

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	26 SEPTEMBER 2016	11
KIRKHAM PUBLIC REALM IMPROVEMENTS : PHASE 5			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

As a consequence of the approved development at Mill Farm, Wesham a commuted payment of £110,000 was negotiated by way of an agreement under Section 106 of the Town and Country Planning Act 1990 to be used for the purposes of upgrading Kirkham and Wesham town centres. The primary justification for the funding requirement was directly related to the estimated trading diversion from the anchor town centre convenience store in Kirkham (Morrison's) to the new Aldi store.

The funding 'split' between the two town centres was not stipulated within the terms attached to the Agreement. However, in so far as Kirkham is concerned, the next logical area for improvement follows on directly from earlier phases. This is an expansive area taking in large areas of private forecourts as well as adopted footways. The area proposed lies between Birley Street and Market Square on the northerly side of Poulton Street.

As on previous occasions, it is recommended that this Council works directly with Lancashire County Council in both procurement and delivery of the scheme.

Subject to legal agreements being signed with building owners, who have control of some of the forecourts, it is anticipated that work can commence in the early autumn.

RECOMMENDATIONS

The Committee is recommended to:

1. Approve a fully funded addition to the 2016/17 capital programme in the total sum of £90,000 for the proposed scheme, to be fully-funded from the Section 106 contributions as detailed in the report;
2. Note that the Development Management Committee on 7th September 2016 authorised the expenditure in the sum of £90,000, as detailed in the schedule attached as Appendix 2, (subject to inclusion of the scheme in the capital programme as now requested) to be released from the Councils capital programme funded by the commuted payment requirement attached to planning application 13/0655.

SUMMARY OF PREVIOUS DECISIONS

At its meeting on 7 September 2016, The Development Management Committee resolved:

1. To consider the proposal as detailed within the report and recommend to the Finance & Democracy Committee that it approve a fully funded addition to the 2016/17 capital programme in the total sum of £90,000 for the proposed scheme, to be fully-funded from the Section 106 contributions as detailed in the report; and
2. Subject to the addition of the scheme to the capital programme being approved by the Finance and Democracy Committee as detailed above, to approve expenditure in the sum of £90,000, as detailed in the schedule attached as Appendix 2, to be released from the Councils capital programme funded by the commuted payment requirement attached to planning application 13/0655.
3. Approve the layout and details of the public realm enhancement scheme as indicated at Appendix 1 and in accordance with the schedule of works as indicated at Appendix 2, but authorise officers to undertake none material alterations to the scheme in the light of constructional issues that might become apparent on site as the development is undertaken.
4. Agree to the method of procurement and implementation as set out in the report, namely the continued working partnership with Lancashire County Council for the delivery of the scheme.
5. That officers be tasked with identifying and defining a plan to allow the remaining balance of £20,000 to be expended on a suitable regeneration scheme within the Wesham area.

CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services (Value for Money)	√
Delivering the services that customers expect of an excellent council (Clean and Green)	
Working with all partners (Vibrant Economy)	√
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	√
Promoting Fylde as a great destination to visit (A Great Place to Visit)	√

REPORT

Background

1. The Council's Regeneration Framework provides a compendium of schemes, largely relating to the enhancement of the town and village centres of the Borough. Kirkham, as the market town of Fylde, features as an adopted scheme and to date a number of phases have been completed with funding secured from a number of sources. The public realm improvements have, for the most part, been concentrated latterly on re-paving the main high street (Poulton Street) although in the past there has been a grant aided building frontage improvement scheme. The Development Management Committee has approved a 'Zoning Plan', which highlights how the principal town centre area can be divided into a series of phases for improvement. To date four phases have been completed (Zones 1, 2, 3 along with part of 4 (undertaken as one contract) and 5 - Appendix 3).

