

TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, REGENERATION AND PROPERTY SCRUTINY SELECT COMMITTEE

12 March 2024

Joint Report of the Cabinet and the Management Team

Part 1- Public

Matters for Recommendation to Cabinet

1 TONBRIDGE TOWN CENTRE ASSET REVIEW PHASE 2 REPORT

The Council's Corporate Strategy identifies the better use of assets within Tonbridge town centre as a key aim under the theme of 'Investing in our local economy'.

The potential redevelopment of Tonbridge town centre is an exciting opportunity for the Council, residents of the town and wider borough and visitors to Tonbridge.

The road to delivering a town centre redevelopment can be long and complex, with many competing interests. It is important that a clear step-by-step approach is taken to ensure Members are provided with relevant information at the relevant time to facilitate effective decision making.

Through the work undertaken by Mace in phase 1, Members identified the strategic aims and objectives of the scheme. The aim for the phase 2 work is to provide Members with additional information so they can start to set the strategic direction for how those aims and objectives could be achieved.

What is clear is that the establishment of a bespoke governance arrangement for delivering such a wide ranging and complex programme is key. While presenting the work undertaken in Phase 2, the report suggests the creation of a Tonbridge Town Centre Programme Board should be the next step. The numerous work streams can then be assessed in detail and recommendations made to the Programme Board for consideration.

1.1 Introduction

1.1.1 As Members will be aware, the Council has been progressing a review of its land and property assets in Tonbridge town centre, in conjunction with the company Mace, to determine how they can best be utilised in the future.

1.1.2 The first phase of this work, which was considered by Cabinet at its meeting on 5th July 2022 ([Agenda for Cabinet on Tuesday, 5th July, 2022, 7.30 pm \(tmbc.gov.uk\)](https://www.tmbc.gov.uk/agenda/2022/07/05) agenda item CB 22/69), focused on establishing the scope, aims and objectives of the review.

1.1.3 As a reminder, the top 10 prioritised strategic objectives identified for the town centre were:

- 1) Wider availability of different types of housing
- 2) Connection of existing assets
- 3) Healthy lifestyles
- 4) Facility alignment
- 5) Strengthening the town brand
- 6) A diverse economy
- 7) Revenue stream creation
- 8) Visitors and tourism
- 9) Attracting different groups to live in the town
- 10) Exceeding Net Zero by 2030

1.1.4 In addition to these strategic objectives, it was agreed the following should be considered as baseline assumptions, considered essential for any development:

- Net Zero by 2030
- Ensure a sustainable positive revenue baseline, net of operational maintenance costs
- Meeting the Council's affordable housing policy; balance of type and tenure to reflect project requirements

1.1.5 Cabinet approved the scoping of the recommendations identified in the phase 1 report and a proposal from Mace for phase 2 was subsequently considered, and approved, at the Cabinet meeting on 14th December 2022 as a Part 2 item ([Agenda for Cabinet on Wednesday, 14th December, 2022, 6.00 pm \(tmbc.gov.uk\)](#) agenda item CB 22/114).

1.2 Phase 2

1.2.1 The phase 1 report identified a broad range of workstreams that the Council could choose to progress. As part of the scoping exercise for phase 2 a prioritised list of next steps was considered and it was agreed by Cabinet the workstreams around Governance and Options Appraisals, the latter associated with the area east of the High Street where the Council is the majority landowner, should be progressed in phase 2.

1.2.2 Members should note this phase 2 work is simply the next step in a long process associated with bringing forward a major town centre redevelopment. The overarching aims of this phase are:

- To advance Members' thinking around the types of uses that could be considered in the area east of the High Street and to obtain their strategic direction on the types of uses which should be included in the next stage
- To start considering the viability of those uses, both individually and collectively
- To recognise and understand the tensions which may exist between some land uses and other Council priorities
- To seek Members' views on a wide range of matters to help inform the strategic direction this work takes in future phases
- To consider the governance structure which should be established to take the work forward

1.2.3 The detailed reports and assessments produced by Mace are available as annexes and include:

- Governance and Programme Report (**Annex 1**)
- Viability Assessment, including a separate report by local surveyors Bracketts (**Annex 2**)
- Design Report (**Annex 3**)
- Density Study (**Annex 4**)
- Cost Estimates (**Annex 5**)

1.2.4 It is recognised these reports contain a large amount of detail. To assist Members in identifying the key issues, a confidential all-Member briefing took place on 28th February where Mace presented a summary of their phase 2 work.

