

LONDON BOROUGH OF RICHMOND UPON THAMES**FINANCE AND STRATEGY OVERVIEW AND SCRUTINY COMMITTEE****DATE:** 27 September 2007**REPORT OF:** Assistant Director of Environment**SUBJECT:** The Twickenham Riverside Scheme – update on the key development issues**WARDS:** Twickenham Riverside**1. Summary**

The report provides a summary of progress on the development of plans for the Twickenham Riverside scheme since the decision was taken to include a River Centre at the site in late 2006. It also describes the key steps from here onwards. There will also be brief presentations at the meeting itself by the Assistant Director of Environment and the Consultants that have been employed by the Council for the preparation of the Development Brief for the site (a firm called Urban Practitioners).

The Leader of the Council (who leads on this issue in Cabinet) will also be at the meeting and will be emphasising the determination of the Council to deliver a permanent solution for the site that has a high quality of design, is highly sustainable and that includes very substantial community benefits, including the proposed River Centre.

2. Recommendation

That the Committee notes the report and comments accordingly.

3. Purpose of Report going to Scrutiny Committee

The report has been prepared at the request of the Chair of this Committee. Whilst the eventual scheme will encompass a range of different service delivery and policy issues, the principal Committee for scrutinising its progress is the Finance and Strategy Overview and Scrutiny Committee. The Committee will receive regular updates on progress from hereon. The Committee is asked to note and comment on progress to date. The Leader of the Council, the Assistant Director for Environment and the Consultants for the Development Brief preparation will listen to and comment on the various representations made at the Committee.

4. Details

4.1 Following an October 2006 Cabinet decision to proceed with a scheme that included a River Centre at the site, the Cabinet meeting of March 2007 supported a way forward for the development of the Twickenham Riverside Site that included a particular approach to several key issues. This was necessary because a September 2006 Cabinet report had raised serious concerns about the way forward for the site should any of the Twickenham Challenge schemes be accepted. In particular it raised that there would be likely to be a significant impact on programme and a negative bearing on potential developers' attitudes to the site.

4.2 Neither issue was left unchecked and related key decisions were made at the March 2007 Cabinet, particularly in terms of :-

- The manner in which the Environment Trust element of the scheme would be funded
- The process by which a detailed brief for the site would be prepared
- The Council's broad requirements and priorities for the uses at the site in its capacity as landowner
- The manner in which consultation would be conducted.

4.3 Further information for each follows:-

The revised funding route for the Environment Trust element of the scheme

4.4 The grant based funding route proposed by the Twickenham Challenge process for the basic building element of that part of the scheme would have added a considerable level of uncertainty to the process. Even with the clear landowning priorities for the site that were agreed as part of the March 2007 Cabinet report, this funding uncertainty would, it is believed, have made the whole scheme so "at risk" from a developer's point of view as to severely inhibit the opportunity of getting strong developer interest.

4.5 This would have led to a vicious circle in that external funding would have been unlikely to be fully approved without the certainty of a scheme being in place, certainty that could only have been provided when a developer was on board. Officers' experience is that applications for external funding for similar schemes have had much more chance of being successful when they are for the fitting-out elements and/or operational costs of buildings whose basic costs have been secured.

4.6 For these reasons March 2007 Cabinet accepted the recommendation that they break out of the circle by committing to the basic building cost of the Environment Trust proposal (to an agreed ceiling level of specification) being funded from the development scheme itself. This now leaves the Environment Trust free to concentrate on making applications for fitting out costs and revenue costs. Such applications are now in turn more likely to be successful with the "guarantee" of a funded base building, and indeed there has been some success already.

4.7 There is a hypothetical increase on the costs being borne by the scheme itself in taking this wider approach but these are believed to be outweighed in a combination of practical and fiscal terms by the advantages that certainty on the issue brings. Practical in the sense that schemes are much more likely to

gain strong market interest, which links to fiscal in that developer profit margins are likely to be lower because of competition and because they are likely to be allowing less of a cost margin for perceived risk of the scheme not proceeding.

