

## GLOUCESTER HERITAGE URBAN REGENERATION COMPANY LTD ANNUAL REPORT 2008-09 for Homes & Communities Agency and Communities and Local Government

<b>Date Established:</b> February 2004
<b>Core Partners:</b> South West RDA, Homes & Community Agency, Gloucestershire County Council, Gloucester City Council.
<b>Board members:</b> 25
<b>Chair:</b> Greg Smith
<b>Chief Executive Officer:</b> Chris Oldershaw
<b>Staff Numbers:</b> 8.5
<b>Business Plan Period:</b> 2008 / 2009
<b>URC Area (ha's):</b> 340
<b>Population:</b> 14,603 (2005)



### General Overview

- Chairman's Review**

The URC has faced a particularly challenging economic and financial climate during the last 12 months with several major schemes delayed or 'mothballed' regrettably including the University of Gloucestershire's ambitious plans to establish a new campus at Blackfriars. However, despite these setbacks the momentum of regeneration in the city has generally been maintained and by the end of March total investment on 'URC sites' had reached nearly £400 million. A total of 362 jobs have now been created, 21.4 hectares of land reclaimed and 327 new homes constructed, since the start of the URC programme in 2004.

During the year the new £10m flagship High Orchard Bridge was officially opened and major construction work continued on the Quays Designer Outlet Centre and Sainsbury's Super Store and along the Canal Corridor where the initial phases of Bloor Homes housing development reached final completion. The year also saw Galliford Try/Linden Homes appointed as development partner for Greyfriars and the EU compliant developer selection process commenced for the Kings Quarter development. Good progress was also made on finalising Master Plans and Development Briefs for the Railway Triangle and Greater Blackfriars so that these key projects can be 'delivered' as soon as the economy picks up.

The 'people' side of the programme received a major boost during the year with the launch of Gloucester Works and the expansion of the Community Ambassadors Programme and Urban Youth Forum. Collectively these will help to ensure that the local community plays an active part in shaping the future of the city and that they benefit directly from the huge investment in the area.

Membership of the URC Board and its Executive Team has remained largely unchanged in 2008/09. This has provided much needed continuity and a collective commitment to meet current challenges which augurs well for the future

Finally, I am pleased to report that the regeneration 'partnership' remains strong and the URC has worked closely with both the Homes and Communities Agency and South West Regional Development Agency in recent months to minimise the impact on the URC regeneration programme of Government imposed budget restrictions.

"The City Council fully supports the URC regeneration programme in Gloucester. We are actively involved in working to deliver each of the projects, including the Kings Quarter scheme. This is a retail-led, mixed use development around the Kings Square and the bus station areas. We have set aside over £1 million as our contribution towards a new Kings Square, for which a design team has already been appointed." Cllr Paul James, Leader of Gloucester City Council

"Despite the current economic slowdown good progress continues to be made by the URC in delivering the ten year regeneration programme in the city. The County Council has provided a crucial piece of infrastructure in the South West Bypass and is fully involved in major new developments at Blackfriars and the Railway Triangle." Cllr Julie Girling, Lead Cabinet Member – Environment, Gloucestershire County Council

The URC is clearly not immune to the impact of the current economic recession and our focus during the next 12 months will be to continue to maintain momentum and to prepare for the upturn in the national economy.

Greg Smith, Chairman, Gloucester Heritage URC

- Chief Executive's Review**

Despite the current economic difficulties considerable progress was made by the URC and its partners in 2008/09 in delivering transformational change in each of the Magnificent Seven regeneration areas. 'On-site' developments at the Quays and along the northern section of the Canal Corridor continued 'at a pace' with their impact most visible from the western approaches into the city. With the recent appointment of a development partner for Greyfriars and the plans/designs now well advanced for the Economic

Linkages, Blackfriars Priory and Kings Square there is a very real prospect that the catalytic effect of the Quays development can be 'rolled out' to benefit the rest of the city centre in the near future. Regeneration is a long term process and with the continued support of our partners, I remain confident that we will be able to restore Gloucester as a great English City and deliver the step change in the areas economic performance by 2016.