1.3 Governance and Project Management

1.3.1 Establishing a fit for purpose governance structure is considered to be vital to take this wide ranging and complex programme of work forward.

1.3.2 The Governance and Programme report recommends the Council consider the creation of a governance structure to help oversee the various workstreams associated with the town centre.

- 1.3.3 In addition to the numerous potential workstreams identified in phase 1, there are several other important and complex projects taking place in the town which Members have asked officers to progress:
- Redevelopment of the area east of the High Street
 - Re-provision of leisure and community facilities from the Angel Centre
 - Master planning exercise of Tonbridge Farm Sportsground
- 1.3.4 As all of these areas of work interlink to a greater or lesser extent it is vital they are effectively co-ordinated. To ensure this is achieved a Tonbridge Town Centre Programme Manager is to be appointed on a full time, fixed term basis. The Programme Manager will be responsible for supporting the Programme Board (see below) through co-ordinating the various town centre related projects, developing and managing a town centre wide programme and monitoring progress.
- 1.3.5 In terms of governance, Mace highlight the need to design and implement an internal governance structure to support delivery of the wider town centre programme.
- 1.3.6 To facilitate efficient and consistent decision making it is recommended a Tonbridge Town Centre Programme Board is created. A proposed structure is shown at **Annex 6**.
- 1.3.7 It is proposed the Programme Board would consist of the following:
- Cabinet Member for Climate Change, Regeneration & Property (Chair)
 - Cabinet Member for Communities (Vice Chair)
 - Two Tonbridge Green Party Members
 - One Tonbridge Conservative Party Member
 - One Tonbridge Liberal Democrat Party Member
 - Chief Executive
 - Director of Finance & Transformation Services
 - Head of Administrative & Property Services / Programme Manager
- 1.3.8 The individual groups feeding up into the Programme Board would be technical officer study groups (OSGs) progressing those projects. It is suggested separate focussed working groups which would be created as and when required to look at specific issues, for example public engagement and consultation. These focussed working groups may also involve external stakeholders and representatives,

depending on the scope of that particular group. The groups shown at **Annex 6** are not an exhaustive list.

1.3.9 The role of the Programme Board would be to provide support to the Project Sponsor (Cabinet) in ensuring the various workstreams are progressing in line with the strategic aims and objectives. The Programme Board would meet regularly where updates would be received from the individual technical groups. The Programme Board will task the OSGs with particular actions and/or provide direction. The Programme Board will also monitor spend across the wider programme.

1.3.10 Where formal decisions are required, reports will be prepared by the Programme Board for consideration either by the Finance, Regeneration & Property Scrutiny Select Committee (FRPSSC) before being passed to Cabinet as the decision maker, or direct to Cabinet. Regular update reports will also be submitted to Cabinet either direct or via FRPSSC.

1.3.11 The Council's capital and revenue budget process would sit alongside this structure, with requests for funding being made through the normal routes and approval processes.

1.3.12 **Members' views are sought on the proposed governance structure.**

1.4 East of High Street

1.4.1 The following sections draw out specific areas from Mace's reports and provides additional information which Members may find helpful.

1.5 Parking

1.5.1 Across the review area there are several car parks owned by the Council with a total of approximately 970 spaces, as detailed below:

Car Park	No. Spaces	Average Gross Income (£)	Average Net Income (£)
Angel East*	370	577,000	285,000
Angel West	197	276,000	125,000
Sovereign Way Mid	118	112,000	41,000
Sovereign Way North	182	98,000	8,000
Sovereign Way East	71	41,000	7,000
Vale Road	32	9,000	0
Total	970	1,113,000	466,000

*Although Angel East is owned by the Council it is subject to a long lease (125 years from 1994) to Sainsbury's.