The production of a landowner led development brief rather than a planning led brief

- 4.8 The next stage of the process envisaged by earlier Cabinet reports had been the production of a Planning Brief for the site. This would have been a formal planning authority led exercise and would have added detail to the broad description that is within the T1 section of the Unitary Development Plan and produced scheme options that would have been worked up using planning and other consultant support.
- 4.9 The March 2007 Cabinet meeting instead supported the view that the best chance of delivering a high quality and viable scheme for the Riverside site without significant impact on programme, would be to choose that moment to shift the lead on preparation of detailed briefs from the Council as local planning authority to the Council as landowner.
- 4.10 The view having being expressed that there was a very real danger of there being a growing gap between planning brief expectations and financial viability in a manner that would risk the Council continuing to raise expectations of the site (in a formal planning manner) that would probably not be able to be physically delivered and that would then need considerable time to redress.

Cabinet decisions on its priorities for the content of the scheme

- 4.11 March 2007 Cabinet were also reminded that there is a long list of (parts of the) community led demands for the site that cannot all be met. Cabinet Members were therefore advised to prioritise their requirements at a strategic level and in a way that gives best chance of a viable scheme. They duly agreed that their commitments for the site, from the perspective of the Council as landowner and in approximate order of priority are as follows:-

A scheme that includes the Environment Trust River Centre

- To there being a River Centre operated by the Environment Trust that matches the key requirements of the proposals submitted by the Trust at the time of the Twickenham Challenge process
- With its basic construction costs funded in a revised and much more certain manner than was envisaged by the Twickenham Challenge process i.e. by the scheme itself rather than grants and the like.
- To there being detailed financial consideration of the business case for each of the uses within Environment Trust proposal, aimed at ensuring the River Centre has best chance of being revenue sustainable.
- To ensuring that River Centre buildings basic construction allows flexibility for a variety of uses.
- To the position of the River Centre being likely to be at the Southern or Eastern flank of the scheme, but to allowing exploration of options within that range.
- To exploring potential use of parts of the building for some Council and voluntary sector meeting and training purposes.

- To the toilets within the building being publicly accessible during the opening hours for the River Centre.

A Highly Environmentally Sustainable Scheme

- To the whole scheme meeting the standards of sustainability required by the Council as planning authority's Sustainable Construction Checklist (which is on the Council's planning web site).
- To fully exploring sustainability options that go beyond those high standards and that make the scheme an exemplar sustainable project.
- Such options to include full exploration of car free (car club) potential for the scheme and the wider area.
- And such options to include the exploration of energy management options that cover a wider area than the site itself and possibly to include the Council's own staff campus, including the potential for micro-grids/combined heat and power systems.
- To recognising and reflecting the significant flood and bio-diversity issues for the wider area

To a scheme with a high quality design, of a scale and density that are appropriate for the sensitive location

- To the need for high quality of design of a scale and density that are appropriate for this sensitive riverside location. What "appropriate" means is key of course, and addressing this will be a significant feature of the brief to be developed for the site per below.
- Appropriate does not necessarily mean what some would regard as small in scale since there are reasonably high and dense developments that pre-exist along this stretch of the river. Nor at the other end of the scale could it ever be regarded as a site that is capable of being developed for sites so high and dense as some of the more recent Kingston riverside schemes.
- To acceptance as a preference, that scheme designs move away from the monolithic form of previous design ideas.
- To the scheme providing high standards of accessibility.
- To the scheme adopting high security standards, including the adoption of "designing out crime" practices
- As an important aside, a reasonable scale of scheme opens up greater potential for viability of some of the exemplar sustainable design options such as combined heat and power systems for the scheme itself and the wider area

Play Facilities and Open Space Improvements

- To re-providing the (temporary) existing play facilities permanently within, or close to, the development site. The "close to" allows exploration of sites to the East of the main site boundary.
- To public open space forming an important element of the scheme.