Highlights and achievements during 2008/9 include:-

#### **Greater Blackfriars**

- Draft Blackfriars Masterplan, prepared by Feilden Clegg Bradley approved for consultation in July 2008
- Buro 4 appointed in September 2008 to undertake feasibility study on the University of Gloucestershire's proposed new campus at Blackfriars
- University of Gloucestershire announce in November 2008 that their proposals for Blackfriars are 'on hold' in response to the deepening economic recession
- Series of community workshops organised by the Princes Trust successfully completed in January 2009 to 'test and challenge' the draft Master Plan

#### **Gloucester Docks**

- Waterways Museum reopens for business in May 2008 following partial refurbishment
- Ecclesiastical Insurance Group (EIG) confirm their intention to develop a 10,000 sqm Headquarters building at Southgate Moorings
- Sir Terry Farrell and Partners appointed as project architects by EIG following design competition
- West Quay Phase II draft Masterplan prepared for British Waterways by New Master Planning completed in January 2009

#### **Gloucester Quays**

- Designer Outlet Centre (DOC) 'topping out' ceremony held on 6<sup>th</sup> May 2008 with over 400 construction workers employed on site
- URC Design Review Panel express concern over design quality of proposed 4\* hotel application on 30<sup>th</sup> June with the revised proposals submitted in September
- Franco Muccini, DOC Manager, confirms that 60% of lettings signed up/in solicitors hands in November 2008
- Sainsbury's 8000m<sup>2</sup> super store commences on site in November 2008
- St Ann Way bridge, renamed as High Orchard bridge following community naming competition, officially opened on 18<sup>th</sup> November 2008
- Construction works and lettings for the Outlet Centre make good progress with official opening confirmed as 21<sup>st</sup> May 2009

#### **Canal Corridor**

- Fred Reed appointed as interim manager for the Canal Corridor Partnership BID in May 2008
- Bloor Homes confirm sale of 50 units in phase 1 with 80% sold in phase 2 by July 2008
- Commercial Estates Group obtain planning consent for 340 new homes on the former Contract Chemicals site in January 2009

#### **Kings Quarter**

- Niall McLaughlin Architects/Churchman Landscapes selected to redesign Kings Square in July 2008 following an RIBA International Design Competition
- City Council explore options for EU compliant developer selection process following the 'Roanne' ruling
- Landscape scheme for Kings Square delayed due to protracted negotiations over the 'Golden Egg' – resolved in December 2008
- URC endorse the Councils 'independent' developer procurement arrangements for major retail led mixed use development in January 2009

#### **Greyfriars**

- Galliford Try/Linden Homes confirmed by the Homes and Communities Agency as development partner for Greyfriars site and URC Steering Group established in January 2009
- Westgate Community Trust/Primary Care Trust 'firm up' proposals for the Four Gates Centre and complete feasibility study and business plan in March 2009.

### **Railway Triangle**

- GVA Grimley present Stages 1 and 2 of the Railway Triangle Masterplan to URC Board in May 2009
- Steering Group established to consider feasibility of the Gloucestershire Parkway Railway Station being located on the Triangle in July 2008
- URC re-confirms its previous decision to support the County Council's proposals for the earliest possible development of the new Parkway Station at Elmbridge Court on 26<sup>th</sup> September in response to a clear statement from Network Rail on property and operational considerations

### **Economic Linkages**

- LDA concept designs for Routes 1 and 4 endorsed by Executive Board on 18<sup>th</sup> April 2008
- Route 1 economic linkages along Southgate Street, Kimbrose Triangle and Llanthony Road approved by URC Board in November 2008 and funding application submitted to SWRDA
- Route 1 economic linkages through the Docks, adjacent to Victoria Basin and including Back Badge Square approved by URC in January 2009 and funding requested from SWRDA

