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Dear Member

INVESTMENT AND REGENERATION COMMITTEE - TUESDAY, 2 OCTOBER 2018

I am now able to enclose, for consideration at the Tuesday, 2 October 2018 meeting of the Investment and Regeneration Committee, the following reports that were unavailable when the agenda was printed.

Agenda No	Item	Page
5.	Town Centre Regeneration Update	(Pages 7 - 32)

Yours sincerely

Teresa Buckley
Clerk



Meeting: Investment & Regeneration Committee **Date:** 2 October 2018

Wards Affected: All

Report Title: Town Centre Regeneration Programme update report

Is the decision a key decision? No

When does the decision need to be implemented? n/a

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1. Proposal and Introduction

- 1.1 This report provides members of the Investment & Regeneration Committee with an update on the delivery of the Town Centre Regeneration Programme, specifically the projects that make up that programme.
- 1.2 This report provides a basis from which more detailed briefings, business plans and proposals can be provided.

2. Reason for Proposal and associated financial commitments

- 2.1 There are no decisions to be made.
 - 2.2 The Investment & Regeneration Committee should note the progress made on the Council's investment at Harbour View (part Terrace Car Park) and the commitments associated with progressing that project.
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3. Recommendation(s) / Proposed Decision

- 3.1 The Investment & Regeneration Committee is asked to note this report.

Appendices

Appendix 1: Highlight report – Town Centre Regeneration Programme (exempt)

Background Documents

Transformation Strategy for Torbay's Town Centres

(<http://www.torbay.gov.uk/DemocraticServices/documents/s38323/Transformation%20Project%20Town%20Centre%20Regeneration.pdf>)

Town Centre Regeneration Programme Fund

(<http://www.torbay.gov.uk/DemocraticServices/documents/s43550/Town%20Centre%20Regeneration%20Programme%20Fund.pdf>)

Section 1: Background Information

1.	What is the proposal / issue? 1.1 The Investment & Regeneration Committee require an update on the delivery of a range of projects and initiatives that make up the Town Centre Regeneration Programme.
2.	What is the current situation? 2.1 The Investment & Regeneration Committee has agreed investment in a new hotel at Harbour View (aka Terrace Car Park). The Council will design and build the hotel, which will then be occupied by a national operator. The project will deliver a very positive cash flow to the Council in year 1 (2020/21). 2.2 Public realm improvements to Paignton Station Square have been progressed to RIBA Stage 3 (detailed design). This has been achieved using only Great Places and S106 funding. It has involved community, business and artists engagement. The project is paused pending funding for technical design work and delivery, but the RIBA Stage 3 work will help secure that funding and an Intereg funding bid will be submitted in October 2018. 2.3 Public realm improvements to The Strand , Torquay are progressing quickly toward RIBA Stage 3. This has also been achieved using only Great Places and S106 funding. It has involved community, business and artists engagement. An expression of interest submission has been made for Coastal Communities Funding. 2.4 A bid for Land Release Funding was successful. Paignton received the biggest award in the Country, with £900,000 of the £3.976M award available to unlock redevelopment of Victoria Centre, Paignton. Work is ongoing to ensure the site (alongside Garfield Rd) is able to be developed quickly. 2.5 A proposal for delivery of 120 bed student accommodation, at Victoria Centre (Garfield Road), has been submitted. A decision on this proposal is due to be made, by the education provider, at the end of September 2018. 2.6 The procurement of a development partner for a mixed use redevelopment of South Quay , Paignton Harbour has progressed. Tenders were submitted in early September. Assessment and further meetings with bidders will take place before end September.

