

NOTTINGHAM CITY COUNCIL

EXECUTIVE BOARD

MINUTES of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 1 June 2017 from 1.32 pm - 1.55 pm

Membership

Present

Councillor Jon Collins (Chair)
Councillor Alan Clark
Councillor Jon Collins (Chair)
Councillor Sally Longford
Councillor Nick McDonald
Councillor David Mellen
Councillor Toby Neal
Councillor Jane Urquhart
Councillor Sam Webster

Absent

Councillor Graham Chapman (Vice Chair)
Councillor Dave Trimble

Colleagues, partners and others in attendance:

David Bishop	- Deputy Chief Executive/Corporate Director for Development and Growth
Candida Brudenell	- Corporate Director for Resources and Strategy /Assistant Chief Executive
Alison Challenger	- Director of Public Health
Chris Deas	- Director of Major Projects
Jason Gooding	- Parking Manager
Dave Halstead	- Director of Neighbourhood Services
Fergus Slade	- Communications and Marketing Manager
Keri Usherwood	- Marketing and Communications Manager
Geoff Walker	- Director of Strategic Finance
James Welbourn	- Governance Officer
Rebecca Wilson	- Executive officer to the Leader

Call-in

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until **12 June 2017**.

10 APOLOGIES FOR ABSENCE

Councillor Graham Chapman	-	other Council business
Councillor Dave Trimble	-	annual leave

Alison Michalska

11 DECLARATIONS OF INTERESTS

None.

12 MINUTES

The minutes of the meeting held on 16 May were agreed as a true record and signed by the Chair.

13 BROADMARSH SHOPPING CENTRE AND CAR PARK AND ASSOCIATED MATTERS

The Portfolio Holder for Strategic Infrastructure and Communications introduced the item on the Broadmarsh Shopping Centre and Car Park and associated matters.

The Council is bringing forward significant schemes for the Broadmarsh Car Park, Bus Station, surrounding roadspace, and public realm as part of the comprehensive plan for transformation of the Southern City Centre.

The following points were highlighted; these points were all made subject to the recommendations being approved:

- (a) access to the shopping centre will remain, and will be as uninterrupted as possible. There will be a comprehensive communications strategy over the next few weeks, starting with the issuing of publicity materials, leaflets and plans in the surrounding area;
- (b) good progress is being made with letting units in the shopping centre;
- (c) a refurbished car park would have struggled to match the ambition of the City;
- (d) ways of mitigating traffic problems have been looked at; however a project of this size will have some impact on people that drive across the city centre;
- (e) once the Broadmarsh car park replacement is built, there will be additional car parking funding which can help finance the project. There will also be grant money from the Local Enterprise Partnership (LEP);
- (f) there will be more integration with other forms of transport, without forgetting the car.

RESOLVED to:

- (1) note the latest financial analysis for the Broadmarsh Shopping Centre scheme and endorse the continued development of the scheme to full design and tender, incurring the costs identified, all contained in Appendix F of the report, with the expectation of a further comprehensive report prior to full approval later this year;**

- (2) approve the progression of shopping centre enabling works at risk via intu's contractors, with a Council contribution as shown in Appendix F of the report, and approve the revised agreement for lease and capital contribution for key Tanners Walk units as outlined in Appendix G of the report, subject to the Council making clear to intu that this does not mean that unconditionality has been achieved on the main development agreement (see 2.5 of the report);**
- (3) note the latest financial projection and scope of the Broadmarsh Car Park replacement scheme (see para 2.10 of the report) as laid out in Appendix H of the report, and to endorse the continued design development of this option to enable receipt of formal tenders for the works, incurring the fees identified. A further comprehensive report will be presented prior to final approval later this year;**
- (4) endorse the Road Network improvements and Communication measures being taken to mitigate disruption to the travelling public, as laid out in Appendices B and C of the report;**
- (5) approve the draft Heads of Terms attached as Appendix K of the report and ensuing legal document, for further negotiation with intu, to address additional risks arising from rebuilding rather than refurbishing the Car Park, and delegate authority to the Deputy Chief Executive/Corporate Director of Development and Growth, in consultation with the Leader/Portfolio Holder for Strategic Infrastructure, Director of Major Projects and Director of Legal Services, to finalise these documents;**
- (6) approve the decant of the existing car park and progression of car park demolition works in accordance with the recommendations contained in Appendix A of the report, subject to satisfactory progress with road network preparation, communication strategy implementation, temporary car parks and bus facilities as laid out in Appendices B and C of the report. Full demolition not to be committed until the Legal Agreement identified in Appendix K of the report is executed;**
- (7) endorse the temporary car parking and bus stop proposals, together with the arrangements for affected staff car parking as laid out in Appendix B of the report;**
- (8) endorse the resourcing of the above works in the manner laid out in Appendix J of the report;**
- (9) approve the use of the consultant team 'described' in Appendix E of the report for these works;**
- (10) approve the proposals identified in Appendix G of the report.**

Reasons for decisions

Shopping Centre enabling works

Full scale approval of the Shopping Centre scheme will not take place until the Council's Executive Board and intu Board give the scheme the final green light, later

this year, when full tendering of the main construction contract and latest letting information is available. At this point the Conditional Development Agreement (CDA) between intu and the Council would go unconditional.

