

To: **Executive**
18th July 2023

Bracknell Town Centre Development - Market Street Site
Executive Director: Resources

1 Purpose of Report

- 1.1 The Council has previously agreed to support the re-development of its Market Street site by the Bracknell Forest Cambium Partnership to deliver 169 new residential units, of which 48% are affordable, with commercial space on the ground floor of the planned three buildings. This report highlights that, while the overarching objectives and financial parameters of the scheme remain broadly in line with those previously agreed, some flexibility is needed to the nature of the Council's involvement to help maintain the development as a viable proposition.

2 Recommendation(s)

- 2.1 **That the Executive confirms its continuing support for the Market Street development and agrees proposed changes to the Council's previously agreed position as set out in paragraphs 1.4.1 – 1.4.4 of the confidential Appendix A, including notably:**

2.1.1 Supporting a 10% increase to the Council's 50% contribution to the development costs, reflecting increased construction costs and re-phasing of expenditure, noting that this has no impact on the Council's financial position due to the loan note mechanism in the Bracknell Forest Cambium Partnership legal agreements;

2.1.2 Delegating authority to the Assistant Director: Contract Services to enter into an agreement with the Bracknell Forest Cambium Partnership for required off-site car park provision.

- 2.2 **That the Executive, looking ahead to future town centre development, requests the Executive Director for Place, Planning and Regeneration to review the Council's current town centre parking standards and identify a range of future options to reduce reliance on car usage and promote the use of more sustainable public and private transport solutions that align with the Council's climate change ambitions for the Council itself and the Borough of Bracknell Forest.**

3 Reasons for Recommendations

- 3.1 The proposed changes to the previously agreed approach to the Market Street site, being developed through the Bracknell Forest Cambium Partnership, respond to the development's overall viability challenges and provide the best solution to ensure the Council's previously agreed outcomes of additional affordable housing are delivered.

4 Alternative Options Considered

- 4.1 The Council could withdraw its support for the scheme at this stage. This is not recommended, as the Council would become liable for 50% of costs incurred on the scheme to date and delivery of a significant number of new homes, 48% of which would be affordable, would be lost. The Market Street site has remained in its undeveloped state for over 20 years, which reflects the difficulty in bringing it forward for development. In this context, it is unlikely to attract significant alternative market interest and would remain derelict for the foreseeable future, should the proposed scheme not be progressed.

5 Supporting Information

- 5.1 Following a strategic options appraisal, the Council's Executive agreed in February 2019 to establish a joint venture partnership as the optimum approach to securing delivery of its regeneration objectives, articulated in the Bracknell Town Centre Vision 2032. Over its lifetime, the Bracknell Forest Cambium Partnership will play a prominent role in realising Bracknell's full potential, building on the success of the Lexicon development, bringing expected investment of over £0.25bn, around 1,000 new homes and an additional 35,000sqft of new commercial and retail space. The Council's agreed objectives for the Joint Venture (JV), which provide the focus for its business plan and individual site development plans, are to:

- support and help the Council deliver its strategic plan.
- proactively facilitate the physical delivery of the strategic vision for the town centre;
- deliver new commercial and residential uses that support the on-going regeneration of the town centre contributing to economic development, and a balance of daytime and evening trade and activity;
- deliver development of high design quality, setting the bar for further future development;
- enable the provision of affordable residential homes, space for specific commercial occupiers and typologies, and new community facilities to ensure development delivers benefits for all;
- maximise regeneration potential by responding flexibly to each opportunity and leveraging development expertise and resource to identify new opportunities, including with other public sector partners; and
- provide long term revenue streams to the Council to support future service delivery and furtherance of the objectives under the Council's strategic plan whilst managing risk exposure per site.

- 5.2 The Council's prime driver in establishing the JV was and remains to secure on-going regeneration of Bracknell town centre specifically and the wider Borough more generally. Its 50% stake in the Joint Venture enables the Council to exercise control over the nature and timing of development proposals brought forward for Council-owned sites. The Council has shared development funding obligations and benefits from the associated returns generated from development sites. Those returns can be used to support essential Council services and secure wider objectives, such as supporting the delivery of affordable housing on future development sites. The development at Market Street is the second under this strategy to reach the final approval stage, following Coopers Hill which is at an advanced stage of construction and attracting positive market interest.