- 1.5.2 In summary, these car parks provide a substantial amount of revenue for the Council and so it is vital consideration is given to any impact on that revenue when assessing options for these car parks.
- 1.5.3 The parking survey which was undertaken in 2022 confirms the view there is currently an oversupply of spaces in the area. If the Council wants to see meaningful development delivered in this area then the traditional approach to parking (surface car parks) will need to change.
- 1.5.4 There will be tension between providing adequate parking spaces both now and in the future, the cost of re-providing those spaces in an alternative way, such as decked car parking, and reducing the number of spaces to enable sites to be brought forward for development.
- 1.5.5 Mace have explored the parking levels likely to be required for each development or use (allocated parking) and those spaces which are for general use (unallocated parking). The question Mace pose is whether the Council would be looking to provide parking spaces based on the current or future peak demand, or whether the Council would want to take the opportunity to encourage other modes of transport by providing a lower number of spaces.
- 1.5.6 **Members' views are sought on whether the Council's general approach should be to provide unallocated parking spaces based on anticipated future peak demand or look to provide a lower number of unallocated spaces to encourage other modes of transport.**
- 1.5.7 **Members' views are sought on whether to pursue a podium parking solution on Angel West car park, with development above.**

1.6 Housing

- 1.6.1 As Members are aware, the Council is in the process of developing a new Local Plan for the period up to 2041. There is a requirement for the borough to deliver a substantial number of residential dwellings across the Local Plan period – the 'Objectively Assessed Need' figure is 839 dwellings per annum.
- 1.6.2 In terms of Tonbridge town centre, there will be a tension between the number of units the Council, acting as Local Planning Authority (LPA), will be looking for the area to deliver, given that it is the main town in the borough and the most sustainable location for housing delivery, and the type and number of units the Council, acting as landowner, may wish to see developed due to current viability considerations. In addition to the Council's role as LPA, there is also the role of

Housing Authority, with an ongoing and increasing requirement to deliver high quality homes across a range of tenures to meet housing need in the borough.

1.6.3 The LPA will also be seeking assurance from the Council as landowner that it is committed to bringing these sites forward for development so they can be included in the Local Plan. Ways we can look to evidence that will be through the work undertaken to date and the associated decisions taken by Members.

1.6.4 **Members' views are sought on whether the Council's general approach should be to focus on low-rise, high-density housing types, rather than high-rise, high density housing types.**

1.6.5 **Members' views are sought on whether the Council's general approach should be to seek policy compliant 40% affordable housing provision, subject to viability assessments.**

1.7 Retail / Commercial

1.7.1 **Members' views are sought on the inclusion of retail and commercial uses around public spaces, providing flexible, simple units to optimise value, with the possibility of the Council acting as landlord.**

1.7.2 **Members' views are sought to include a budget hotel with the possibility of the Council acting as developer and landlord.**

1.8 GP Practice

1.8.1 The Council is aware that the Kent and Medway Integrated Care Board (ICB), which replaced the Clinical Commissioning Groups (CCGs) in July 2022, has identified pressures on local health infrastructure due to current and anticipated demand in the future through population growth.

1.8.2 GP practices are an example of this type of infrastructure which is currently under significant pressure. In 2017 the Council assisted Tonbridge Medical Group identifying a site for their relocation into modern premises at River Lawn Road.

1.8.3 The Council has now been approached by Warders Medical Centre (WMC), currently located in East Street, who have stated they are in desperate need of new modern facilities to not only continue to serve their 19,000 patients but also to have room to expand in the future.

1.8.4 WMC are moving through the NHS approval process associated with developing new premises and have partnered with PHP Group (medical developers) to assist them.

1.8.5 WMC are very keen to remain in the town centre on the basis of good transport links for their patients, however have been unable to find a site despite years of searching. Through the work they have undertaken with PHP Group they believe

they require a facility approximately 1,300 – 1,400 sqm (14,000 – 15,000 sqft) in size, including a number of dedicated car parking spaces for staff.

- 1.8.6 WMC are unable to progress the NHS approval process until they have identified a site.
- 1.8.7 Within the Council's Corporate Strategy, one of the strategic priorities is to provide 'Efficient services for all residents, maintaining an effective Council'. Under this theme there is an aim to 'promote well-being and help people, especially our most vulnerable residents, to live healthy and active lifestyles'.
- 1.8.8 **Members' views are sought on whether the Council should look to incorporate a GP practice into the development area.**

1.9 Role of the Council

- 1.9.1 The Governance and Programme report highlights the delivery routes the Council may choose to adopt when progressing sites, as well as the possible roles it could take.
- 1.9.2 **Members' views are sought on whether the Council should explore taking a master developer role for the whole site.**

