

<b>Title of meeting:</b>	Cabinet
<b>Date of meeting:</b>	8 March 2022
<b>Subject:</b>	Regeneration of the City Centre
<b>Report by:</b>	Tristan Samuels - Director of Regeneration
<b>Wards affected:</b>	Charles Dickens
<b>Key decision:</b>	Yes
<b>Full Council decision:</b>	No

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## **1. Purpose of report**

- 1.1. This report sets out the role the city centre plays, in accommodating the Cities growth needs.
- 1.2. The development of the city centre, has for many years been a Council priority, defined in the current and emerging local plans as an area of housing and economic growth with the areas of City Centre North identified for regeneration and redevelopment.
- 1.3. The report provides an update to the 13<sup>th</sup> October Council decision and asks members to note progress made on the new masterplan, and planning applications which are due to be submitted to the Local Planning Authority (LPA) in early Spring.
- 1.4. The report seeks Cabinet approval of a series of recommendations to ensure progress from planning to the delivery stages of an extended City Centre Regeneration project also known as City Centre North.

## **2. Recommendations**

The Cabinet is recommended:

- 2.1. To note the progress made on land assembly to support the development in paragraph 7 of this report and that land assembly continues as approved by Full Council on the 13<sup>th</sup> October 2021.
- 2.2. To note work done by officers to support the wider City Centre's economic recovery through the multiple workstreams listed below and the role of the new City Centre North development in that programme of work.
- 2.3. To note the progress of all work to complete the planning application and submit it in Spring 2022.

- 2.4. To delegate authority to the Director of Regeneration and the S151 officer to deliver meanwhile uses in all PCC owned assets where possible and viable to do so, to further support the economic recovery of the City Centre.
- 2.5. To delegate authority to the Director of Regeneration and S151 Officer on the advice of the City Solicitor in consultation with the Leader to investigate funding and delivery options including internal delivery and potential partnering options for the City Centre North Development.

### **3. Background**

- 3.1. The regeneration of the city centre has been a long-held ambition of the city council. Previous papers have detailed the development history of the area and approved the teams approach to site assembly with the ability to rely on a Compulsory Purchase Order for the area should it be required as a last resort.
- 3.2. Since then, there have been significant progress, with the RIBA 1 designs approved by the portfolio holders in September 2021 enabling the team to progress with RIBA 2 and remain on track to submit an outline planning submission for the City Centre North project in early Spring 2022.
- 3.3. The City Centre North programme of improvement and regeneration is complex with multiple workstreams, this paper looks to update Cabinet on how these are progressing in parallel, see the benefits map in Appendix A.
- 3.4. This report will highlight the key workstreams involved in the City Centre and provide updates on those that are ongoing.

### **4. Local Plan**

- 4.1. The City Centre makes up a significant proportion of the land allocated to meet identified needs within the City. The Cross-Party Members working group is currently reviewing the emerging Plan looking for opportunities to increase the efficiency of land uses and has considered increasing scale and delivery within the City Centre as part of a sustainable spatial strategy.
- 4.2. The emerging Plan also highlights sites where their current lack of green coverage and proposal for significant redevelopment presents an opportunity to deliver additional greening. The City Centre is one such site and an Urban Greening Factor tool has been developed to assist with achieving betterment in green infrastructure provision through on-site net gains.
- 4.3. The development management team has determined several recent large scale applications supporting growth in the City Centre and is in discussion on a number of other key sites. This

includes the Council's own City Centre north site, discussed elsewhere in this report and the LPA is satisfied that the proposal is being positively prepared, and a Planning Performance Agreement (PPA) has been agreed to steer the application to determination as soon as possible.

## 5. Planning Application

- 5.1. A planning application for a development masterplan, building on the Phase 1 designs is currently being produced, with submission expected in early Spring 2022. Images are included at Appendix E.
- 5.2. The development is designed to evolve around aspiring to be the most sustainable city district in the UK. It will knit into and support the local communities and provide substantial green open space for all. It will be pedestrian and cycle led, with a revised transport network designed to improve air quality and the navigation within the city centre.
- 5.3. This new quarter of Portsmouth will have recognisable urban forms, with more formal facades creating high class urban frontages. The residential units (circa 2000+) will open to the green space, which will, in turn anchor the new neighbourhood, blurring the boundaries between homes and nature.

