

EXECUTIVE BOARD – 19th November 2013

Subject:	Broadmarsh and other City Centre Shopping Centre Plans		
Corporate Director(s)/ Director(s):	David Bishop, Corporate Director of Development		
Portfolio Holder(s):	Cllr Jon Collins – Leader, Portfolio Holder for Strategic Regeneration and Community Safety Cllr Graham Chapman – Portfolio Holder for Resources and Neighbourhood Regeneration Cllr Nick McDonald Portfolio Holder for Jobs and Growth Cllr Jane Urquhart – Portfolio Holder Planning and Transportation		
Report author and contact details:	Corporate Director for Development - David Bishop 0115 8763758 david.bishop@nottinghamcity.gov.uk		
Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Reasons: Expenditure <input checked="" type="checkbox"/> Income <input checked="" type="checkbox"/> Savings <input type="checkbox"/> of £1,000,000 or more taking account of the overall impact of the decision			Revenue <input type="checkbox"/> Capital <input checked="" type="checkbox"/>
Significant in terms of its effects on communities living or working in an area consisting of two or more wards in the City			<input checked="" type="checkbox"/> Yes No <input type="checkbox"/>
Subject to call-in <input checked="" type="checkbox"/> Yes No <input type="checkbox"/>	Total value of the decision: See exempt Appendix 2		
Relevant Council Plan Strategic Priority:	Wards affected:		
World Class Nottingham	<input checked="" type="checkbox"/>	Bridge	
Work in Nottingham	<input checked="" type="checkbox"/>	Radford and Park	
Safer Nottingham	<input checked="" type="checkbox"/>		
Neighbourhood Nottingham	<input type="checkbox"/>	Date of consultation with Portfolio Holder(s):	
Family Nottingham	<input checked="" type="checkbox"/>	Ongoing	
Healthy Nottingham	<input type="checkbox"/>		
Leading Nottingham	<input checked="" type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
<p>This report seeks authority to partner with Intu Properties Plc (Intu) and provide the necessary financial resources to redevelop the Intu Broadmarsh shopping centre, and undertake a package of supporting infrastructure works including a new NET tram stop and the pedestrianisation of Collin Street should necessary transport funds be secured. The partnership is to be secured via the signing of a Conditional Development Agreement and other agreements which will ultimately facilitate the Victoria Centre redevelopment also. Redevelopment of the Intu Broadmarsh shopping Centre will significantly help to transform the vitality and viability of the southern part of the city centre and support broader regeneration objectives of the Southern Gateway. The project would result in an enhanced retail and leisure experience for Nottingham citizens / visitors and provide and maintain employment in the City's service sector.</p>			
Recommendation(s):			
<p>1 Approve entering into a partnership with Intu to redevelop the Intu Broadmarsh shopping centre via the Conditional Development Agreement attached (see Appendix 9) and all associated capital costs and on-going revenue costs as detailed in Appendix 2, subject to any final refinements to CDA clauses agreed between parties by the Portfolio Holder, Corporate Director of Development in consultation with the Director of Legal and Democratic Services and Director of Strategic Finance, and noting that a further decision to confirm progress will be required from Executive Board, just before the agreement can go unconditional.</p>			

<p>2 Approve preparatory work connected to a package of complementary transport/infrastructure works worth £21 million as set out in this report which will support the Broadmarsh Redevelopment and, the development of an implementation programme linked to the identification of specific funding.</p>
<p>3 Authorise the Corporate Director of Development to negotiate with interested parties regarding the purchase of land and other interests needed for the delivery of the scheme.</p>
<p>4 Delegate authority to the Portfolio Holder for Strategic Regeneration and Community Safety, the Portfolio Holder for Resources and Neighbourhood Regeneration and the Portfolio Holder for Planning and Transportation in respect of decisions relating to the preparation of the redevelopment scheme, supporting documents and associated infrastructure works.</p>
<p>5 Allocate the provisional sum of £400,000 from Strategic Investment Fund (New Homes Bonus) to enable the Council to undertake preparatory work, project management, coordination and scheme development (separate from our contribution to scheme development costs contained within the Development agreement) for the City Council.</p>
<p>6 To approve the granting of an Option to Intu to purchase land on Glasshouse Street, as laid out in the Option agreement (see Appendix 10), when the necessary milestones are achieved.</p>
<p>7 Approve in principle to include the scheme within the Capital Programme reviewing the prudential borrowing limits and revising them accordingly.</p>
<p>8. Approve the acquisition of the freehold interest in the site of the former Midland Magneto works on Canal Street from Intu on the terms set out in Appendix 11.</p>

