

**LONDON BOROUGH OF RICHMOND UPON THAMES**

**CABINET MEMBER:** LEADER AND CABINET MEMBER FOR STRATEGY AND PARTNERSHIPS

**DATE:** 14 APRIL 2008

**LEAD OFFICER:** ASSISTANT DIRECTOR OF ENVIRONMENT

**SUBJECT:** DEVELOPMENT BRIEF FOR THE TWICKENHAM RIVERSIDE SITE

**WARDS:** TWICKENHAM RIVERSIDE

**KEY DECISION?:** YES

**IF YES, IN FORWARD PLAN?:** YES

For general release

**1. PURPOSE OF THE REPORT**

- 1.1 The report provides a summary of progress on the production of a development brief for the Twickenham Riverside scheme since the decision was taken to include a River Centre at the site in late 2006.
- 1.2 It describes the consultation process that has been followed and seeks agreement for the detail of the resulting, proposed Development Brief. It also describes the key steps from here onwards.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet approves the Preferred Option layout for the site as shown at Appendix 1 of this report and its accompanying Development Brief as summarised at paragraphs 3.66 – 3.71 of the report and approves the use of the Development Brief as the basis for a marketing exercise that seeks detailed scheme proposals.
- 2.2 That Cabinet approves a full exploration of a revised procurement process for a developer partner for the scheme as detailed at paras 3.61- 3.65 of the report and full exploration of potential revisions to the height of the Wharf Road element of the Preferred Option per para 3.60.
- 2.3 That Cabinet approves that the final version of the Development Brief is otherwise to contain such detailed terms as the Assistant Director of

**Environment considers necessary in liaison with the Head of Legal & Electoral Services and the Leader & Cabinet Member for Strategy and Partnerships as appropriate and including any further amendments that relate to the Cabinet response to the consultation process.**

- 2.4 That Cabinet approves a further budget of up to £130k for consultant support for the proposed next steps, including for the marketing exercise, the subsequent selection process, legal advice associated with both and further public consultation costs.**
- 2.5 That Cabinet approve that Contract Standing Order 3.3a)iii) and paragraph 8 (b) of the Code of Practice for the Engagement of Consultants be waived and the Director of Environment be delegated authority to appoint consultants to assist officers in the appointment process per paragraphs 3.79 – 3.82 of this report (in liaison with the Assistant Director of Environment, Leader & Cabinet Member for Strategy and Partnership and Head of Legal & Electoral Services) so long as the Director is satisfied that appointments represent good value for money.**
- 2.6 That Cabinet requests a further report in respect of progress on the marketing and selection exercise in around six months time.**

### **3. DETAIL**

#### **Recent History of the Twickenham Riverside Site**

- 3.1 Cabinet of October 2006 Cabinet decided to proceed with a scheme that included a Richmond Environment Trust operated River Centre, following a process of consideration of a range of community based bids for a use of part of the site that was called the Twickenham Challenge.
- 3.2 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 The manner in which these issues could best be addressed was considered via a March 2007 Cabinet report. Several critical decisions were made at that point, all made against a stated desire to give the best chance of a *viable* scheme. In summary they were agreement :-
- To there being a River Centre operated by the Environment Trust for Richmond-upon-Thames with its basic construction costs funded by the scheme itself rather than through grants. This was a change from the Twickenham Challenge basis for how building costs would be funded.
  - As a minimum, to the whole scheme meeting the standards of sustainability required by the Sustainable Construction Checklist,
  - To a scheme with a high quality design, of a scale and density that are appropriate for the sensitive location.
  - To re-providing the (temporary) existing play facilities permanently within, or close to, the development site.

- To public open space forming an important element of the scheme.
- To there being an “adjusted” Affordable Housing Content through exploration of off-site provision.
- That if there were any surplus receipts, a part of them would be used for Youth Facility Provision elsewhere
- On highways, to supporting exploration of options that move traffic permanently away from the river frontage, but with an acceptance that this might not ultimately be practically possible.
- 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 (T1 being the planning brief designation of the site and its immediate vicinity).

### **Development Brief Consultants**

- 3.3 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 via Cabinet Member decision in May 2007. They had joined with Bere Architects, Alan Baxter and Associates (traffic and transport specialists), as well as firms of property market experts and cost consultants. The selection followed a tender submission and panel interview process.

