

Central Dudley Area Committee – 9th March 2010

Report of the Director of the Urban Environment

Dudley Town Centre Regeneration

Purpose of Report

1. To update the Committee on regeneration activity in Dudley Town Centre

Background

2. The Dudley Town Centre Area Development Framework (ADF) was adopted by the Council as Supplementary Planning Guidance in 2005. Its vision is to achieve comprehensive redevelopment of nine opportunity areas together with public and civic spaces which will act as a catalyst for the transformation of the town centre
3. The ADF provides a means to address the economic decline of the town and provide a catalyst for complementary development within the town centre and the surrounding area.
4. Delivery of the ADF will also contribute to fulfilling the new role of Dudley town centre as set out in the West Midlands Regional Spatial Strategy. This document, which provides a long term land use and transport planning framework for the region, states that the future renaissance of Dudley will be founded upon the town's 'unique tourism and cultural assets, major residential development and other uses appropriate to a non-strategic centre'.
5. Implementation of the ADF is expected to bring significant benefits to the town centre including creation of:
 - £15m of improvements to public and civic spaces and infrastructure
 - new development worth £300m
 - a catalyst for complementary development in and around the town
 - 700 - 1000 residential units
 - an additional population of between 1300 and 1800 residents in the town centre.
6. Since the adoption of the ADF the following have taken place

[a] Development of business case and delivery vehicle

Working closely with funding agencies Advantage West Midlands (AWM) and English Partnerships (now, following the merge with the Housing Corporation, renamed the Homes and Communities Agency - HCA), a business case, funding

model and delivery vehicle has been prepared which sets out how the major development sites and public realm projects will be procured, funded and managed. Key to the delivery of the ADF has been the creation of an Arms Length Company to coordinate regeneration activity

[b] Arms Length Company – New Heritage Regeneration Ltd

New Heritage Regeneration (NHRL) was launched on 30 January 2009 and the Chair, Robin Butler, and Chief Executive, Bill Kirk, have been appointed. The organisation aims to work at arms length to, but on behalf of, the Council and its public sector partners to provide a broad range of expertise in programme management and design, public and private finance, valuation, cost, commercial and legal advice, and funding. It is structured for a ten year life with a review in the fifth year and seeks, through close working with the Council, to achieve major regeneration via the complementary skills of the private and public sectors.

Cabinet on 11 June 2008 approved that the remit of NHRL be extended to include delivery of the emerging Area Action Plan for Brierley Hill. There is also potential, if required, for the role of New Heritage Regeneration to be extended to deliver other major regeneration projects in the Borough. This would be reviewed as redevelopment potential is investigated in these areas.

One of the first tasks for NHRL was to review the delivery plan for the ADF, particularly in the light of the economic downturn, in preparation for the adoption by the Company Board of its business plan in September 2009. The following proposals have emerged from this review;

- a revised development programme which is considered to be more realistic by delaying residential development until later in the programme
- a reduction in property values to reflect current market conditions
- revised timescales for delivery of public realm and transport infrastructure
- revised delivery, not by a single strategic partner approach as earlier anticipated, but by the delivery of development through a coordinated programme of activity on a site by site basis.

[c] Public sector investment

A successful programme of land acquisitions in the town centre has been underway since 2007, funded by £5.9m of investment from AWM. This investment, focussed on the Wolverhampton Street/Priory Street/Tower Street area of the town centre, has acted to reduce development risk by bringing land within the control of the Council, and secured an income stream from rental income to support the running costs of NHRL. Furthermore, NHRL and the Council are in detailed discussions with the HCA to conclude the details of their £4.5m investment approved in principle for the town centre. In addition, a further £4.1m has been secured from the Heritage Lottery Fund and AWM for the Dudley Town Centre Townscape Heritage Initiative, £200,000 from the Department of Communities and Local Government (DCLG) Growth Points initiative and a bid for £2.7m in support of the delivery of the ADF is currently being prepared for submission under the European Regional Development Fund's Sustainable Urban Development programme.