1 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

The City Council is making strenuous efforts, working with the Retail Bid, Business and Property colleagues in the city to strengthen the retailing provision that Nottingham offers. This includes for example, being as flexible as possible about parking restrictions, tackling vacant shops in a variety of creative ways, and improving public realm (such as Trinity Square). The most crucial requirement in the City Centre however is the need to radically improve both the major shopping centres, and this report outlines the phasing of plans to do just that, that have been successfully negotiated with Intu, the operators of both centres.

Since Westfield left Nottingham the opportunity to discuss integrated phased plans for both centres in partnership with Intu (formerly Capital Shopping Centres) has proved helpful, in the interests of making the greatest positive impact on the Nottingham Retail offer. The City Council and Intu see the shopping centres north and south of the City Centre working in a complementary fashion “bookending” a tighter, higher quality retail core that is linked by the crucial Bridlesmith Gate/Clumber Street thoroughfare. Intu have earmarked upwards of £300m for complementary improvement of both their shopping centres, and have consistently stressed in their public statements and accounts that radical improvement of their Nottingham Centres remains a top five priority.

See Intu Properties interim report for the half year ended 30 June 2013, pg 9.

“Intu Victoria Centre: We plan to start in early 2014 major refurbishment work including new entrances, reconfigured public areas and new lighting, ceilings and floors..... This is a precursor to major investment in intu Broadmarsh and the extension to intu Victoria Centre”.

For the City Council the priority shopping centre for major transformation remains the Broadmarsh Centre given its very tired state, the potentially dramatic positive impact its overhaul could have on the City Centre economy, and the potential catalytic affect on other developments given its centrality to the Southern Gateway Regeneration area and proximity to the Transport Hub

For this reason the City Council is prepared, as its top strategic regeneration priority, to contribute, alongside Intu, to bring a major transformation of the Broadmarsh Shopping Centre and car park forward.

This report seeks approval to the proposals and resources for such a development at Broadmarsh, which will follow Intu’s refurbishment of the existing Victoria Centre, but take place well before the major redevelopment of Victoria Centre. The report also seeks to agree the transfer of land off Glasshouse Street which will enable the potential full scale redevelopment of the Victoria Centre, in due course, when the Broadmarsh redevelopment is fully committed.

Broadmarsh Shopping Centre is situated at the heart of the southern gateway regeneration zone.. The area comprises a mix of buildings of varying quality and adjoined by both cleared and future redevelopment sites. It is traversed by several highly trafficked streets. Whilst an area of opportunity, its present condition does not support the city centre’s southern extension to capitalise on significant investment at Nottingham Station (the Hub), nor improved access to key assets such as the Castle.

The redevelopment of the shopping centre provides the Council with an opportunity to improve the area around Broadmarsh in a manner which enhances the development and addresses the wider connectivity issues. A package of additional transport and infrastructure works is therefore also proposed to realise this opportunity and assemble sites for future redevelopment, subject to further Transport or other resources being secured.

2 REASONS FOR RECOMMENDATIONS

To achieve the City Plan, Growth Plan and Retail Strategy objectives of transforming Nottingham City Centre’s retail offer.

3 INTU BROADMARSH PROPOSAL

The Broadmarsh Shopping Centre was originally constructed in the early 1970’s and comprises circa 89 shops providing 453,000 sq ft of retail space arranged over three floors. With the site being a prominent feature for the south of the City and with so many retail units vacant in this area, it would be an ideal opportunity to invest in its redevelopment further enhancing this part of the City.

Intu propose to refurbish and remodel the Centre to include both retail and leisure uses. They have suggested a broad vision of how the centre will be reconfigured as shown in Appendix 2 and whilst the current ideas are at concept stage rather than a detailed scheme, they are based on soft market testing by Intu and are considered viable and deliverable.

