

## **Report to Cabinet**

**Subject:** Carlton Square Improvement Scheme

**Date:** 2 July 2020

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

### **Wards Affected**

Carlton

### **Purpose**

To update members on the progress of the Carlton Square Improvement Scheme project and proposed timescales for delivery.

To seek approval of the final scheme of works for the car park and obtain the delegations as outlined in the recommendations to enable the project to progress.

### **Key Decision**

This is not a key decision

### **Recommendation(s)**

#### **THAT CABINET:**

- 1) Approves the final scheme of improvement works for Carlton Square car park as shown at Appendix 4.**
- 2) Authorises the Chief Executive to submit an application for planning permission for the approved scheme at Carlton Square car park.**
- 3) Delegates authority to the Service Manager of Economic Growth and Regeneration to make any minor amendments to the approved scheme as required during the planning application process.**
- 4) Approves the decrease in the total project budget from £600,000 to £450,000 to reflect that the Council is only delivering part of**

**the overall comprehensive scheme in its ownership.**

- 5) Delegates authority to the Director of Organisational Development and Democratic Services to negotiate and enter into a legal agreement with BNP Paribas for the comprehensive development of Carlton Square, subject to the grant of planning permission and external funding being secured by the Council.**
- 6) Approves an additional and separate capital budget of £25,000 for the improvement works to the proposed service yard to be funded by a contribution from the Economic Development Reserve.**
- 7) Notes the progress to date, as set out in the report, and the intention to apply for funding for the works from the D2N2 LEP N2TC fund.**

## **1 Background**

- 1.1 The Carlton Square Improvement Scheme 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. The project aims to secure the comprehensive development of the Council owned car park and the privately owned shopping precinct (shown in Appendix 1). A scheme of improvement works has been developed over time by officers working in partnership with BNP Paribas, the owners of Carlton Square shopping precinct, BNP Paribas Depositary Services Limited and BNP Paribas Depositary Services (Jersey) Limited (hereafter referred to as BNP Paribas), through their local managing agents Waypoint Asset Management Ltd (hereafter referred to as Waypoint). The works are intended to improve and enhance the experience of visitors to the Square through improved layout of the car park making it safer to use, the visual appearance of service areas, as well as a refreshed shopping area, new signage, public realm and street furniture.
- 1.2 A report was taken to Cabinet on 14 February 2019 where the principle of working with BNP Paribas to develop a comprehensive scheme was approved. Authority was given for the Council to enter into an initial partnership agreement with BNP Paribas to facilitate further joint working and to commence consultation on firstly the principles of the proposed improvement works and secondly on more detailed proposals produced following the initial public consultation.

Public consultation on the initial scheme

- 1.3 The first public consultation was held at Carlton Square in February/March 2019 to capture initial thoughts on what people would like to see as part of the improvements to Carlton Square.
- 1.4 The consultation took a number of forms including: an online survey (204 responses received), liaising with local businesses directly (17 in total), and two consultation events where residents and visitors could speak to officers about the proposals and ideas. A press release was picked up by local media and an article appeared in the Council's Contacts magazine. A banner was also placed on site showing broad visuals and how to take part in the consultation. This consultation was accompanied by two very general plans of identified issues with an opportunity to feedback as to whether these were the areas that should be focussed on and which were of greatest importance.
- 1.5 Overall, 97% of people agreed that improving the Centre is important, which demonstrates the overwhelming support and local feeling about this regeneration scheme for Carlton Square.
- 1.6 Other feedback included:
  - Consideration to pedestrian and vehicular movements and the need to reduce areas of conflict
  - Ongoing maintenance of the areas (such as litter bins being emptied)
  - Poor public realm and uneven surfacing
  - Poor lighting and security concerns
  - More seating required
  - Landscaping required
  - Clearer signage
  - Better promotion
  - Need to be more welcoming

#### Public consultation on the draft plans

- 1.7 A second public consultation was held during the summer of 2019 where the Council consulted on a draft plan of the scheme, shown at Appendix 2. A number of events were held at Carlton Square itself on different days and at different times. An evening event was also held at the nearby Tesco Store and there was a presence at the Carlton Fun Day. This consultation also received media coverage and a number of responses were also received through email.
- 1.8 The proposed scheme was met with mostly favourable comments although changes were made to the proposal as a direct result of the consultation. These included not pursuing the metal fretwork around the building, although understanding the desire for the Square to have a better identity, and trying to incorporate more planting within the scheme. A Consultation

Summary Report on this second consultation can be found at Appendix 3.