### **Public Art**

- URC approves priorities for public art installations in July 2008
- Artists selected for Kimbrose Steps and Back Badge Square in January 2009

### **Marketing Gloucester Ltd (MGL)**

- Mark Owen appointed as Chairman and Councillor Paul James as Vice Chairman of MGL in March 2008
- Graham Walker appointed as Chief Executive for Marketing Gloucester in September 2008 with the company becoming operational in December 2008
- MGL launches vacant shop front campaign with the support of the URC featuring Gloucester Rugby Players and professional models in historic settings to promote Gloucester's heritage

### **Gloucester Works**

- City Employment and Skills Plan approved in July 2008
- Julian Wain of the City Council appointed as chairman of the multi agency project board and Ahmed Goga as project director
- Gloucester Works launched in October 2008 with action plans prepared for three target areas and protocols agreed with Job Centre Plus

### **Community Engagement**

- More than 1500 guests visited the Future of the City event at Blackfriars in May 2008 – the first ever exhibition to showcase the regeneration of the city
- Mobile exhibition unit purchased in May 2008 and programme of community visits agreed
- Urban Youth Forum established in January 2008
- Community Ambassadors appointed for each of the Magnificent 7 development areas by October 2008
- Community Regeneration Protocol reviewed in September 2008
- URC Strategy for involving 'hard to reach' groups agreed in January 2009
- Best Practice Visit to Temple Bar Dublin, completed in July 2008 attended by members of the URC Board, fora and panels

### **Heritage Audit**

Alan Baxter and Associates completed their independent evaluation of URC progress in delivering heritage led regeneration and confirm that the company remains 'on track' to deliver a national exemplar.

Chris Oldershaw, Chief Executive, Gloucester Heritage URC

### **Area of Operation**

- **Strategic Framework Overview**

In 2005 Terence O'Rourke Ltd were commissioned to produce the URC Area Regeneration Framework for the GHURC area. This was developed as a three phase process consisting of a 'Baseline Review', 'Development Options' and 'URC Area Regeneration Framework and Development Strategy'. The 'URC Area Regeneration Framework and Development Strategy' was approved by the Board in July 2006.

The vision of the GHURC is:

'To bring life back to historic areas of Gloucester, inflecting their special character whilst locating a new prosperous, attractive, safe and sustainable urban centre for the 21<sup>st</sup> Century'.

The URC Board recognised that resources would need to be carefully targeted and agreed to concentrate investment in seven main areas – the Magnificent Seven – Gloucester Docks, Gloucester Quays, Greater Blackfriars, Greyfriars, Kings Quarter, Greater Railway Triangle and the Canal Corridor. These would be complemented by more people focused initiatives, particularly image branding and a jobs link programme. To date a range of major projects have been completed:

- Southwest Bypass
- High Orchard Bridge
- West Quay Phase 1 – Residential Development
- Vinings, Double Reynolds, Biddle and Shipton Warehouse flat conversions
- Barge Arm apartments
- Gloucestershire College
- Shipton and Mariners public spaces in the Docks
- Canal Corridor housing developments
- St Oswalds Park retail development

In addition schemes are nearing completion at the Quays Designer Outlet Centre and Sainsbury's Superstore.