It is proposed that the redeveloped Broadmarsh will comprise approximately 537,433 sq ft arranged over a lower mall, upper mall and first floor levels with a multiplex cinema above. The lower mall will include specialty and convenience shopping (127,683 sq ft), the existing Listergate and Listergate Square units will be reconfigured to provide 75,391 sq ft. A new north – south mall will be constructed through the former TK Maxx unit providing improved linkage to the bus and rail stations situated to the south of the scheme.

The upper mall area will be mainly confined to catering serving the multiplex cinema with cafes and restaurants. The Drury Walk retail mall will be reinvigorated with higher quality units effectively extending Bridlesmith Gate quality into the Shopping Centre, and first floor (Middle Pavement level) will be extended into the upper mall. A total of 33,078 sq ft of leisure accommodation will be provided including a cinema. In addition a 42,841 sq ft anchor unit will be provided together with the Boots unit, which will be significantly improved.

Reconfiguration of Boots includes proposals to partially demolish the external part of the store and so reinstate a direct, visible pedestrian link to Stanford Street and beyond to the Castle. The realigned Listergate mall and new entrance onto Middle Hill are other measures designed to address the insular nature of the current centre, increase penetration and reinstate the historic street pattern. Intu propose to capitalise on the centre's links to the Caves by providing a new, accessible and visible entrance from a reconfigured Drury Walk.

In addition to the concept of the redevelopment of the Intu Broadmarsh Shopping Centre, the Broadmarsh Car Park is key in the regeneration of this area as it would contribute towards a positive visitors' experience. Proposals would include an internal refurbishment similar to those at Lace Market Car Park and re-cladding the external structure to achieve a modern, striking gateway approach to the city centre together with the removal of one footbridge and the transformation of the other, over Collin Street. The proposal will also include new retail units on Carrington Street complementing Council proposals to upgrade that street to a high quality pedestrian thoroughfare and key link to the station.

Further information regarding the proposal, and the financial implications for the Council are contained in Appendix 2.

4 COMPLEMENTARY TRANSPORT PACKAGE

The Broadmarsh area is an unattractive, car-dominated part of the City. The gyratory system creates barriers to key pedestrian linkages, limits aspirations and constrains development and regeneration of the Southern Gateway area. A range of new initiatives are being devised to address these constraints and dovetail with the redevelopment of the shopping centre and car park, and bids for Transport funds are being submitted accordingly. The Shopping Centre

and Car Park redevelopment proposals are not dependent on these works taking place, but will not achieve the full regeneration benefits unless they are implemented.

The key elements to the proposals are to:-

- remove all traffic from Collin Street and restrict Canal Street to essential traffic only – so maximising the opportunity provided by a reconfigured Broadmarsh to open direct and legible pedestrian routes from the hub along an enhanced Carrington Street and Lister Gate to the City Centre.
- Construct a new NET stop at Broadmarsh East to provide ready access to the Broadmarsh shopping centre via a new entrance at the corner of Collin St and Middle Hill plus the wider Broadmarsh, thereby facilitating redevelopment of key vacant sites
- Create a high quality pedestrian plaza between Broadmarsh East and proposed NET stop through to the Castle Quarter and in so doing present an opportunity for a major new outdoor event space and possible market location
- Create a bus priority environment along Canal Street, including the relocation of stops currently on Collin Street so enabling easier access to the bus station and easy interchange between sub regional and inner city services – including important City Loop Service bus stops.
- The scheme will include significant new fenestration on Collin Street, a new entrance on Middle Hill and a new “basket” supermarket near the Tram line corner. As a minimum there will be a dramatic new entrance and wide crossing over Collin Street, but the complimentary Transport Package outlined above and in Appendices 3 and 4 will enhance these works further.
- Displace through traffic currently using Collin Street and Canal Street to the Southern Relief Route (Queen’s Road, Sheriff’s Way and Waterway Street West) or routes further out as appropriate.

The transport principles and costs are demonstrated in Appendix 3.

5 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

Do Nothing

The centre would continue to deteriorate and become increasingly unattractive to traders. There would be a consequential fall in the Council’s rental income. Intu would have limited incentive to invest in the centre. A deteriorating Broadmarsh would have an increasingly negative effect on the southern part of the city centre.