## 6. **Economic Growth within the City Centre**

- 6.1. The redevelopment of the north of the City Centre is an essential part of the wider growth aspirations for the City but is one part of a wide array of projects of regeneration, enhancement and improvement. These are summarised in the brochure (see Appendix B) that has been prepared to detail the interventions the Council is delivering and supporting in the City Centre.
- 6.2. The investment in the City Centre, as the city's primary 'high street' is of course against the backdrop of a changing nature of retailing. It is self-evident and has received national media reporting that chain/multiple retailers have been in decline in the high street, with the net rate of permanent closures of multiple retailers compared to new multiple retailer stores opening reaching its highest rate in 2020. This reflects the trend of retailing moving away from high streets towards online sells exacerbated by the unique challenges of the pandemic. Across the retail sectors there is significant variation with some shop types, such as electronics fairs particularly badly and other sectors such as retail sale of food and beverage showing greater resilience. While available data shows that the closure rate of retail stores in Portsmouth was likely higher than the regional average in 2020, like the wider region the net rate of opening has recovered well in 2021 with more stores opening than closing in the city. The Economic Growth team continues to work with the retail sector in the City Centre, where we operate our largest market provision, and work with partners to continue investment and support.
- 6.3. A comprehensive enhancement of the market in Commercial Road is being carried out. The first phase of the market move was completed in 2020 and trader numbers remain positive.

Traders are in the process of applying for grant funding to improve business resilience and the Council is working with them to upgrade the look of the market, using the new power infrastructure. The ongoing pandemic situation has considerably pushed back the original timescale of the second phase of the move into 2022, with a relaunch of the improved market will occur and work is ongoing with the Licensing team to streamline Street Traders and manage the outdoor trading in the high street more effectively. Working with the High Street Task Force inspection and discussions with specialist and key city centre stakeholders occurred in January with guidance from that Task Force expected in March.

- 6.4. The Future High Streets Fund as part of the package of wider measures to improve the offer of this high street awarded £265k in 2021 for public realm improvements in the north of Commercial Road where the market was situated, see appendix C. The remaining funding of £2.86m will be allocated towards the site assembly works, subject to confirmation by the Department for Levelling up, it is anticipated that an agreement will be reached in March 2022.

## **7. Land Assembly**

- 7.1. The purchase of Delancey's land holdings have now been completed bringing these key assets into the Council's ownership. These assets combined with the previous purchase of the Sainsburys building means that the council now controls most of the site it requires to deliver its regeneration proposals for the City Centre.
- 7.2. The acquisition of the Delancey assets completed on 28<sup>th</sup> January 2022, and negotiations are now ongoing with several owners of premises identified as required for the early development phasing.
- 7.3. Officers are procuring the relevant support to secure a successful CPO, and engagement has commenced with landowners within the red line boundary, as per the Land Assembly Strategy cited on the October report.

### Meanwhile Use and Asset Management

- 7.4. The Former Sainsburys site opened over the Christmas period to promote its use as an indoor Skatepark, following which the organisers have been successful in securing some funding to commence fit out work scheduled for February & March. The operator continues to source more external funding and is pursuing several funding streams, including Sports England with support from Hive.
- 7.5. The property Asset management Team have allocated an officer as the lead contact to manage the newly acquired assets and ensured a smooth transition to PCC. An analysis of each asset has been made to assess the suitability and most efficient use of the unit.
- 7.6. Where appropriate the existing tenants will remain in situ, where vacant officers will work with the Economic Development team to establish meanwhile uses including an interim Enterprise Centre subject to the business case being agreed and discussions are progressing

with community support groups to see how these assets could be best used to enhance the City centre whilst removing holding costs for the Council.

7.7. Other meanwhile land uses are under consideration, including a possible urban tree nursery which is currently being investigated to kick-start the new parks planting programme with home grown semi-mature trees.

7.8. Innovative meanwhile use of land in this area will deliver early place making change and support the wider green agenda of the city council.

## 8. Engagement Strategy

8.1. A new city centre regeneration website has been created to continue effective communications and engagement with a wide range of stakeholders. The website is only in its first phase of development, with the basic requirements completed in time for the recent engagement event (4 February). You can see the current and live version here: <https://portsmouthcitycentre.co.uk/> However, there is much more to be developed and included, e.g., more city centre regeneration projects, city centre history and facts, and news stories. When this has been developed, an updated version will be shared.

8.2. A new internal city centre news bulletin has been created to continue effective communications and engagement with a wide range of stakeholders. An external version of the news bulletin is being developed. You can view the latest edition here: <https://sway.office.com/HOVfWuwPx7gYVOF0?ref=Link>

8.3. Ward councillors and opposition group leaders continue to be engaged and updated on the project, via monthly briefings.

8.4. The project had a presence at the Shaping Portsmouth conference on 28 January, engaging with a wide range of stakeholders.

8.5. An engagement event took place in the city centre on 4 February. The green themed event focused on several PCC projects that are working towards a greener, more sustainable future for the city centre. This was also an opportunity for City Centre North to engage stakeholders at an early stage of the project and ahead of a more formal public consultation. Press release: <https://www.portsmouth.gov.uk/2022/01/28/working-together-for-a-greener-portsmouth/>

8.6. The event was also promoted via F2F engagement with local communities, all city centre businesses, and on social media.

8.7. The event was attended by a range of stakeholders, including cabinet members, ward councillors, local community and local business. Early analysis shows an overwhelming support for the proposed green space/park and a desire to find out more about the proposed housing. Analysis has shown that 92% of people engaged at the event thought that a large green space in City Centre North was a good use of the area. 4% of people

engaged were unsure and 4% did not think it was a good use. A presentation will be shared with cabinet members and eventually externally via social media and the website.