### Key projects within the strategic priorities

Project Name & Description	Current Position on Previous Milestones as at 31 <sup>st</sup> March 2009	Project Milestones 1 <sup>st</sup> April 2009 to 31 <sup>st</sup> March 2010
<p><b>Blackfriars:</b></p>	<ul style="list-style-type: none"> <li>• Complete stage 1 Feasibility study for Blackfriars - July 2008</li> <li>• Agree sketch stage design for short term works - June 2008</li> <li>• Complete feasibility study on University development – January 2009</li> </ul>	<ul style="list-style-type: none"> <li>• Complete Stage 2 Development Brief: May 2009</li> <li>• Power generation study: May – July 2009</li> <li>• Archaeology: Jan 2010 – Dec 12</li> <li>• Community archaeology: May 2009 – Dec 12</li> <li>• Site acquisition: Jan 2010 – Dec 12</li> <li>• The 'FLEECE' Detailed architectural study - March – June 2009</li> <li>• Complete Development agreement: January 2010</li> <li>• THE PRIORY: Implement short term works - Nov 2009</li> <li>• BLACKFRIARS SQUARE: prepare development brief May 2009</li> <li>• Invite design tenders: July 2009</li> <li>• Design &amp; Consultation: Sept – Dec 2009</li> <li>• Developer Selection: OJEU Process - July – Dec 2010</li> <li>• Select Development Partner: Dec 2009 – April 2010</li> <li>• CLUTCH CLINIC: Finalise scheme - September 2009</li> <li>• Prepare development brief - December 2009</li> <li>• BARBICAN SITE: prepare Development Brief Sept – Nov 2009</li> <li>• Detailed design by Development Partner - January 2010</li> <li>• COUNTY COUNCIL LAND: Occupational studies March – May 2009</li> <li>• Council policy statement Sept 2009</li> <li>• Prepare specific brief for development Dec 2009</li> </ul>
<p><b>Canal Corridor:</b> The redevelopment of three primary sites identified in the Area regeneration Framework</p> <ul style="list-style-type: none"> <li>• Contract Chemicals site</li> <li>• British Gas Transco</li> <li>• Bristol Road</li> </ul>	<ul style="list-style-type: none"> <li>• Determination of planning application for Contract Chemicals site in January 2009</li> <li>• Commission independent report to finalise options for British Gas / Transco site -</li> </ul>	<ul style="list-style-type: none"> <li>• Demolition/enabling Works: March – Aug 2009</li> <li>• National Grid site: Agree final remediation options Sept 2009</li> <li>• BID appraisal July 2009</li> <li>• Water based uses strategy: April 2009 – June 11</li> </ul>

	<p>June 2008. ERM site remediation options appraisal - completed September 2007 – contested by National Grid. Due to downturn in housing market, National Grid no longer progressing previous residential redevelopment proposals. Further investment by URC in employment land remediation strategy currently considered unjustified.</p> <ul style="list-style-type: none"> <li>• Business Improvement District (BID) Gloucestershire Parklife, are currently consulting with a wide range of businesses and organisations to explore ways in which the creation of the Canal Corridor Partnerships BID could uplift the local trading environment and increase business profitability.</li> <li>• The Feasibility Study will be completed in the Spring of 2009 with the formalisation of Business Plan.</li> <li>• Stage 1 - September 2008 'Hempsted Meadows' Markets Site at Netheridge brought forward – this enabled a multi million investment in a new site access road, drainage and ground stabilisation works July 2008</li> </ul>	
<p>Gloucester Docks:</p>	<ul style="list-style-type: none"> <li>• Complete Masterplan for West Quay Phase 2 by June 2008 – Not finalised due to current viability shortfalls</li> <li>• Appoint developer for 27/29 Commercial Road by June 2008 – SWRDA advised in Sept 08 that proposed disposal to H20 (BW preferred developer was not proceeding and in view of worsening housing market disposal would be deferred</li> <li>• Appoint developer for West Quay Phase 2 by August 2008 – Deferred by British Waterways due to economic downturn.</li> <li>• Linkages (1) Completed final concept design July 2008</li> <li>• Linkages (Route1); Start on site by November 2008 – Design proposal approved November 2008. Detailed technical appraisal submitted February 2009. Subject to final SWRDA funding</li> </ul>	<ul style="list-style-type: none"> <li>• SOUTHGATE MOORINGS: Appoint Architect - July 2009</li> <li>• Finalise concept designs: May 2009</li> <li>• Planning Consent: July 2009</li> <li>• Construction period: March 2010 – Oct 12</li> <li>• West Quay (Ph2) Public Realm Study: June 2009</li> <li>• "ROUTE 1: Victoria Basin, finalise designs" August 2010</li> <li>• Signage improvements: Jan – May 2009</li> <li>• Construction period: Jan 2010 – May 11</li> <li>• Barge Arm Public Realm Study: Aug – Sept 09</li> </ul>