### **3 Stage Consultation process**

- 3.4 The March 2007 Cabinet also committed to there being extensive consultation for the preparation of the Development Brief. This translated into there being a thorough 3 stage consultation process that started from around summer 2007 and that ended in a full public exhibition held in February 2008.
- 3.5 The first stage of informal stakeholder meetings and discussions had been held before the September 2007 Overview and Scrutiny Committee meeting and was described to that Committee. At that time we were on the point of moving into the second stage of consultation.
- 3.6 This second stage was duly held and was based on a pair of workshop style events held in October and November 2007 at the Rugby Union Stadium and at which a range of differing options and ideas for delivering the Council's priorities for the site were put forward and discussed. There was a wider invitation to these workshops than for the first stage meetings with over 500 people being invited using a data-base of known, interested individuals and groups (known from the previous round of this consultation and from previous attempts at development of the site). And via invitations sent to properties in the immediate vicinity of the site using a net cast as far as would likely have been the case if there were a current planning application for the site.
- 3.7 The original intent was to have just one workshop, but this was extended to two after concerns were expressed that a number of people wanted to attend the event but could not because of work commitments (it was being held during a weekday afternoon). The additional workshop was held during a weekday evening.

- 3.8 In total over 160 people attended the two events. There were general presentations at the start of the sessions and then a wide range of views and comments were expressed recorded against a set of 5 options for the physical arrangement of uses at the site and against 5 options for traffic and transport movement at and around the site. These options each sought to deal with the Council priorities for the site, but in differing ways and were all based on the requirement to achieve a financially viable scheme.
- 3.9 For example the options for physical arrangement of the uses at the site showed differing ways of providing the enabling commercial and residential elements of the scheme, with some showing just flats, some showing just houses and some showing flats & houses. Some also showed additional restaurant and café uses over and above that planned for the River Centre.

### **Public Exhibition**

- 3.10 The third and last stage of consultation was a public exhibition, held for 5 days in February 2008 at York House. Invitations to this Public Exhibition were via our ever-increasing data base of interested individuals and groups and via adverts placed in local newspapers.
- 3.11 A proposed “preferred option” was displayed at the Exhibition and public comments were sought via a Questionnaire. Over 650 people attended the event and 329 questionnaires were completed at the event or received via post afterwards.
- 3.12 The preferred option had been refined from the multiple options that had been put to the second stage workshops. A visual of the preferred option will be presented at the Overview and Scrutiny Committee meeting. We believe it represents an arrangement of the site that sensibly combines:
- the stated priorities for the use and development of the site of the Council as landowner.
  - the consensus of opinion on the best way of achieving this as expressed via the first stages of consultation.
  - the informal comments made against the draft schemes by the Council as planning authority
- 3.13 In more detail the component parts of the “Preferred Option” includes:-
- High quality public open space
  - Landscaping improvements to the riverfront suitable for markets and events
  - Trees retained or replaced where retention is not possible
  - New Environment Trust River Centre close to the Eel Pie Island footbridge
  - Public café and public toilets provided within River Centre
  - Re-providing the children’s play space adjacent to River Centre
  - A mix of housing that delivers a viable scheme
  - New houses along widened service road – up to 3 storeys
  - New mixed housing along Wharf Lane – up to 4 storeys
  - Houses likely to have integral garages and smaller units may be car free
  - Contemporary housing design respecting local character
  - Dwellings to have small gardens and/or private balconies

- 3.14 The preferred option in transport and traffic terms, has the following key components:
- Retains existing circulation pattern on Water Lane, Wharf Lane and the Embankment
  - Replaces 52 parking bays from the Embankment with 46 spaces along a widened service road to the rear of the site
  - Reduces underused business bays by 6 and pay & display/ residential permit bays by 4
  - Retains loading area at terrace steps and provide four time-limited loading bays adjacent to the footbridge
  - Has a widened service lane to accommodate parking and service vehicles for King Street shops
  - Priority given to residential permit parking
  - Embankment improved as shared surface space giving greater pedestrian priority
  - Carriageway narrowing along the Embankment
  - Direct and well-lit pedestrian route from new parking to the Eel Pie Island footbridge
  - Cycle parking facilities adjacent to the River Centre

A layout plan of the preferred option is attached as Appendix 1 of this report.

