

**TIVERTON REGENERATION SCHEME**

**Cabinet Member(s):** Cllr Ray Stanley & Cllr Richard Chesterton.  
**Responsible Officer:** Andrew Busby Group Manager Corporate Property & Commercial Assets.

**Reason for Report:** To consider the approval of a regeneration scheme for Tiverton Town Centre between Fore Street and the Pannier Market, to enable a tender process to commence.

**RECOMMENDATION:** To proceed with the tender process for this key regeneration project for the heart of Tiverton Town Centre, in line with the results of the stage one Tiverton Master Plan public consultation.

**Relationship to Corporate Plan:** To ensure the delivery of key priorities for Mid Devon, including a thriving economy and empowering local communities.

**Financial Implications:** The procurement and cost of commissioning this regeneration scheme follows a master planning process that identified this project as a key regeneration project for the heart of Tiverton Town Centre. The Council owns the land and property assets within the area of this scheme. This regeneration scheme will have financial implications for the Council and have been considered in detail as outlined within this report.

**Legal Implications:** Legal implications which may arise from this redevelopment opportunity include lease renegotiation and party wall notices, as well as the terms of the contract. There may also be variation or supplemental agreements to a funding agreement (see Risk Assessment) and advice required on the arrangements for the future ownership, letting and management of the proposed mixed-use building. If external advice is required, this will be an additional financial cost to the project, if required a sum of circa £5k would be met from the project contingency budget.

**Risk Assessment:** This is an opportunity to utilise Council assets to support a regeneration of Tiverton Town Centre failure to do so could lead to deterioration in commercial activity and a less vibrant centre. The risk arising from a historic funding agreement with the South West Regional Development Agency relating to the Market will need to be resolved prior to contract award, as set out in paragraph 5.2.

**Equality Impact Assessment:** An Equality Impact Assessment is attached to this report.

**Relationship to Corporate Plan:** The regeneration of Tiverton Town Centre supports the Corporate Plan Priority: Economy – Improving and regenerating our town centres.

## **1.0 Introduction/Background**

- 1.1 At the meeting on the 8<sup>th</sup> March 2018 Cabinet approved the draft consultation material to scope out the content of the Tiverton Town Centre Masterplan Supplementary Planning Document (SPD) and resolved that public consultation should take place based on the draft material. Accordingly, a Stage 1 public consultation exercise was undertaken between 30<sup>th</sup> April and 10<sup>th</sup> June 2018.
- 1.2 This regeneration project will encourage footfall through to the Pannier Market and Market Walk and then onto Bampton Street to create the circular shopping route that will assist all traders on its path. This will be backed up by additional signage that will be funded partly from existing s106 monies secured from future Tiverton Town developments.
- 1.3 Officers were asked to explore whether regeneration projects associated with the sites in the Council's control be brought forward. This would align with the emerging masterplan and associated feedback obtained at stage 1 public consultation and could deliver a series of 'quick wins' for town centre regeneration and enhancement by utilising the Council's assets.
- 1.4 Clifton Emery Design was appointed at the beginning of 2018 to undertake an urban design feasibility study to consider how the Pannier Market could play a more positive role in the town. The Market itself is an attractive asset to the town which could contribute to the vibrancy and uniqueness of the town if it was more assessable to the visitor.
- 1.5 This study focused on two key areas which connect the Pannier Market to the wider town that includes the entrance from Fore Street to the Pannier Market area.
- 1.6 The study was presented informally to Members of the Cabinet, including the vision for the Pannier Market. Feedback from this presentation fed into subsequent work which explored deliverables. The study was also presented at an All Member Briefing on the 17<sup>th</sup> December 2018. Subsequent work explored deliverables from the feasibility work focusing on projects in and around the existing entrance to the Pannier Market off Fore Street. This would form an initial phase of works which could be built upon over time as funding allowed for the regeneration of Tiverton.