	approval start on site anticipated September 2009	
<b>Gloucester Quays:</b>	<ul style="list-style-type: none"> <li>• Commence Superstore construction October 2008</li> <li>• Review Numold (Bakers Quay) pre-application proposal at Design Review Panel in May 2008 – No scheme submitted</li> <li>• St Ann Way Bridge to open to traffic in November 2008</li> <li>• Bishops (Bakers Quay) Masterplan to be reviewed by DRP July 2008. Bishops unable to progress proposals</li> <li>• Review 4* Hotel pre-application proposal at Design Review Panel June 2008</li> </ul>	<ul style="list-style-type: none"> <li>• Designer outlet centre Phase 1 construction completed May 2009</li> <li>• Supermarket construction completed: May 2009</li> <li>• Sainsbury Superstore to open: June 2009</li> <li>• "Workshops, Office, Hotel": Nov 2009 – June 11</li> <li>• Monk Meadow Residential: Dec 2009 – June 16</li> <li>• BAKERS QUAY (Bishops): Concept Design June 09</li> <li>• (Numold): Concept Design TBC</li> </ul>
<b>Greyfriars:</b>	<ul style="list-style-type: none"> <li>• Complete Development Agreement (Linden Homes) January 2009</li> </ul>	<ul style="list-style-type: none"> <li>• Appointment of development partner: January 2009</li> <li>• Complete Development agreement: June 2009</li> <li>• Planning Application: May 2010</li> <li>• Finalise design and invite tenders: Sept 2010</li> </ul>
<b>Kings Quarter:</b>	<ul style="list-style-type: none"> <li>• Concept Plan agreed for the Kings Quarter May 2007</li> </ul>	<ul style="list-style-type: none"> <li>• Carry out baseline surveys: April 2009</li> <li>• Appoint landscape designer: April 2009</li> <li>• Complete scheme design to RIBA Stage D: June 2009</li> <li>• Secure planning consent: January 2010</li> <li>• Complete detailed designs: March 2010</li> <li>• Retail Development: OJEU process: February 2009</li> <li>• Developer appointed, agreement in place, January 10</li> </ul>
<b>Railway Triangle</b>	<ul style="list-style-type: none"> <li>• Submit phase 1 detailed planning application (LXB) by August 2008 – Delayed pending completion of Masterplan</li> <li>• Commence phase 1 development / infrastructure works delayed pending completion of the Masterplan</li> </ul>	<ul style="list-style-type: none"> <li>• Complete Master Plan: July 2009</li> <li>• NORTHERN TRIANGLE Planning/Design: Nov 2009</li> <li>• MEDI-SCIENCE PARK: Complete employment study June 09</li> </ul>
<b>St Oswalds Park</b>	<ul style="list-style-type: none"> <li>• Complete phase1 housing development by September 2008 – 10 units completed . delayed due to market condition</li> <li>• Completed three restaurants totalling 425m2, and 2330m2 retail (home furnishing) unit; June 2008</li> </ul>	<ul style="list-style-type: none"> <li>• Persimmon Homes Phase 2</li> <li>• Charles Church Phase 2</li> <li>• Sheltered Housing Scheme</li> </ul>
<b>Gloucestershire Parkway</b>		<ul style="list-style-type: none"> <li>• DfT programme Entry Status</li> <li>• "Detailed Design, Planning Application etc"</li> </ul>
<b>Economic Linkages &amp; Tourism Infrastructure</b>		<ul style="list-style-type: none"> <li>• ROUTE 1: Southgate Street / Kimbrose Triangle detailed design – April 2009</li> <li>• Construction period: July 2009 – June 10</li> <li>• CASTLE MEADS:</li> <li>• Concept design: Oct 2009</li> <li>• Phase I surface level car park – March 10</li> </ul>