Sell the Council’s Interest In Broadmarsh

The Council would receive a capital receipt but lose ongoing revenue income. There is no guarantee the new owners would bring forward a scheme and the Council could only influence control from its position as a planning authority.

Bring forward a joint scheme with the centre's other owner
This is the recommended option for reasons set out in this report.

6 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

See Appendix 2

7 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

See Appendix 5 – Plus Risk Register – See Appendix 8.

Glen O'Connell and Ian Vernalls

8 SOCIAL VALUE CONSIDERATIONS

There are a range of social value benefits associated with this proposal.

9 REGARD TO THE NHS CONSTITUTION

Not applicable

10 EQUALITY IMPACT ASSESSMENT (EIA)

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)
- (b) No
- (c) Yes – Equality Impact Assessment attached

11 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

12 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

13 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

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Appendix 1 – Plans

Appendix 2 – Finance Comments

Appendix 3 – Transport Proposals

Appendix 4 – Programme

Appendix 5 – Legal Comments

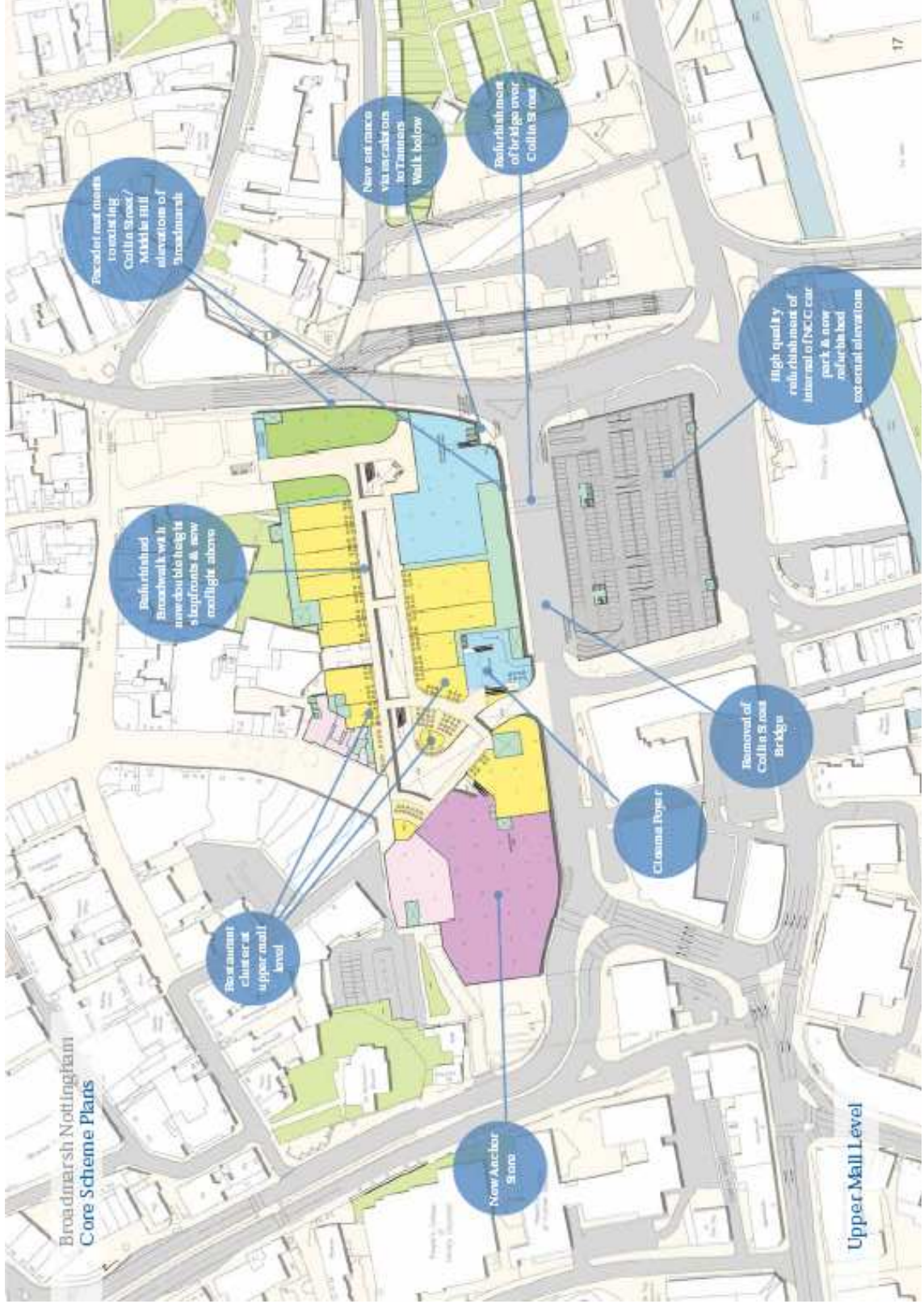
Appendix 7 – Equality Impact Assessment

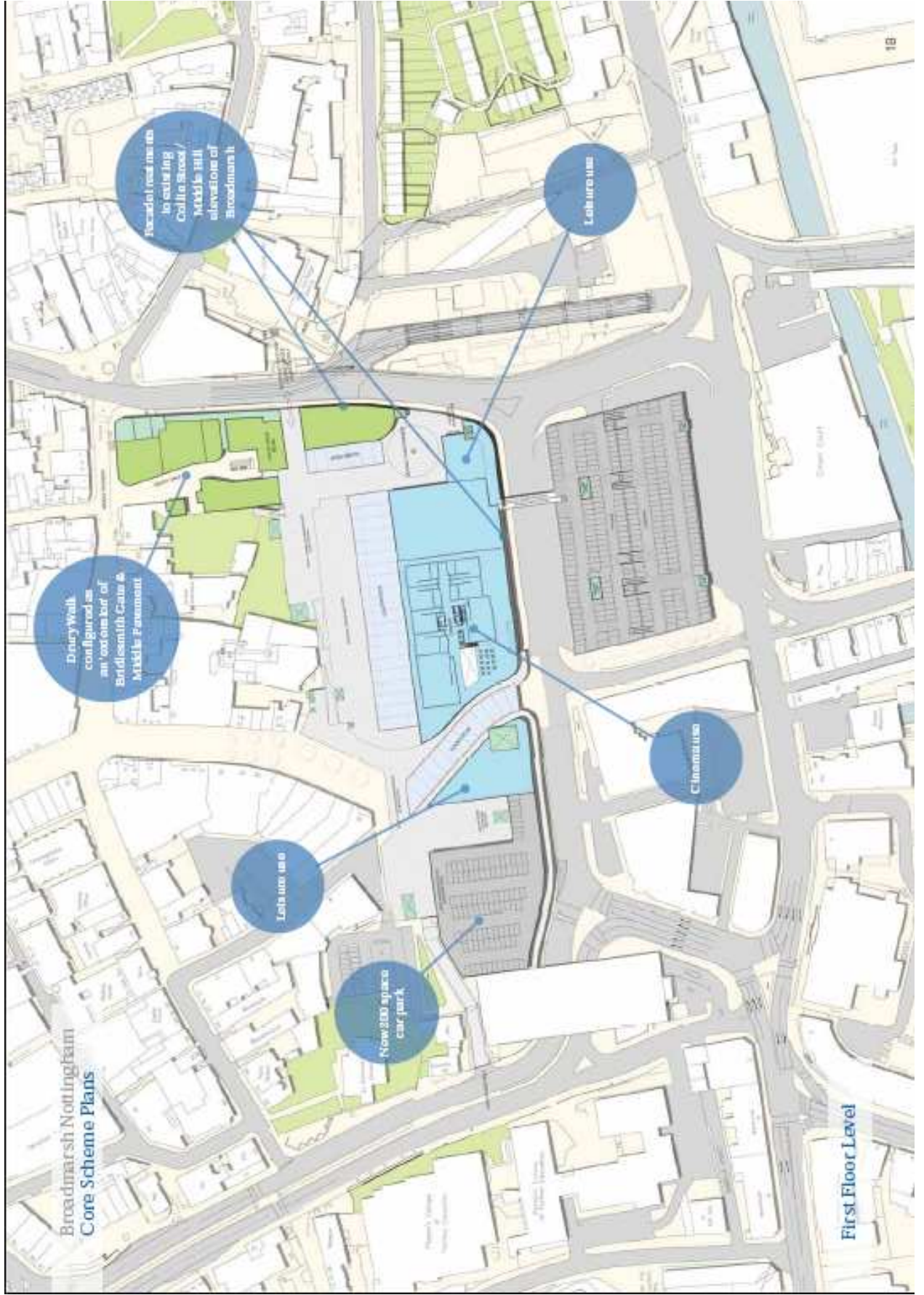
Appendix 8 – Risk Register

Appendix 9 – Conditional Development Agreement

Appendix 10 – Option Agreement for Glasshouse Street land

Appendix 11* – Site of former Midland Magneto Works Canal St.





**Broadmarsh Nottingham
Core Scheme Plans**

First Floor Level

Location remains
in existing
Collin Street/
Moody's Hill
elevations of
Broadmarsh h

Dairy Walk
configured as
an extension of
Bridlesmith Gate &
