
**THE PROVISION OF A PUBLIC SQUARE IN ASSOCIATION WITH THE DCSF
RELOCATION TO FEETHAMS**

Responsible Cabinet Member - Councillor John Williams, Economy Portfolio

Responsible Director - Richard Alty, Assistant Chief Executive (Regeneration)

SUMMARY REPORT

Purpose of the Report

1. To seek authority to release funding and agree to the project proceeding for the construction of a new public square adjoining the proposed headquarters for the Department of Children, Schools and Families (DCSF).

Summary

2. The report provides the background to the relocation of the DCSF to the Feethams area of Darlington.
3. An update is provided on the progress of the wider regeneration of Feethams in line with of the Feethams Planning and Development Brief agreed by Cabinet on October 6 2008.
4. The opportunity to create a new public square at an early stage of this ongoing regeneration in line with the Brief is explained. Creating the square now provides a good value and positive addition to the area and will improve allied development prospects in Feethams. At the time of negotiating the land deal and in the early stages of the DCSF procurement process the assumption was that the main entrance to the building would be from Feethams. Due to uncertainties around adjoining sites, the final draft design has the entrance in an alternative location, taking advantage of the requirement in the brief for public space. This has also been influenced by the flood risk and topography of the site. These considerations have brought forward the need to provide for the public square. The provision of the square is highly desirable and helps to cement commitment from the DCSF. However, the public square is totally dependant on the DCSF proceeding with their development and the payment to the Council of the capital receipt.
5. The proposed budgets for construction costs, contingencies, fees and future maintenance of the square are outlined.
6. Potential risks and issues are identified. These can be summarised as;
 - (a) The potential failure of the DCSF to proceed if the future of the public realm around their building remains uncertain.

- (b) The risks of undertaking public realm works in terms of underground services, archaeology and programme slippage and other issues have been identified and are being actively managed.
7. It is recommended that Community Services Department manage the construction process for, and construct, the square.
 8. The approval of Cabinet at this stage would allow for the public realm project to proceed in parallel with the DCSF timetable, particularly in terms of advancing early concept designs and costings. The final design and costs for the square will be brought to a future Cabinet meeting for agreement.

Recommendations

9. It is recommended that:
 - (a) Members approve the release of £31,611 from the capital programme, for the design fees of the new public square.
 - (b) Approval is given for the project to proceed as described.
 - (c) Officers report back to Cabinet for approval the design of the square and final estimated costs.
 - (d) That the £7,000 estimated maintenance costs be added to the Medium Term Financial Plan.

Reasons

10. To provide a high quality focus for the regeneration of the west side of Feethams adding value and certainty to currently proposed DCSF development and the future regeneration of the area, in line with the Feethams Planning and Development Brief. The timing of this opportunity provides good value for money.

Richard Alty
Assistant Chief Executive (Regeneration)

Background Papers

There are no papers.

Timothy Crawshaw ext. 2048

S17 Crime and Disorder	Any new public realm scheme will be designed to the highest standards with the participation of the Police, Street Scene and in line with planning policy.
------------------------	--

Health and Well Being	This proposed new public square will provide leisure and relaxation opportunities for the general public and office workers in the area. Public open space, if well designed and maintained, can have a positive impact on physical and mental wellbeing.
Sustainability	The square will be designed to complement the high environmental performance standards of the adjoining developments in terms of materials, drainage, performance and maintenance.
Diversity	No impact.
Wards Affected	Central.
Groups Affected	All.
Budget and Policy Framework	Subject to the DCSF proceeding with the development the land receipt, already allocated for public realm works in the area, should fund the new public square. This would be within the existing budget and policy framework. A maintenance cost element would need to be included in the MTFP.
Key Decision	Yes
Urgent Decision	No
One Darlington: Perfectly Placed	<p>The creation of the square, in the context of the wider regeneration of the area contributes to the following themes;</p> <p>Prosperous Darlington: The square creates certainty and raises the value and attractiveness of this part of Darlington for high quality employers, such as the DCSF. Also it will be designed to complement and enhance the unique and distinctive character of the town.</p> <p>Healthy Darlington: Providing an attractive and safe environment for relaxation and leisure.</p> <p>Greener Darlington: Informal leisure opportunities and cultural activities could take place in the square and it will be designed to contribute to the green infrastructure of the Borough. The square will be designed to the highest standards, reflecting the best qualities of the town and enhancing its offer and attractions.</p> <p>Safer Darlington: By encouraging a mix of uses and patterns of occupancy within the new square there are potential community safety benefits. The design process will take into consideration the views of the Police and Street Scene.</p>
Efficiency	The linking of the construction of the new public square with the building of the DCSF offices represents good value, as the stand-alone delivery would be significantly more expensive and present more risks.