2. The completed phases have been welcomed by local traders and the broader community, as the scheme has significantly uplifted the quality of the local environment. The refurbishment for Poulton Street has primarily included new paving and kerbing to footways and forecourts and has been complimented by street furniture, a small section of tree planting and in turn complemented by the efforts of Kirkham in Bloom. Some of the properties along Poulton Street have the use of forecourt areas but to date, these are actually owned/maintained by Lancashire County Council and so no agreement has been needed with building owners to undertake the work. However, in the case of this phase a number of the forecourts are privately owned.
3. The funding for the enhancement of Poulton Street has so far been drawn from a number of sources including the Borough Council, County Council and the High Street Innovation Fund. As a result of the Mill Farm development, a commuted payment of £110,000 was negotiated with the developer and Committee resolved that this should be used for the purposes of enhancing the centres of Kirkham and Wesham. This was justified as it was estimated that the Aldi component of the Mill Farm development would have an impact on Morrison's in Kirkham Town Centre. Although the level of impact was considered to fall within acceptable limits, the objective of the funding requirement was one of mitigating the trading impact and potential loss of footfall to Morrison's – and its spin off to the town centre. One recognised method is to enhance the appearance of the town centre with the objective of increasing patronage to offset that potentially lost due to impact of the new retail store.
4. In requiring the commuted payment, The Development Management Committee did not resolve at the time how it was to be split between the two centres, although the primary justification was the impact on the Morrison's store. However, to undertake the next logical area for enhancement, namely Birley Street to Market Square, this whole length will realistically require improvement at the same time, particularly as it is hoped to improve 'cross levels' over the footway and forecourt areas. The cost of the scheme is estimated at £90,000 and so one of the issues for Committee to consider is whether this split of the available funding is appropriate in the light of the overall contribution secured through the Section 106 agreement. It will be noted that at the time of issuing the report the cost of the scheme is shown as £91,633 (APPENDIX 2). However, some small changes to the scheme will result in the cost being brought to within the stipulated £90,000 figure. A revised table will be re-issued to Committee, when finalised.

Scheme Details

5. The proposed scheme design follows on from earlier phases as described in the foregoing paragraphs. This section includes the major part of Zone 6 (the paved areas around Market Square not being included at this stage). Within this section of Poulton Street there are twelve frontage properties although the forecourts of five have already been block paved; this work being undertaken a number of years ago. Of the seven to be improved there are six separate ownerships. At the time of preparing the report, all the owners had been contacted with each of them supporting the scheme in principle. Detailed negotiations are continuing and by the time of Committee's consideration it is hoped that all will have signed the relevant agreement, or be close to it.
6. The Plan at Appendix 1 shows the extent of the works and the broad content of the scheme. As with all schemes of this nature, as it progresses, there may be the need to make minor revisions taking account of unforeseen circumstances which has, in the past, included the presence of basements or services that do not accord with presumed locations. For this reason, Committee is asked to allow officers to make minor 'working amendments' to the scheme as appropriate on the basis that such changes do not materially affect the scope,

content and objectives of the scheme as presented. The introduction of trees is supported and from close inspection it is considered that practically four could be accommodated in the positions shown on plan, but this will depend on the precise location of services which will be established once construction commences.

7. The property owners will be asked to enter into a legal agreement with the Council. This allows for construction to take place but also to ensure that the quality materials that are to be used will not be compromised in the future. This might be the case were any excavation to take place within forecourts for the purpose of service repairs or renewals. This is standard practice with schemes of this nature.
8. Lancashire County Council has indicated that subject to all the preliminary matters being resolved, it is hoped that work can commence as soon as possible, probably later in September.

Value of Money and Procurement

9. For some time the Borough Council has had a working arrangement with Lancashire County Council that has acted as the main contractor for regeneration schemes and has worked hand in hand with the Regeneration Team in implementing them. Many of the works take place within the adopted highway and in many cases the County Council has made a financial contribution to the particular scheme. As the details of the scheme and construction are undertaken on a partnership 'team' basis the calculation of the schemes and required specification can be calculated from the outset. This saves time and expense and the involvement of external quantity surveyors. In addition, as the County Council is the main contractor and works closely with the Council, this gives assurances that the budget costs and on-going progress of the scheme can be very closely monitored and design and specifications adjusted as it progresses. The County Council has its own costs and procurement regulations to ensure best value which is passed on to this Council. It is proposed therefore, that as previously agreed, this method of procurement and construction continues in the implementation of this particular scheme. In the circumstances, this Council's normal procurement procedures should be superseded by entering into a contractual agreement and arrangement with Lancashire County Council.

Financing the Scheme

10. As outlined, the funding is by way of the commuted payment made by the developer in respect of the Mill Farm development, but is not currently included within the approved Capital Programme for the financial year 2016/17. Accordingly the request to include the scheme within the Capital Programme will need to be agreed by this Committee. The proposal was considered by the Development Management Committee on 7 September 2016 who recommended that the scheme progress in line with the recommendation set out in this report.

