

Central Bedfordshire Council

EXECUTIVE

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Flitwick Station Site and Car Park

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This report does not relate to a Key Decision

Purpose of this report

1. To seek Executive agreement to further progress work on a mixed-use development scheme for the Flitwick station area site for the purpose of securing strong commercial interest in the scheme and enabling its delivery.

RECOMMENDATIONS

The Executive is asked:

1. to note the specific place making objectives identified for Flitwick, the options appraisal undertaken for the Flitwick Station site and the identification of a mixed-use development option as the preferred option at this stage;
2. to note progress in work to date with interested parties, including securing confirmed interest in anchoring a mixed-use scheme from a major national retailer. Recognising that this time limited interest may help to unlock investment from potential scheme partners, the Homes and Communities Agency and private sector investors and developers;
3. to ask officers to continue to develop a mixed-use development option and specifically to:
 - negotiate provisional heads of terms with the potential retail anchor in order to urgently secure their participation in the scheme;

- negotiate provisional heads of terms as required with the Homes and Communities Agency (subject to due diligence) in order to secure time limited investment funding;
 - undertake a local consultation on the proposal and the mix of uses;
 - prepare an outline development brief;
 - undertake an options appraisal of the delivery options available to the Council, and take appropriate market soundings to assess market interest in the options;
 - further refine the financial appraisal, including specific consideration of the implications for the Council in terms of income generated from the interim car parking on the site;
 - review, consider and cost any further remedial works required to ensure safe operation of the temporary car park in the period up to construction commencing; and
 - undertake a lessons learned exercise of other similar mixed-use schemes which have been successfully implemented.
4. To support a business case for £60,000 from the balance of the existing 2016/17 capital budget (allocated to this site) of £1.057M to fund this further work.
5. To ask officers to provide a further report in Autumn 2017, to enable Executive's further consideration of the mixed-use development option.

Background

2. The background information provided in this report is structured into the following parts:
- **Part 1: Flitwick today and in the future** – this first part sets out the corporate strategy driving consideration of the Flitwick station site, together with a summary of key socio-economic and geographic data.
 - **Part 2: Station site options appraisal** – this second part assesses four potential options for the site, and provides a comparative options appraisal assessing the socio economic benefits, risks, delivery timescales and a financial appraisal for each option. On the basis of this appraisal, the mixed-use development option is identified as the preferred option, subject to further detailed appraisal work.

- **Part 3: Mixed-use development** – the third part sets out some further appraisal work that has been done, and confirms that key partners have now formally registered their interest in working with the Council to progress such a scheme, subject to the scheme being progressed in a reasonable timescale.
- **Part 4: Recommended next steps** – the fourth part sets out the recommended next steps to further develop the mixed-use option, such that Executive is able to fully consider this option in Autumn 2017.
- **Part 5: Interim car parking review** – the fifth, and final part, sets out a recommendation that a review be undertaken to consider whether or not remedial works will be required to the temporary car park on the station site, such that it can continue to operate safely prior to the commencement of construction of a mixed-use scheme, should that be the scheme that the Council decides to pursue.

Part 1: Flitwick today and in the future

Flitwick today

3. The town of Flitwick today has a population of 13,180, making it the fifth largest town in Central Bedfordshire. Flitwick is situated immediately adjacent to Ampthill. When considered together, the Ampthill/Flitwick conurbation is the third largest settlement in Central Bedfordshire with a population of over 20,000 residents.
4. Appendix 1 provides a map of Flitwick identifying each of the key locations in this report including broader projects and housing growth.
5. The key socio-economic and geographic features of Flitwick are as follows:
 - a. There is no clear single 'town centre', rather the town has three main axis of activity – the station area; the Tesco superstore area with the library area; and the original High Street.
 - b. The town acts as a major transport gateway to Central Bedfordshire, with 1.5m passenger journeys to and from the station during 2015, an increase of 250,000 journeys on 2011. This represents 114 journeys per capita, which is high compared with Luton, Leagrave and Luton Parkway Stations which combined generated 36 journeys per capita during 2015/16.