### **Summary Analysis of the Exhibition Questionnaire results**

- 3.15 A full analysis of the Exhibition Questionnaire results has been prepared by Urban Practitioners, the Development Brief consultants and is attached as Appendix 2.
- 3.16 A total of 329 forms were returned, many of which were accompanied by extensive supplementary comments which generally expanded on the responses made to the various questions.
- 3.17 The main purpose of the Council's Exhibition Questionnaire has been to seek public and community views on the emerging preferred option for the Riverside Site via the Exhibition. As explained at section 3.2 above, several decisions have already been made by Cabinet in respect of the site, including that it includes a River Centre. It was not intent of the consultation process to review these decisions or re-open the debate around them. Decisions have also already been taken by the Council as local planning authority in respect of the site, with it being allocated for a mixed use development, including open space (but not exclusively as open space) within the Council's Unitary Development Plan.
- 3.18 Nevertheless the opening question of the Exhibition Questionnaire asked "Do you agree that the priorities for the site are suitable?" and it therefore provided an opportunity for those intractably against anything other than open space on the site to raise objection.
- 3.19 Many respondents took this opportunity and registered their in-principle objection to the scale of the enabling development being proposed to enable to River Centre and other environmental improvements. Generally these

objectors were keen to see the site used simply for open space with a play area and public toilets.

- 3.20 The detail of the response to this opening question is shown at Appendix 2 and shows a fairly equal balance between respondents for and against the Councils stated priorities for the site. The detail also shows the variation in response to this question when analysed on a postcode basis, with those living closest to the site (within postcodes TW1 and TW2) showing higher percentages of disagreement with the stated priorities than those living beyond TW1 and TW2.
- 3.21 The detailed analysis of all of the other questions shows a more favourable response to each issue than demonstrated by the first question. Some very clear messages emerge, including:
- That the river bank should be an integral part of the open space and that the removal of parked cars from this area would bring significant environmental benefits;
  - That the open space in any redevelopment scheme should be of a high quality and should be, as far as is possible and viable, the principal land use of the site; and finally,
  - That the site and the wider embankment area should continue to be seen, used and managed as an important community resource

### **Consideration of the Cabinet response to the Consultation**

- 3.22 The obvious question for Cabinet to consider as a result of the 3 stages of Consultation, including the Exhibition and the responses to its Questionnaire, is whether or not there should be any resulting adjustments to the “Preferred Option” for the site (and any corresponding adjustments to the proposed Development Brief). Either in terms of the potential for there to be changes to the basic principles that have been established for the general approach taken by the Preferred Option or the detailed way in which the Option proposes that a scheme be built that adopts those principles, or both.
- 3.23 Whilst a wide range of issues have been raised through the consultation process as described in the analysis at Appendix 2, it is possible to distil these down to a number of recurring points and themes. In terms of matters of principle the most significant of these are related to each other and are:
- Why does there need to be any “enabling” residential development at all?
  - Why is the scheme not all open space?
  - Why does the scheme include a River Centre?
- 3.24 In terms of matters of detail the most significant concerns raised are:
- Why is the “enabling” residential or commercial development as large as is proposed?
  - Why can't the traffic flow around the site be altered in a way that allows greater pedestrian access to the river?
  - What will the River Centre do and will it be financially sustainable in the long term?

- 3.25 Taking each of these points in turn, the suggested key issues that the Cabinet should consider when thinking through whether an adjusted approach should be taken are as follows:-

**Why does there need to be any “enabling” residential development at all?**

- 3.26 The estimated cost of the community benefit elements of the proposed scheme is in the order of £4m, consisting of around £1.5m for the infrastructure/open space improvements and £2.5m for the basic construction costs for the River Centre River. This would, as proposed, be funded from the values generated by the “enabling” residential elements of the scheme.
- 3.27 The Council is consistently and sensibly adopting a “Value for Money” based approach to the use of our assets, including our limited land resources, and has been recognised as a high performer in this respect by Government.
- 3.28 Our surplus land resources are finite, whilst our Borough-wide requirements for the use of those land resources (either directly for service use or indirectly for the generation of capital) are infinite.
- 3.29 The planning status of the site supports the principle of a mixed use scheme, including that an element of it be for residential development. Furthermore, a range of more general local and regional planning policies encourage residential development. (The Twickenham Challenge process also envisaged a mixed use scheme with some enabling development).
- 3.30 We have significant competing demands for the use of capital that include our commitments to improved education, youth services and other services as described in the Capital Programme report to Cabinet of January 2008.