- 1.9 Alongside the two public consultations, contact has been made with the surrounding landowners, all businesses within the Square as well as the owners of Walton Court in order to ensure that when the Project progresses it can do so quickly with all parties aware of the plans and all key contacts made. Officers are in dialogue with neighbouring properties including Queensbridge Homes, the owners of DBH House and the car park to the east of the site. Queensbridge Homes and some neighbouring properties have a right of way over the Council's car park which may be affected during the works, if approved. The Council will need to agree an alternative route with those affected.

#### Preparation of the final scheme

- 1.10 Initially a legal agreement between the Council and BNP Paribas was pursued to ensure both parties were aware of what the project was seeking to deliver, deal with any issues during the project and to provide commitment for the overall delivery. As a result of a simplified delivery of the scheme – with each party procuring its own works and delivering this as part of one holistic scheme – the agreement has not yet been entered in to. An agreement will still be required to ensure comprehensive delivery of the entire scheme and to satisfy the external funder, but this will be a simpler agreement that can be developed and entered in to once a planning application has been submitted.
- 1.11 BNP Paribas have continued to work with officers, through Waypoint their Managing Agent, to develop a scheme of works to the shopping precinct and car park to achieve the improvement of the centre as a whole and drawings have been commissioned to show the proposed scheme of works. The proposed final scheme is attached at Appendix 4 and incorporates feedback received during the consultation process and pre-application planning advice which has been sought from the Council's planning department.
- 1.12 This proposed final scheme comprises of:
- A new entrance to the car park from Burton Road (roughly the site of the demolished cottage)
  - A revised car parking layout including identified spaces for EV points and improved disabled parking spaces in the southern car park
  - New planting and boundary treatments
  - New paving improving layout and access for all between the car park and shopping area without unnecessary changes in levels
  - Revised siting of payment machines and lighting

Alongside the above works being undertaken by the Council, BNP Paribas will separately undertake works to the Square including works to shop fronts, paving and public realm as well as signage.

#### Delivery of the final scheme

- 1.13 Whilst initially the intention had been for the Council and BNP Paribas to submit one joint planning application, it has been agreed that each party will submit a separate application for the elements of the scheme on their land. This is simpler and ensures that each party will be responsible for their own costs associated with the application. Therefore, the Council will need to apply for planning permission for the proposed works to the car park as the new entrance from Burton Road requires planning permission. The rest of the works (on Council land) can be undertaken without planning permission through permitted development rights. BNP Paribas will also need to apply for planning permission for the proposed advertising on the site and for the boundary treatment along Station Road, if above a certain height.
- 1.14 If the scheme of works to the car park is approved, the vacant site at Burton Road acquired by the Council in June 2016 will become part of the car park and be surfaced and laid out for the parking of vehicles. This will require a change to the Council's Civil Enforcement Off-Street Parking Order (the Order). This additional area will need including in the Order for the Council to be able to enforce the conditions of its use. Amendment of the Order will be considered via a separate approval process along with other proposed changes to the Order affecting some of the Council's other car parks.
- 1.15 The Council initially submitted an Expression of Interest (EoI) to the D2N2 LEP N2 Town Centre (N2TC) fund in August 2016 for external funding towards a scheme of improvement works at Carlton Square. This initial EoI was approved by D2N2 and the Council asked to prepare a full business case. The Council has subsequently liaised closely with D2N2 as the project has progressed and developed to ensure it remains eligible for the funding; some elements originally envisaged have now been dropped as the project has developed. If the final scheme is approved by members, officers will develop a full business case to support the application for funding and will apply for £350,000 funding from the N2TC fund towards the costs of the works. It is anticipated that the full business case will be submitted in July, alongside the application for planning permission, and we would expect to receive confirmation as to whether the application has been successful in September.