- c. Train travellers commute from a wide area around Flitwick taking in a considerable number of towns and satellite villages. The station also provides the key transport hub for some of Central Bedfordshire's most significant and well known employers including Lockheed Martin, Millbrook Proving Ground and Center Parcs Woburn.
- d. Users of Flitwick Rail Station are primarily (80%) commuters and aged between 46 and 64, and currently travel to the station mostly by car or walking. There has been a notable recent increase in those cycling to the station following investment by the Council and Govia Thameslink Rail in new cycle storage facilities. Currently, bus services are not considered to be frequent enough or sufficiently connected to the rail timetable to encourage significant usage to and from the station.
- e. A transport assessment of the area carried out in relation to scheme development indicates that there is available capacity within key transport junctions serving central areas of the town centre. Traffic junctions, near or in the vicinity of the Tesco Supermarket and Flitwick Station including Steppingley Road, Coniston Road and the A5120 are, however, perceived to be congested at peak hours by some local residents. Consequently, the efficient operation of these junctions will need to be carefully considered as part of a more detailed scheme assessment and development.
- f. The Tesco superstore acts as a 'pull' for shoppers beyond the town, however, the overall number of retail or service outlets is low as a proportion of the population as other towns in Central Bedfordshire. For every 1,000 residents there are 3 retail or service units in Flitwick. By comparison, in Biggleswade there are 8 retail/service units per 1000 residents. In Ampthill, there are 7 retail/service units per 1000 residents.
- g. The local library benefits from the station traffic and Tesco shoppers and is the third busiest library in Central Bedfordshire after Leighton Buzzard and Dunstable. During 2015/16 there were 116,986 visitors to Flitwick Library, which was an increase of 23,301 visits or 20% on the previous year. Flitwick Library attracts a significant number of users from a wide geographical area taking in not only Flitwick and surrounding settlements but as far east as Clophill, to Lidlington in the north, west to Potsgrove and to Harlington further south.

- h. The local retailers are predominantly independent shops, as opposed to national chains, with some exceptions, most notably Tesco and Costa (which has recently opened). There are a significant number of estate agents in primary shopping areas which serves to limit the range and choice of retail. There are currently zero retail unit vacancies.
- i. House prices are slightly below the UK average at £280,000 as opposed to £290,000. There is a high proportion of young couple or family households and fewer low income families. Deprivation is not considered a general issue with the exception of one area in the east of the town which has high levels of children and older people living in income deprived households.
- j. Flitwick has 3,800 jobs, 4% of the Central Bedfordshire total (2012 data). 100 business bank accounts open consistently annually. The overall unemployment rate is lower in Flitwick than England and Central Bedfordshire levels. Major employers in the Flitwick area include Massmould, Center Parcs Woburn and Tesco. Located close by is the Millbrook Technology Park which has permissions in place for growth in R&D and office floorspace of 25,000sqm. Flitwick is also home to a significant Industrial Park at Maulden Road, for which a major 18 hectare expansion is proposed (subject to allocation within the emerging Local Plan).
- k. In the most recent residents surveys, carried out during 2014, the main priorities for residents in order of preference and perceived importance were: 1) road and pavement repairs 2) clean streets 3) crime and anti-social behaviour 4) public transport 5) country parks and open spaces 6) facilities and activities for young people 7) shopping facilities 8) education 9) affordable decent housing 10) refuse collection 11) improved parking.

Flitwick in the future

- 6. The Council's five year plan 2015 – 2020 identifies the enhancement of Central Bedfordshire's town centres including Flitwick as a key area of work for the Council. In particular, the council wishes to ensure that the projected population growth of Central Bedfordshire is supported with vibrant enhanced local town centres, preserving their own particular character.

7. Over 400 homes are currently being developed in north western Flitwick and it is anticipated that further significant housing and employment growth will occur in the future. The Call for Sites process conducted as part of the Council's preparation of a new Local Plan concluded in December 2016. As part of this Flitwick received submissions for residential development totalling 84.45 hectares (equating to 2,100 new homes at average England density) and employment allocations of 17.8 hectares. Clearly not all of these submissions will be brought forward, however, it does provide an indication of the potential scale of future growth.
8. Network Rail's demand forecast for passengers along the Thameslink line into London St Pancras, in the morning peak is expected to rise by 49% between 2010 and 2031. Existing data for Flitwick backs up (and exceeds) the projected growth and already shows an increase of passengers of 23% over the period 2009/10 to 2014/15, with an extra 275,000 per year using the station in this period of time.
9. Recent conversations with Network Rail indicate that an increase in numbers is likely to be particularly acute in Flitwick as timetable changes are due to be implemented which will increase the number of peak trains attracting residents from the new residential developments in the town and wider area.
10. The Council is already progressing a range of investments itself and with partners in Flitwick, to deliver against its corporate plan and to respond to the anticipated growth:
 - **Flitwick Leisure Centre** – the Council has invested £14.7m towards the new Flitwick Leisure Centre, which has been open for 12 months. In this year, it has welcomed 480,000 through its doors, which is double the number of the old Leisure centre's final year.
 - **Flitwick Old Leisure Centre site** – the Council will release this site onto the open market for residential development.
 - **Market Town Regeneration Fund** – £920,000 of Council funding has been allocated and matched by a further £920,000 by the Town Council. The allocation for Flitwick is the single biggest allocation within the overall c. £4m regeneration fund. The Flitwick scheme focuses on the High Street, Station Road and Kings Road areas. It will link to the Station area through improved public realm and a greatly decluttered environment, including art based public realm works to the bridge. It is anticipated that this scheme will improve connectivity and amenity in the area, making the High Street more appealing for local residents and commuters.