Moody's Pavement

Leisure use

New 200 space
car park

Leisure use

Cinema/Studio

Appendix 3 – Complementary Transport Works

Complementary Transport Works

A package of public realm and highway works have been identified to enable this improved environment to be created. The principal elements are described below.

Southern Relief Route (SRR) Upgrade – this is required to accommodate traffic displaced from the Collin Street/Canal Street gyratory.

The works comprise upgraded junctions at London Road/Queen's Road and at Queen's Drive/Waterway Street West.

The closure of Collin Street and lesser access to Canal Street will require Statutory Procedures to be followed for road closure and Traffic Regulation Orders. It is hoped that the need for a Public Inquiry can be avoided.

Maid Marian Way – in order to redirect traffic to use the SRR, the southern section of Maid Marian Way will have to be realigned. In a phased approach, Collin Street will be closed and Greyfriar Gate/Maid Marian Way reconfigured. The existing highway will allow 2-way north/south movement to provide local access to businesses such as Big City tyres and Ocean. A possible Phase 2 in future would need to include Arndale Car Park demolition, and would then allow a more direct 2-way Maid Marian Way route, bus priority on Canal Street and complete pedestrianisation of Collin Street with a quality pedestrian crossing to Castle Quarter.

Intu propose 200 car parking spaces on the roof of the redeveloped Broadmarsh (above what is currently BHS) and this would enable the NCP car park to be demolished in future, should that be feasible.

Canal Street/Middle Hill Junction – the closure of Collin Street means traffic accessing Broadmarsh Car Park, Lace Market Car park etc. will be redirected from Canal Street East. This, plus re-routed CentreLink and possibly other buses, requires the Canal Street/Middle Hill junction to be remodelled. This work also provides an opportunity to incorporate improved pedestrian crossing facilities.

