

FALKIRK COUNCIL

**Subject: DENNY TOWN CENTRE REGENERATION
UPDATE REPORT**
Meeting: EXECUTIVE
Date: 29 APRIL 2014
Author: DIRECTOR OF DEVELOPMENT SERVICES

1.0 INTRODUCTION

- 1.1 This report advises the Executive of the progress of the Council's regeneration activities in Denny town centre. The report suggests the next steps proposed and gives recommendations for approval.

2.0 BACKGROUND

- 2.1 The Executive approved a report on town centre regeneration on 14 January 2014 providing an update on various town centre projects and confirming actions proposed in each centre. The report confirmed the detail of the Council-led first phase project being taken forward in Denny and it was agreed to declare the Phase 2 site surplus to requirements and commence marketing to attract developer/operator interest.
- 2.2 Following Executive committee approval, SGM Property Consultants have been appointed to act for the Council in the marketing of the Phase 2 site. Work is also underway to deliver the first phase of the project, involving redevelopment of the site to provide new retail units, a library, town square and carpark.

3.0 TARGET DEVELOPMENT PROGRAMME TIMESCALE

- 3.1 The Council has progressed the demolition of sections of the existing Church Walk blocks and later this year plans to initiate the first phase of the new town centre. Inevitably the development timescales are fluid as they are subject to third party agreements. In addition further issues can arise during the development process which can cause delays e.g. utility related issues. The proposed timescale below is a target timescale which can be subject to change but is intended as a guide for the project.

Date	Description
STAGE 1	
May 2014	Completion of temporary retail village. Commence relocation of Block B retailers and Library staff to Portacabins Commence utility disconnections for Block B in preparation for demolition

STAGE 2	
July 2014	Initiate physical demolition of balance of Block A & Block B
Nov 2014	Construction phase commences for Phase 1
August 2016	Anticipated completion of Phase 1/relocate retailers
STAGE 3	
June 2017	Completion of Phase 1 work including demolition of octagonal building and completion of town square.

4.0 SITE ASSEMBLY PROCESS

- 4.1 Progress is being made through conclusion of legal agreements with Lloyds Pharmacy, Boots and Café Anton. Lloyds TSB are also interested in a new unit and discussions on their requirements are continuing. Interest from other parties has been expressed and will progress once agreements are concluded with the existing occupiers. The remaining Phase 1 units will be marketed later this year to attract additional retailer interest.
- 4.2 The Council's first phase development includes 10 retail units and provision for a new library. In marketing the first phase to attract additional retailers, it is important that pre-let anchor tenants are secured. It is therefore necessary to retain and accommodate as many existing quality tenants as possible. This will be achieved through provision of temporary accommodation during the development period and establishing heads of term agreements with retailers for new units within the Phase 1 development.
- 4.3 The Council is in the process of agreeing terms with the following tenants:-

Café Anton (7 Church Walk)

Intend moving into a portacabin provided by the Council, located on Duke Street, during May 2014 and, once complete, moving into a new unit in the first phase development.

Lloyds Pharmacy (9 Church Walk)

Intend moving into a portacabin provided by Lloyds, located on Duke Street, during May 2014 and, once complete, moving into a new unit in the first phase development.

Boots (41 Church Walk)

Intend moving into a portacabin provided by the Council, located on Stirling Street (site next to Carronbank House), during July 2014 and, once complete, moving into a new unit in the first phase development.

Lloyds TSB (37A Church Walk)

Intend continuing to occupy existing premises during the development period and, once completed, move into a new unit in the first phase development.

Solicitors are finalising legal agreements with Café Anton, Lloyds Pharmacy and Boots leading up to their relocation to temporary accommodation. Positive discussions are ongoing with Lloyds TSB's agent. A temporary unit is being provided for the library and details for the provision of the new library unit in phase 1 are being finalized.

- 4.4 Once secured, the relocations to temporary units will take place and the demolition works can commence. Procurement of a contractor for delivery of the Phase 1 development commenced with publication of the project via the OJEU process initiated on 7 April 2014.

