

REPORT TO: Executive Board

DATE: 10 December 2015

REPORTING OFFICER: Strategic Director, People and Economy

PORTFOLIO: Physical Environment

SUBJECT: Runcorn and Runcorn Town Centre
Regeneration

WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 The purpose of this report is to present development proposals for the following sites:

- A. The former Crosville site, Runcorn;
- B. The Murdishaw Avenue Development Site;
- C. Runcorn Town Centre Bus Station and Brindley Car Park Sites
- D. Picow Farm Road Former Playing Fields.

1.2 The report seeks Member approval to progress these schemes as quickly as possible.

2.0 RECOMMENDATION: That

- 1) **Executive Board authorises the Council entering into an umbrella agreement with Neptune Developments Limited to deliver the regeneration of the former Crosville site, but also a wider regeneration plan for Runcorn, which includes the Bus Station and Brindley Car Park sites;**
- 2) **The Executive Board approves the development plans and proposals, subject to planning, for the former Crosville site as outlined in section 3 and appendix A as outlined elsewhere on this agenda;**
- 3) **The Executive Board approves the development plans and proposals, subject to planning for the Murdishaw Avenue as outlined in section 3 and appendix B as outlined elsewhere on this agenda;**
- 4) **The Executive Board approves the indicative plans and proposals for Runcorn Bus Station and Brindley Car Parks (Appendix C);**

- 5) **Council approval is sought to amend the capital programme to provide an additional £2.3m to gap fund the development at the former Crosville site, Runcorn subject to planning permission and lease with the pub operator;**
- 6) **The Operational Director, Economy Enterprise & Property is given delegated authority in consultation with the Operational Director Legal and Democratic Services and Portfolio Holder for Physical Environment, to enter into a Development Agreement with Neptune to deliver a remediated and serviced Crosville site including car parking and highway improvements and to proceed with a lease to a pub operator and coffee shop operator;**
- 7) **Regarding the Murdishaw Avenue Site, Executive Board authorises the sale of the site and authorises the Operational Director for Economy, Enterprise and Property to arrange for all required documentation to be completed to the satisfaction of the Operational Director Legal and Democratic Services; and**
- 8) **Approval is given to submit a planning application for housing on the former Picow Farm Road (Playing Fields) site and proceed to sale on the open market if planning permission is granted.**

3.0 SUPPORTING INFORMATION

A. Crosville Site

- 3.1 In June 2012 a report was presented to Executive Board which set out bids that had been received from developers to regenerate key sites in Runcorn Town Centre. Approval was given by Executive Board for officers to enter into detailed negotiations with Consolidated Property Group (CPG) for the redevelopment of the former Crosville site.
- 3.2 At the same time, The Neptune Partnership was invited to work with the Council to explore ways supporting the medium to longer term regeneration of the wider Runcorn town centre area. It was also agreed that any capital receipts from land transactions generated from within the Runcorn town centre area would be recycled into the further regeneration of Runcorn town centre.
- 3.3 Regrettably in August 2014 CPG reported that although they had a food retailer and a family pub interested in the site, they were unable to commercially resolve the ground conditions issues affecting the site and were unable to proceed with the proposed purchase.

3.4 The Council could have once again reverted to an open market exercise to seek a preferred developer. However, the Council had already been working with Neptune Developments Limited to explore options for regenerating other parts of the Town Centre and the Council had developed a positive working relationship with the Neptune Team. Faced with the prospect of incurring further delays and costs on the Crosville site and recognising the complexity of the site, as well as the difficult commercial conditions that still prevail, the Council approached Neptune to gauge whether they would be interested in taking forward the site. The Neptune Partnership confirmed its interest and, consequently, this scheme has been drawn up.

3.5 **Proposals**

3.6 The current proposals comprise three separate key elements:

- Public House/ Restaurant;
- Drive through Coffee Shop
- Town Centre Car Park;

3.7 It is proposed to create a new food led pub/restaurant facility. This is intended to function as an integral part of the town centre along with serving the wider local community and passing traffic along the A533. This is a facility that Runcorn Old Town does not currently benefit from and it is considered that this proposal will strengthen the evening economy, especially due to the strong links to the Brindley theatre. This will increase the 'dwell' time within the town especially when there are events held at the Brindley theatre. It will increase the perception of Runcorn Old Town as a destination.