- 5.3 The Council [minute 23, 30 November 2022) has previously approved a Settled Site Development Plan (SSDP) for the Council-owned Market Street site adjacent to The Point building, having agreed the build form, quantum and tenure mix for the development through the Planning Committee [minute 113, 23 February 2022]. In response to inflationary increases in build costs, Government restrictions on rent levels charged by registered social landlords and changing building regulations, amendments to this were approved through the urgency procedures by the previous Council Leader on 24 April 2023. These decisions recognised the Council's agreed objective of securing a deliverable development on the site that fulfilled the Council's objectives for Bracknell town centre development through the Bracknell Forest Cambium Partnership (a joint venture between the Council and Countryside Developments UK).
- 5.4 These decisions have led to a currently approved scheme for the Market Street site with the following key metrics:
- 169 residential units in 3 blocks, with 88 for private sale and 81 (48%) affordable, exceeding the Planning Policy requirement for 25%, supported by £0.5m of moneys secured by the Council through s106 agreements for affordable housing with a significant additional contributions from a registered social landlord;
 - Development funding requirements being jointly supported by both JV partners and attracting loan note interest;
 - Parking to be provided through a mix of on-site (86) and off-site provision (50 residential, 16 commercial related to ground floor usage) in Council-owned car parks.
- 5.5 Government policy changes over the past 9 months have affected offers from registered social landlords to purchase the affordable units in the development, which were finally received in early June. Negotiations are on-going to conclude legal agreements with the preferred bidder.
- 5.6 Should it be possible to conclude legal agreements, a construction period of around 3 years will follow. The Joint Venture partners have a shared obligation to fund development costs as they are incurred. Current calculations show that the peak development funding requirement has risen by around 10% from previous estimates, due to increases in construction costs and revised scheme phasing. With all development financing attracting loan note interest, this has no net impact on the Council's budget.
- 5.7 A legal agreement will need to be entered into between the Council and the Cambium Partnership setting out the detailed requirements of the off-site parking provision and the charges to be made for the number of spaces. It is proposed that the Assistant Director: Commercial Services be authorised to agree the scale and pricing for this provision, recognising the material one-off and on-going financial benefits that will accrue to the Council from the development.
- 5.8 To secure delivery of further residential accommodation in Bracknell town centre, while having regard to its climate change ambitions, it is recognised that the Council may need to take a different approach to parking standards. It is proposed that the Executive Director for Place, Planning and Regeneration review the Council's town centre parking standards and identify a range of options to reduce reliance on car usage and promote the use of more sustainable public and private transport solutions that align with the Council's climate change ambitions for the Council itself and the Borough of Bracknell Forest. This will be addressed in the Council's new Local

Transport Plan which will commence this summer once the government's guidance is published.

6 Consultation and Other Considerations

Legal Advice

6.1

Financial Advice

6.2 The driver for the Council in establishing the Bracknell Forest Cambium Partnership was to secure on-going regeneration of Bracknell town centre and its surrounding areas, rather than to achieve a financial reward. It is estimated that the proposals set out in this report and those that have preceded it regarding the Market Street site will secure, at worst, a financially neutral outcome while delivering additional residential accommodation with a large proportion of affordable units.

Other Consultation Responses

6.3 Use of both health services and school provision by residents of this development were considered as part of the planning application decision process. The Council collaborates with partners on allocations of services within the local plan.

Equalities Impact Assessment

6.4 NA

Strategic Risk Management Issues

6.5 Commercial development, by its nature, cannot be risk free. The establishment of a JV with an experienced development partner to co-develop sites and the approach set out in the JV Business Plan agreed February 2022 has been intended to strike a balance between minimising the Council's risk exposure while allowing it to achieve its regeneration objectives for Bracknell town centre. Not to develop the Market Street site due to current market conditions and leave undeveloped would result in the resultant loss of valuable housing close to the town and associated social and economic benefits that this brings.

Climate Change Implications

6.6 The Joint Venture is committed to building in an environmentally responsible and sustainable manner. Further information is available in the Partnership's Sustainable Development Policy. The Market Street development will have a number of sustainability measures included in the development

Health & Wellbeing Considerations

6.7 NA

Background Papers

Appendix A – Supporting Information [Official Sensitive (Commercial)]

Contact for further information

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