**Why is the scheme not all open space?**

- 3.31 As stated at para 3.29 above, the planning status of the site supports the principle of a mixed use scheme, including that elements of it be for non open space uses.
- 3.32 The “Preferred Option” identified in this report does in any event provide for significant open space benefits at the site, including:
- a significant area of new open space (at around 38% of the Council owned site). This figure would rise *if* the embankment space that is freed up by removal of car parking were counted towards it.
  - a relocated Playground of a scale and quality that we have committed to being at least as good as the current temporary scheme in terms of its quality and scale.
  - improved linkages between the new open space and a (to be improved) Embankment through the removal of much of the car parking that runs alongside it.
  - An improved *quality* of the Embankment area through the removal of many of the cars parked alongside it and through the landscaping proposals that are proposed for its whole length via a further project.

- 3.33 The potential for the *whole* site to be open space should be considered against the context that this Borough is already very well served by extensive, parks and open spaces and very well regarded by our residents in this respect. There are competing Borough-wide demands for use of capital as described earlier, and Cabinet needs to consider whether or not the whole of the site being developed as open space, with its resulting loss of an “enabling” based funding opportunity, would be a priority use of capital.
- 3.34 Cabinet might also consider that any option for the Twickenham Riverside site being all open space would not fit well with “designing out crime” principles for development proposals. These encourage that, wherever sensible and possible, new public realm areas are placed next to active users and uses in order to discourage crime and/or nuisance and disorder. Arguably a new open space at the Twickenham Riverside site with no new uses alongside would risk there being crime and disorder problems for the area and would exacerbate problems that already arise alongside the Embankment.

**Why does the scheme include a River Centre?**

- 3.35 The earlier sections of this report explain that a number of decisions have already been taken by the Cabinet in respect of the Twickenham Riverside site in its capacity as landowner. One of these decisions was that the site should include a River Centre operated by the Environment Trust for Richmond upon Thames. This decision was taken in October 2006 following a lengthy community-based consultation process that involved the then Conservative Administration seeking a range of bids from local organisations for community-based uses for a part of the site.
- 3.36 This process was called the Twickenham Challenge and it clearly raised expectations from local residents and community groups that a reasonably significant proportion of the site would be set aside for a community use.
- 3.37 The culmination of the Twickenham Challenge process was that three different community-based proposals were considered by the current Administration at Cabinet meetings in September and October 2006. The other two proposals were from the Duke of Edinburgh Award Scheme and from Busen, a local martial arts group. The minutes of the October 2006 Cabinet meeting refer to the difficulty of the decision between the three proposals but, as the minutes state. *“The Cabinet had some concerns regarding the viability of the proposals, on costs of the schemes but this site was a landmark in Twickenham, a special site next to the river. The Cabinet believed that the Environment Trust proposal as a river related scheme was the proposal potentially of most benefit to the site and to the local area”*

**Why is the “enabling” residential development as large as is proposed?**

- 3.38 The team that was formed for the production of the development brief as described at para 3.3 does, as described earlier, include property market experts and cost consultants. The proposed scale of the residential development of the scheme as stated in the “Preferred Option” has been worked up with their advice in mind and is designed to generate sufficient value to pay for the estimated costs of the community benefits (open space, infrastructure and the River Centre) and no more.

- 3.39 Targeting that a development scheme be cost neutral is difficult given the volatility of development appraisals. The project team has also had to build in allowances for the uncertainty of the property market and the likelihood that construction costs will inflate at a greater rate than house prices will rise between now and the start date of any contractual commitments with future developer partners.
- 3.40 Nevertheless the residential elements of the outline scheme that results as outlined in the “Preferred Option” are relatively small in scale when compared with the commercial elements of previous schemes at the site e.g. the 2003/04 Dawnay Day proposals. This option is based on up to 11 houses being within a 3 storey terrace to the rear of the site and ideally a further 4 houses being in a further block along the Wharf Lane edge of the site.
- 3.41 However the scheme has been subject to informal advice from the Council as Planning Authority and the planning officers dealing have advised in strong terms that the small unit requirements of Planning Policy HSG11 (Residential Density and Mix) need to be fully considered and that these normally require a proportion of all housing schemes to be small units, i.e. bedsits or one bedroom units.
- 3.42 This Policy has led to the Preferred Option needing to show a part or the whole of the Wharf Lane block as the likely part of the site that is for small flats, and given that there is a greater profit generated from houses, there has been a corresponding impact on the scale of the scheme at this point in order to maintain our break-even position. The Preferred Option shows it as being up to 4 storeys in height at this point.