- 8.8. Effective community engagement continues to be a priority for the project going forward. Early relationships are being built and rebuilt with the local communities through F2F introductions and discussions. The support of community leaders, representatives and groups have been identified as crucial to the success of the project, and the engagement strategy will endeavour to engage those people through different channels, forums and events.

## 9. Delivery Strategy

- 9.1. To develop the Delivery Strategy, officers have commenced soft market testing to investigate and inform a future decision on the preferred delivery option.
- 9.2. This entails interrogating the viability of the scheme against several models for delivery, developing a procurement strategy to ensure expeditious commencement of the proposals and understanding what type of partnership / delivery model is right for the administration.
- 9.3. At a high level, several options are available to deliver the development, clearly sub-sets of these are also possible. These include:
- 9.3.1. PCC self-delivery of the development in its entirety.
  - 9.3.2. PCC self-delivery of specific phases with the potential disposal of others.
  - 9.3.3. PCC partnering with external body or bodies.
  - 9.3.4. PCC disposal of the site with planning to a 3<sup>rd</sup> party.
- 9.4. Conversations have commenced with several potential partners, funders and contractors including Homes England, to be able to recommend on possible options for delivery to enable the development.

## 10. **Transport Update**

- 10.1. Lake Road, City Centre North and South that will enable the development of the South East Hampshire Rapid Transit (SEHRT) corridor entering Portsmouth city centre. This will enable effective and attractive bus services linking to wider bus corridor improvements in Portsmouth.
- 10.2. Consultation ended on the 31<sup>st</sup> of January with works on site planned to start in October 2022.
- 10.3. To achieve the wider regeneration scheme, the proposed road improvements are integral in releasing land by removing and repurposing general highway for developable land.
- 10.4. The transport modelling for the transport assessment has commenced, this is due to be reported Mid-February and will then begin to feed into the localised modelling assessments

and provide the AQ, Noise and Carbon outputs for the other consultants on the development and road teams.

10.5. A strategic outline business case is currently being prepared for submission to DFT alongside an option assessment report.

## **11. Program**

11.1. The key target dates for the City Centre Regeneration scheme are:

- Planning application submission - April 2022
- Land referencing - Commenced December 2021
- Preparatory CPO work (including engagement with landowners) - In hand
- Target planning application submission - Spring 2022
- SEHRT Construction - 2022 / 23
- Procurement of the chosen delivery route - 2022
- Detailed planning of phase 1 - 2022 / 23
- Construction commences - 2024

## **12. Reasons for recommendations**

The main body of the report gives specific details to the background of the recommendations all of which are considered by officers as important to ensure the timely delivery of the City Centre Regeneration scheme and its associated regeneration benefits.

## **13. Integrated impact assessment**

An integrated impact assessment has been completed for the report of 5<sup>th</sup> October and is attached at Appendix D.

## **14. Legal comments**

There are no direct legal implications from the recommendations contained in this report. Legal Services will continue to provide legal oversight and support to the project as it develops.

## **15. Director of Finance's comments**

15.1 There are no direct financial consequences of the recommendations to be approved within this report.

15.2 As the main body of the report states the Council have now acquired the interest in the sites previously owned by Delancey. This is a mixture of Land and residential & commercial properties. Some of these are already tenanted but some are vacant.

- 15.3 In order to meet the cost of borrowing and other holding charges it is key that the Council look to maximise the income it can from these new assets. To achieve this the Council may need to invest in some of these assets to bring them back into use or to update them. This report asks that delegated authority is given to the section 151 officer the ability to approve upon production of a business case the use of borrowing to maximise the income potential of these sites for meanwhile use.
- 15.4 The planning permission for the site will be submitted in early 2022, which means a larger development is unlikely to be developed before 2024, in the meantime the Council need to ensure that they maximise the income potential from these assets.
- 15.5 The team are currently working with consultants to devise a financially viable development on the various sites, this will also help to inform the need to acquire additional sites and the timing that those sites need to be acquired. Once again, the Council need to appraise what the likely holding costs and income should be and the speed at which development could come forward before acquiring. A business case for the development of these sites will need to be approved by the Section 151 Officer.
- 15.6 Any development that comes forward will need significant investment, this investment may not necessarily come from the Council, in fact the scale of development may be outside the Council's risk appetite, which is why Officers are looking at other partnering opportunities and funding sources to see this come through, in a way that does not compromise the speed that a development could come forward.

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Signed by:

### **Appendices:**

- Appendix A - Benefits Map
- Appendix B - City Centre Brochure
- Appendix C - Appendix 26 - Draft Public Realm Plan
- Appendix D - Integrated Impact Assessment
- Appendix E – Planning Application Images



**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Cabinet & Full Council Decision	
City Centre Map of Projects	<a href="#">brochure</a>

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

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Signed by: