

## **Report to Cabinet**

**Subject:** Carlton Square

**Date:** 14 February 2019

**Author:** Service Manager Economic Growth and Regeneration

**Wards Affected** Carlton

### **Purpose**

To seek delegated authority for the Chief Executive, in consultation with the Director of Organisational Development and Democratic Services, to draft and enter into a legal agreement with BNP Paribas Depositary Services Limited and BNP Paribas Depositary Services (Jersey) Limited, (here after referred to as BNP Paribas) the owners of Carlton Square shopping precinct, to set out respective roles and responsibilities of the Council and BNP Paribas in bringing forward physical improvements to the area. The report also provides an update on progress to date, future programme and seeks approval for consultation proposals.

### **Key Decision**

This is not a key decision.

### **Recommendation(s)**

#### **THAT Cabinet:**

- 1) Supports the principle of working in partnership with BNP Paribas in developing a scheme of improvements for Carlton Square;
- 2) Delegates authority to the Chief Executive in consultation with the Director of Organisational Development and Democratic Services to enter into a legal agreement with BNP Paribas to develop an improvement scheme for Carlton Square and agree the roles and responsibilities of BNP Paribas and Gedling Borough Council in developing the proposals;
- 3) Approves the consultation proposals as set out in the report;
- 4) Delegates authority to the Chief Executive in consultation with the

Portfolio Holder for Growth and Regeneration to approve further consultation on a detailed scheme when available; and

- 5) Note the progress to date, as set out in the report, and proposed use of the Nottinghamshire Pre Development Fund to support this stage of the project;

## **1 Background**

- 1.1 This project is part of a wider regeneration programme for Carlton to deliver the Gedling Plan objectives of improving the image and offer of Carlton Square shopping centre.
- 1.2 The Carlton Square precinct, shown on appendix 1, comprises 18 units and although fairly well used, the street scene and frontages offer opportunities for significant improvement to enhance the experience of visitors to the centre. There are also opportunities to improve the layout of the car park and visual appearance of service areas.
- 1.3 Lack of investment in the precinct and surrounding area is having a detrimental effect on the image of Carlton. The concern is, if this situation is allowed to continue, the locality will struggle to maintain its vitality and business will be lost to the surrounding areas.
- 1.4 Gedling Borough Council owns the parking areas around the precinct which are subject to the Council's Car Parking Order. The northern car park included a derelict cottage which the Council acquired and subsequently demolished in June 2018 to facilitate improvements to the Carlton Square area. The long stay car park (shown on Appendix 1) has recently been sold to provide parking spaces to facilitate the conversion of DBH House, immediately to the west of the shopping precinct, to residential use.
- 1.5 The shopping precinct is owned by BNP Paribas Depositary Services Limited and BNP Paribas Depositary Services (Jersey) Limited as Trustees of the Local Retail Fund. Waypoint Asset Managers manage the property on behalf of BNP Paribas.
- 1.6 There are significant opportunities introduce improvements to the attractiveness of the shopping centre and the layout, legibility and access to the parking areas. Due to the design of the centre, servicing arrangements and parking layout, meaningful improvements to the area can only really be achieved by considering both the public and privately

held land together to deliver a comprehensive design solution. Officers have held a number of meetings with Waypoint (acting on behalf of BNP Paribas) to discuss the principles of improvements to the centre.

- 1.7 Early feasibility work by Urban Initiatives proposed the development of new retail use on the carpark and an outline funding application for improvements to the centre on this basis was submitted to the N2 Town Centre Fund.
- 1.8 However, further assessment and soft marketing testing by David Lock Associates (on behalf of the Council) and Waypoint, concluded that there was limited retailer interest in this location and potential viability issues. Although additional units could be accommodated, the uncertainties in the retail sector and the condition of the existing centre do not provide favourable conditions for new retail space and complete refurbishment or rebuild of the centre is not viable. However, there is scope for wider physical improvements to the existing shopping precinct and enhancement of the parking area.
- 1.9 Following discussions with the NT fund managers on the difficulties of providing additional retail space in this location, a revised full funding application has been invited. The full application requires that the scheme is developed to RIBA Stage 3 and with planning consent in place.

## **2 Proposal**

- 2.1 Waypoint (acting on behalf of BNP Paribas) is supportive of a scheme coming forward and has undertaken to engage architects to draw up preliminary proposals at their own cost to include cosmetic remodelling of the centre, revised servicing arrangements, screening of service areas, improved façades and entrance improvements and new signage. A graphic showing a summary of the design analysis of the site is shown at appendix 2.
- 2.2 Waypoint have indicated that, in principle, they would support a contribution to a joint scheme. However, any investment would be predicated on the council also undertaking external improvements to the car park. The scheme would include:
  - New paving, lighting and street furniture within the precinct and car park area;
  - Improved entrance points;

- Screening to service areas;
- Separate service and customer access points (Proposals to separate service and customer access to the site have been discussed with Planning Policy, Development Management, Estates and the Highway Authority and all are supportive in principle).
- Improved parking layout and vehicle/pedestrian surfaces with the aim of retaining the existing number of parking spaces;
- Treatment to blank facades;
- Repositioning and screening of rear service doors to facilitate more direct pedestrian route from the car park facing Burton Road

To ensure procurement of the scheme is not compromised, indicative costs, funding and Waypoint's initial proposals are included in exempt appendix 3.

- 2.3 It is proposed that Cabinet approve the principle of working in partnership with BNP Paribas (and their agents Waypoint) to deliver improvements to Carlton Square. Subject to approval by Cabinet, it is proposed that more formal engagement with BNP Paribas takes place. It is proposed that a legal agreement be entered into by BNP Paribas and Gedling Borough Council which would set out respective roles and responsibilities, financial contributions and how design and procurement matters, development of business case, detailed designs, costings and planning approval would be progressed by the partners.
- 2.4 Public consultation to inform the scheme is important at both draft and detailed design stage and it is proposed that Cabinet approve a public consultation on the principles of the improvements during March via information on site at Carlton Square, information in the press and in the March Contacts magazine. This will include seeking residents views on the analysis of the site and the areas identified for improvement such as parking, paving, lighting and access.
- 2.5 Subject to the completion of the legal agreement, a detailed scheme and costings would be developed alongside consideration of any state aid issues. This initial work will be supported by £30,000 of grant funding already secured from the Nottinghamshire Pre Development Fund.
- 2.6 Further consultation is proposed once more detailed designs are available and it is proposed that authority to approve proposals for this later stage of consultation be delegated to the Chief Executive and Portfolio Holder for Growth and Regeneration, with any recommendations and consultation

comments on the final scheme coming back to Cabinet for approval.

- 2.7 Approval would also be sought from Cabinet at this final stage for a proposed funding package, submission of a planning application and a further legal agreement with BNP Paribas dealing with funding and delivery.
- 2.8 It is proposed that following planning approval for the scheme, a full application for N2 Town Centre Funding would be submitted. The application process requires that a full business plan and planning approval be in place prior to application
- 2.9 Whilst a detailed timeline will be developed in consultation with Waypoint, an indicative timeline for the scheme is provided below:

<b>2018/19</b>	<b>Stage</b>
<b>14 Feb</b>	<b>Cabinet Approval for legal agreement and public consultation</b>
<b>11 Mar</b>	<b>Consultation via Contacts Magazine, web and on site</b>
<b>Mid Mar</b>	<b>Finalise Agreement with BNP Paribas</b>
<b>End Mar</b>	<b>Review funding application with NCC/D2N2</b>
<b>Feb - Apr</b>	<b>Design and Costings</b>
<b>May</b>	<b>Approval of designs/consultation proposals by CEO and Portfolio Holder</b>
<b>Jun</b>	<b>Public Consultation</b>
<b>Jul</b>	<b>Obtain Cabinet approval of final scheme, funding package, submission of planning permission and further agreement with BNP Paribas for delivery</b>
<b>Jul</b>	<b>Finalise legal agreement with BNP Paribas, secure planning permission and prepare procurement plan</b>
<b>Aug</b>	<b>N2 Funding Submission</b>
<b>Nov</b>	<b>Funding Approval</b>
<b>Dec</b>	<b>Procurement</b>
<b>2019/20</b>	
<b>Jan - Mar</b>	<b>Procurement</b>
<b>Mar</b>	<b>Construction</b>
<b>Oct</b>	<b>Completion - Indicative</b>

### **3 Alternative Options**

- 3.1 Continue to operate the parking areas in their existing condition without further investment. This would not deliver comprehensive improvements to the area or secure the health and vitality of the centre in the future. This would not align with the objectives of the Gedling Plan to improve the image and offer of the area.
- 3.2 Deliver a scheme without BNP Paribas, limited to the parking areas within Gedling Borough Council's ownership. Whilst this would improve the parking area, this would not deliver a comprehensive scheme and would not secure improvements to the shopping precinct buildings or secure private sector contributions to the scheme.

### **4 Financial Implications**

- 4.1 A sum of £30,000 is available via the Nottinghamshire Pre Development Fund to support this stage of the project.

### **5 Appendices**

- 5.1 Carlton Square Plan
- 5.2 Site Analysis and Photographs
- 5.3 Exempt Appendix

### **6 Background Papers**

**None**

### **7 Reasons for Recommendations**

- 7.1 To ensure the project delivers improvements to the image and offer of Carlton Square shopping area.

- 7.2 To set out the public and private sector roles and responsibilities in delivering and funding the project.
- 7.3 To ensure the scheme takes account of the views of residents and retailers
- 7.4 To update councillors on the progress to date.