

## THE NEW SWINDON COMPANY URC ANNUAL REPORT 2008-2009 for Homes & Communities Agency and Communities and Local Government

<b>Date Established</b> August 2002 (Date of Incorporation)
<b>Core Partners</b> Swindon Borough Council, South West Regional Development Agency and Homes and Communities Agency
<b>Board members</b> : J Cullum, P James, I Piper, K Small, T Higginson, M Suddaby, S Bush, S Richards, D Warburton, R Bluh, R Bailey, P Wood, M Godfrey, R Hunt
<b>Chair</b> J Cullum
<b>Chief Executive Officer</b> P James
<b>Staff Numbers</b> 6.5 FTE
<b>Business Plan Period</b> 2009/10
<b>URC Area (ha's)</b> 220 Hectares
<b>Population</b> 6,000 in URC area, 192,000 in Swindon



Six major project areas

### General Overview

#### Chairman's Review

2008/09 was a very bad year for many regeneration programmes around the UK. Worsening economic conditions eventually led to the global economic crisis causing many of the programmes to stall. It is even more remarkable then that against this back drop Swindon has benefited from so many major achievements this year, including the signing of two Development Agreements and the commencement of the planning and design stages for a major programme of Public Realm works aimed at rejuvenating Swindon Town Centre.

We have worked closely with our funding partners throughout the year using our work together in securing these Development Agreements to nurture even stronger relationships. Each of our funding partners continues to offer their full support to The New Swindon Company, committing further funding for the 2009/10 year.

The new financial year will be a challenging one during which we must build on the momentum gained in 2008/09 and we look forward the challenges that lie ahead.

#### Chief Executive's Review

Despite not being able to sign the Development Agreements before with both MUSE (Union Square) and Modus (Regent Place), we are pleased with eventually managing to secure both deals in such difficult economic times. The total investment will amount to over £500 million and illustrates the underlying strength of Swindon as a place to invest in. This positivity was echoed in the Knight Frank Report commissioned by The New Swindon Company during the year and has been really encouraging as it highlights Swindon's strengths and shows great prospects for the future.

With regard to our other projects we are delighted with the progress made on both Swindon Central and the Public Realm. The initial feasibility study on Swindon Central has now been completed but due to current market conditions progress on this project will not be as quick as we had hoped. With regard to Public Realm improvements we need to create a town centre that is attractive to visitors, workers and local residents alike. Good quality public areas are key elements in achieving this, and following the successful transformation of Wharf Green, Canal Walk is the next big step. Much of the background work is underway or has been completed and main contractors will be appointed in June 2009 and works are set to commence in July 2009.

## Highlights 2008/09

The main highlights for the year are as follows:

### April to June 2008

- Completion of Wharf Green works
- Wharf Green and BBC Big Screen official launch televised by BBC Points West
- Acquisition of Mecca Bingo Club adding to the other acquisitions in Regent Circus for projects within the Promenade
- Publication of Swindon Market Activity Report in conjunction with Knight Frank giving insight into the key areas of business in Swindon



### October to December 2008

- Council completion of new Central Library and official opening
- Signing of Union Square Development Agreement with Muse – a £350 million investment



### July to September 2008

- Commencement of Allies & Morrison feasibility study investigating the potential development options for Swindon Central
- Appointment of Project Manager for Public Realm improvements for Swindon Town Centre
- Signing of Regent Place Development Agreement with Modus – a £215 million investment



### January to March 2009

- Exhibition giving local people the chance to view and comment on the plans for Canal Walk, part of the Public Realm improvement project
- Commencement of OJEU process for appointment of main contractor for Canal Walk
- Completion of Allies & Morrison feasibility study for Swindon Central

I cannot underestimate the importance of these achievements during this period of great economic turmoil and our challenge for 2009/10 is to match this success.