3.8 The scheme proposes a second commercial unit which would be located in the centre of the site. The Council have agreed Heads of Terms for this unit with a popular nationally recognised coffee outlet.

3.9 The surface level car park of 112 spaces will be for public use in association with the town centre. It is anticipated that in the long-term this will allow the Council to free up other car parking sites in the town centre to be used for regeneration. The car park will be tarmacked, lined and floodlit during the hours of darkness, and will be covered by CCTV. It will be operated by Halton Borough Council.

3.10 Aside from the three key elements outlined above, the development of the site also proposes several elements which will deliver tangible benefits, notably:

3.11 Improved Pedestrian Links

3.12 The site provides upgraded pedestrian links through the site which will improve the overall pedestrian permeability of the site and wider area, and increase the accessibility from and to the town centre. A new lit

footpath would be provided alongside the northern edge of the new car park. It would connect the existing pedestrian bridge over the Bridgewater canal to a new pedestrian crossing linking the site back across the expressway to connect the existing retail park. This would be facilitated by improvements to the pedestrian bridge including a new lighting scheme which would improve the appearance and safety of the bridge.

3.13 *Improved Visual Links*

3.14 To complement the improved pedestrian links, it is proposed to create a better visual link between the site and the town centre, especially the Brindley Theatre. The development proposes to remove lower quality trees and shrubs on the bank of the canal along the northern boundary of the application site.

3.15 Further benefits include:

- Delivery of a new town centre car park which will boost the vitality and viability of Runcorn Town Centre as a whole;
- Regenerating a key gateway site creating economic development on a vacant, previously developed site;
- Attracting pass by trade from the surrounding highway network to support the local economy by inflow expenditure;
- Increasing 'dwell' time in Runcorn Old Town, especially after events held at the Brindley theatre;
- Strengthening the perception of Runcorn Town Centre as a visitor destination;

3.16 Plans and drawings are contained in appendix A.

3.17 B. Site at Murdishaw Avenue

3.18 The proposed development of the site would result in the provision of a food store, drive through coffee shop and a family pub with restaurant. The food store operator also proposes to contribute a sum to the Council in order for them to assist the Linnets and Baseball Clubs and to enhance the leisure and open space facilities to the East of Stockham Lane.

3.19 Section 278 works will also be necessary as per the overall development plan, and a maximum contribution from the food store will be provided. Plans and drawings are contained in appendix B.

3.20 C. Runcorn Town Centre Brindley and Bus Station Sites

3.21 The wider regeneration of Runcorn Town Centre is a priority for the Council. With the development of the Crosville Site, it is envisaged that this will provide a catalyst for the development of adjacent sites, in particular, the Brindley Car Park and Bus Station Sites. There is some evidence of this already, for example, the recent purchase of the former

Employment Buildings site on High Street, where the new owners are engaging with the Council to ensure a sympathetic development of the site. It is hoped that the renewed interest and confidence that these developments will bring, will assist in increasing land values in the town. Low land values, but also land remediation costs have historically been seen as a barrier to development because developers seek to recoup a minimum percentage return on their investment.

- 3.22 Nevertheless, the provision of car parking on the Crosville site potentially frees up space to enable the Council to explore other uses for the Brindley Car Park. Therefore, the Council has been working with Neptune Developments to identify possible uses. For example, The Brindley Car Park site could be an attractive location for residential units, not least because of its proximity to the Bridgewater canal.
- 3.23 The Council has also been working with Neptune to bring forward an alternative use for the Bus Station site. It is proposed that arrival and destination points as well as the frequency of journeys for the buses would remain the same, but a reuse of the bus station would provide a regeneration site. Long-term consideration could be given to developing a public transport hub at Runcorn Rail Station.
- 3.24 Entering into an umbrella agreement with Neptune would allow both parties the flexibility to continue to work together, whilst setting out some guiding principles for how the partnership would work with the Council in the future.
- 3.25 Appendix C outlines some indicative options as well as, bus route solutions.

3.26 D. Picow Farm Road Site

A planning consultant has been appointed by Neptune and a planning brief is being prepared in order to place the site for sale on the open market for residential use.