### **Why can't the traffic flow around the site be altered in a way that allows greater pedestrian access to the river?**

- 3.43 The first two stages of the three stage consultation process included considerable discussion and debate around a range of transport and traffic movement options. This culminated in the Preferred Option including a proposal that the bulk of the car parking that currently is alongside the embankment at the front of the site, be relocated to the rear of the site behind the King Street shops. In making this suggestion the Members, officers and consultants involved in the process believed that there was sufficient weight of opinion in favour of this shift to counter-balance a range of strongly held views that the car parking arrangements should not be changed.
- 3.44 However when considering options to rearrange the traffic flows around the site, it became clear particularly at the second stage of consultation, that the feelings against a change from the status quo in terms of traffic flow around the site were so strongly held that there was little scope for compromise.
- 3.45 Reasons for this included the difficulty that alternatives raised in terms of the capacity for two way movements along Water Lane and Wharf Lane, the difficulty of achieving right and left hand turns out of those roads and the fact that the simplest way of re-arranging the traffic flow sensibly would involve the use of land that is outside of the Councils control and ownership.

### **What will the River Centre do?**

- 3.46 The proposed components of the River Centre are:

- A main entrance, public interaction and exhibition area
- A flexible education space capable of comprising two standard class rooms or one larger space
- A café/restaurant
- Office space for local environmental and sustainable sector charities
- Direct access to the public open space and the river frontage
- A ground floor boat house.

3.47 Within this building the broad intent of the Trust that will operate the River Centre is for a range of purposes as follows:

- A community building, promoting river activities and the river environment
- An educational centre, providing river and broader environmental education to all ages
- An environmental hub for the voluntary sector in the Borough, providing offices and meeting space
- A “sustainable building” showcasing sustainable construction methods and the wider sustainability agenda
- A lively and entertaining community space breathing new life into Twickenham riverside

**Will the River Centre be financially sustainable in the long term?**

3.48 The need for attention to this was supported by the Cabinet decisions of October 2006 and March 2007, the latter stating that there needs to be “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”.

3.49 Whilst the detailed work on the draft Business Plan is being led by The Environment Trust for Richmond-upon-Thames, it is being considered and scrutinised at regular intervals by the Assistant Director of Environment on behalf of Cabinet and in-line with their previous decision.

3.50 In overall terms the Assistant Director of Environment believes that the Trust have recognised the importance of seeking to ensure that the operation of the River Centre will be financially sustained with minimal ongoing support from the Council. He is very impressed with the levels of Trust officer time and resource committed to the work on the draft Business Plan and with the efforts they are making to develop it internally and through workshops with other organisations.

3.51 In overall terms the fact that the River Centre is proposed to contain café/restaurant that will provide a commercial income to the Business Plan is of course a good starting point and one that is not always available for community schemes of this type. Another very good starting point is that a considerable grant, nearly £100,000, has already been received from the City Bridge Trust. This is a well regarded grant organisation with a thorough bid analysis process and this success augurs well for further applications to others.

- 3.52 There a number of aspects of the Business Case as currently drafted where the Assistant Director of Environment believes that the Trust are being over optimistic at this stage, either in terms of under-estimating operational costs or over-estimating projected income. The particular areas of concern are summarised as:
- His view that the full and part-time staffing cost estimates for the management of the Centre may be under-estimated.
  - His related view that there may be an over-reliance on high levels of volunteering
  - His view that the draft figures from the café/restaurant and from catering related event income are over-optimistic at this stage.
  - His view that the income projections for educational related uses are under-represented at this stage
  - He supports the view of the Trust that there is need and urgency for further grant applications to be made for the development costs for the River Centre and for these to be translated into further development funds.
  - His view is that the preparatory work with potential grant makers for support for fit-out costs should be given even greater prominence than the draft Plan currently describes.
  - He has concerns about the way the draft Business Plan presents its income/cost figures and whether this is conducive to grant making organisations recognising the absolute need for their support.
- 3.53 These are significant issues and do need to be worked through, clarified and either confirmed as continuing concerns or not over the coming months. They are not “deal-breakers” at this stage however and the experience of the Assistant Director of Environment of the development of other Business Plans is such that he views them as being typical of the type of concern that arises at this relatively early stage.
- 3.54 However, if in tandem work progresses on the wider scheme as a result of decisions taken by this Cabinet meeting, the project will generally be moving towards a stage where there will need to be contractual commitments to a developer partner, probably towards the end of this calendar year.
- 3.55 At that point there will need to be greater certainty on the issues within the draft Business Plan that are of concern, In particular the Assistant Director of Environment believes there will be a need for higher levels of grant support to either be in-hand or firmly promised at that point – either unconditionally or conditional only on planning permission or contracts. Future reports to cabinet in respect of the wider scheme will therefore detail progress on the draft Business Plan for the River Centre, including on the areas of concern raised by the Assistant Director of Environment.

