

SUPPLEMENTARY AGENDA



To the Members of the Scrutiny Committee.

Your attendance is requested at a meeting of the Scrutiny Committee to be held in the Council Chamber, Pippbrook, Dorking on **TUESDAY 8th MARCH 2016 at 7.00pm** for the transaction of the business set out in the previously circulated agenda and the following supplementary agenda.

ANGELA GRIFFITHS
Corporate Head of Service
2nd March 2016

Members of the Committee: Councillors Chris Townsend (Chairman), David Draper (Vice-Chairman), Tim Ashton, Stephen Cooksey, Clare Curran, Paula Hancock, Mary Huggins, Duncan Irvine, Malcolm Ladell, Jatin Patel and Paul Potter.

Substitutes: Mary Cooper, Rosemary Dickson, Raj Haque, Paul Newman, Philippa Shimmin and Peter Stanyard

The Chairman would like to remind Members that they have the opportunity to ask Officers questions, in respect of issues concerning matters of detail or for further clarification, prior to the meeting.

AGENDA

12. URGENT ITEM

The Chairman has agreed that the following item (item 13) should be considered at the meeting as a matter of urgency, in order to allow the Scrutiny Committee the opportunity to scrutinise the report prior to its consideration by the Executive.

13. ENVIRONMENTAL ENHANCEMENTS IN CHURCH STREET, LEATHERHEAD

The Committee is presented with a copy of the Executive report and asked to note its contents.

Members are also asked to make any observations and recommendations to the Executive on any issues concerning the implications of the report that it feels should be drawn to its attention.

These will be fed into the Executive's consideration of the report at its meeting on 22nd March 2016.



If you require a copy of this agenda, any of the reports within it or a large print version of the agenda, please telephone Steve Tucker on **01306 879129** or e-mail: steven.tucker@molevalley.gov.uk

NOTE: This meeting will be webcast for live or subsequent broadcast via the Council's internet site (www.molevalley.gov.uk). The whole of the meeting will be filmed except where there are confidential or exempt items. Generally the public seating areas are not filmed. However, by entering the meeting room and using the public seating area, you are consenting to being filmed. Members of the press/public may film or record proceedings, blog or tweet proceedings and take photographs providing they do not disturb the conduct of the meeting. The Chairman of the meeting has the discretion to terminate or suspend filming/recording if in his/her opinion continuing to do so would prejudice the proceedings of the meeting or, on advice, considers that continued filming/recording might infringe the rights of any individual.

Urgent Item

Executive Member	Councillor Sarah Seed; Councillor Howard Jones.
Strategic Management Team Lead Officer	Paul Feehily
Author	Rod Shaw
Telephone	01306 879247
Email	rod.shaw@molevalley.gov.uk
Date	22 nd March 2016

Ward (s) affected	Leatherhead South	Key Decision	Yes
--------------------------	-------------------	---------------------	-----

Subject	Environmental Enhancements in Church Street, Leatherhead
----------------	--

RECOMMENDATIONS

The Executive agrees to allocate £300,000 from Section 106 Agreements and Planning Infrastructure Contributions as MVDC's financial contribution to a scheme to enhance the public realm in Church Street, Leatherhead.

EXECUTIVE SUMMARY

Discussions have been held with local Members and town centre stakeholders in Leatherhead about the use of available funds for environmental improvements. The decision was taken to develop a scheme for Church Street which would significantly improve the appearance of the street and increase its vitality.

Impetus for this project was given by the consultations and preliminary findings associated with the Transform Leatherhead masterplan and the granting of planning permission for a food store at 14-22 Church Street.

In order to supplement MVDC funds, grant applications have been made to external bodies. Total costs are estimated to be in the region of £805,000. A funding package involving the County Council, Coast to Capital Local Enterprise Partnership and private developer is being put together. The Council's contribution of £300,000, composed of S106 and PIC contributions, is an essential component and a lever for external funding.