### The year ahead 2009/2010

The main aims for the coming year are as follows:

- To assist MUSE with their outline planning application for the first phase of **Union Square**
- To assist Modus on planning, the CPO process and marketing for **Regent Place**
- To investigate the design and cost of a bridge between **North Star** and Swindon Town Centre
- Commencement of further **Public Realm** works in Regent Street and the Station forecourt
- Completion of **Public Realm** works in Canal Walk

We have received full support from all of our funding partners who we will be working with during 2009/2010 to formulate a strategy for taking The New Swindon Company forward into the next decade. Gavin Jones the Chief Executive of Swindon Borough Council says: "We have confirmed the continued funding of The New Swindon Company to 2010 and support the principle of the role of an arms length delivery body. The council and its partners, HCA and SWRDA, are considering the expansion of the responsibilities of the URC to potentially enlarge the geographical area and incorporate additional functions in the company".



### Area of Operation

#### Strategic Framework Overview

The New Swindon Company's role is to act as the delivery agent for and on behalf of the Council and its supporting partners and as a conduit between the private and public sector in order to achieve the vision that all partners seek, for Swindon to be one of the best business locations in the country, a sustainable and successful town and a place where people want to live, work and spend leisure time.

There are six major project areas:

**Union Square (formerly The Exchange and The Arena):** Mixed use area including offices, residential, retail and leisure.

**The Promenade:** New cultural and civic area with mixed use including office space and residential.

**The Hub:** The retail core of the town centre and incorporating Regent Place.

**Swindon Central:** The gateway to the town with a mix of offices, retail, leisure and new homes.

**North Star Village:** Originally earmarked as an area for approximately 1000 traditional family homes with ancillary retail and leisure facilities The University of West of England (UWE) has expressed an interest in developing a University for up to 4,000 students.

**The Campus:** Business office park in landscaped park surroundings.

**Public Realm:** Upgrading of town centre streetscape and public areas.

### Fit for Task

1. TNSC were originally set up to produce a framework plan for the town centre and to outline a process for future regeneration. This work was completed and a Regeneration Framework was produced.
2. To achieve the aspirations of the Regeneration Framework, properties that needed to be acquired have been bought and masterplans drawn up for specific project areas
3. Following the acquisitions and masterplans on specific projects, developers have been selected through the OJEU process and two Development Agreements have been signed

All three elements have been co-ordinated and managed by TNSC through relationships with the Public and Private sectors. The property, marketing and planning skills combined provide the expertise to deal with the objectives and tasks that are:

- To strengthen the local economy through physical regeneration
- To retain existing businesses and attract new business to the town centre
- To increase the provision and range of shops
- To create more town centre living
- To encourage new and improved cultural and leisure activities
- To improve the image and identity of the centre