In advance of that however intu are making significant progress with key lettings into the newly transformed Shopping Centre, in particular the main cinema. In order for timetable milestones for the cinema operator to be met by early 2020, enabling works are necessary ahead of unconditionality, to move other occupiers out of the way and allow prompt start on the cinema work later in the year.

Separate tenders have been obtained for these enabling works and intu are seeking agreement to progress with them (Appendix F of the report) with the Council funding one third, as per the development agreement. In turn these works are predicated on a new lease and deal being secured with the present occupiers of the space who need to move now. This has been negotiated, and more details are contained in exempt Appendix G of the report.

Despite the fact that market conditions have become more challenging since 2013 when the CDA was agreed the Council is confident (exempt Appendix F of the report) that the business case for investment in the Shopping Centre will be made and that unconditionality will be achieved and that these proposals should be agreed at risk. Further financial analysis is contained in the Finance Comments, see Appendix J of the report.

For the avoidance of doubt however it is important for the council to make clear that agreement at this stage is not agreement to the full scheme. The Executive will consider the business case for the full scheme on its merits when full scheme preparation is completed later this year, and could choose to not go ahead in certain circumstances.

To progress the full scheme to unconditionality there are also further design and development costs that need to be incurred by intu, and therefore Nottingham City Council (one third contribution), as laid out in exempt Appendix F of the report.

Car Park Demolition and Rebuild

It has always been the aspiration of the Council and intu to transform the Broadmarsh car park to complement the Shopping Centre redevelopment scheme, at the same time, and indeed to do so is a requirement of the CDA.

The physical condition of the car park continues to deteriorate as a result of a combination of physical factors, mostly the result of corrosion of the steel in the reinforced concrete, and this means continuous and ever more expensive repair by the Council to keep it open. In reality the car park needs fundamental attention, regardless of whether or not the Shopping Centre scheme progresses.

The Council has therefore undertaken significant investigation of this situation over time and what the options are based on the realities of cost versus benefit assessment. A report to Executive Board in February 2017 led to the decision to progress towards the demolition and rebuild option, with final decisions later in the year once certain risk mitigation and financial matters were clearer. This report brings forward many of the answers to those questions, and seeks permission to accept

tenders and enter into contract to demolish now, and to further progress design, development and tendering of a new build scheme, leading to final decisions on the new car park at the end of the year aligned to final decision making on the shopping centre.

Demolition preparations have been underway since the February report, with service diversions, vacant possession, and alternative bus station and car parking arrangements being planned and set in train. A new car park to dovetail with the transformed shopping centre will need to provide the same number of spaces, the same degree of accessibility and proximity, and should complement the Shopping Centre specification and design style. The design team is working to bring forward proposals accordingly, in careful discussion with Planning. The current cost estimates associated with this are attached as Appendix H of the report.

Despite being more cost effective and viable than the refurbishment option, the new build option is still very expensive. The new build option does however allow much more cost effective design and build (as opposed to retrofitting) and the possibility of additional aspects that not only add to the attractiveness and vibrancy of the finished product, but income too. Solar panels, digital advertising, and complementary retail are all included in the emerging option accordingly. The possibility of new homes on top of the Car Park is also being explored, although the financial viability of this idea is still to be confirmed.

To address the funding challenge that the new car park presents, not only are construction cost reduction and income generation being pursued, but also a great deal of progress has been made with securing grants. The Government through the Local Enterprise Partnership, have agreed to provide a significant proportion of Local Growth Fund, and this adds to earlier monies secured for the Bus Station upgrade. The new Car Park is of course expected to attract many more visitors than presently when the area transformation is complete with more rapid turnover of spaces (retail and leisure, as opposed to commuter), leading to higher car park income than today. The combination of grant, income uplift, and new income, has enabled a realistic financial funding solution for this project to be put forward. (See exempt appendices H and J of the report).

The move away from Car Park Refurbishment to Car Park demolition and New Build is of course a major change bringing with it new risks. Potentially greater loss of income from the Shopping Centre, and Car Park during the rebuild period for example. On the other hand the delivery of a clean new Car Park should be more manageable and less risky than the refurbishment option with all the complexity associated with keeping the existing Car Park open and safe whilst working on it. In February, Executive Board were concerned to ensure that all these new risks were worked through in detail with inty, and agreement reached on their implications. Such an agreement is nearly finalised, and the latest document is contained in Appendix K of the report. It is proposed that works to demolish the Car Park are not committed until this agreement is completed.