Discussions have taken place with the developer of the food store in order to produce a timetable for the completion of the store by the end of summer 2016, following on from which the street enhancements would be implemented jointly with Surrey County Council.

Agreement is sought to proceed on this basis, with construction to be completed in 2016/17.

ENVIRONMENT

A highly attractive area with housing that meets local need

- Protect and enhance the natural and built environment and ensure our areas of natural beauty are well looked after.
- In consultation with the community, develop plans for how land is used in Mole Valley. Whilst safeguarding the Green Belt, we will set out proposals for jobs

and homes, retail, leisure and commercial development.

The focus is on enhancement of the built environment of Leatherhead town centre in a location that forms part of the Leatherhead Conservation Area and includes the Grade 2 listed theatre. The proposals are intended to provide a context in which new jobs will be created and retail, leisure and other commercial uses will co-exist to produce a vibrant street.

PROSPERITY

A vibrant local economy with thriving towns and villages

- Begin the transformation of Leatherhead town centre.
- Promote business opportunities across the district.
- Make best use of our town centre parking, balancing the needs of residents and local businesses.

The project is intended to provide an initial impetus to the Transform Leatherhead initiative and to set the standard of quality that can be replicated throughout the town. The investment in Leatherhead will be a marker to the private sector of the future intentions for the town. The private sector scheme in Church Street for a new food store will include a revamp of the public car parking, creating additional capacity.

The Executive has the authority to determine the Recommendations

1.0 BACKGROUND

- 1.1 Last year discussions took place with the Transform Leatherhead Members and community reference groups to determine the immediate priorities for public realm enhancements having regard to the wider Transform Leatherhead agenda. There was support to focus on Church Street because of its importance as a gateway into the town centre and because there are various issues relating to the quality and appearance of the street. This part of the town centre has largely remained unchanged since the early 1980s. Subsequently a report was prepared for the County Council's Local Committee and Members agreed that Church Street was a prime candidate for improvement.
- 1.2 The work on Transform Leatherhead has underlined the importance of Church Street as a gateway to the town, as one of the principal retail areas and as a cultural sector focused around the Leatherhead Theatre. Some of the main food, beverage and leisure offerings in the town centre are on Church Street. Therefore, the appearance and performance of Church Street is important to the wider well-being of the town. At the same time, the base line report for Transform Leatherhead notes that there is clear public support for improvements to the townscape. One of the key ideas emerging from the master-planning is that of '*revitalising and celebrating Church Street as a place for arts and leisure and as the southern gateway to the heart of the town centre*'.
- 1.3 A complicating factor, but one that could provide new impetus to the regeneration of Church Street, is the proposal put forward by Hague Investments and Waitrose for a new food store opposite the Leatherhead Theatre. This led to a planning application being submitted and approved for the new store at 14-20 Church Street. Attached to the planning approval was a legal agreement with the County Council to undertake works to the public highway necessary to ensure that delivery vehicles can service the store. These alterations affect the timing of the wider public realm enhancements and

the form that they might take. Whilst it is unlikely that the works by the developer and the wider enhancements can be undertaken at the same time, close liaison between the various parties should enable the designs to dovetail and the public realm works to follow on quickly after the completion of the food store.