Carrington Street – the junction with Canal Street will be reduced in capacity and remodelled. This will significantly improve the pedestrian linkage between the Hub and the City Centre and deliver improvements to Carrington Street, including possible pedestrianisation in the future. .

Broadmarsh Car Park – under the new arrangement above, the car park's entrances and exits (currently off Collin Street) will have to be modified. The proposal is to provide new access/egress from Middle Hill.

NET Tram Stop – it is proposed to construct an additional tram-stop on the viaduct between the Lace Market and the relocated Station Street stop. This stop will serve both the Broadmarsh retail centre (a new access to the eastern retail block is proposed on the corner of Collin Street/Middle Hill) plus new

development on the Broadmarsh East site, and provide opportunities to interchange with local bus services.

Collin Street and Canal Street Public Realm – in order to complement the public realm improvements and maximise the benefits provided by the reduced traffic in the area, it is proposed to invest in upgrading these streets including landscaping, paving and improvements for cyclists and pedestrians. Works will also include the relocation and improvement of bus stops and associated facilities from Collin Street to Canal Street.

Broadmarsh Bus Station – will be retained and operate largely as at present.

All highway works proposed will be co-ordinated with the completion and opening of the Broadmarsh development.

Costs and Funding Sources

The table below summarises the individual scheme elements and preliminary cost estimates.