Adjusted Affordable Housing Content

- To targeting 50% affordable housing content for the likely residential elements of a mixed-use scheme, but allowing full exploration of the planning legitimacy of getting to this target through providing 100% affordable housing content at other Twickenham sites owned by the

Council. This could include sites at Water Lane/Bell Lane and Sherland Road. There is further detail of the work that has been done in developing as Strategy on this below.

Surplus Receipts for Youth Facility Provision elsewhere

- That should the scheme produce excess receipts over and above the commitments listed above, then a part of these should be used for investment in youth related activity in the area.

Traffic and Transport Issues

- 4.12 In terms of planning and sustainability related Traffic and Transport Issues, Members commitments via the March Cabinet meeting were as follows:-

Highway Access

In terms of highway access to and around the site, the strategic Cabinet position is to support exploration of options that move traffic permanently away from the river frontage, but to accept that this might not ultimately be practically possible. Cabinet also supported exploration of options that might stop through traffic to parts of the area at some points of the day (evenings, say) and to introduce physical measures that slow traffic down considerably in any event.

Existing car parking at and around the site

In line with our commitment to sustainability based options being fully examined, Cabinet committed to exploration of the scope for re-arrangement of the business and resident car spaces that are currently within the Council owned land and the wider T1 area through, for example, car club arrangements that are either an extension of or are separate to any car club arrangements for the scheme itself.

Cabinet Commitments to Consultation

- 4.13 There has been a considerable level of historic involvement of local amenity groups and local residents in whatever consultation processes there have been for both the preparation of site briefs and suggested schemes that came forward in the past from developers.
- 4.14 The need for this to continue onwards into the future was supported by Cabinet in terms of both the production of the Development Brief and the later consideration of scheme proposals that will come forward against the Brief following a future marketing exercise. The Council will however lead the process as landowner and is committed to achieving the high standard of planning, management and implementation of engagement and consultation that is envisaged in the "Consultation and Participation Strategy" that was agreed elsewhere on the agenda of the March Cabinet.
- 4.15 The Cabinet agreed that the consultation and engagement will provide an appropriate level of balance between very local and issue specific consultation with local residents/amenity groups and wider consultation undertaken with Twickenham residents generally.

- 4.16 It is obviously envisaged that extensive Council as landowner led consultation prior to any planning application will help to make future planning led consultation more straightforward than has been the case in the past.

Progress to Date on the production of the Development Brief

- 4.17 The March Cabinet meeting also agreed the process by which consultants would be appointed to assist officers in the preparation of the Development Brief. A consortia, headed up and project managed by Urban Practitioners, a firm of property regeneration and planning specialists was duly appointed in May 2007. They have joined forces with Bere Architects, Alan Baxter and Associates (traffic and transport specialists), Donaldsons (property market experts) and Davis Langdon (cost consultants). The selection followed a tender submission and panel interview process.
- 4.18 Key reasons for the selection of this consortia ahead of other firms were:-
- The extensive, multi-stage nature of the consultation process that was being proposed
 - The sustainability credentials of the various firms involved and especially the architects, and
 - The planning knowledge of the consultants
- 4.19 The consortia are obviously using the Cabinet commitments, as described above, as the basis for their work and are now most of the way through the first stages of the consultation process. This has concentrated on reasonably informal discussions with key stakeholders including local amenity groups, the Environment Trust, Ward Councillors, Arcadia, and others who have had a prominent role in prior schemes. Next steps are explained at a further section below.