- **Station Road (Flitwick Town Council)** – The Town Council is planning to develop replacement community facilities for the Royal British Legion and Flitwick Scouts and potentially a replacement seed store at this site for the Flitwick Garden Association. The remainder of the site would provide extra care accommodation with the possibility of some provision for health care facilities alongside a new play area for children. Existing allotments would not be affected. These activities will be delivered in parallel to Central Bedfordshire Council's Market Town Regeneration Fund. The inclusion of extra care accommodation within this scheme meets the Council's policy objective of improving housing options for older people.
 - **Flitwick Country Park** – The Town Council also has plans to develop a new Country Park on land located adjacent to A507 and Maulden Road. The Park will include a dedicated visitor centre.
 - **High Street Improvement Scheme** – £1m of Central Bedfordshire Council funding has been made available to retailers within key market towns for the replacement and upgrade of shop fronts across the Council area. The businesses involved from Flitwick are in key locations within the High Street, and will therefore have a wider impact on the quality of the High Street than just their own shops.
 - **Library 'after hours' programme** – Given the popularity of the library, a programme of evening and weekend cultural activities is being delivered, to encourage the visitor economy and enhance the already high community interest in this valuable amenity.
11. In addition to these investments, in 2010 the Council received £3.6m from the Government's Growth Area Fund – Round 3. These funds were used to purchase the former warehouses (Unit A and part of Units B & C) and a fast food retail unit adjacent to Flitwick Station.
12. During 2012 further acquisitions of land were completed for the purpose of better enabling a comprehensive regeneration scheme. The properties acquired were No 10 Steppingley Road and Franklins House which were purchased for a combined £1.7m. These acquisitions were funded directly by the Council.

13. While the work already in progress by both the Council and the Town Council will already provide local benefit, enhancing the vibrancy of the town centre, in order to ensure that both the population growth and the growth of passenger numbers at the station is supported, as set out in the Council's strategic plan, the specific place making objectives for the council moving forward are:
- To improve the **connectivity** and footfall between the three distinct axis of activity, providing a more integrated sense of place and linking the existing planned investment being delivered by both the Council and the Town Council.
 - To improve **commuter and other rail traveller amenities**, providing an improved gateway to the wider Central Bedfordshire area, enhancing transport connectivity and linkages between different transport modes (car, bus and bike).
 - To generate new **employment** opportunities.
 - To increase **retail choice and diversity**, generating increased footfall to local business, an increased draw for new residents in planned residential developments locally and ensuring that the retail vibrancy matches that of other comparable town centres in Central Bedfordshire.
 - To respond to the specific issues raised by residents through resident surveys and other direct engagement exercises.

Part 2: The Station Road Site options appraisal

14. The Station Road Site in Flitwick includes the Council's most significant land holdings in the locality. The total site has an area of c. 1.63ha. 1.23ha. of the site is owned by Central Bedfordshire Council with Network Rail in control of 0.4ha (not including the existing NR owned station car park). The Council's landholdings are divided into three separate plots, which are:
- CBC car park / demolished warehouses – former units B&C (2 acres/1.05 ha.)
 - Former bungalow at 10 Steppingley Road (0.22 acres/ 0.08ha)
 - Franklin house (0.26 acres/0.10 ha.)