	<p>2.7 A business plan for the delivery of a mixed meanwhile use at Brixham Town Centre Car Park will be complete by end October 2018. This includes retention of the same (as a minimum) number of car parking as at present. The business plan will include viability, design and delivery advice. The principle of a mixed meanwhile use has already been supported by community leaders.</p> <p>2.8 The TDA, on the Council's behalf, continues to encourage investor interest in Crossways.</p> <p>2.9 There is an increased level of interest, from developers and investors, in Torbay as a result of the marketing and promotion of town centre regeneration opportunities and progress on Torwood Street. The TDA continues to promote town centre regeneration opportunities to investors and developers.</p> <p>2.10 There is a much improved understanding, by businesses, retailers and communities, of the Council's activity to transform Torbay's town centres.</p> <p>2.11 Although there is good progress on a number of projects, the need to deliver town centre regeneration at pace remains a real challenge for the reasons set out below. Consequently the pace of delivery is slower than desired, but is as quick as it can be within operational constraints.</p> <ul style="list-style-type: none"> - The market remains nervous about investment in Torbay and in town centre regeneration, although there have been some notable and welcome investments in hotels (by Fragrance Group, for example). If it were 'simple' to produce healthy financial returns on town centre regeneration projects there would be a lot more investment by owners, developers and investors and less need for the Council to intervene. - The TCR Programme Team continues to meet with investors and developers, working closely with JLL, and has secured interest in a range of projects as is shown by the progress on projects set out in this report and in Appendix 1. Turning that investor interest into commitment remains a real challenge. - Investors and developers continue to measure Torbay's desire for growth and change, especially in its town centres, on the delivery of developments such as Torwood Street and Torquay Harbourside. These are important bench markers and tangible progress on the THAT Group development in Torwood Street is welcome. - Retailers, local businesses and residents want to see 'quick wins' delivered for town centre regeneration, including a number of townscape improvement projects. - There is a relatively low level of national government investment that can be sought.
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<p>3.</p>	<p>What options have been considered?</p> <p>3.1 The Local Plan, Economic Strategy, Destination Management Plan, Culture Strategy and Town Centre Masterplans provide context for town centre regeneration activity. These plans and strategies were informed by community and business engagement. There has also been a significant amount of soft market testing, with investors and developers, to inform the town centre regeneration strategy.</p> <p>3.2 A number of delivery mechanisms have been explored, including sale of sites, joint venture partnerships for packages of sites and development partnerships for individual sites.</p> <p>3.3 The Council’s preferred means of delivery, for most of its own sites, is direct delivery by the Council. The Council will lead on delivery, using prudential borrowing and appointing contractors to undertake the work. This will ensure that the Council retains more control over the pace of development, the timing of delivery and is not beholden to a third party for delivery.</p> <p>3.4 The Council will – where necessary – seek to ensure that it is securing best value and best outcomes for sites via formal market testing, unless there is an evident market demand which is clearly in the best interests of the Council to satisfy. This testing is likely to involve marketing the site to a select number of national and/or local development companies, who have the expertise, experience and financial backing to deliver the project.</p>
<p>4.</p>	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan?</p> <p>4.1 Town Centre Regeneration supports the ambition of creating a Prosperous and Healthy Torbay with the creation of vibrant and attractive town centres identified as a specific action in the Delivery Plan for “Working towards a more prosperous Torbay”.</p>
<p>5.</p>	<p>How does this proposal contribute towards the Council’s responsibilities as corporate parents?</p> <p>5.1 The Council will use contractual arrangements to ensure that town centre regeneration projects provide opportunities for care leavers.</p>
<p>6.</p>	<p>How does this proposal tackle deprivation?</p> <p>6.1 The economic and social benefits of town centre regeneration are significant and well evidenced such that it is envisaged that there will be a positive benefit for all residents and all those with protected characteristics.</p>