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
<b>Union Square</b> mixed use office, retail, residential and leisure	<ul style="list-style-type: none"> <li>• Development Agreement with MUSE signed</li> <li>• Vacant possession of Davis House achieved and demolition completed</li> <li>• Construction start delayed due to delays in finalising Development Agreement</li> <li>• Planning Application yet to be submitted due to delays in finalising Development Agreement</li> <li>• Redesign of Fleming Way ongoing</li> <li>• Assist in marketing ongoing</li> </ul>	<ul style="list-style-type: none"> <li>• Agree Design Codes within the Development Agreement</li> <li>• Confirm plans and submit outline planning application</li> <li>• Confirm plans and agree appraisal of phase 1 and subsequently submit detailed planning application</li> <li>• Confirm location and specification of new Bus Exchange with Bus Companies</li> <li>• Upon receipt of outline planning permission submit application for road closure order</li> <li>• Prepare renewable energy options</li> <li>• Set up management company</li> <li>• Consultations with community prior to submission of the outline planning application</li> <li>• Asset management – PCT rental to be utilised for regeneration purposes</li> <li>• Acquisition of outstanding property interests</li> </ul>
<b>The Promenade</b> civic and cultural area	<ul style="list-style-type: none"> <li>• Completion of Library Building and opening October 2008</li> <li>• Finalised options for Cultural complex</li> <li>• Scheme for Cultural and Commercial Development delayed</li> <li>• Planning application for College Site completed subject to Section 106</li> <li>• Acquisition of 10-15 Regent Circus completed</li> <li>• Acquisition of Mecca completed</li> </ul>	<ul style="list-style-type: none"> <li>• Support for new Cultural Complex by funding partners delayed due to economic downturn</li> <li>• Acquisition of Victoria Road properties north of the gyratory system</li> <li>• Improvement of crossing area between Regent Circus and the Library</li> <li>• Reducing the gyratory road system to improve the public realm</li> <li>• Management of purchased properties on Regent Street</li> </ul>
<b>The Hub</b> retail core of the town centre and incorporating Regent Place	<ul style="list-style-type: none"> <li>• Development Agreement with Modus signed – Regent Place</li> <li>• Planning Application submitted and consent granted September 2007</li> <li>• Delay in CPO process due to Development Agreement</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure the covenants in the Development Agreement are maintained</li> <li>• Assist with the marketing and planning associated with the development</li> <li>• Consider Development Agreement in light of economic downturn</li> <li>• Assist with CPO negotiations</li> <li>• Consider options given downturn in market</li> <li>• Approach public sector for funding</li> <li>• Monitor the BHS extension redevelopment</li> </ul>
<b>Swindon Central</b> mix of offices, retail, leisure and new homes	<ul style="list-style-type: none"> <li>• Master planners appointed April 2008</li> <li>• Framework plan completed March 2009</li> <li>• Development Partner selection process delayed due to Union Square</li> </ul>	<ul style="list-style-type: none"> <li>• Assist the owners of Signal Point</li> <li>• Investigate changing direction of Gloucester Road</li> <li>• Complete master planning exercise</li> <li>• Decide upon next step and planning status of the report</li> <li>• Agree with landowners the best disposal route</li> <li>• Negotiate with BT to remove car park restrictive covenant</li> <li>• Decide on whether funding exists for a bridge crossing over the railway line</li> <li>• Look to improve the tunnels under the railway line</li> <li>• Monitor Urgent Works Notice served on the Mechanics Institute building</li> </ul>

<b>North Star Village/ Campus</b>	<ul style="list-style-type: none"> <li>• Council Leisure Strategy Report delayed</li> <li>• Instruct Masterplanners for North Star and Developer Partner selection delayed due to University interest</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor Road Option with BT</li> <li>• Decide on use of Clares site</li> <li>• Look at the contamination issues of the Clares site</li> <li>• Monitor Snow Dome proposals</li> <li>• Discuss with SBC and UWE the location of the University in light of the forthcoming Coate planning enquiry</li> <li>• Upgrade of the Oasis</li> </ul>
<b>Public Realm</b>	<ul style="list-style-type: none"> <li>• Completion of Wharf Green</li> </ul>	<ul style="list-style-type: none"> <li>• Completion of Canal Walk as next phase of Public Realm improvements</li> <li>• Finalise plans for the next stages of public realm work</li> <li>• Design and implement, with Network Rail, the station forecourt</li> <li>• Prepare tender documents for the next stages</li> <li>• Project manage the next stage of delivery</li> </ul>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• Final Brief for Transportation Strategy now being led by Swindon Borough Council</li> <li>• Consultants WSP appointed February 2008</li> </ul>	<ul style="list-style-type: none"> <li>• Complete WSP Transportation Report in May 2009</li> </ul>

### Value For Money

TNSC has co-ordinated the signing of a Development Agreement between the developers and three public sector bodies for Union Square. Following an investment of over £18 million from HCA & SWRDA this will secure over £350 million of private sector investment into a mixed use development.

TNSC has assisted the Council in the signing of a Development Agreement with developers for Regent Place, a new town centre shopping centre, securing £200 million of private sector investment.

Together Regent Place and Union Square will significantly increase the provision and range of shops in the town centre, provide approximately 700,000 square feet of new offices (the first for 16 years), 800 new homes and new leisure facilities.

The Regent Circus development on the College site is a private sector investment of £80m and will also create more town centre living and will provide the first town centre cinema, a supermarket and an hotel.