In Tandem Work on an Affordable Housing Linked-Site Strategy

- 4.20 In tandem with the work that is being led by the Development Brief Consultants, Council officers and key Cabinet Members have progressed the production of at Strategy towards affordable housing in the Borough that should assist in ensuring a viable scheme at the Twickenham Riverside site. This work is in effect the result of the “full exploration of the planning legitimacy of getting to this (the 50% affordable housing target) through providing 100% affordable housing content at other Twickenham sites owned by the Council”.
- 4.21 The Strategy proposal is within a section of the Council’s Asset Management Plan that went to Cabinet on 3 September 2007 that outlines the Councils general approach to the use of its surplus land and property. It is called the “Linked-Site Strategy” and was first described, in outline terms, in a Cabinet report of July 2007 that dealt with a new 3 year Sales/Reinvestment Programme for surplus sites and has been worked up in further detail since then. In full and in italics it is as follows:-

Linked-Site Strategy

The July 2007 Cabinet meeting (in dealing with the new Sales/Re-investment proposals) supported a strategy in the sale of several small-medium scale sites as 100% affordable units, on the condition that they count as off-site provision for

the Council's Friars Lane Car Park and Twickenham Riverside schemes. This approach is likely to more than double the numbers of affordable units that will be achieved than would be generated by applying strict planning policy thresholds to the Friars Lane Car Park and Twickenham Riverside sites.

The sites agreed within the approved disposals programme to be sold for affordable housing, subject to the linked site strategy, are as set out at Appendix A of the Asset Management Plan itself. A number of the sites at Appendix A (numbered 1-9) have already been marketed for 100% social housing to rent and are recommended for sale to Registered Social Landlords elsewhere on this agenda. (they were subsequently approved for sale in detail at the 3 September Cabinet meeting). Completion of these sales is likely to be subject to planning permission for development of the sites being obtained. It should be noted that completion of sale of these sites will also be subject to the linked site strategy being endorsed by full Council

It is recommended that the Council as landowner commits to provide at least 160 hab rooms of affordable housing, in lieu of on-site provision at Friars Lane Car Park and Twickenham Riverside sites. This will give comfort to the Council as planning authority, and give some margin for possible under achievement of number of units of affordable housing against estimates for the sites at Appendix A. If necessary, substitute sites to those identified will be provided to ensure that the minimum target committed to is achieved.

In adopting this policy, there are issues regarding the timing of the sales of the Friars Lane Car Park site and the Twickenham Riverside Site, as against the disposal of the affordable housing sites at Appendix A of the Asset Management Plan. Friars Lane Car Park site is proposed to be marketed immediately following the endorsement of the linked site strategy by full Council (anticipated to be November 2007), and its sale, particularly if on an unconditional basis, may well be in advance of the completion of sale of the sites numbered 1-9 at Appendix A which are being recommended for sale to housing associations. Conversely, the Twickenham Riverside site sale and development may well be after most of the sites at Appendix A have been sold to Housing Associations for affordable housing development

There is therefore an expectation by the Council as landowner that the Council in its capacity as planning authority, accepts the disposal and commitment to disposal of the sites at Appendix A for the provision of affordable housing as credits against the requirement for the provision of affordable housing within the development of Friars Lane Car park and Twickenham Riverside sites, and that consequently when planning applications for development of these sites are received there will be no requirement for on-site affordable housing provision. The policy is being recommended on this basis, and the Council as landowner will withdraw from the arrangement if this expectation is not realised.

In the event of sale of the Council's Friars Lane car park site prior to planning consent being obtained and completion of sales to Registered Social Landlords (RSLs) of sites delivering at least 5 social housing units has taken place, the Assistant Director Environment recommends that a portion (33%) of the capital receipt from Friars Lane car park is ring-fenced as part of the Council's Affordable Housing account, and released only once sales of these sites to (RSLs) delivering this number of units have been completed. This will give comfort to the Planning Authority in granting consent for a wholly private development of the

Friars Lane car park site, in advance of the delivery by the authority of the relevant affordable units.