**The Proposed Cabinet response to the Consultation in terms of the potential for adjustments to the Preferred Option and the Development Scheme procurement process**

**Basic Principles**

- 3.56 It is proposed that there is no change in the Cabinet’s basic approach that the Twickenham Riverside scheme be viable and that the community benefits of the site, including the basic cost of the River centre, the landscaping and

infrastructure improvements including a new open space and a contribution to Embankments improvements, be funded by “enabling” development.

- 3.57 This is a sensible, prudent and value for money based approach in fiscal terms and is one that recognises the wide ranging and competing demands for the use of capital across Borough services. It is also an approach that is based on the opportunity that the site affords in planning policy terms with T1 encouraging a mixed-use approach to the site.
- 3.58 Furthermore the “Preferred Option” option that results is in any event, in comparison with previous attempts at development at the site, relatively modest in terms of the scale of its enabling components, when compared with the scale of the open space and River Centre parts of the scheme.

Scale of Enabling Development

- 3.59 The need or otherwise for the enabling development to be of the scale that is proposed is a consistent concern for those that object in principle to there being any amount of enabling development and a concern for many of those that are prepared to accept that this approach is necessary. A degree of scepticism clearly exists as to whether the enabling elements of the scheme truly need to be of the scale that is proposed.
- 3.60 Within this issue, a range of concerns have been expressed but particularly about the Wharf Lane block of residential units and why this needs to be as high as four storeys. The planning policy related reasons for this have been stated above, but it is suggested that Cabinet recommend that the officers and consultants for the scheme explore and discuss this matter further, including with officers of the Council as planning authority, and that they attempt to find revisions to the “Preferred Option” that remain viable but that either limit this block to three storeys in height or to being a part three storey/part four storey block.

Procurement Process to allow adjustments to the scale of enabling development

- 3.61 Cabinet should note that the Preferred Option is based on estimates of costs and values that have been established by the officers and consultants within the Project Team. The true test of costs of community benefits versus values generated by enabling elements of the scheme, will only come at the marketing stage when proposed schemes and costing details come forward from prospective developer partners. This will be an “open book” process in terms of consideration of the fiscal elements of the proposals.
- 3.62 The Assistant Director of Environment and Head of Legal & Electoral Services are in the midst of detailed consideration of the precise type of procurement process that can be followed (it will inevitably be a European level process) and are seeking a route that will ensure that the “Preferred Option” can be adjusted towards a smaller scale of enabling development if schemes come forward that show excess levels of value generated over and above a break-even point for the Council. This approach will likely need to be through one of the negotiating processes that are allowed within the European Procurement legislation, possibly the competitive dialogue approach. This approach is recommended to Cabinet and should alleviate concerns that the Council is somehow seeking to gain development profit in an underhand way.

- 3.63 There are risks associated with this type of approach of course, not least that the scheme will not be so attractive to developers because the procurement process will actively be encouraging the exploration of scheme options that have a scale of enabling development that is even smaller than within the Preferred Option. Basic risks include that:
- Some prospective developer partners may not bid at all
  - Some prospective developer partners may seek a higher developer profit than would ordinarily be the case
  - Schemes may come forward that match a drive towards a more limited enabling element but that compromise the overall scheme in other respects, say through poorer quality landscaping, or materials/design for the River Centre.
- 3.64 Officers do however believe that the risks in respect of the potential reduced level of interest from prospective developer partners are mitigated
- by this being such an attractive and prominent riverside site in a relatively affluent Borough
  - by the extent to which the range of historical issues for the site have been resolved by the Development Brief and its process thereby bring a greater level of *certainty* for prospective developers.
- 3.65 Risks in respect of impact on other aspects of scheme proposals, including quality of materials and specifications and other similar issues can be controlled by the setting of rigorous evaluation criteria in this respect at the outset of the procurement process. (see para 3.71 below).