[c] Dudley Town Centre Partnership

The Dudley Town Centre Partnership has now been established and has met on a regular basis over the last 12 months. Its membership includes Elected Members and representatives from business, the community and other key stakeholders. It is anticipated that the Partnership will continue to play a key role in allowing effective consultation and engagement with stakeholders as details emerge on individual projects within the ADF

Current development activity

Dudley College redevelopment

7. Dudley College is currently planning a major redevelopment of its property in the town centre. Of the college's six sites, four are to be disposed of either wholly or substantially. Two new buildings are to be constructed on two separate sites within close proximity of the college's main campus on The Broadway in the first phase. Subject to the approval of planning applications, these two new buildings will be:
 - A Vocational Centre on the Tower Street West providing for hair & beauty, sport & leisure, public services, creative and performing arts.
 - A Sixth Form Centre and attached Higher Education Centre on the Priory Road site
8. In addition, the college wishes to ensure the whole of its property strategy to form the new Town Centre campus is realizable before committing major funds toward the proposal. It therefore intends to obtain at least outline planning consent for the second phase of the proposal being a new Construction and Engineering Technologies Centre block on the existing Broadway site
9. Further, the sites proposed to be vacated will also need certainty as to their redevelopment potential and to assist this College intend to obtain outline planning permission as part of the project programme. These sites are:
 - The Castle View Campus
 - Mons Hill Campus
 - Wolverhampton Street Site
10. The Sixth Form Centre is planned to be opened for December 2011 and the Vocational Centre for September 2012
11. A presentation will be made at the Committee setting out the current proposals for this project

Tower Street East

12. The first major development project to be brought forward by NHRL is that at Tower Street East. This project proposes the delivery of a 6,000 sq m food store and 400 space car park, with a high quality of design to respect both the frontage onto Castle Street and the backdrop to Dudley Castle. This project has been prioritised as a result of the need to deliver development in which the market currently has interest, and to provide high quality car parking in the heart of the town in advance, as set out in the ADF, of the redevelopment of existing surface level car parks in the town. A specialist development team has been assembled and proposals are currently being prepared which, after market testing with

selected foodstore operators, will be the subject of a planning application submitted by NHRL which will seek to increase developer confidence and fix the design quality from an early stage.

13. A presentation will be made at the Committee setting out the current proposals for this site

Dudley Town Centre Townscape Heritage Initiative (THI)

14. The THI is a Heritage Lottery Fund (HLF) grant giving programme to assist the repair and regeneration of the historic environment within conservation areas in towns and cities. Its aims include:

- to use built heritage as a stimulant for economic regeneration;
- to contribute to the sustainability of local economies ;and
- to support the communities that live and work in each project area

15. The Council has been successful in securing £4.1m of grant from HLF and AWM for the 'Common Fund', plus a £150,000 contribution from the Council. A Project Officer has been in post for some 18 months and 35 property projects are currently being advanced. The Council has been particularly keen to demonstrate regeneration leadership and to build investment confidence in the town by the early inclusion in the programme of a number of its own properties, and in particular under the coordination of NHRL;

- the former Crown Public House, Wolverhampton Street; £200,000 renovation of the building to provide accommodation for NHRL plus additional commercial activity on the ground floor; due for completion late February 2010
- the former Merlin's wine bar; £200,00 repairs to the building shell in advance of seeking an occupier for the building; due for completion May 2010
- the former Fire Station/Carvers Café; proposed £250,000 renovation of the building and opening of the wall adjacent to Stone Square in order to attract retail use
- The development of Holloway Chambers as a refurbished and upgraded Business Centre

16. The programme also includes training programmes, guidance for shop owners and heritage trails and interpretation. As an example of this, Future Skills Dudley have been actively involved in a successful Contractor Placement training scheme, and this initiative will be followed with other projects in the THI programme

Castle Hill & Zoo

17. The Council entered into an agreement on 9th January 2006 for the sale and development of land on Castle Hill with Castle Hill Dudley Ltd and St Modwen Properties PLC. This agreement sought to regenerate the local area by creating a world class tourist attraction based around existing facilities, creating a substantial number of new jobs and consequential beneficial economic impacts on Dudley Town Centre.

