



AGENDA ITEM

12

**DENNY TOWN CENTRE
REGENERATION: PHASE
TWO DEVELOPMENT**

FALKIRK COUNCIL

**Subject: DENNY TOWN CENTRE REGENERATION:
PHASE TWO DEVELOPMENT
Meeting: EXECUTIVE
Date: 7 JUNE 2016
Author: DIRECTOR OF DEVELOPMENT SERVICES**

1.0 INTRODUCTION

- 1.1 The purpose of this report is to provide an update on the status of the Denny town centre regeneration project including further information with regard to the outcome of the Phase 2 marketing process.

2.0 BACKGROUND & PROJECT UPDATE

- 2.1 The Executive considered reports providing updates on the project on 29 April, 17 June and 30 September 2014, covering issues including the development timescale, site assembly progress, relocation of the War Memorial and Regeneration Capital Grant Fund (RCGF) opportunity
- 2.2 The Executive considered a further report on 24 February 2015 in relation to the marketing process for the Phase 2 site. This had identified two interests and advised of a requirement to remarket given that neither of the offers had taken into consideration the requirement for a Denny Eastern Access Road (DEAR) contribution. A further report for the 9 June Executive confirmed that one interest had responded to the remarketing exercise. The Executive agreed that further detail be provided on this proposal in relation to a commitment from an operator and further work on the design. A report was presented to the Executive on the 23 February 2016 confirming a single operator interest from B & M, with a design adjusted to suit their requirements. The Executive agreed to conclude an agreement with County Properties subject to a commitment being secured from B & M as the operator.
- 2.3 Work is well under way on the first phase of the new town centre with the contractor, Clark Contracts Ltd, proceeding to programme. It is expected that the units will be available to occupiers to start fitting out by September this year with the first tenants opening in November.

3.0 PHASE 2 DEVELOPMENT

- 3.1 The Phase 2 site was remarketed by SGM, commercial agents and a report on the results of the marketing exercise was submitted to the Council's Executive on the 9 June 2015. One offer was received, from County Properties (Northern) Limited. The Executive agreed that County Properties should be approached requesting that they review their submission for the scheme to better fit the requirements of the brief and, on the basis they were identified as the preferred bidder, seek commitment from a store operator.

- 3.2 County Properties had a provisional commitment from B & M Retail Ltd. which was reported to Executive on the 23 February 2016. The Council's Executive approved progressing an agreement with County properties on the basis of this commitment from B & M as operator. Since the Executive's decision, County has advised that B & M's national strategy has changed to focus on larger store formats with connection to garden centre provision, located within larger town centres. On the basis of their recently revised strategy they no longer have an interest in locating in Denny and County properties confirmed they have no other operator who would be interested in the Denny site at this time.
- 3.3 There are 2 options available for the Executive to consider in progressing Phase 2:
- Option 1: remarket the site now
 - Option 2: remarket the site on completion of Phase 1.

Option 1: Remarket the site now

The site has now been marketed twice over a two year period with initial interest from two parties, reduced to one and more recently the last party retracting their interest. It is therefore not a suitable time to remarket the site as the same negative result would be expected. Marketing the site now does give some opportunity to connect the scheme's design with that of Phase 1, however the time remaining for these adjustments is limited.

Option 2: Remarket the site on completion of Phase 1

- 3.4 If remarketing is delayed until the Phase 1 building is fully tenanted, the town square is in place and car park is fully utilized. While this loses the opportunity to tie in with Phase 1 scheme's delivery it will be a more attractive and active environment to consider remarketing the Phase 2 site. In addition the delay in marketing will give additional time for further options in the retail sector to come forward, potentially with other uses. It is hoped that future offers might be improved upon in price, design and delivery, however this cannot be guaranteed given market conditions.

Appraisal Summary

- 3.5 The marketing process has highlighted a lack of interest in the Denny town centre Phase 2 site at this point in time. The position can change should market conditions improve and the environment of the site is enhanced with the completion and establishment of Phase 1. It is suggested therefore that there is merit in delaying marketing Phase 2 until Phase 1 building, town square and car park is completed to provide a positive environment for future marketing of the Phase 2 site.

4.0 IMPLICATIONS

Policy Implications

4.1 Town centre regeneration is a key priority of the Strategic Community Plan, *Growth, Investment & Inclusion*, the Council's economic strategy and related policies.

Planning Implications

- 4.2 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.

Legal Implications

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

Financial Implications

- 4.4 The approved General Services Capital Programme has sufficient provision together with the grant funding to allow Members to pursue either of the 2 options within the existing approved budget. The anticipated receipt for the site will be deferred pending the outcome of marketing of the site once completed.

5.0 CONCLUSION

- 5.1 The Denny town centre regeneration project has reached an important stage with the construction of phase 1 well underway and currently on programme.
- 5.2 Unfortunately the outcome of the Phase 2 marketing process has highlighted that there is no confirmed interest in the site. It is suggested that there is no benefit in remarketing the site again at this point given the identified lack of interest. Marketing the site on completion of the overall Phase 1 development, including the town square will give the market additional time to recover and, with tenants occupying Phase 1, make the Phase 2 site a more attractive proposal. A further round of marketing, at this point, may provide a more attractive response.