## **2.0 Regeneration project details: Annex A**

- 2.1 The application site consists of approximately 0.17 hectares situated off 34 Fore Street and adjacent to the Pannier Market.
- 2.2 The site itself consists of a retail premises (34 Fore Street) with a pedestrian walkway running adjacent to this providing access to the Pannier Market from Fore Street as shown on Annex A. The existing boundary wall to the walkway that bounds 36-38 Fore Street (Card Factory and Crusty Cob also forms part of this application). The rear service yard to 36 Fore Street also forms part of this application along with some parking spaces directly northwards which form part of a larger open area immediately adjacent to the Pannier Market.

- 2.3 The various aspects to the application site have been identified as important drivers to improve the relationship between the pedestrianised retail area of Fore Street and the Pannier Market. This will not only provide an improved access but also visual improvements and additional retail offerings to entice visitors to move between the two areas of town.
- 2.4 Retail properties bound the site to the west, east and south of the site with the Pannier Market located directly north. Residential flats are typically located above these retail premises with town houses flanking both sides of the Pannier Market to the north and the proposed development will therefore fit in with surrounding properties.
- 2.5 The Pannier Market forms an important part of the town centre in terms of its heritage and varied retail offering compared to the more usual high street shops found on Fore Street and Gold Street. However, to the passing visitor, the Pannier Market may well be elusive aside from a restricted passageway with subtle signage adjacent to 34 Fore Street. Providing an improved gateway to the market from Fore Street is important to create an enhanced connection.

### **3.0 Financial analysis**

- 3.1 Property Services instructed an independent cost consultant to obtain the potential cost of this regeneration project. The cost originally included provision of a café to replace the existing shop and cladding works to properties either side of the archway, these have been discounted as part of the financial analysis because it would increase the cost to the council. The cost of delivering the scheme exceeds the income by circa £21k per annum.
- 3.2 The forecast figure for delivering this scheme has been scrutinised by the Cabinet member for Housing and Property Services and the Group Manager for Corporate Property and Commercial Assets. The forecast figure is circa £1.2 million and would be subject to a full tender exercise to ensure value for money and quality.
- 3.3 The cost to borrow the monies for this project will be circa £64k over a 25 year period. This will either be borrowed from the Public Works Loan Board or another suitable source which would be confirmed by the Group Manager for Finance.
- 3.4 This regeneration scheme would also result in an income for the authority from three two bed duplex apartments and three retail units on the ground floor. The Group Manager for Corporate Property and Commercial Assets obtained potential rental values from a local estate agent for the apartments and the retail units. The anticipated income for the scheme is circa £40-£45k per annum.
- 3.5 The property at number 34 Fore Street has been vacated and is therefore available to progress works. The Group Manager for Corporate Property and Commercial Assets liaised with the previous tenant who has relocated their business to Gold Street. The loss of rent on this property is £20k per annum.

- 3.6 This regeneration project includes the ground floor demolition of number 34 Fore Street which currently has an asset book value of £160k (excluding the land and the flat above) which will be effectively written off once the demolition works commence.
- 3.7 Flat 34a directly above 34 Fore Street (which is to be demolished) and is currently let for £550 per month by the Council.
- 3.8 The flat directly above number 32 Fore Street (Johnsons Cleaners) has recently come back to the authority to manage; this follows the surrender on the lease from Johnson Cleaners. The Council will not let this flat until after the redevelopment project is completed. It is forecast that this flat could be let for £550 per month.
- 3.9 Project management will be supported by employer's agents Faithful & Gould who will ensure that the tender exercise captures all associated work and that contractual arrangements are in place upon contract award to protect the Council's interests. The cost for project management is circa £30k. The Group Manager for Corporate Property and Commercial Assets will meet the Client obligations and will ensure all associated Health and Safety controls are in place throughout the project.
- 3.10 The Part 2 financial analysis of the project details any associated losses and includes potential values resulting from lease renegotiations to enable the project to be delivered.
- 3.11 The Part 2 financial analysis demonstrates that the Council will effectively provide a total net subsidy of circa £21k, this is worst a case scenario. This project is required to unlock a regeneration objective that the Council has been looking to facilitate for a number of years, however as shown on item 5.2 officers are currently considering funding opportunities from the Future High Streets regeneration fund which could cover a significant proportion of the developments Capital costs from the Ministry of Housing, Communities and Local Government (MCHLG). Additional revenue streams are business rates, Council tax charges and potentially new homes bonus.