MAIN REPORT

Information and Analysis

Background

11. The Department for Children, Schools and Families are relocating their offices from Mowden Hall to the Feethams area of Darlington. This will keep 480 jobs within the Borough and increase the vibrancy and viability of the Town Centre. As a result of this proposed relocation there has emerged an opportunity to create a new public square, in association with the construction of the DCSF building, in line with the Council's ambitions for the area. The future of the Mowden site has yet to be determined.
12. The Department have high ambitions for their building in terms of design and sustainability and are hoping to achieve BREEAM Outstanding and also create a flagship landmark building in the Town Centre.
13. They have designed their building in line with the Feethams Planning and Development Brief, considered and approved by Cabinet last October. This Brief, after significant consultation, includes provision for at least two new public spaces.
14. At the time of negotiating the land deal and in the early stages of the DCSF procurement process the assumption was that the main entrance to the building would be from Feethams. This would have been, in itself, a desirable outcome. However, negotiations with the adjoining landowner proved fruitless in terms of any land exchange being available and the DCSF proceeded, with an irregular site, to develop the design of their building. Constrained by the site boundary, and with a view to creating a building that provides interest from all sides due to uncertainties around adjoining sites, the final draft design has the entrance in an alternative location. This was influenced by a number of factors;
 - (a) There is a one in a 100 year risk of a flood on the Feethams, Beaumont Street corner that was identified in a detailed flood risk assessment, building on the baseline information provided with the Feethams Planning and Development Brief. The risk was considered unacceptable for the reception to the building.
 - (b) Due to the topography of the site, and with the desire on behalf of the DCSF to incorporate limited parking within the footprint of the building the, best place for servicing and access is from Feethams.
 - (c) Once the decision to move the proposed entrance was taken, the potential to benefit from the presence of a public square, identified as a key public good for the area, became an important factor in the design of their building and the feasibility of the allocated site.
15. Given the constraints, and also the opportunity to create an entrance to a distinct focal point of an emerging office quarter, it is now a priority for the DCSF to have certainty over the delivery of the square. If it was to remain undelivered, even in the short term, the prestigious and ambitious nature of this development would be compromised by facing onto a car park, and creates uncertainty around the delivery of the new DCSF building. It is therefore considered important to proceed with the square at this time in recognition of Darlington's aspirations to create a high value office development in the Town Centre.

Current Position

16. The DCSF are undertaking a public consultation process in line with the Councils' Statement of Community Involvement, identifying the location and scale of the square, should it be constructed. The results of this consultation will be used to influence the design of the new DCSF offices where appropriate and will provide an opportunity for comments and suggestions about the concept of the square, prior to the submission of an outline Planning Application in early July. The DCSF intend to move into their new building in Feethams in April 2012.
17. Negotiations are continuing with Marick Developments Ltd. for the redevelopment of the site to the west of Feethams. Marick have indicated that the proposed public square would add value to their development and assist in finding a high quality end-user, bringing forward the wider regeneration of the area. This may well affect the land value for the Marick site.
18. The construction of the temporary car park, for 260 cars, on the site of the former bus station is ongoing with a view to completion by late summer 2009 and hence this would be in place before any works commenced on the DCSF building or square.
19. The strategy for the wider regeneration of the Feethams area, in line with the Feethams Planning and Development Brief is yet to be decided and, due to the economic downturn, developer interest is currently low.

The Opportunity

20. The location of the proposed square is indicated in the attached plan (see **Appendix II**), occupying the mid level of the current Beaumont Street car park. The relationship of the new building to the square is also shown. The buildings that will surround it define the scale of the square. It will provide a sheltered, south facing enclosed and attractive space appropriate to the scale of the adjoining developments that are out of necessity of a substantial scale.
21. In planning, regeneration and urban design terms this new public square offers a number of advantages.
 - (a) It would anchor the area and be the beginnings of a wider office quarter that would include the DCSF, the Marick Development and any future schemes for the area. Marick Developments have indicated that they fully support the concept of the square and see it as a means of raising the value of their development.
 - (b) The pedestrian linkages from the Market Square, through Houndgate and across to Sainsbury's would be enhanced and be made more attractive. Also, this development and the new square will increase the attractiveness of Beaumont Street as a pedestrian route to Grange Road.
 - (c) The existing lane that runs by the DCSF site will benefit from increased footfall, be mostly closed to vehicular traffic and will be physically improved.