15. The existing station has limited amenity for rail travellers, when compared to other similar commuter stations. The station does offer reasonable value car parking, with the Council car parking being £5.00 per day during the week and £1.00 at the weekend (with £7.60 being the average fee payable along the Thameslink line on which Flitwick is located and £3.50 per day being payable in Arlesey). Aside from car parking, the site has a single mobile refreshment provider, with the High Street, Tesco and the Library being within a 5 to 10 minute walk.
16. An options appraisal has been undertaken on the following potential development options for the site:
 - Do nothing – existing capacity (192 spaces approx.) on a mixture of rough untarmacked surface and concrete slabs (former internal surface of warehouse building).
 - Car park upgrade at grade, existing capacity (192 spaces approx.) – resurfacing of car parking areas, pedestrian access enhanced, lighting columns installed as appropriate, cycle lane constructed to run through adjacent residential areas into the station forecourt.
 - Car parking upgraded to include a multi-storey car park (MSCP) and external at grade parking spaces both delivering increased capacity (280 spaces in total), new access into car park created, new pedestrian walkways to station platforms introduced, cycle lane constructed to run from adjacent residential areas into station forecourt.
 - Mixed-use development scheme – comprehensive redevelopment of station area including existing station forecourt and council landholding. Mix of uses to be introduced will include residential (145 flats/mixture of 1 & 2 bedrooms) , retail and commercial floorspace (up to 6,530 sqm), a transport interchange centred on the station forecourt and new car parking provision to be provided within a MSCP (total of 269 spaces of which 59 will be reserved to integral retail unit). Substantial improvements to public spaces including new amenity spaces, improved pedestrian walkways and cycle link via neighbouring residential areas into the new Transport Interchange (It should be noted that this is the option that is consistent with the development envisaged in the Council's Local Plan).
17. The options have been subject to comparative socio-economic benefit, risk, delivery timescale and financial analysis.

Part 2a: Socio-economic benefit analysis

18. The socio-economic benefits of each option are set out in Table 1 and were assessed against the five specific place making objectives set out in Part 1 above. The criteria are:
- **Connectivity** – to what extent does the option provide an opportunity to increase the connectivity and the flow of footfall between the three distinct axis of activity, and link with other investment in the area being made by the Council and the Town Council?
 - **Commuter amenities** – to what extent does the option provide additional commuter amenities (improved/additional car parking, improved buses, cycle parking) which would equal provision at other commuter hubs at similar distances from central London?
 - **Flitwick employment** – to what extent will the option provide additional employment?
 - **Retail offer** – to what extent does the option increase the retail vibrancy within the town, and therefore provide an increased draw for new residents in planned residential developments locally and equate to the retail vibrancy of other town centres?
 - **Resident priorities** – to what extent does the option contribute to addressing issues or priorities as set out in the most recent Flitwick resident survey?
19. Each benefit has been given a comparative score out of (5), with an option deemed to provide a very high level of a particular type of benefit being scored a 5, and an option deemed to provide a very low level of particular benefit being scored a 1. Where an option does not provide any additional benefit then it has been scored a 0. This provides for a total benefit assessment score for each option out of 25. The higher the score the more benefit, and therefore the more a particular option aligns with the Council's strategic objectives set out in its corporate plan and the priorities expressed by residents.
20. Analysis of the options against the criteria concludes that Option 4, the mixed-use development offers most benefit, as it scores well against all criteria. The enhanced car parking provision and car parking upgrade would provide additional commuter amenity, but would not provide material benefit with regard the other criteria.

Part 2b: Risk analysis

21. The key risks inherent in each option have been identified and are also summarised in Table 1. The key risks are:

- **Construction risk** – to what extent does the project include some form of construction, with a level of risk associated with it?
- **Sales or occupation risk/ operations risk** – to what extent does the scope include sales risk (i.e. of residential units), occupation risk (e.g. of retail or rental units), operations or management risk (e.g. of car parking or rental units)?
- **Planning risk** – will the option require planning consent and to what extent will it be a major scheme, requiring significant detailed and robust work to secure?
- **Site risks** – to what extent does the option include a scale of works that could be impacted by existing utilities and other site development risks, in addition to any standard construction risk, and to what extent is the project contingent on partnership with third parties?
- **Vacant possession risk** – to what extent will the option require vacant possession of existing users, i.e. existing car park users and tenants?

Each risk has been given a comparative score out of (5), on the following basis:

- Score of 0 – Nil – this risk is not present for this option
- Score 1 – Low – the risk is small and easily managed for this option
- Score 2- Low – Medium – this risk is present but is easily and routinely managed in similar projects
- Score 3 – Medium – this risk is material but there is reasonable precedent that it can be successfully mitigated and managed
- Score 4 – Medium – High – the risk on this site would require careful management, to ensure that it was successfully mitigated and managed
- Score 5 – High – the risk on this site is high and unlikely to be manageable, could result in the option not being implementable.

