplan. These have been designed to achieve both the objectives and the benefits identified within this report, as well as through ongoing consultation with local residents, businesses and professional advisors.

- Peach Place Refurbishment* (major façade refurbishment of the Rose Street/Market Place corner, including the bringing forward of flats above Boots, replacement and enclosure of the staircase and conversion of the empty offices above Clarks to Residential)
- Peach Place Redevelopment* (Creation of a new retail/leisure units facing out onto Peach Street and onto a new public square with residential above and facing onto Rose Street)

- Elms Field and the Paddocks car park** (Creation of new retail/leisure units, foodstore, hotel, Cinema, new road and residential units framing an enhanced town centre park)
- Carnival Pool (Refurbishment of existing swimming pool and creation of a new leisure/community centre alongside a new multi-storey car park)

*Although Peach Place is a single physical site, a decision was made to break this down into two projects, refurbishment and redevelopment phases, early on in the process. This would allow the Council to retain Boots and Clarks within the town as they, along with the integrated John Wood Sports unit, were deemed important anchor tenants to keep trading within Wokingham town centre. This will help maintain footfall as well as generating ongoing rental income which helps to offset the costs of delivering the regeneration.

**The Elms Field and paddocks car park phase also include part of the Shute End offices car park which may be required if the Council proceeds with a proposed through road to link Shute End with Wellington Road.

A plan of the key sites can be found in Appendix 1 – Overarching Plans

Project Viability and Funding

The overarching financial objective of the regeneration is that the project must be financially viable as a project and that it must not rely upon additional financial support from the tax payer.

Effectively this means that the sales/investment value of the completed assets must exceed the value of the cost of their delivery. This includes the cost of delivering all non-value elements such as the park, play-area and leisure/community developments.

In order to ensure this objective is met, the project is a success and risks are mitigated the Council has been undertaking the following control and review measures –

- Continued financial appraisal reviews to ensure that the costs and income projections remain up to date and reflect latest information
- Continued viability testing to ensure that the project generates an agreed minimum profit on cost percentage before it can proceed.
- Further review of the Retail Study in 2013 to reflect commercial market conditions
- Independent review of financial information through the planning pre-application process
- Market Testing by Lettings advisors Strutt & Parker to ensure that any designs are fit for purpose and that there is market interest in the scheme and Wokingham
- Pre-lets of key units to commercial tenants to ensure that income is guaranteed before commencement and that the right mix of businesses is secured for the town centre.

Due to the commercially sensitive nature of the detailed figures relating to the regeneration project, which reflect both ongoing negotiations with third parties, and will be used to competitively procure a build contractor, the detailed financial information relating to this project is to be considered in Part 2 of the meeting.