2.0 FUNDING

- 2.1 The total cost of the scheme is estimated to be £805,000. Releasing the £300,000, as requested in this report, does not require the investment of any of the Council's own capital resources. Furthermore, a decision to make this sum available from banked developer contributions already secured for this purpose will complement the additional resources required from external funding sources. These will combine to pay for a scheme of higher quality than might otherwise have been the case and will put down a strong marker of the Council's and our partners' early intent in respect of the eventual transformation of Leatherhead town centre.
- 2.2 MVDC has developer contributions that it can make available for this project. This figure is made up of several Section 106 payments and Planning Infrastructure Contributions. All these contributions were collected from Leatherhead based developments and earmarked for environmental improvements. There is a small additional sum held in reserve should this be necessary when costs are reviewed as design work proceeds.
- 2.3 The Coast to Capital LEP has offered £262,500 from its Local Growth Fund. This funding is available for 2016/17 subject to confirmation of some details of how the project will be managed, the other funding partners and ratification from the LEP Board.
- 2.4 The County Council has offered £15,000 from the highways' maintenance budget in recognition of the benefits that an improved street will bring to them in reduced maintenance. In addition, an application has been made to a new fund established by the County Council for the revitalisation of secondary shopping centres. An application has been made for £200,000. An indication of whether the application has been successful will be known in mid-March and a formal decision made in mid-April. The project does meet the criteria for the fund.
- 2.5 Under the terms of the legal agreement with Hague Investments certain works to the highway will be undertaken at their expense. The works are agreed formally between the County Council and Hague under a Section 278 Agreement. Some of this will be undertaken directly by the company's contractor in advance of the opening of the food store in the late summer. Other elements will be covered in the form of a financial contribution to the wider enhancement works. This sum has yet to be determined, but will be agreed shortly with the County Council in part fulfillment of the Section 278 highway works agreement.
- 2.6 At the time of writing this report, it is considered that the funding for the project will be found in full. The funding bid to the Highway's revenue budget is committed. The LEP funding is also committed, subject to contract. The grant application to SCC under the Town Centre Revitalisation Fund has a very good chance of success as the project meets the criteria and is within the grant allocation available for each individual district council.
- 2.7 MVDC's funding is essential as a lever for funding from the LEP and the County Council's Town Centre Revitalisation Fund. The offer of funding from the LEP is based on the Council making its full contribution as set out in this report. The

application to the County Council is also based on MVDC being able to provide the full balance of the anticipated expenditure on the scheme.

3.0 NEXT STEPS

- 3.1 Over the coming months officers will be working with Hague Investments to assist with the implementation of the planning permission. Construction is expected to take until July, following on from which Waitrose will fit out and open the store at the end of August/early September. Those elements of the public realm works that are necessary for the opening of the store will be undertaken. Temporary surfaces will be laid down prior to the full enhancements works being undertaken thereafter. Timetabling of the wider works is under discussion with a view to following on from the opening of the store as soon as practically possible.
- 3.2 In the meantime, detailed design work will be undertaken and costings firmed up. It is intended that the Transform Leatherhead exhibition being planned for mid- April will include information on the Church Street scheme, providing information on the project for the general public. Timing to enable this to happen is tight, which is why the Executive is being asked to commit its funds to the project at this stage. Funding is tied to the 2016/17 financial year, which is another reason for early decisions by the Executive.
- 3.3 Further consultations will be held with stakeholders such as the Chamber of Commerce, occupiers of the flats above the commercial ground floors, businesses fronting Church Street, the Mole Valley Access Group and Leatherhead Members. The existing community and members' reference groups established at the start of the Transform Leatherhead project will also be important in this respect.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The funding for the scheme is set out in section 2 of this report. The £300,000 funding contribution from MVDC for this scheme comprises an amalgamation of developer contributions dating back a number of years. These sums are earmarked for environmental improvements with time limits on spend in some cases. As indicated above, for the project to be financially viable all the funding partners will need to make their contributions in full. MVDC's contribution is crucial, not only because it makes a major contribution to meeting the full scheme costs but also because it brings the other financial partners to the table.
- 4.2 Formal agreements will be made with Surrey County Council and the LEP to confirm their respective contributions in advance of the scheme.
- 4.3 Both the County Council and MVDC have maintenance responsibilities in Church Street. This new scheme offers an opportunity to rationalise those responsibilities and to reduce revenue expenditure.
- 4.4 In setting a budget figure for the scheme, allowances have been made for contingencies and risk. The available funding is, therefore, likely to cover the cost of the scheme implemented to a high standard.
- 4.5 The County Council and MVDC will jointly share the risk should there be a cost overrun.

5.0 LEGAL IMPLICATIONS

- 5.1 Responsibility for the running of the construction contract will be the responsibility of the County Council. SCC will also appoint and manage the design consultants. In both cases the County Council already has a contractual

relationship with the companies concerned.