	<p>6.2 The Council will use contractual and Section 106 arrangements to secure local skills development, local employment and the use of apprentices. The Council will also use contractual arrangements to ensure people living in disadvantaged areas are targeted first for opportunities in, for example, construction projects.</p>
7.	<p>How does this proposal tackle inequalities?</p> <p>7.1 The economic and social benefits of town centre regeneration are significant and well evidenced such that it is envisaged that there will be a positive benefit for all residents and all those with protected characteristics.</p> <p>7.2 The Council will use contractual and Section 106 arrangements to secure local skills development, local employment and the use of apprentices. The Council will also use contractual arrangements to ensure people living in disadvantaged areas are targeted first for opportunities in, for example, construction projects.</p>
8.	<p>How does the proposal impact on people with learning disabilities?</p> <p>8.1 The economic and social benefits of town centre regeneration are significant and well evidenced such that it is envisaged that there will be a positive benefit for all residents and all those with protected characteristics.</p>
9.	<p>Who will be affected by this proposal and who do you need to consult with?</p> <p>9.1 Delivery of town centre regeneration projects will affect everyone in Torbay. By implementing the Strategy, the Council is seeking to create a prosperous and healthy Torbay which will have a positive impact on all communities.</p> <p>9.2 There is ongoing engagement with Community Partnerships (in town centres), Chambers of Commerce, Torbay Business Forum and a range of other stakeholders.</p>
10.	<p>How will you propose to consult?</p> <p>10.1 As 9 above and with local residents / business as part of any necessary planning application.</p>

Section 2: Implications and Impact Assessment

11.	What are the financial and legal implications? 11.1 Town Centre regeneration activity, in 2018/19, is funded via the Council's Transformation Fund, by income from investments, by the TDA, by Homes England capacity funding, by Great Places funding and by S106 monies. 11.2 Significant resources from the above funding streams are committed, at risk, to project development and delivery. Project costs can be reclaimed if the Council agrees to fund a project. 11.3 The financial implications of each project is considered as each full business case is prepared. 11.4 The legal implications of each project is considered as each full business case is prepared.
12.	What are the risks? 12.1 That the Council is not able to ensure that town centre regeneration work can move forward with clarity, certainty, pace and consistency. If this work is not progressed, the Council will not meet its ambitions in its Corporate Plan or deliver a key element of its transformation programme. 12.2 In addition, under-investment in town centre regeneration or the lack of successful delivery of town centre regeneration will have a significant negative impact on business rates, new homes bonus, the visitor economy, on growth and place making and is likely to encourage residents to visit other towns and cities rather than Torbay. 12.3 The risks associated with the delivery of each of the projects will be assessed and articulated in the preparation of full business cases.
13.	Public Services Value (Social Value) Act 2012 13.1 Not applicable
14.	What evidence / data / research have you gathered in relation to this proposal? 14.1 The evidence associated with the strategies and plans identified in para 3.1 above

<p>15.</p>	<p>What are key findings from the consultation you have carried out?</p> <p>15.1 As set out in section 2 of this report.</p>
<p>16.</p>	<p>Amendments to Proposal / Mitigating Actions</p> <p>16.1 Amendments and mitigating actions are considered and implemented during the development and delivery of each project, and are articulated in each business case.</p> <p>16.2 The Investment & Regeneration Committee may wish to consider, in the future, amendments to the Transformation Strategy for Torbay's Town Centres.</p>

Equality Impacts

17	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people	The economic and social benefits of town centre regeneration are significant and well evidenced such that it is envisaged that there will be a positive benefit for all residents and all those with protected characteristics.		
	People with caring Responsibilities	As above		
	People with a disability	As above		
	Women or men	As above		
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>	As above		
	Religion or belief (including lack of belief)	As above		
	People who are lesbian, gay or bisexual	As above		
	People who are transgendered	As above		

People who are in a marriage or civil partnership	As above		
Women who are pregnant / on maternity leave	As above		
Socio-economic impacts (Including impact on child poverty issues and deprivation)	As above		
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	Town centre regeneration will improve the economy of Torbay. Economic prosperity helps create healthier communities and by supporting regeneration projects we will be able to improve health inequalities which currently exist across Torbay.		
18	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	Town centre regeneration will take account of proposals which are being put forward in relation to integrated transport and other regeneration projects and capital investments to ensure that a coherent approach is taken to creating a prosperous and healthy Torbay.	
19	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	Town centre regeneration will take account of issues which positively impact of reducing the amount of crime and disorder therefore making our town centres safer and more attractive places for residents, workers and businesses.	

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