Risks Associated with the Scheme

11. The attached Bill of Quantities identifies the full costs associated with the scheme including contingencies to take account of potential unknown costs. The scheme is monitored throughout construction and reporting mechanisms are put in place to ensure that these costs are carefully controlled. To date, all of the regeneration schemes over the Borough have been delivered within the allocated budget. All potential issues that could result in a budget overrun

are carefully assessed before the commencement of works and minimised as far as is possible. All legal issues appertaining to land ownership and traffic management issues that are relevant are resolved prior to commencement. The financial and other risks associated with this capital scheme are therefore minimised as far as is possible.

Alternatives

12. This capital scheme is specifically targeted at undertaking the next logical zone as identified for the improvement of Poulton Street and the adjoining areas. This zone would be the largest area improved so far. The design seeks to maintain the same specification of the previous phases in quality and in its principles. The craftsmanship is expected to be high, judging by the achievements of previous phases. Committee could, if it was to so chose, allocate a different split between the required amount to undertake this scheme and what was to remain and could be spent in Wesham. However, it would be difficult to undertake part of this scheme. In addition to the visual impact of an uncompleted scheme, there could well be constructional issues as the opportunity of reducing the present awkward falls across the present footway could not be fully resolved. These alternatives were considered by the Development Management Committee in reaching its recommendation to this Committee that the scheme should progress as recommended, with £90,000 of the £110,000 commuted sum received as a result of the Mill Farm development being committed to the proposed improvements in Kirkham. It should be noted that as of yet, a fully designed and costed scheme for enhancements to Wesham centre has not been agreed with the Town Council. Any scheme would, of course, require approval of the Borough Council.

Conclusion

13. This report details the proposed implementation of street enhancement works between Birley Street and Market Square in Kirkham. The funding of the scheme is by way of the use of part of funding secured through the Section 106 agreement associated with the Mill Farm development. The procurement and implementation path follows on from earlier phases. The completed scheme will achieve a significant enhancement of this particular section of Poulton Street, which has a commercial character and is included within the town centre conservation area. The scheme has the widespread support of the local business community and the property owners have indicted their full support.

IMPLICATIONS	
Finance	<p>The committee is requested to agree a fully funded addition to the 2016/17 capital programme of £90,000, to be funded from a Section 106 contribution as detailed in the report.</p> <p>The committee is requested to note that the Development Management Committee on 7th September 2016 authorised the expenditure in the sum of £90,000, as detailed in the schedule attached as Appendix 2, (subject to inclusion of the scheme in the capital programme as now requested) to be released from the Councils capital programme funded by the commuted payment requirement attached to planning application 13/0655.</p> <p>Once completed there are no on-going revenue costs to the Council arising from this scheme.</p>

Legal	The Mill Farm section 106 agreement requires that the public realm contribution paid under it be used to secure works to publicly owned streets, pathways, right of ways publicly accessible open spaces and any public and civic buildings and facilities in Kirkham and Wesham town centres or elsewhere in the vicinity of the Mill Farm development. The recommended scheme involves works to private forecourts. Members will need to be satisfied that those works in particular fall within the purposes of the section 106 agreement. If they do not fall within the purposes of the section 106 agreement, the funds could be the subject of a claim for repayment by the developer.
Community Safety	Not relevant.
Human Rights and Equalities	No specific issues. The scheme is aimed at benefitting all sections of the community.
Sustainability and Environmental Impact	Scheme aimed at sustaining and enhancing the role of Kirkham as an important service centre and market town.
Health & Safety and Risk Management	Dealt with as part of the contractual arrangements.

LEAD AUTHOR	TEL	DATE	DOC ID
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LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Planning Application & s106 Agreement 13/0655	17 th February 2015	http://www3.fylde.gov.uk/online-applications/
Kirkham Town Centre Public Realm Scheme – DM Committee Decision	20 th August 2015	https://fylde.cmis.uk.com/fylde/Committees.aspx

Attached documents

1. APPENDIX 1 : Plan of the area the subject of the report.
2. APPENDIX 2 : Schedule of Works/Bill of Quantities connected with the scheme.
3. APPENDIX 3 : Plan of the Zones previously approved by Committee