Of course the Shopping Centre remains open during the Car Park demolition and rebuild, and the biggest challenge is therefore to ensure the visitors to it are as unaffected as possible – business as usual being our aim. A great deal of work has been undertaken to ensure bus users can still access the shopping centre and city

centre from the south, and discussions have taken place with all the main operators. Temporary arrangements are being progressed, and will be further improved ahead of demolition commencement. The same is true for car parking users with temporary nearby sites being secured as appropriate. The proposals will change over time, and key to success will be effective communication of up to date information. Proposals so far planned are described in Appendix B of the report, with the initial communication approved as part of a wider plan outlined in Appendix C of the report.

Demolition of the existing car park clearly also requires the agreement of temporary displacement arrangements with certain facilities and business in the direct vicinity. Work is underway to secure such agreements, and approval is required for the proposal contained in Appendix G of the report accordingly.

Demolition tenders have been secured through the SCAPE framework, and are broadly in line with earlier estimates. Detail is contained in exempt Appendix A of the report, and endorsement is sought to the proposal to commence demolition utilising the contractor identified, once the necessary preparations to manage the impact and risks, as per recommendation 6, have been made.

Roadworks, Communications and Other Matters

The physical extent of the car park demolition site, the access/egress to new temporary car parks, and temporary arrangements for pedestrian routes and accessing new bus stops all mean considerable change to the existing road system and associated public realm. A lot of work has been undertaken, and continues to ensure new arrangements are made that allow facility users and visitors safe and easy access, whilst still enabling the travelling public to go about their business safely and expeditiously. The Canal Street area will be particularly disrupted, and so measures are being taken to encourage and enable traffic to flow easier around the southern side of the railway station during the next three years. These measures are described in more detail in Appendix B of the report, and are already underway.

There is particular focus on two things, enabling shoppers and visitors to still access easily the Shopping Centre and Southern City Centre and at the same time keeping the travelling public moving safely and speedily. To achieve this information and communication will be key, with appropriate well signed advance warnings, timely notification, accurate information, and real time updates crucial. A comprehensive effort to achieve these objectives will be undertaken, and the approach is contained in Appendix C of the report. The demolition works will not be commenced until the roadworks enabling measures are substantially in place, and the public have been made fully aware of what is to be expected.

The work to deliver all the elements of activity described in this report is being delivered by a wide team of internal Council officers, contractors and consultants. Procurement of this team is being carried out in adherence to the Council's rules and procedures. Approval is sought to confirm the appointment of the Consultants team for the next stages of the project as laid out in Appendix E of the report.

Other options considered

To not progress the Shopping Centre scheme as a result of less positive financials than when the CDA was agreed in 2014, and public sector austerity. Rejected –this

would be a mistake given the strategic importance of this project to the city economy and reputation, and an unnecessary step as we are confident the business case for investment will be made.

To not progress enabling works and key occupier leases in the Shopping Centre until the CDA has gone unconditional. Rejected – this would prejudice the key letting to a quality cinema operator, which would in turn undermine the redevelopment offer the developer is set on achieving, to complement their Victoria Centre offer. It would also mean an extended construction period when the Shopping Centre scheme did commence.

To not progress the car park demolition and rebuild option, but to revert to a boiled down scheme based upon refurbishment. Rejected – A basic scheme would undermine the ambitious transformation the City is seeking to achieve through complementary projects in this part of the City. It is extremely doubtful that any comprehensive refurbishment scheme could ever be delivered cost effectively, as all contractor assessments have highlighted the complexity of the work, safety ramifications, and the need for ongoing repairs over the years as highlighted in the previous report.

To not progress the car park demolition until the Shopping Centre project has been fully committed. Rejected – such an approach would mean the new car park would not be available until well after the Shopping Centre scheme was complete, which would lead to the Council incurring compensation liabilities. It would also mean further wasted cost on temporary repairs.

To close Canal Street completely west bound whilst the Car Park demolition and rebuild are underway. This option might be appropriate for phases of the work further down the line, but in the short term this seems counterproductive, as it would interfere with the bus and taxi services, and take out more car capacity than necessary early on.

14 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining item(s) in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs in the public interest in disclosing the information.

15 BROADMARSH SHOPPING CENTRE AND CAR PARK AND ASSOCIATED MATTERS - EXEMPT APPENDICES

The Board considered the exempt appendix to the Portfolio Holder for Strategic Infrastructure and Communications' report.

RESOLVED to note the information contained within the exempt appendix.

Reasons for decision

As detailed in minute 13.

Executive Board - 1.06.17

Other options considered

As detailed in minute 13.