## **The Development Brief Itself**

### General Contents

- 3.66 The Development Brief itself draws together all of the above issues and is in essence the document that is designed to pro-actively answer all of the questions that we anticipate prospective developers of the site will raise. Given the complex history of this site it is a necessarily comprehensive document and is around 70 pages in length. It is in a form that will assist developers to understand our demands for the site and will be used to invite detailed proposals for the site. Developers will be expected to respond positively to the guidance contained in the Development Brief. **Copies of the full Development Brief have been placed in the Members Room.**
- 3.67 In summary though its contents include:
- A full description of the planning history and policies that are relevant to the site
  - An “Urban Design Analysis” section that describes the key issues that impact on the physical form of any development at the site
  - A summary of the community engagement that has been undertaken
  - A summary of the current state of the property market for this location and the likely values that might therefore be generated from enabling elements of the scheme
  - A summary of the related issues for Twickenham and the site
  - A description of the River Centre element of the proposals

- A “Development Guidelines” section that details the preferred form and layout for development at the site and related issues including our desire for the scheme to encompass high standards of sustainable design and construction.
- A “Next Steps” section that describes the key milestones from hereon

#### Developer Partner Procurement Process

- 3.68 The Next Steps section also describes the procurement process that will be followed, including the selection criteria that are proposed, for the appointment of a developer partner. Given the sensitivity and importance of the development proposals it is expected that this will be achieved through a two stage open marketing process based on this Development Brief and in accordance with EU procurement regulations. And with a likelihood now that it will include a competitive dialogue process for the reasons stated at paras 3.61 – 3.65 above.
- 3.69 It also makes it clear that the Council will lead on the selection and appointment of a suitable development partner to deliver the development proposals that come forward.

#### Evaluation Criteria for the Procurement Process

- 3.70 The Development Brief describes that detailed consideration of the financial packages that will come forward from prospective developers in terms of the overall viability of the schemes will be critical elements of the selection process.
- 3.71 However, we are very mindful of the sensitivities of the site and many of the evaluation criteria detailed in the Development Brief relate to the need for the **quality** of the development proposal and of the team putting them forward to be high. In general terms developers will be required to demonstrate:
- Significant experience in the delivery of major high quality mixed use town centre development projects;
  - A commitment to and experience of sustainable design and construction;
  - A commitment to the provision of high quality public open space;
  - A commitment to design and delivery excellence;
  - A supporting professional team with the appropriate level of skills and experience for the demands of the project;
  - Development viability;
  - A commitment to partnership working;
  - A detailed appreciation of the Twickenham Riverside development opportunity and its significance to Twickenham;
  - A commitment to meet the needs of all users and engage in meaningful public consultation.

#### Timescales from hereon

- 3.72 The Development Brief has been prepared by the Council in order to provide guidance to developers on how the site should be developed. It has been prepared now because we will shortly need to select a suitable developer for the site. It will be packaged together with other key documents as the next

step, after this Development Brief approval report, of a target programme that has, for some time, been as follows:

- The Development Brief is likely to be approved by this Cabinet.
- In Spring/Summer 2008 the site is marketed and developers invited to submit proposals illustrating how they would like to develop the site.
- Public reaction to these proposals is then sought.
- Around Autumn/Winter 2008 a development partner is chosen by the Council, taking account of the community's views on the various proposals.
- Contractual, subject to planning permission, commitments would then be made
- A planning application would then be submitted by the chosen Development partner around early 2009 for consultation and consideration.

3.73 The procurement route that is suggested for consideration at 3.61 – 3.65 would necessarily add to these timescales. It involves additional OJEU related process, including a more detailed consideration of the legitimacy of process than would otherwise have been the case *and* it requires around 3 months of allowance for dialogue with the short-listed developers. The Development Brief has been drafted on an assumption that this proposed, revised procurement route will therefore, in total, add around 4 months to the point where we will be able to select a single developer to proceed into the next stages with. This takes the selection point for a developer partner through to around April 2009.

3.74 There is an expectation that the fact that there will have been a negotiated process ahead of selection will shorten the post-selection process through to contractual commitments. Officers will be assessing the extent to which this is possible of this over the coming months but at this stage the overall impact on programme by the altered procurement route that is proposed is estimated to be 2-4 months.

