

Meeting of the Cabinet – 31 October 2007

Delivering the Masterplan for Dudley Town Centre

Appendix B: A summary of progress to date - preparatory work and development to facilitate delivery of the Dudley Area Development Framework (ADF)

1. Establishment of a vehicle to deliver the Dudley ADF

- Adoption of Dudley ADF as supplementary planning guidance, December 2005.
- Cabinet (15 March 2006) 'Appointment of Consultants in Connection with Dudley Town Centre Area Development Framework' – approved the appointment of King Sturge Financial Services (KSFS) to conduct an options appraisal for implementation of the Dudley ADF.
- KSFS completed their report to the Council on 29 November 2006. The recommendation was to procure a private sector partner which would enter into a 50/50 joint venture partnership where the value of the Council's property portfolio would be cash-matched by a private sector partner.
- At a meeting of the Project Board, including Directors of the Urban Environment, Law and Property and Finance and officers advising on the project on 2 March 2007 it was agreed that a review of the KSFS model and assessment of alternative options should be carried out given the potential risks that implementation of this approach could have for the Council.
- Following liaison with English Partnerships (EP), Navigant Consulting was jointly appointed by EP and Dudley MBC to review the KSFS model and assess alternative options on 9 March 2007.
- Production of the review of the Dudley ADF Implementation Plan report by Navigant (May 2007) – reviewed options for implementation of the Dudley ADF. It concluded that the best value for money solution for delivery of the ADF was a conventional Council-led Joint Venture.
- Cabinet (13 June 2007) 'Delivering the Masterplan for Dudley Town Centre' - approved the principle of delivering the Dudley ADF via a traditional Joint Venture approach and authorised the Director of the Environment to identify resources and develop a business case for procurement of a Joint Venture.
- Production of Outline Business Case to Delivery of the Dudley ADF (Navigant, October 2007) – provides a summary of the joint venture proposal, its viability, case for involvement of public sector partners and the financial implications for the Council.

2. Partnership work with public sector funders

- Advantage West Midlands (AWM) and English Partnerships (EP) have been working closely with Dudley MBC to both develop and deliver the Dudley ADF. In addition to provision of general advice, these agencies have also provided considerable funding support.

- AWM involvement to date includes provision of funding towards:
 - creation of the Dudley ADF;
 - creation of Stone Square;
 - acquisition of properties within Tower St, Priory St and New Mill Gate opportunity areas to assemble sites for development (see below); and
 - AWM has also committed funding to development at Castle Hill and Castle Gate.
- AWM is currently appraising an application for £2.1 million funding to assist in delivery of the Dudley Townscape Heritage Initiative. The Heritage Lottery Fund has already confirmed its funding support for this project, subject to commitment by AWM.
- The Council is currently working with AWM to submit an application for funding to support various additional costs associated with the set up and delivery of the Dudley ADF.
- EP involvement to date includes provision of funding towards:
 - Creation of the Cavendish Quarter Developer Brief (March 2007);
 - Creation of Dudley ADF Implementation Plan report (Navigant, May 2007);
 - Creation of Outline Business Case to Delivery of the Dudley ADF (Navigant, October 2007); and
 - Land acquisition costs to deliver Cavendish Quarter opportunity area and costs towards provision of associated infrastructure. £4.5m funding has been allocated to support this work. However, following receipt of the Outline Business Case, this funding may be reallocated to assist in the set up of the Joint Venture and/ or gap funding to assist in delivery of the Dudley ADF.
- EP is now reviewing its contribution towards delivery of the Dudley ADF following completion of the Navigant Outline Business Case report. Future EP funding is likely to be focused towards delivery of the whole of the Dudley ADF rather than focusing its attention on specific sites.

3. Compulsory Purchase Powers

- Cabinet on 21 September 2005, 8 February 2006 and 13 December 2006 approved the use of compulsory purchase powers to facilitate implementation of the Dudley ADF and authorised the acquisition of property and rights by agreement within Tower Street, Prospect Hill, New Mill Gate, South West Gateway, Priory Street and Cavendish Quarter opportunity areas.
- Acquisitions by negotiation are being carried out, as stated below, in advance of any CPO.

4. Acquisition of land and property

- AWM is supporting the assembly of sites within Tower St, Priory St and New Mill Gate opportunity areas for development by funding acquisition of land and property within these areas. Assembling sites for development early will enable development to commence more quickly on establishment of a Joint Venture.

- AWM funding has been secured on the basis that any monies provided by the Agency for land and property acquisitions will be repaid by the private sector partner on establishment of the Joint Venture.
- The Council is leading the process of acquiring land and property. To date acquisitions in the region of £3.5 million have taken place and this land and property is being managed by the Council in advance of development. A further £3.4 million has been secured from the Agency to continue acquisitions within Tower St, Priory St and New Mill Gate opportunity areas. The Council is currently reviewing with the Agency whether the sum set aside for acquisitions should be increased and/or acquisitions should take place within other opportunity areas.

5. Developer Briefs

- Developer Briefs will be produced for each opportunity area to guide developers in forming proposals for development. The following progress has been made to date:
 - Priory Street Developer Brief – completed May 2006 (David Lock Associates)
 - Tower Street Developer Brief - completed May 2006 (Scott Wilson)
 - Cavendish Quarter Developer Brief – completed June 2007 (LDA Design)
 - South West Quarter Developer Brief – expected completion November 2007 (Dudley MBC Urban Design Team)

6. Dudley Townscape Heritage Initiative

- The THI is a Heritage Lottery Fund (HLF) grant-giving programme to assist in the repair and regeneration of the historic environment within conservation areas in towns and cities.
- The Council has been successful in securing a grant of £1.95 million from the HLF subject to securing match funding of at least £2 million. The Council has contributed £150,000 and a full application is currently being appraised by Advantage West Midlands for the balance.
- It is predicted the Dudley Townscape Heritage Initiative (THI) project will start in 2008 and run until 2013 and is expected to bring around £8 million investment to Dudley town centre over the next 5 years.

7. Discussion with prospective developers

- Discussion between developers interested in delivering any development within Dudley town centre and the Council is ongoing.

8. Dudley Town Centre Partnership

- Terms of reference and representation for establishment of a Dudley Town Centre Partnership received approval by the Council's Executive on 17 December 2003. Establishment of the Dudley Town Centre Partnership was put on hold whilst agreement of the appropriate form of vehicle for delivery of the Dudley Area Development Framework was determined. It is proposed that

the Partnership will be set up following establishment of the Arms Length Company.

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