18. This agreement contained a number of conditions and dates by which they should be satisfied by the parties to the agreement. However, despite ongoing efforts by all parties the long stop date specified in the Development Agreement

for complying with all conditions expired in January 2009, and as a consequence, Cabinet on the 11th February 2009 authorised the termination of the development agreement between the Council, Castle Hill Dudley Ltd and St Modwen Properties PLC

19. Cabinet authorised on the 17th June 2009 that, given the pressing need for the preparation of a revised masterplan and implementation strategy for this site which offers improved connectivity with both Dudley Town Centre and other adjacent attractions, that the coordination of the proposals for this site should come within the remit of NHRL

20. AWM have made an outline funding offer of £5.3m to the Council in support of the regeneration of the Castle Hill site, and a full application is currently in preparation to secure this funding. The opportunity is being taken to ensure that, under the coordination of NHRL and with the strategic engagement of Dudley Zoo, the Black Country Living Museum and the Dudley Canal Trust, ambitious proposals for the site are effectively integrated with town centre development. The emerging proposals which are forming the basis of the full application to AWM are based on;

- an ambition to raise visitor numbers from the present 600,000 per annum to 1 million per annum, which would place the attractions on a level with Warwick Castle and the Eden Project, and twice that of Cadbury World
- a new access (for which planning permission was granted on the 2nd February 2010) from Tipton Road
- preparation of land for new and complementary tourism/leisure development
- further capital investment in the Zoo
- acquisition of further land required for development, for which compulsory purchase powers were secured in November 2009

Public Realm developments

21. A key element of the ADF is the enhancement of the town's public realm; its streets, squares, parks and gardens. Work is underway on the preparation of proposals for enhancements that will support safe, accessible and attractive public spaces, and these proposals will be subject to public consultation in due course

Car parking and movement

22. A major issue to be overcome in developing the above and future proposals is that of movement (both pedestrians and vehicles) through and around the town centre, and car park provision. Whereas the town centre currently has a surplus of car park spaces, there is a clear relationship between car park use and distance from the centre, so that the more outlying car parks become less popular. In addition new development, temporary construction activity and the redevelopment of existing surface level car parking proposed in the ADF all have the potential to increase car park demand. These issues are being addressed via the preparation of an integrated movement strategy for the town centre and a model for predicting car park demand and supply over time so that development may be phased and transportation infrastructure planned for.

Finance

23. The costs involved in delivering the Dudley Area Development Framework will be met from resources provided by AWM, HCA and the Council in partnership with private sector development partners.
24. Given the challenging economic climate, opportunities will continue to be sought to secure appropriate additional external funding to support the delivery of the ADF

Law


25. The Council may do anything which it considers is likely to achieve the promotion or improvement of the economic, social, or environmental well being of its area under S2 of the Local Government Act 2000.

Equality Impact

26. Delivery of the Dudley regeneration programme would bring significant benefits to Dudley town centre. It would have a major positive effect on all users of the town centre including residents, visitors, businesses, investors and developers. Benefits would be achieved for people of all ages, including children and young people, and groups in society.
27. All work undertaken in connection with delivery of the Dudley regeneration programme would be carried out in accordance with the Council's Equal Opportunities Policy.

Recommendations

28. It is recommended that:
 - The Committee note the contents of this report



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List of Background Papers

Decision Sheet DUE/56/2009 Compulsory Purchase Order powers for the acquisition of land at Castle Hill, Dudley

Cabinet Report (17 June 2009) 'Delivering the Masterplan for Dudley Town Centre', Joint Report of the Directors of the Urban Environment, Law & Property and Finance

Cabinet Report (11 June 2008) 'Delivering of regeneration in the Borough: a proposed arms length company', Report of the Director of the Urban Environment

Cabinet Report (31 October 2007) 'Delivering the Masterplan for Dudley Town Centre', Report of the Director of the Urban Environment

Cabinet Report (13 June 2007) 'Delivering the Masterplan for Dudley Town Centre', Report of the Director of the Urban Environment

Cabinet Report (13 December 2006) 'Dudley Area Development Framework: Cavendish Quarter Compulsory Purchase Powers', Joint Report of the Directors of the Urban Environment and Law and Property

Cabinet Report (15 March 2006) 'Appointment of Consultants in Connection with Dudley Town Centre Area Development Framework', Joint Report of the Directors of the Urban Environment, Law and Property and Finance

Cabinet Report (8 February 2006) 'Dudley Area Development Framework: Cavendish Quarter Compulsory Purchase Powers', Joint Report of the Directors of the Urban Environment and Law and Property

'Dudley Area Development Framework' (December 2005) Dudley MBC

Cabinet Report (21 September 2005) 'Dudley Area Development Framework: Compulsory Purchase Powers', Joint Report of the Directors of the Urban Environment and Law and Property

Executive verbal report (17 December 2003) 'Establishment of the Dudley Town Centre Partnership', Director of the Urban Environment.