22. Analysis of the options against these criteria indicates that all of the options have a risk profile which could be managed (based on information currently available). The car parking upgrade at grade represents the most 'risk-free' option, while the mixed-use option presents the most complex risk profile that would need to be carefully managed in any future development of this nature.

Part 2c: Delivery pace

23. The third part of the options appraisal assessed the likely delivery timescales, based on alternative comparable schemes and professional advice for the different schemes. Two aspects of the programme were assessed, the pre-build period (based on the current status of project development work undertaken) and the construction period. This information is provided in Table 2. As would be expected, the mixed-use scheme would take the longest to implement, both in terms of the pre-build period and the build period, while the parking at grade offers the 'quickest' win development for the town.
24. It should be noted that in a mixed-use scheme it may be that elements of the scheme are completed and open ahead of the final completion of the scheme. For example, it could be that car parking and retail are opened and in use after 18 months of build, while residential elements continue in the build phase for a further period of time. Furthermore, it should be noted that the pre-build periods for all projects, and particularly for mixed-use projects, can be highly variable. Their overall duration depending on procurement, planning, consultation, design, technical and contract negotiation processes. The inclusion of multiple uses, public sector bodies and commercial parties, can lead to extended timescales which cannot be controlled fully by the landowner. In addition, timescales will also be affected by resources and capacity of all parties involved.

Part 2d: Financial appraisal

25. Financial appraisals of each option have been carried out such that the options can be compared based on three key financial assessments:
- Build cost – this is the raw capital construction cost of build
 - Annual operating income – this is the annual gross income that would be generated through car parking and retail leases on the site.
 - Residual financial position – this is the residual financial appraisal of each scheme, including all costs and income generated.
26. Details on the financial appraisal are provided in the Closed Report. Table 2 provides a financial ranking of each option, alongside the total benefit and risk scores, and the delivery timescale for each option.

27. As would be expected, the car parking upgrade at grade provides for the most economic build cost option, while the mixed-use option is the most costly. However, the residual financial position is different, while the car parking options have reasonable residual financial benefit to the Council, the mixed-use option is anticipated to have a potentially stronger residual. This is due to the fact that the higher build costs are offset by the increase in income that can be generated from the range of uses.
28. The challenge is to finance the higher upfront build cost investment and the risks associated with this scheme such that the residual financial benefit is realised over the lifetime of the projects. A further challenge would be to manage the loss of income during the construction period where this income is of operational significance, as it is for Central Bedfordshire.

Part 2e: Options appraisal conclusion - Preferred Option

29. On the basis of the options appraisal presented in this report, the mixed-use development option is identified as the preferred option. The regeneration of Flitwick Station area through the development of a comprehensive mixed use scheme comprising residential, retail and improvements to transport infrastructure would help to positively transform Flitwick town centre for the better, for both the town's residents, neighbouring communities, and railway passengers. The regeneration of Flitwick station area, would complement the other improvements being implemented in the area, such as the High Street improvement project delivered as part of the Market Town's programme. Together, these projects will help to address the physical constraints of the '3 axis' town centre caused in large part by the division of the centre by the railway line, the scheme will provide improved public spaces and a genuine focal point for the town centre.
30. The development of new homes in a sustainable and central location would provide greater footfall for the town centre and its businesses. The new homes would contribute to Central Bedfordshire's 5 year housing supply. Improved car parking facilities in the station would help to ensure commuters are parked in the most appropriate areas rather than on local streets. A new Public Transport Interchange would also help to improve the connectivity between bus and rail services and provide a genuine alternative to traveling to the station by car.
31. New retail and service units included would substantially improve the overall quality and range of offer to town centre users generating additional footfall for existing businesses. This aspect of the scheme has the potential to directly and indirectly create between 100 and 200 new jobs in the town centre.

32. In addition to these strong socio-economic benefits, the anticipated operational income and residual financial position are also strongest for the mixed use development. However, it does have a more complex risk profile than the other options, and further work is required to ensure that these can be managed effectively. In particular, it is necessary to ensure that the Council and /or its partners have the appetite to invest in the upfront build costs and are aware of the likely implementation timescales, which are longer than the other options due to the increased complexity and involvement of a greater number of parties.
33. Further work is also recommended to refine the proposed mix of uses and commercial floor space provided within the mixed-use development option based on market testing with prospective investors, developers and other potential partners or end users.
34. It should be noted that information used to support the options appraisal is based on a range of external professional advice and internal assessments from relevant departments across the Council. The indicative costs and build durations have been assessed at an appropriate level of detail for strategic decision making, based on feasibility studies and benchmark data. They should therefore not be treated as 'final' or 'fixed'.