## **2 Proposal**

### Proposed Final Scheme

- 2.1 As set out above, a final scheme of improvement works across the Carlton Square site has been developed with BNP Paribas to ensure a consistent and comprehensive development which regenerates the shopping centre. Details of the proposed scheme of works are outlined at paragraph 1.12 and Appendix 4 has been produced to illustrate the proposed scheme. The proposal incorporates feedback received during two public consultations and pre-application planning advice. D2N2 LEP have also been consulted throughout to ensure the proposal meets the objectives of the N2TC fund.
- 2.2 Members are asked to approve this final scheme of improvement works for the car park at Carlton Square to enable the project to progress to the next stage which will involve submission of the funding application and an application for planning permission.

### Budget / Project costs

- 2.3 There is an approved budget of £600,000 in the Capital programme for the Carlton Square regeneration project, which is dependent upon securing £500,000 of grants and contributions to match with a £100,000 contribution from the Economic Development fund.
- 2.4 Due to the changes of the delivery outlined in Section 1.13 above explaining how the project will be delivered, the approved budget of £600,000 now needs to be amended to reflect this change and only includes those elements of the project deliverable by the Council. Consequently the revised budget for the Council part of the scheme is now £450,000.
- 2.5 The revised overall project total of £450,000 comprises of £350,000 funding from the D2N2 N2TC fund and the Council will need to provide match funding of £100,000 (which has previously been approved as part of the Capital Programme) if successful.

### Planning permission

- 2.6 If approved, the scheme is now at a stage where an application for planning permission can be submitted. Members are therefore asked to give the Chief Executive authority to submit the planning application for proposed scheme in respect of the Council-owned land. Amendments to the approved scheme may be required during the planning application process and delegation is therefore sought to enable the Chief Executive to make any minor amendments to the approved scheme as may be required during the planning application process. Should more extensive changes be required Officers will come back to Cabinet with a revised scheme for approval.

### Partnership agreement

- 2.7 To ensure that the improvement works are carried out across the site, it is proposed that the Council enters into a legal agreement with BNP Paribas to require them to submit an application for planning permission for the works to the shopping centre (if required) and, subject to the grant of acceptable planning permission and confirmation of receipt of funding for the Council, to undertake the works concurrently with the Council. This will ensure that there is comprehensive development of Carlton Square including the shopping precinct, areas of public realm and the car park.
- 2.8 Whilst the partnership agreement envisaged at the time of the previous report was not entered into, this has not stalled or delayed the project. BNP Paribas, through Waypoint, have continued to work with the Council to develop a scheme of improvement works for the whole site and progress the project. A legal agreement will however now be required to ensure that the full scheme of works is implemented across the site by both the Council and BNP Paribas.
- 2.9 The Council is hoping to secure external funding towards its works at the car park. D2N2 specify specific outputs which should be achieved through the funding and they require Carlton Square to be developed as a whole to ensure the area is regenerated. If the funding is secured, the funder will want assurances that the areas in private ownership will also be developed as one consistent scheme of improvement. Approval is therefore sought to enable the Council to enter into a legal agreement with BNP Paribas to secure that the intended improvement works to the shopping centre are delivered concurrently to the Council works.

### Service Yard

- 2.10 As part of the proposed scheme of works, a new entrance to the car park will be constructed from Burton Road to create a new entrance to the car park from the north. This will enable a separate entrance to the service yard to be achieved by using the existing entrance for this purpose only. This will enable the service yard to be screened off from the public realm elements of the site to improve the visual appearance from the car park as well as add greatly to the safety of the Square by separating pedestrian and shopping traffic from deliveries. The service yard will be used by the retail units to the north of the shopping centre.
- 2.11 The service yard comprises of some land which is currently unregistered. This unregistered land runs through the car park from Burton Road to Station Street but has been managed and maintained by the Council as part of the car park for a significant number of years. The Council has submitted an application to the Land Registry to register its interest in the

land. This application is outstanding.