### Value For Money

The URC is spearheading the regeneration of Gloucester, working alongside a range of public and private sector organisations to deliver the ten year Area Regeneration Strategy. Through its experienced and dedicated Executive Team and the "Magnificent Seven" Steering Groups it has been able to boost the internal capacity of the founder partners, improving coordination and ensuring full integration with other relevant programmes. In addition the URC has established a comprehensive network of community fora and 'community ambassadors' which are used widely by partners agencies. On the design side the URC Design Review Panel is now

regarded by both local authorities as providing specialist advice to complement and augment their own planning/design professionals. Finally, the URC has played a crucial role in establishing two complementary organisations – Marketing Gloucester and Gloucester Works which dovetail neatly within the URC regeneration programme helping to promote the city in a comprehensive way and providing jobs for unemployed residents in the city's 'deprived' wards.

### Good News Opportunities For The Year Ahead

In 2009/10 the Quays Designer Outlet Centre will open along with the Sainsbury's Superstore. It is also planned that a range of other key projects will start on site including Route 1 of the Economic Linkages between the Quays and the Cross, (via the Docks, Kimbrose Triangle and Southgate Street), Kings Square landscape improvements and major refurbishment works at Blackfriars (north and east ranges).

Masterplans will also be finalised for Greater Blackfriars and the Railway Triangle and detailed design work will commence on the Greyfriars development.

### Links to Other Programmes

Links to other programmes are facilitated through the various steering groups for the 'Magnificent Seven' areas and the Gloucester Partnership, the local strategic partnership.

### Evaluation and Succession Planning

The succession arrangement for the GHURC will be developed under the guidance of the Executive Board through a small steering group comprising the Founder Partners. Current models for succession favour the merging of the existing URC with other regeneration bodies within the area (e.g. Cheltenham) to continue the regeneration process (e.g. economic development companies). The objectives of the new company may be more focused on business and economic development rather than physical regeneration. There may also be more priority put on job quality, income levels and standards of living.

Direct Output	Lifetime	Achieved up to 31/3/09	% of lifetime outputs
Public Sector investment (£m)	150	101	67.6
Private Sector investment (£m)	1,000	295	29.5
Commercial Floor Space (sq m)	15,000	20,928	140
Jobs Created	2000	362	18.1
Housing Units	3,000	327	11
Land brought back into use (ha)	100	21.43	21.4

Lifetime gearing 3.3

Brokered Output	Lifetime	Achieved up to 31/3/09	% of lifetime outputs
Public Sector investment (£m)	-	-	-
Private Sector investment (£m)	-	-	-
Commercial Floor Space (sq m)	-	-	-
Jobs Created	-	-	-
Housing Units	-	-	-
Land brought back into use (ha)	-	-	-

### Finance

Income & Expenditure account for 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009 – DRAFT ACCOUNTS

	Budget Annual £000	Budget YTD £000	Actual YTD £000	Forecast Outturn £000
<b>Income/Funding</b>				
HCA	250	250	266	
RDA	250	250	262	
County Council	150	150	150	
City Council	150	150	150	
Other			208	

%Exp÷ Total  
EXP

**Expenditure**

Staff Costs	491	491	498		
Offices/Premises Costs	30	30	32		
Traveling/Transport	Included in	Staff	costs		
Consultants PI/Proj	Included in	business	costs		
PR/Marketing					
Other... Business	236	236	537		

Surplus/(Deficit) £124,000

Average No. of Staff

8.5
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**Comments**

The URC has managed a range of externally funded consultancies including masterplanning/design/feasibility studies and public realm/public art.