- (d) There will be increased informal leisure and social interaction between and around the new buildings.
 - (e) The setting of key new landmark buildings and the listed buildings on Houndgate will be improved and safeguarded.
 - (f) The new DCSF building and the public square will act as a benchmark for the town's future ambitions to attract Grade A offices within a high quality, town centre, environment.
22. Currently it is envisaged that the new public square would be a multifunctional space with a variety of hard and soft landscaping. This would facilitate the square being used for office workers in the area, as well as providing an attractive seating and family friendly space to enjoy lunch or relax while shopping or visiting. This would have a different character and feel to the relatively hard and exposed market square and the hustle and bustle of the Pedestrian Heart.
 23. Via the release of land to the rear of the Listed Buildings on Houndgate new, small scale and complimentary development could be encouraged. This could include a mix of commercial uses including cafe, bar and restaurant uses both to service the new offices, existing town centre workers and form part of the evening economy. However, this is regarded as a future option at this stage and the design of the square should allow for this opportunity.
 24. The opportunity to bring this square forward early in the process of redeveloping the area has come about as a result of the specific requirements of the DCSF and the link with their new building and the potential Marick development to the west. Other identified public goods within the Brief are likely to be delivered through the redevelopment of the wider area, from the land receipts or s106 payments.

Budgets and Costs

25. Appendix I sets out an explanation of the costs and budget implications for the public square. This indicates that the square can be funded from the anticipated receipt.
26. The Feethams Development Brief outlined potential public goods to be delivered by the whole of the development. These goods would normally be delivered through a combination of funds raised through land receipts, S106 agreements, commercial interests and gap funding.
27. The decisions by DCSF to proceed with a prestigious building that also requires attention to the public square at the same time means that there is only the capital receipt from the sale of land to the DCSF to support the provision of the square at this time.
28. No decision has been made with regard to the potential use of the receipt of land to Marick for the Beaumont Street West site. In addition, the opportunity to generate further receipts/developer contributions for the former Bus Station and Town Hall car parks has yet to be realised. In addition, the financial mechanism to provide multi-storey car parking has yet to be resolved and is subject to improved market conditions. It is therefore anticipated that the remaining public goods will be delivered and funded through the regeneration of Feethams East through a comprehensive scheme and subject to improved market conditions.

29. It is therefore anticipated the new public square would be funded, along with the other required public realm works via the land receipt from the DCSF development. Cabinet acknowledged that a very substantial part of the capital receipt from the areas covered by the Feethams Development Brief could be required to fund public realm works. The Cabinet decision (C78 10/10/08) refers;

“**RESOLVED** – (a) That the land at Beaumont Street be declared surplus to the Council’s requirements and the proposed sale of land, to the buyer named in the submitted report, be approved.

(b) That the Director of Corporate Services, in consultation with the Cabinet Member with the Resources Portfolio, be authorised to conclude the negotiations and the proposed sale of land on the terms outlined the submitted report.”

Below is an extract of the accompanying report;

“To achieve the aspirations and requirements of the Feethams Planning and Development Brief to create an attractive new part of Darlington which functions well, developments on the whole of the Feethams/Beaumont Street area (including this site) will need to fund the public squares, footpaths, green space along the river, infrastructure, off-site highways works and a multi-storey car park. King Sturge advise that, taking development of the whole Feethams area together it is unlikely that there would be any residual capital receipt once these 'public works' have been funded by developers. In other words, it is anticipated that almost the whole of the capital receipt for this site will be required to help fund the 'public works' necessary for the area as a whole.”