- 2.12 As the Council currently manages and maintains that area of land and has an application pending with the Land Registry, it will undertake resurfacing works as part of the proposed improvement scheme if approved. It is proposed that these works are not funded through any grant funding the Council may receive from D2N2 as the Council may consider transferring this area of land to BNP Paribas at a later date as the service entrance to the service yard will not form part of the public realm and will be used exclusively by the businesses that occupy the retail units. This will remove any future maintenance liability from the Council. The subsequent future transfer of the land would be subject to a separate approval process.
- 2.13 The additional funding required to undertake works to the new service yard that is in GBC ownership cannot be funded by the external funding as the Council may wish to transfer this land to BNP Paribas at a later date. The funders are unlikely to permit funds to be used to undertake work on land to then pass to another organisation. The separation of this element and the identification of a new budget will help to illustrate to funders that this is separate. The cost of most of the repair work was included within the broad costings that have been generated for the project. For this reason a separate budget of up to £25,000 needs to be agreed to cover these works.

Project Timescales

- 2.14 If the scheme of improvement works and budget are approved by members, the indicative timeline for delivery of the project is as follows:

2020/21	Stage
July	Cabinet approval  GBC submit application for planning permission (car park works)  BNP Paribas submit application for planning permission (shopping precinct)  GBC and BNP Paribas to enter into a legal agreement for the comprehensive development of Carlton Square  GBC to submit funding application and full Business case to D2N2 N2TC fund
August	BNP planning permission determined (shopping



	precinct)
September	GBC planning application determined (car park) GBC received confirmation of D2N2 N2TC fund
If planning permissions granted:	
September onwards	GBC procure contractor to deliver works to the car park (open tender or framework)
October	GBC enter into funding agreement with D2N2
January	BNP Paribas and GBC appointed contractors start on site
March	Completion of works

### **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. It is also unlikely to secure the funds from the LEP as these are predicated on the car park and building works working together.
- 3.3 Develop an alternative scheme. However, the scheme proposed to be approved has been developed following two public consultations, input from the planning department and in conjunction with BNP Paribas whose agreement is required to secure development across the site. It is felt that this is the best scheme possible to achieve improvement of the centre as a whole.

### **4 Financial Implications**

- 4.1 A budget of £600,000 for this project is included in the Council's approved Capital Programme for 2020/21 (which includes a £100,000 contribution from the Economic Development Reserve). As detailed in paragraph 2.3

to 2.5 it is now proposed that the budget is reduced to £450,000 to reflect only the elements that are to be directly delivered by the Council.

- 4.2 Whilst the capital budget is approved, delivery is dependent upon securing additional grant (as set out in the body of this report) of £350,000 which have not yet been confirmed. If this funding is not secured the scheme will have a significant funding shortfall and will be at risk of non-delivery. Furthermore the outputs required from the funders will be tied to the private sector partner through the Partnership Agreement. Any risk of clawback will be transferred through this method.
- 4.3 It is proposed that an additional budget of £25,000 be established by virement for the works to new service yard to be funded from the Economic Development Reserve (thereby reducing the long term revenue implications).

## **5 Legal Implications**

- 5.1 As set out in Sections 2.11 and 2.12 above, the Council has an application outstanding with Land Registry to register that area of land in the Council's name. Any subsequent transfer of this land need to comply with the duty to obtain the best price reasonably obtainable under section 123 of the Local Government Act 1972 and state aid rules and would be subject to separate approval.
- 5.2 The proposed installation of advertising on the side of one of the buildings at the shopping centre facing the southern car park will, as well as planning permission, require separate consent from the Council as the former land owner through a covenant contained in the conveyance when the Council sold the land in 1985. That covenant prohibits any form of advertisement being affixed to the external walls of the building except with the Council's prior written consent. Consent for the installation of advertising boards will be considered separately if BNP Paribas obtain planning permission for this element of their proposed works.

*Note: this may not be required but we are awaiting confirmation*

*BNP Paribas, as part of their works and following feedback from the consultations, wish to include additional signage for Carlton Square. This will address issues of visibility and identify, raised during the consultations. A totem style sign is proposed to be included at Station Road to highlight the Square and provide information as to what shops are within. This sign would be placed on Council land. BNP Paribas would need to enter into a suitable legal agreement with the Council to enable this; subject to planning approval and separate approval of the proposal by the Council.*

- 5.3 The Council will need to enter into a legal agreement with BNP Paribas as owners of the privately own shopping precinct to ensure that the whole

scheme comes forward within a specified time period. The Council's Legal Services team will draft, negotiate and complete that agreement to ensure there are legally binding obligations on BNP Paribas to apply for planning permission for the intended works to their land (if required) and carry out the works. This agreement is also likely to be required by the funder to provide them with the assurance that the complete comprehensive scheme and all of its benefits are delivered.