1.10 Key Stakeholders

- 1.10.1 Through the phase 2 work engagement with several key external stakeholders has taken place, including Sainsbury's, the Leisure Trust, Network Rail, Warders Medical Centre and Kent County Council (KCC).
- 1.10.2 Information relating to the engagement with Sainsbury's can be found at **Annex 7 (Part 2)**. Sainsbury's will be providing a private briefing to all Members on their proposals on 6th March.
- 1.10.3 Engagement with the Leisure Trust will continue via the project to replace leisure and community facilities from the Angel Centre and the Trust are keeping customers informed.
- 1.10.4 Although not within the Council's ownership, the car parking areas associated with the train station are of interest in a wider town centre sense on the basis the areas were identified by the Urban Capacity Study, run by Planning Policy, as part of the development of the Local Plan.
- 1.10.5 The car parks are owned by Network Rail, although it is understood they are subject to agreements with the train service provider, Southeastern.
- 1.10.6 Engagement with Network Rail has been challenging in respect of obtaining a clear idea of their plans for the sites. Due to their proximity to the east of High Street site the Council should take an interest in what comes forward on those

sites and it is suggested we look to work more closely with Network Rail through inclusion of these sites within any future master planning exercise.

1.10.7 Members' views are sought on whether the Council should explore a collaborative agreement with Network Rail in relation to their train station car park sites.

1.10.8 Engagement has taken place with KCC in relation to any co-location opportunities which may exist in relation to their central Tonbridge library site (which is KCC's only major facility in the town centre). As well as the library, the site also includes adult education provision and a youth centre.

1.10.9 Members will be aware that KCC are currently undertaking a review of their physical estate through their Kent Communities programme. Although libraries are not included in this review per say, the review explores whether services can be co-located with existing KCC facilities. In respect of Tonbridge, the recommendation was that Tonbridge Gateway be closed and services relocated to Tonbridge library, which will become a Family Hub and a day centre for adults with learning disabilities.

1.10.10 KCC's Cabinet decision relating to the Kent Communities programme was the subject of a call-in, although it is understood the decision was not changed.

1.10.11 KCC have stated they are happy to explore options around future co-location although that would be subject to the outcome of the Kent Communities programme, the need for any co-location plans to be self-funding and also within the context that their current focus is on other library sites around the county which have significant operational challenges which need to be addressed.

1.10.12 Engagement with all stakeholders will continue as the scheme progresses.

1.11 Net Zero Baseline

1.11.1 One of the baseline assumptions in phase 1 was the need for any development to be delivered as carbon neutral/net zero.

1.11.2 As Members will appreciate, this adds both cost and complexity to developments and may result in a negative impact on viability. As the project progresses and individual site development appraisals are undertaken, additional costs associated with achieving carbon neutral development will be assessed and presented to Members for further consideration.

1.12 Angel Centre

1.12.1 Following the call-in of the decision to look at replacing the current Angel Centre and Cabinet's subsequent decision, Alliance Leisure have been appointed, under the UK Leisure Framework, to undertake a feasibility study focussed on the following:

- An assessment of potential leisure and community uses/facilities that could be provided
- An assessment of potential locations for a facility
- Development of a project budget based on the recommended uses and location
- An initial planning assessment of the recommended location
- An assessment of how a carbon neutral facility will be delivered, including an assessment of different approaches
- Development of a project programme
- Development of a project risk register
- Development of a business plan to assess viability

1.12.2 Alliance Leisure are a leisure specialist company who act as a development partner for the scoping, design, refurbishment, construction and the development of sport, leisure, community and other cultural facilities across the UK public sector. The Council have previously worked with Alliance on two projects; the new café at Leybourne Lakes Country Park and the new dance studios at Larkfield Leisure Centre.

1.12.3 The outcome of the feasibility study will be reported to Members for consideration once completed, currently anticipated to be June.

1.13 Wider Engagement and Consultation

1.13.1 It is recognised that a major programme of work such as this will require wider stakeholder and public engagement and consultation at various key points. It is of course always important to carefully consider the aims of any public engagement, including the framework for the material being presented or the questions being asked, to ensure the outputs deliver clear views and direction.

1.13.2 It is recommended a communication strategy be developed setting out how and when engagement and consultation takes places, for Members' consideration.

1.14 East of High Street Next Steps

1.14.1 Mace's reports identify several next steps for consideration, on many of which Members' views have been sought elsewhere in this report.