30. A working budget cost of the square is identified in the breakdown attached in **Appendix I** for a high quality scheme. These costs are based on indicative cost estimates from DCSF’s project managers and verification by Community Services for a range of design scenarios. Subject to the DCSF development going ahead it is anticipated there would be sufficient monies from the land receipt. The estimated cost of the square is proportionate to the developed area on the West side of Feethams and there will be in all likelihood a substantial sum remaining for other public realm works and goods. In addition to the works covered by the land receipt the DCSF are providing highways improvements up to the value of £15K. Because the sale price agreed with the DCSF was in advance of the full extent of the ground conditions be ascertained and the identification of any abnormal costs and highways works it was not possible to reflect any deductions in the sale price. So the development agreement provides for a maximum of £30K for abnormal costs and the Council is responsible for the costs of the highways works estimated at £25K. (This is less than anticipated because the DCSF are responsible for a proportion of these works estimated at £15K). In addition for the payment of the first £10K abnormal costs any costs associated with road closures and the Council’s surveyors and legal fees will need to be met from the capital receipt.
31. There are external funding possibilities currently being explored that may reduce the capital expenditure to the Council of the square. Also, not factored in at this stage, is the potential land receipt from the Marick development adjoining the proposed square and future development opportunities in the Feethams Brief.
32. The figures appended are a current best estimate, with a substantial margin for unforeseen costs.
33. It is anticipated that on completion the maintenance costs of the square would be in the order of £7,000 per year at 2009 costs and this would need to be funded from the Council’s

revenue budget. This maintenance cost has been estimated by officers based on costs associated in maintaining public spaces in the town centre.

Parking

34. The new public square would be delivered in 2012 coinciding with the DCSF completing their building. By this time the new car park on the site of the former Bus Station will be completed, replacing many of the spaces occupied by the redevelopment of the West side of Feethams. Currently these car parks provide 271 spaces, the new car park will have 260. The current provision is as follows;

Beaumont St. North (Marick and potential square) 147

Beaumont St. East (DCSF site) 124

Proposed Construction Arrangements and Value for Money.

35. DCSF are proposing to tender for a design and build contract during July 2009.
36. It is recommended that the management and construction of the public square project by Community Services reduces substantially the procurement and contractual risks to the Council. Community Services have demonstrated that they are able to work within the overall budget framework at a competitive level to private contractors based on current discussions re cost estimates with DCSF Project Managers. DCSF are happy with this arrangement and simplifies their procurement processes. This route also affords greater control for the Council to explore further cost savings arising as a result of synergies between the build contracts that may be more difficult to manage through a private contractor route. E.g. costs associated with restoring the site compound used in the construction of the building and costs for the preparation works for the square.

Risks

37. In the context of the Council's commitment to facilitate the provision of public realm assets in the Feethams Development Brief there are clear advantages to proceed with this work now. The risks that remain are largely around the operational and logistical issues associated with the construction phases of the new office building and the public square. Positive discussions are progressing between your officers and the DCSF to minimise the risks. A major risk identified is the failure of the DCSF to proceed as a result of uncertainty about the future of the area. The land to the north remains undeveloped and the existing surface car park and lane to the west are of poor environmental quality and of low amenity value. Also not creating the square will be a missed opportunity to improve the prospects of the adjoining Marick development, as well as any other schemes for the area. Any significant expenditure on the creation of the square would not take place until the capital receipt monies are received.
38. Risks of creating the new public square include buried underground services, archaeological finds, contaminated land and slippage of programme, as well as an increase in costs from unforeseen circumstances. It is intended to undertake an archaeological survey early in the process to ascertain any remains that may exist. These risks are being actively managed through reports commissioned while the Planning and Development Brief was being prepared, and ongoing project management. A significant contingency budget has been worked into the cost analysis.

Implementation

39. It is anticipated that two Planning Applications, made by the DCSF will include the proposals for the new building and the square joining, the two developments together both in terms of permission, regeneration benefit and subsequent delivery.
40. The development of the square makes sense at this time, in advance of the other public goods, due to the developer interest on this side of Feethams and the potential added value it will bring to both proposed and future development.
41. Arrangements may be made for an area of land to the rear of the site to be released in due course for development of an appropriate scale form, massing and mix of uses to add vibrancy to the square and make a capital contribution to the scheme. This will form a separate report.
42. Notwithstanding the recommendation it is considered appropriate for Cabinet to consider at a future meeting the detailed design of the square and revised costs.

Project Management Arrangements

43. Internally a multidisciplinary project team has been set up adhering to Corporate project management procedures. Issues such as procurement, adoption and maintenance are being dealt with through this team. The Project Sponsor will be the Assistant Director, Regeneration, Planning & Transport whilst the Project Manager will be from within Community Services. The square would be constructed by Community Services.
44. There will be the need to work in partnership with the DCSF to ensure efficient and effective delivery.

Outcome of Consultation

45. The principle of the square was tested through the public consultation undertaken for the Feethams Planning and Development Brief, adopted in October last year. Public open space and the quality of the public realm were key areas of concern for those who made representations; this new space would meet this aspiration.