- 5.4 If the Council is successful in its funding application to D2N2 LEP N2 Town Centre fund, the Council will need to enter into a funding agreement with D2N2 to secure release of the funding. This is likely to include caveats and stipulations as to how the funds can be expended and clawback arrangements which will need to be considered. The legal service team will review and advise on the funding agreement to ensure all obligations are complied with.
- 5.5 Procurement of the contractor to deliver the works on the car park will be undertaken through an open tender or through a framework in accordance with the Council's Contract Standing Orders.
- 5.6 Some neighbouring properties have a right of way over the Council's public car park to access the rear of their properties. Furthermore, when the Council sold some of the car park to Queensbridge Homes in February 2019 to create private car park for residents of DBH House a right of way was granted over the Council's car park for access to the new private car park. These rights of way will be effected by the improvement works whilst the car park is reconfigured and resurfaced. Delivery of the works will be programmed so that a right of way can be maintained at all times and the Council may need to grant a temporary alternative right of way whilst the works are carried out.

## **6 Equalities Implications**

- 6.1 An Equality Impact Assessment has been prepared to support this report and may be found at Appendix 5. Whilst there will be physical changes made to Carlton Square these will be positive in nature, making the car park and shopping area easier to access and use. The scheme of improvement works has been developed to meet the needs of persons with protected characteristics, taking account of feedback received during the public consultation particularly in relation to uneven surfaces.
- 6.2 The lower car park will create improved designated car parking for persons suffering from a disability. Furthermore, the enhanced layout and new surfacing of the car park, pedestrian areas and public realm will make the area more accessible for the elderly and persons with a disability or mobility issues.

## **7 Carbon Reduction/Environmental Sustainability Implications**

- 7.1 Carlton Square shopping centre is located at a prominent cross-roads and well served by public transport. The car park changes will see a small reduction in the number of spaces, although the car park is rarely ever fully used. There will be additional planting provided on-site to soften the look and feel of the area that may be used by wildlife.
- 7.2 Space for electric vehicle (EV) charging will be provided as will relevant ducting to enable its quick and easy installation. Lighting to car park will also be provided and will be of modern standard and specification.

## **8 Appendices**

- 8.1 Appendix 1 – Carlton Square Improvement Scheme ownership map
- 8.2 Appendix 2 – 2<sup>nd</sup> Consultation Draft Plan
- 8.3 Appendix 3 – Consultation Summary Report (July 2019)
- 8.4 Appendix 4 – Proposed final scheme
- 8.5 Appendix 5 – Carlton Square Improvement Scheme Equality Impact Assessment

## **9 Background Papers**

- 9.1 None

## **10 Reasons for Recommendations**

- 10.1 This allows the overall final proposals to be agreed and delivered following Member scrutiny.
- 10.2 This allows for the scheme to be submitted for consideration through the planning process and to allow officers to submit the application.
- 10.3 The planning process may require minor amendments to be made. This allows the Chief Executive to authorise those minor amendments to allow the scheme to be progressed through the planning process without the need to bring minor amendments back for Member approval.
- 10.4 This reflects the revised budget required for the project as a result of the Council delivering only its part, whilst BNP Paribas delivers its element separately.
- 10.5 This allows Officers to develop and agree the legal agreement required to ensure that the works of both BNP Paribas and GBC are completed as

agreed.

- 10.6 This allows for works to be undertaken to the new service yard to bring it up to standard ahead of its disposal (thereby removing subsequent long term revenue implications). It is required to be separate from the other funding works to ensure that it is not seen as part of the overall project costs.
- 10.7 This brings Members up to date with the proposal and the works undertaken so far. It also highlights, subject to the approval of this report, the works that are then required in order to secure the funds to undertake the works outlined.

**Statutory Officer approval**

**Approved by:**

**Date:**

**On behalf of the Chief Financial Officer**

**Approved by:**

**Date:**

**On behalf of the Monitoring Officer**