- 5.2 MVDC will be required to enter into a funding agreement with the LEP and Surrey County Council in respect of the funding provided through the Local Growth Fund (LEP) and the Town Centre Revitalisation Fund (SCC).

6.0 OPTIONS

- 6.1 Option 1: is to proceed with the public realm enhancements as indicated in this report. This option is subject to detailed design within an overall budget in the region of £805,000. The design will itself be subject to consultation before a final scheme is agreed. This option allows MVDC to use its funds to lever external funding in the region of £500,000 and to provide an early impetus to the implementation of the Transform Leatherhead Masterplan. A decision to proceed at this stage will enable the project to be completed in the financial year 2016/17, which is a condition of the external funding. Any delay would undermine the financial package.
- 6.2 Option 2: is to await the further development of the Transform Leatherhead Masterplan when the options for traffic management will have been further investigated and a clearer picture emerges as to the future roads' hierarchy, including the role that Church Street will play. This option is not recommended for three principal reasons. First, the design for Church Street is intended to be flexible and robust enough to cater for different traffic management scenarios. Secondly, it is considered important to demonstrate at an early stage what can be achieved in terms of tangible improvements to the town centre. Church Street is seen as the first phase of the implementation of the regeneration programme. Thirdly, Church Street will be undergoing change whatever MVDC decides. Works will be required to accommodate the new food store in any case and it would be best to tie in the wider street works with the developers alterations.
- 6.3 Option 3: is to rethink whether the focus MVDC's investment in Church Street is the correct approach and to examine other parts of the town centre that might benefit from the available funds. This option is not recommended because a meeting of local Members and community representatives made a decision two years ago to focus on Church Street. In consultations with stakeholder groups and the Transform Leatherhead reference groups, Church Street was considered to offer the best opportunities for town centre regeneration in the short term and the current work reflects these views.
- 6.4 It is recommended that Option 1 is supported

7.0 CORPORATE IMPLICATIONS

Monitoring Officer commentary

The Monitoring Officer confirms that all relevant legal implications have been taken into account in the report.

S151 Officer commentary

The S151 officer confirms that all relevant financial risks and issues have been taken into account in this report.

Risk Implications

This project is a significant one in the heart of the town centre and certain risks are inevitably associated with projects of this type. Issues of cost overrun have been dealt with by including a contingency, risk and optimism bias in the project costs.

There are risks associated with the link between the contract to build the store and the handover to the contract for the construct the wider public realm works. The first contract could overrun, with implications for the second. Close liaison with the developer should minimise any issues. There may be a reputational risk if the public realm works do not follow on closely from the developer's contract. This can be minimised by close liaison with County Council and the fact that SCC already has a contractual relationship with the contractor.

There is a risk that the external funding will not materialise. This is a low risk with the LEP but a bit more uncertain with the Town Centre Revitalisation Fund. However, if funding fails to materialise, this will be known early on and contingency plans can then be considered. The risk increases significantly if the MVDC delays its decision on the funding or reduces the amount it is willing to contribute.

Equalities Implications

The issue of equalities becomes more significant when the design of the public realm work begins. Design will need to take account of the needs of people with disabilities. Checks will be introduced by subjecting the early design work to scrutiny by the Mole Valley Access Group and by undertaking a safety audit in two stages following preliminary and detailed design.

Employment Issues

Not directly applicable but the investment in Church Street is intended to encourage private investment and new job opportunities. The Waitrose food store is expected to provide 60 full and part time jobs.

Consultation

The consultation arrangements are mentioned throughout the report. The consultation on the Masterplan has been extensive. Further consultation will take place after the preliminary drawings for the public realm have been produced. Officers will look at the opportunity to combine a planned exhibition in the spring covering the draft Masterplan with information on Church Street.

Communications

Publicity will be important during the development of the design for Church Street and immediately before and during the works, especially given the inevitable disruption to the street. Both MVDC and SCC will work together on this.

BACKGROUND PAPERS

None.