Element	Cost Estimate
Southern Relief Route Upgrade	£2. million
Maid Marian Way Phase 1	£3 million
Maid Marian Way Phase 2*	£2 million
Canal Street/Middle Hill	£2 million
Carrington Street	£3 million
NET Stop	£3 million
Collin Street and Canal Street Public Realm	£6 million
Total	£21 million

*If appropriate and feasible.

A package of funding will be bid for to deliver the transport components. This will comprise DfT Pinch Points Fund (application made)⁽¹⁾, Prudential Borrowing, Better Bus Areas 2 (now obtained),²⁾ ERDF⁽³⁾ and Local Transport Board Major Scheme/Single Local Growth Fund (provisional allocation made for 2015/19 funds).

APPENDIX 7

Name and brief description of proposal / policy / service being assessed
Broadmarsh and other City Centre Shopping Centre Plans

Information used to analyse the effects on equality

Consultation undertaken with NCC Equality and Diversity Team

	Could particularly benefit (X)	May adversely impact (X)	How different groups could be affected: Summary of impacts	Details of actions to reduce negative or increase positive impact (or why action not possible)
People from different ethnic groups	<input type="checkbox"/>	<input type="checkbox"/>		
Men, women (including maternity/pregnancy impact), transgender people	<input type="checkbox"/>	<input type="checkbox"/>		
Disabled people or carers	<input type="checkbox"/>	<input type="checkbox"/>		
People from different faith groups	<input type="checkbox"/>	<input type="checkbox"/>		
Lesbian, gay or bisexual people	<input type="checkbox"/>	<input type="checkbox"/>		
Older or younger people	<input type="checkbox"/>	<input type="checkbox"/>		
Other (e.g. marriage/civil partnership, looked after children, cohesion/good relations, vulnerable children/adults)	<input type="checkbox"/>	<input type="checkbox"/>		
			Redevelopment of the Broadmarsh Centre and treatment of the neighbouring highway network is an opportunity to provide more clearly defined and accessible routes to and through the area. This could potentially assist disabled and older people.	Consultation with relevant user groups will be encouraged during the design development phase to ensure their interests are considered.

Outcome(s) of equality impact assessment:

No major change needed Adjust the policy/proposal Adverse impact but continue Stop and remove the policy/proposal

Arrangements for future monitoring of equality impact of this proposal / policy / service:

Intu's designers will be encouraged to undertake regular consultation with the City Council's Equality and Diversity Team to ensure equality issues are considered.

Approved by (manager signature): The assessment must be approved by the manager responsible for the service/proposal (this does not need to be an actual signature). Include a contact tel & email to allow citizen/stakeholder feedback on proposals.

Date sent to equality team for publishing: Send document or link to equalityanddiversityteam@nottinghamcity.gov.uk

APPENDIX 8

High Level Risk Register

This risk register sets out the key strategic risks in the period of scheme development for which mitigating action will be taken as far as possible. Entering into the Agreement with INTU also exposes the Council to further risks once the scheme is implemented. Further longer term risks will be clearer once the project has been developed further. They will be set out in the Executive Board report seeking approval to proceed to physical implementation in due course.

Risk No	Risk descriptions		Risk Management Actions
1	The redevelopment proposals do not pass either NCC's or INTU's viability considerations. The scheme does not proceed resulting in the loss of 1/3 of development cost incurred to that point.		NCC engaged in design development / costing process.
2	The Broadmarsh scheme does not proceed, but the site is sterilised to alternative development schemes not involving NCC/INTU until the CDA plus 5 year long stop date expires		
3	External funding for transport schemes is not secured		Investigate alternative funding sources.
4	NCC do not wish to proceed with the scheme resulting in it being held liable for 1/3 of scheme development costs to date.		Regular project management and Leadership meetings to review progress.
5	Changes in retail market resulting in a drop of demand for space in the proposed centre.		Monitor demand data and explore alternative non retail uses such as leisure if necessary.
6	Transport works implemented but Broadmarsh redevelopment does not proceed.		Highway works are programmed to limit NCC exposure in advance of progress on Broadmarsh.
7	Through design or technical challenges the cost of redevelopment proposals escalates.		NCC engaged in design development / costing process . Final stop go decision addressed as part of the viability considerations.