#### **In tandem work on a Linked-Site Strategy for off-site provision of affordable housing**

3.75 In tandem with the work on the preparation of the Development Brief, Council officers and key Cabinet Members have progressed work on consideration of an “adjusted” Affordable Housing Content for the scheme via what we are calling our “Linked-Site Strategy”.

3.76 The Strategy seeks to provide all of the affordable housing that might have been required in planning terms at Twickenham Riverside (and more), via 100% provision at several other Council-owned sites. The Strategy was approved by full Council November 2007 and its delivery is underway.

3.77 Contracts with a registered social landlord are in place for several sites with their full sale being subject only to the receipt of planning permissions (receipt of planning permission being, in turn, subject to consultation processes of course). Marketing is complete for the potential sale of further sites and a separate report on this matter is elsewhere on this Cabinet agenda.

#### **Possibility of acceptance of the Development Brief as a Planning Brief**

- 3.78 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.

**Further Consultant Support Required Through Next Stages**

- 3.79 The delivery of the next steps envisaged by this report will require further consultant support in addition to that previously engaged for the preparation of the Development Brief. The procurement process emphasis of the next stages switches the expertise required towards detailed knowledge of developer based selection processes and competitive negotiations against property and construction market knowledge.
- 3.80 The shape of the support team required by the Assistant Director moves therefore towards one that has a greater proportion of use of property, cost consultant and legal firms than has previously been the case. Policy, architectural and traffic/transport based support will still be required but potentially at lesser proportions.
- 3.81 The Assistant Director of Environment is minded to continue to use the firms thus far employed for the Development Brief work for this ongoing support. This does however require further direct negotiations with the firms involved, a detailed consideration of whether this approach would offer good value for money and a check on legitimacy in terms of compliance or otherwise with European procurement process.
- 3.82 Further work on these issues will be undertaken in the coming weeks but in anticipation of a favourable result and in order to mitigate impact on timescales, Cabinet is asked to approve that Contract Standing Order 3.3a)iii) and paragraph 8 (b) of the Code of Practice for the Engagement of Consultants be waived. And to approve that the Director of Environment be delegated authority to appoint consultants to assist officers in the appointment process in liaison with the Assistant Director of Environment, Leader & Cabinet Member for Strategy and Partnership and Head of Legal & Electoral Services, so long as the Director is satisfied that appointments represent good value for money.

**4. CONSULTATION**

- 4.1 Per the body of the report

**5 FINANCIAL IMPLICATIONS**

- 5.1 The report seeks additional consultancy funding of up to £130k. As before, this will be funded from the Project Development Fund. At this stage further work is required on the Business Plan for the River Centre, especially around grant support and longer term income streams.

**6. POLICY IMPLICATIONS/CONSIDERATIONS**

- 6.1 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.

**7. RISK ASSESSMENT**

- 7.1 In tandem work progresses on the wider scheme and Business Plan for the River Centre. Subject to this Cabinet report being supported, the project generally is moving towards a stage where there will need to be contractual commitments to a developer partner, probably towards the end of this calendar year. At that point there will need to be greater certainty on the issues within the draft Business Plan that are of concern, In particular the Assistant Director of Environment believes there will be a need for higher levels of grant support to either be in-hand or firmly promised at that point – either unconditionally or conditional only on planning permission or contracts.
- 7.2 Without greater assurance at that point there will be significant costs risks to the Council associated with potential abortive work with a potential developer partner. Not least because prospective developer partners will seek contractual clauses that require the Council to cover some, or all, of their costs should development scheme work be aborted for Trust Business Plan related reasons.
- 7.3 The proposed terms of the potential lease between the Trust and the Council deal with the position should there be a Business Plan related failure once the building is complete. There is a break clause that will allow the Council to re-possess within a relatively short period of time and use the building for other purposes. However there are risks associated with the potential exercise of that break of course, not least the need to find a suitable alternative use quickly lest the building lay dormant, and the need for the use to be suitable in planning policy terms.

**8. EQUALITY IMPACT/CONSIDERATIONS**

The Development Brief includes reference to accessibility priorities for proposed schemes.

**9. LEGAL IMPLICATIONS**

The OJEU process and the disposal/conveyance of the Council's interest to the successful Developer and the Environment Trust, respectively, will need to be procedurally compliant and in accordance with best practice. Legal Services will be actively engaged in these issues.

**10. BACKGROUND DOCUMENTS:**

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

**11. CONTACTS**

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