6.0 RECOMMENDATIONS

It is recommended that the Executive:

- i) notes the above report on the progress of the Denny town centre regeneration project**
- ii) Agrees to progress Option 2 as outlined in item 3 above.**

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Director of Development Services

Date: 7 June 2016

Contact Officers: Colin Frame/Douglas Duff. Ext: 0972/4952.

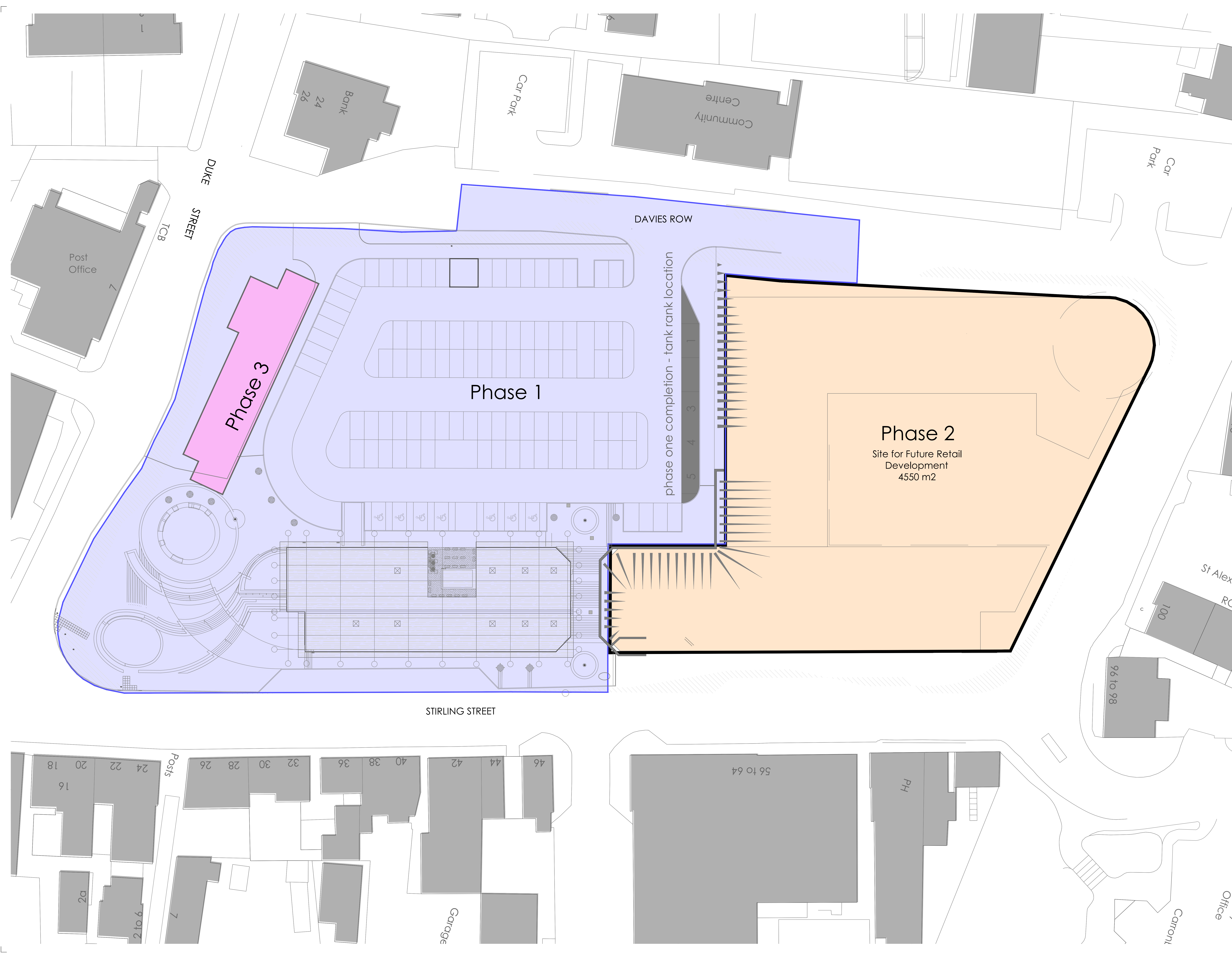
LIST OF BACKGROUND PAPERS

1. Denny Town Centre Regeneration Files.

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

Note:

1. No dimensions to be scaled from this drawing.
2. Contractor to check all sizes on site.
3. All drainage to comply with BS 8301 and to be to the satisfaction of the Building Control Authority.
4. All electrical work to comply with BS 7671 and to be to the satisfaction of the Building Control Authority



CONTRACT ISSUE
TENDER ISSUE



Community Design

DENNY TOWN CENTRE
Phase 1, Regeneration

Drawing Title:
Proposed Masterplan

Project Drawing Number
AD(0)009

Scale	1:200
Date	01/08/07

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