Specific recommendations in this respect that are made to Council as part of the Asset Management Plan are as follows:-

1. Agreement of a linked site strategy for the sale and development of the Council's Friars Lane Car Park and Twickenham Riverside schemes without on-site affordable housing provision as described above;

2. Agreement to a commitment to sale of the sites referred to at Appendix A for 100% affordable housing to provide a minimum of 160 hab rooms, in lieu of and in substitution for the on-site provision of affordable housing at the Friars Lane Car Park and Twickenham Riverside sites;

3. Agreement that the Council as landowner will expect the Council as planning authority to accept the disposal and commitment to disposal of the sites at Appendix A for the provision of affordable housing as credits against the requirement for the provision of affordable housing within the development of Friars Lane Car park and Twickenham Riverside sites.

4. Agreement that in the event of sale of the Council's Friars Lane car park site prior to planning consent being obtained and completion of sales to Registered Social Landlords (RSLs) of sites delivering at least 5 social housing units has taken place, a portion (33%) of the capital receipt from Friars Lane car park to be ring-fenced as part of the Council's Affordable Housing account, and released only once sales of these sites to (RSLs) delivering this number of units have been completed.

4.22 Full approval of the Strategy by Council has been deliberately delayed until its November meeting to allow comments from both the Adult Social Care and Housing & Finance Overview and Scrutiny Committee and this Committee. The Deputy Leader and Cabinet Member for Resources has delegated authority to make any subsequent adjustments to the strategy that he considers appropriate.

Likely Next Steps for the Twickenham Riverside Scheme

4.23 The next stage of the Development Brief's production will be a workshop style event to be held in October at which a range of options and ideas will be put forward and discussed and for which there will be a wider invite than the meetings held thus far.

4.24 The results of this Workshop will then be tested, discussed and refined and then put forward to the wider public and all interested local groups via an Exhibition in the local area to be held later this calendar year. The option or options that result from this final event will then form the basis of the Development Brief proposition to be made to the Councils Cabinet via a report that will likely be considered in early 2008.

4.25 Thereafter, assuming that Cabinet agree the proposed Development Brief, it would then be used as the basis of an open market tendering exercise through the Spring and early Summer of 2008. It is hard to be precise at this stage about timescales from thereon, because it would depend very much on the quality or otherwise of bids that come forward against the Brief. If all goes

well however, a further consultation and selection process would follow the receipt of bids with an expectation of their being a preferred scheme and developer selected towards the end of 2008 with a planning application being made around then.

Possibility of acceptance of the Development Brief as a Planning Brief

- 4.26 Cabinet have accepted that the proposed shift to a development brief will bear some risks since the Council as local planning authority specifically stated that it would prepare a Planning Brief at the time the Council's current Unitary Development Plan was confirmed. There is a potential for these risks being mitigated by the Council as planning authority being asked by the Council as landowner to embrace the Development Brief as a Planning Brief at later stage in its production. Discussions are underway between relevant officers in this respect.

5. Financial Implications

There are no direct financial implications arising from this information report. If fully approved, the Linked-Site Strategy referred to in this report will likely, ultimately result in an increased capital receipt at Friars Lane Car Park and greater potential for a viable scheme at the Twickenham Riverside site. But this is to be balanced against the reduced receipts from a range of smaller sites that results from the commitment to deliver 100% affordable housing at sites that could otherwise have been sold for private developments.

6. Policy and Equality Implications

The emphasis on sustainability elements for the scheme that is described in this report is in line with the Councils approach to this issue as stated in its framework for a Climate Change Strategy as approved by February 2007 Cabinet and as stated in the current Community Plan.

The AMP that is referred to in the body of the report is itself a key policy document for the Council

7. Background Papers

Twickenham Riverside, Reports to Cabinet of September 2006, October 2006, March 2007. Appointment of Consultants delegated powers report of May 2007.

Affordable Housing – Linked Site Strategy – AMP report to Cabinet of September 2007, report to Adult Social Care and Housing O & S, September 2007, Sales/Reinvestment 3 year Programme – Report to Cabinet of July 2007

8. Contacts

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