TNSC continues to work hard to ensure the success of these developments but physical regeneration has not yet taken place and consequently our actions will not reflect on employment and retail floor space statistics. We would expect this to change over the course of the next 5 to 10 years.

Wharf Green, a public square in the town centre, has been drastically transformed and has received a Civic Trust Award commendation for its design. In the short term further Public Realm works will see Canal Walk, Regent Street and the railway station forecourt improved to the same high standard. These works will provide improved links to the various projects and give greater confidence to investors.

TNSC acting as the regeneration delivery body for the town is adding value by attracting public sector investment that improves and pump primes projects that bring substantial private sector investment. This investment then goes towards our goal of improving the environment for residents and visitors and will make the town a more attractive prospect for future investment. There will be a resultant 'feel good factor' surrounding the town that will influence people's thoughts about both their future prospects and that of the town, potentially reflected in reduced crime rates and improvements in general well being.

The New Swindon Company continues to act as a catalyst for change, driving and co-ordinating major projects, harnessing public sector powers and resources to assist the private sector in delivery and attracting new investment to the town.

### Good News Opportunities For The Year Ahead

- Completion of Jury's Hotel Build
- Completion of Canal Walk Public Realm improvements
- Regent Circus College Site mixed use scheme commencing construction
- Commencement of Regents Street Public Realm improvements

## Links to Other Programmes

- "The Way ahead", Delivering Sustainable Communities in the South West
- New Growth Point status
- Regional Economic Strategy
- Swindon Economic Development Vision and Framework
- EP's sustainable communities agenda
- Climate Change Action Plan for Swindon Borough 2006-2010
- Local Area Agreement
- Council's 50 promises ( Promise No 35 – to regenerate Swindon Town Centre)
- Regional Spatial Strategy
- Central Area Action Plan (consultation stage)
- Core Strategy (consultation stage)
- Inward Investment Group of SSEP

## Evaluation and Succession Planning

The future of The New Swindon Company is being discussed by the Board in April 2009 with a view to formulating a succession strategy for April 2010 onwards

Direct Output	Lifetime	Achieved up to 31/3/09	% of lifetime outputs
Public Sector investment (£m)	135.2	42.8	31.7
Private Sector investment (£m)	1018.1	7.4	0.73
Commercial Floor Space (sq m)	259,356	0	0
Jobs Created	8,239	0	0
Housing Units	1905	0	0
Land brought back into use (ha)	23.9	1.2	5.02

Lifetime gearing

Brokered Output	Lifetime	Achieved up to 31/3/09	% of lifetime outputs
Public Sector investment (£m)	9.8	6.5	66.3
Private Sector investment (£m)	170.7	72.6	42.5
Commercial Floor Space (sq m)	55,506	26,430	47.5
Jobs Created	1230	132	10.7
Housing Units	520	251	48.2
Land brought back into use (ha)	4.4	3.9	88.6

## Finance

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

	Budget Annual £000	Budget YTD £000	Actual YTD £000	Forecast Outturn £000	
<b>Income/Funding</b>					
EP	268.0		268.0		
RDA	268.0		268.0		
Council	318.0		318.0		
ERDF	0.0		0.0		
Other	11.8		11.8		
	<b>865.8</b>	<b>0.0</b>	<b>865.8</b>		
<b>Expenditure</b>					
Staff Costs	431.5		431.5		58.3%
Offices/Premises Costs	33.9		33.9		4.6%
Traveling/Transport	24.2		24.2		3.3%
Consultants PI/Proj	0.0		0.0		0.0%
PR/Marketing	180.9		180.9		24.4%
Other	70.2		70.2		9.5%
	<b>740.7</b>	<b>0.0</b>	<b>740.7</b>		<b>100%</b>

Surplus/(Deficit)	125.1	0.0	125.1	0.0
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Average No. of Staff

7
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**Comments**

Swindon have signed a development agreement worth £350m for a mixed use site.

Another development is to the value of £215m.

Project spend was £189k above Direct project sponsorship which meant New Swindon posted a loss of £64k which was covered by reserves.

The figures above we extracted from draft accounts as they were not supplied in our usual format so Budget has been assumed.