1.14.2 One of the main recommendations is to progress a master planning exercise for the area, which would take into account the views expressed by Members on the areas outlined in this report. This may also include undertaking more detailed

development appraisals of individual sites and undertaking some soft market testing.

1.14.3 It is recommended the Council progress a masterplan exercise for the area east of the High Street.

1.15 Legal Implications

1.15.1 There are legal implications associated with the Sainsbury's agreements, which are contained in **Annex 7 (Part 2)**.

1.16 Financial and Value for Money Considerations

1.16.1 To progress a complex town centre regeneration scheme requires substantial investment in both time and money and to progress the numerous workstreams identified in the Mace reports will be no different for Tonbridge town centre.

1.16.2 The Council does not have the specialist skills or resources internally to progress the various workstreams so will need to engage with companies that possess those skills.

1.16.3 At their meeting on 20th February Full Council approved the budget for 2024/25. Contained in the budget figures was a proposal to transfer £1.85m to the Regeneration of Tonbridge reserve from additional resources through the provisional funding settlement from central Government and from NNDR. This is in addition to the recent addition of £150,000 from the HMRC rebate.

1.16.4 This money will be allocated to specific pieces of work Members have identified for progression, subject to Member approval.

1.16.5 Any larger scale funding requirements will be identified as required and Member approval sought in line with the Council's budget reporting requirements.

1.16.6 Some uses within the scheme will of course deliver a positive value, most likely in the form of a capital receipt. Some uses may deliver a high level of return, for example residential uses, while some may deliver a lower return, for example medical uses. There will be other uses which will represent a pure cost to the Council, or to the development. Examples include alternative car park provisions (podium car parking), public realm enhancements and provision of replacement leisure and community facilities.

1.16.7 While some costs may be mitigated via contributions through the planning process (for example through S106 agreements), substantial costs are likely to remain which would have to be funded by the Council. An assessment of those costs will be made as more detailed development appraisals are undertaken for individual sites. Details of those costs and how they could be funded will also be assessed throughout the scheme and options presented to Members for approval at the appropriate time.

1.17 Risk Assessment

- 1.17.1 There are inherent risks associated with progressing a town centre redevelopment scheme. One of largest risks is associated with not having a robust governance arrangement in place for taking forward such a large and complex programme of work. The establishment of a specific Tonbridge Town Centre Programme Board with clear terms of reference is one way of mitigating those risks.
- 1.17.2 One of the roles of the Programme Manager will be to identify and monitor risks at a programme level, in liaison with the Programme Board, including identifying and implementing risk mitigation measures. In addition, individual projects will also have risk registers which will be monitored throughout that project.
- 1.17.3 The Programme Manager will also be asked to develop an overarching risk strategy for the wider programme, including setting out how risks will be escalated to the Programme Board, FRPSSC and Cabinet.
- 1.17.4 Risks associated with Sainsbury's agreements in the area east of the High Street are detailed in **Annex 7 (Part 2)**.

1.18 Equality Impact Assessment

- 1.18.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.19 Policy Considerations

- 1.19.1 Asset Management

1.20 Recommendations

- 1.20.1 It is **RECOMMENDED** to Cabinet that;
- 1.20.2 The Phase 2 reports from Mace be noted;
- 1.20.3 Members' views on the proposed governance structure be noted and, based on those views, that officers be instructed to develop terms of reference for the Programme Board for Cabinet's approval;
- 1.20.4 Members' views on Parking be noted and taken into account as the project progresses;
- 1.20.5 Members' views on Housing be noted and taken into account as the project progresses;
- 1.20.6 Members' views on Retail/Commercial uses be noted and taken into account as the project progresses;
- 1.20.7 Members' views on a GP practice be noted and taken into account as the project progresses;

1.20.8 Members' views on the role of the Council as master developer for the area east of the High Street be noted and taken into account to as the project progresses;

1.20.9 Members' views on potential collaborative working with Network Rail noted and taken into account as the project progresses;

1.20.10 Officers be instructed to develop a communication strategy for the Tonbridge Town Centre Programme to be reported to a future meeting of the Programme Board for consideration; and

1.20.11 Officers be instructed to progress a masterplan exercise for the area East of the High Street.

Background papers:

contact: Stuart Edwards

Nil

Cabinet

Management Team