5.0 WAR MEMORIAL

- 5.1 Falkirk Council has made provision for the temporary re-siting of the existing town centre memorial during the regeneration project's demolition and construction phase to the cemetery at Broompark Community Centre adjacent to the existing town centre.
- 5.2 Designs for the Broompark War Memorial Garden are finalised with amendments made to address consultation feedback including:
- Widened access area to allow 4 abreast parade
 - Disabled access via south car park
 - Standing room for 450 people
 - Wreath hoops on memorial to keep wreaths off ground
 - Dog bins/seating included
- 5.3 A contractor is to be appointed mid June, with the 12 week project planned to be completed between July – Sept 2014. Rededication of the memorial will be undertaken in advance of November 2014. Local clergy and the Community Council will be kept up to date.
- 5.4 Securing external funding from sources such as the national War Memorials Trust has been constrained due to the temporary nature of the war memorial proposal. An application has been made to Falkirk Environment Trust for 50% of the £95,437.00 project. Should this funding not be secured, the Council will require to fund the relocation project in full.

6.0 IMPLICATIONS

Policy Implications

- 6.1 Town centre regeneration is a key priority of the Strategic Community Plan, My Future's in Falkirk and related policies.

Legal Implications

- 6.2 Delivery of the regeneration project is being progressed with the support of the Council's Legal Services and, where necessary, external legal advisors.

Financial Implications

- 6.3 The Council has committed to fund this project through its General Service capital programme, involving disposal of existing assets and redirection of resources from the Portfolio Management Plan as approved by Council in October 2011.

- 6.4 Recent tendering of the temporary retail village resulted in the appointment of Wernick Hire Company at a cost of £380,000. This is £30,000 above the anticipated cost of works being undertaken.
- 6.5 In relation to Boots relocation, discussions had been proceeding on the basis that they would provide their own temporary unit. However they have recently requested an additional temporary portacabin from the Council to accommodate their business for the development period. The cost is budgeted at £120,000, with detailed costs subject to a tender process. It is proposed that the Council agrees to fund this as compensation for the early surrender of Boots existing lease and as an incentive to retain a quality tenant within the new development.
- 6.6 Rental levels set for both Café Anton and Boots (the two occupiers utilizing portacabins provided by the Council) reflect the impact of the development phase of the centre during this period and an expected reduction in turnover. Rent has been agreed at £5/sqft per annum which matches their current rental charge.
- 6.7 Should funding not be secured from Falkirk Environmental Trust for the War Memorial the full project costs will require to be met from the regeneration project budget.
- 6.8 The approved capital programme for the Denny town centre regeneration project allocated £7.628m for delivery of the project. Estimates of the cost of delivery will not be finalised until completion of the tendering exercise later this year. Accordingly it is suggested that the additional cost of works proposed in this report for:
- the temporary retail village (£30,000)
 - relocation of Boots (£120,000), and
 - relocation of the War Memorial (£95,437)

be met from the current budget established for the project and that should additional budget required as a consequence of tendering, this will be the subject of a further report to the Council.

Planning Implications

- 6.9 Town centre regeneration is a key tool in the delivery of the Council's Local Development Plan commitment to enhance the role of town centres and regenerate district centres.

7.0 CONCLUSION

- 7.1 Denny town centre regeneration is an important Council priority. To assure its success it is critical for commercial reasons and through loyalty to existing occupants, to retain as many existing local retailers as possible through the provision of a temporary retail village and establishing agreements for occupation of the new units.
- 7.2 The Council has appointed SGM Property Consultant and they have confirmed that with 'anchor' tenants such as Boots, Lloyds Pharmacy and TSB Bank, we will be able to attract additional retailer interest. Once legal agreements are concluded with the existing tenants SGM will be instructed to market Phase 1 to fill the vacant units.

- 7.3 The temporary relocation of the War Memorial is an essential part of the regeneration process and has been progressed through consultation with the Denny community. It is therefore important to proceed with the commitment of funding to this project while continuing to seek external funds from the Falkirk Environment Trust.

9.0 RECOMMENDATIONS

9.1 It is recommended that the Executive agrees to:-

- (i) note the above progress report on the delivery of the Denny town centre regeneration project**
- (ii) provide the temporary accommodation for Boots at a cost of £120,000 and an additional £30,000 for the temporary retail village.**
- (iii) progress the temporary relocation of the War Memorial at a maximum cost to the Council of £95,437.**

.....
Director of Development Services

Date 8 April, 2014

Contact Officers: Colin Frame/Douglas Duff. Ext: 0972/0905.

LIST OF BACKGROUND PAPERS

1. Denny Town Centre Regeneration Files.

Anyone wishing to inspect the background papers listed above should telephone 01324 590972 and ask for Colin Frame, Douglas Duff.