#### **4.0 Project proposals**

- 4.1 This regeneration project will consist of the following aspects:
- Demolition of the ground floor retail shop at 34 Fore Street to create a widened pedestrian access to the Pannier Market.
  - Display windows to the blank wall of 36-38 Fore Street.
  - New cladding, canopy and signage to 34 Fore Street.
  - Part demolition of the rear boundary wall to 36-38 Fore Street to create a new mixed use building comprising three ground floor retail units and three two bedroom apartments above.
  - Quality footpath paving for the entrance from Fore Street and through the alleyway will also be important to enhance the scheme.

- 4.2 The layout and design of the proposal demonstrates that the site can accommodate the amount of retail and residential development proposed as well as provide ancillary accommodation such as bin and cycle storage. It also reflects adjacent building uses which also consist of ground floor retail with residential apartments above, evident along Fore Street and beyond.
- 4.3 The layout of the proposal builds on the existing pedestrian access adjacent to 34 Fore Street. The widening of this entrance will improve pedestrian access and visibility of the Pannier Market from Fore Street, making it a more welcoming approach. The proposed display windows to the side wall of 36-38 Fore Street maintain the linear nature of the pedestrian route and also provide additional retail provision to reinforce the connection between Fore Street and the Pannier Market.
- 4.4 Whilst the entrance from Fore Street is proposed to be widened, this will remain pedestrian only with vehicular access being provided via the Pannier Market. This will serve the new proposed building at the rear of 36 -38 Fore Street as well as existing shops and the Half Moon public house.
- 4.5 Scale and massing have been considered from the outset to ensure that this development proposal does not dominate the character of the Pannier Market, utilising building forms that reflect the character of the surrounding buildings.
- 4.6 The Group Manager for Corporate Property and Commercial Assets has been liaising with the owner of the land to the rear of 40-42 Fore Street and should the Council purchase the land it could be used for providing car parking or garden space for the proposed apartments. It should be understood that this report is not seeking authority for that purchase. A decision would be made separately.

## **5.0 Next Steps**

- 5.1 The next step for this project is to go out to tender with detailed specifications to ensure scheme quality and value for money, this will be followed by a further Cabinet report to award the Works contract.
- 5.2 Officers are reviewing grant funding opportunities that could support this scheme, following the announcement of £675 million being made available to transform high streets and town centres.

## **6.0 Conclusion**

- 6.1 Subject to planning permission, the proposed widened entrance to 34 Fore Street will provide improved physical and visual access to the Pannier Market. This will be reinforced by incorporating cladding panels above the entrance as well as an entrance canopy and signage to act as a visual gateway to the Market. This is a well adopted approach used by shopping arcades and centres to attract additional visitors to the Town. The use of cladding will add warmth to the new proposed entrance, compliment neighbouring brick buildings and reflect the metal structure of the Pannier Market itself.

- 6.2 The mixed use building to the rear of 36-38 Fore Street is intended to appear contemporary in details but be constructed of traditional materials such as facing brick facades which will sit on a glazed ground floor to reflect its use for retail units. These retail units will be used to assist with businesses who are looking to grow (incubator space) for example where a trader requires more space than the stalls at the Pannier Market can offer but where the trader is not quite established enough to take on the financial burden of a shop within the town. The size of the retail units would offer this opportunity and will be designed to be flexible so as to attract a wide range of local businesses.
- 6.3 Considering all the items within this report, it is recommended that the Council should proceed and tender this exciting regeneration project to ensure value for money. The recommending officer will return to Cabinet with a report detailing the outcome of the tender exercise to enable Contract Award.

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**Circulation of the Report:** Councillor Ray Stanley Cabinet Member Housing & Property Services and Councillor Richard Chesterton - Cabinet Member for Planning & Regeneration, Leadership Team

**List of Background Papers:** Economy Policy Development Group 6th September 2018, Scrutiny 8<sup>th</sup> October 2018, Cabinet 11th May 2017, 8<sup>th</sup> March 2018 and 22<sup>nd</sup> November 2018.