4.0 POLICY IMPLICATIONS

- 4.1 The proposal supports the Council's Corporate Plan, the Halton Partnership and HBC Urban Renewal Strategy and Action Plan and supports the Council's Urban Renewal corporate priority.

5.0 FINANCIAL IMPLICATIONS

- 5.1 As previously reported, the former Crosville site is a complex site which requires remediation. The development also needs to take into account a high pressure gas main which crosses the site. There have also been drainage issues to resolve. Therefore, capital costs of developing the site are expected to exceed the likely capital receipt.

- 5.2 Some of the costs can be off-set by the future land sale of the long lease to the family pub operator and capitalising the rental value of the coffee shop; However, given the complexity of the site described above, there will still be a funding gap and it is proposed that subsequent land sales such as the Picow Farm Road site and Murdishaw Avenue area will be used to address this shortfall. The Council will also need to factor in the annual finance costs to fund the total development until the point when capital receipts are drawn down.
- 5.3 Members have previously agreed a capital sum of £500,000 to support this scheme. Therefore, a further £2.3m will be required from the Capital Programme if this scheme is to be brought to fruition.
- 5.4 There will be also on-going revenue costs to the Council and funding will be needed as follows: -
- CCTV monitoring £7,000 a year
 - Street lighting £2,000 a year
 - Annual Surface Water Drainage charge of £18,500 to Peel to discharge into the Bridgewater canal plus yearly increases
 - Maintenance and business rates for the car park
 - Maintenance of the open spaces £11,000
- 5.5 Heads of Terms for the Crosville and Murdishaw Avenue sites which provide further financial details are included as a restricted, part 2 appendix, elsewhere on this agenda.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.2 Children and Young People in Halton

6.2 Not applicable

6.3 Employment, Learning and Skills in Halton

6.4 The above schemes will assist in providing job opportunities for local people and will go some way in addressing the level of unemployment in Halton. For example, it is anticipated that the former Crosville site development will deliver between 60 to 70 permanent full and part time jobs.

6.5 A Healthy Halton

6.6 Not Applicable

6.7 **A Safer Halton.** The improved links by virtue of new, floodlit footpath access and improvements to the existing bridge, along with the removal of dense undergrowth will improve the physical nature of the route, along

with improving the perceptions of safety and providing a visual connection between the town centre and car park.

- 6.8 Landscaping plans have been drawn up to minimise the fear and risk of crime by virtue of removing low levels of trees and shrubs, and by floodlighting the car park. Furthermore, there will be CCTV present

6.9 Halton's Urban Renewal

- 6.10 The proposals seek to unlock and redevelop a Gateway Site to Runcorn, which has been redundant for the last 30 years and also provide improved open spaces and recreation facilities for residents.

7.0 RISK ANALYSIS

- 7.1 There are a number of risks associated with the Crosville Project which have the potential to affect the programme and/or the cost. The main risk to the project programme and cost is the work required to satisfy National Grid. There are two elements to this work. First of all the engineering design solution for the ground stabilisation will require sign off by National Grid to indicate they are satisfied with the proposed solution before works can start on site. Currently it is anticipated that should be in January 2016. Secondly, the site work adjacent to the gas main will need to be undertaken between May and September 2016. Also some remedial work may be required to the gas main. However, until the main is exposed the extent of this work cannot be assessed. The other main project risk is the surface water drainage. Officers are currently in negotiations to secure an affordable drainage outlet solution, however, this will be an ongoing annual cost.

8.0 EQUALITY AND DIVERSITY ISSUES

- 8.1 The proposed development will provide facilities which will benefit all members of the local community.

9.0 REASON(S) FOR DECISION

- 9.1 The developments provide welcome investment to Runcorn and it is envisaged that this will stimulate confidence and market demand for future investment in Runcorn.

10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 10.1 Regarding the Crosville site, there was the option to do nothing.

- 10.2 However, as outlined, the site is a key Gateway to the town centre. Regarding the Murdishaw Avenue site, the 'do nothing' option is an option that was considered. However, the development of the site will

result in improvements to leisure and recreation facilities in the area, and will also generate a capital receipt for the Council.

11.0 IMPLEMENTATION DATE

11.1 April 2016.

12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

12.1 None under the meaning of the Act.