Part 3: Mixed-use development option – further appraisal

35. Following the options appraisal, further appraisal work has been undertaken and market soundings taken regarding the mixed-use option. In summary:
 - Network Rail (the other landowning party in the Station Site), have confirmed their interest in the mixed-use scheme including a transport interchange. This has followed two necessary internal national approval processes to ensure business and operational clearance.
 - Feasibility studies, supported by technical surveys, undertaken by Central Bedfordshire Council's Assets team and external architects indicate that a mixed-use scheme is feasible on the site.
 - A detailed residual appraisal of the site undertaken by Aspinall Verdi has concluded that the scheme is viable and has the potential to generate a surplus land value for the Council.

- A highways capacity study undertaken by JMP has modelled the traffic impact associated with the mixed-use development, and concluded that there is sufficient capacity in the local road network to support the scheme (subject to usual highways works associated with any major scheme).
- A major national retail operator, who would be interested in anchor tenancy within the development, has confirmed their formal interest to the Council, subject to the scheme proceeding in a reasonable timescale.
- The Homes and Communities Agency have confirmed their formal interest in participating in the mixed-use development subject to due diligence, such that the site could be part of the government's Starter Home initiative, which seeks to provide additional supply of affordable housing by 2020. Again this would require the scheme proceeding in a reasonable timeframe. Homes and Communities involvement would be in the form of an equity share in exchange for forward funding up to £3m of necessary infrastructure works, e.g. access road and transport interchange. If the residential element of the mixed use scheme were brought forward as a Starter Home it would provide significant new opportunities for first time buyers between the ages of 23 and 40 to get on the housing ladder.
- Aspinall Verdi and CBRE (acting for one of the retail operators) are of the view that mixed-use developers would be interested in leading this scheme, which would provide a means of transferring significant delivery risk to the private sector.

Part 4: Recommended next steps

36. Given the potential benefits that the mixed-use scheme could bring to Flitwick in line with the Council's corporate plan; the formal interest received from key partners (Network Rail, a major retail operator, and the Homes and Communities Agency); and the likely interest from mixed-use developers in working with the Council to manage the residual risk profile, it is recommended that further work be undertaken to further develop this option. It is recommended that:

- Work is undertaken with the interested key partners to agree provisional heads of terms for a mixed-use development on the Flitwick Station area site.
 - A local consultation exercise be undertaken to ascertain the views of the local communities of the options and potential uses within the mixed-use option on the site.
 - Existing businesses within the Council's landholding (Franklins House and separate fast food unit) be engaged and consulted on the scheme options with the purpose of identifying opportunities to retain and improve their business position within Flitwick town centre.
 - Adjacent property owners are also engaged and consulted to identify if additional benefits could be realised through partnership working.
 - A draft outline development brief is prepared for the site and feedback sought from partners and interested mixed-use developers, such that this could subsequently be finalised and considered by the Planning Committee.
37. In addition, it is recommended that further appraisal of delivery options be undertaken for the scheme, such that the Council is able to decide on the preferred delivery route. To this end, it is recommended that the following factors be considered:
- Sale of the land to a developer, with the Council taking no further role other than planning.
 - The Council acting as a mixed-use developer, funding and self-delivering the scheme through standard construction contracts.
 - The Council establishing a development partnership with a mixed-use developer, with or without the council acting as a part funder.
38. In assessing and considering each option, it is recommended that the following factors be considered:
- **Investment** – who will provide the funding for the development? Does the Council have the ability and/or interest in providing the investment required?

- **Risk** – who is managing all of the risks, to what extent is the Council able and willing to take specific risks? Does the Council wish to manage or occupy any of the development?
 - **Return** – what level of return or land value will likely be generated? Could this be a balance of initial capital receipt and/or ongoing revenue (such that it currently received from the car parking)?
 - **Control** – what level of control will the Council have over timescales and the development scope? Is the Council satisfied with the level of influence that it will exert through its Planning function, and through any contracts, through the development period and/or into operations? (Where a partner is providing investment and taking risk, they will need to have the benefit of greater control over the project).
 - **Likely market interest** – what other parties would be required? What level of market interest / competition would there be for such a scheme?
 - **Timescale** – how long will the pre-contract work take, what control / certainty will there be?
39. To this end, it is recommended that formal market soundings and expressions of interest be sought from mixed-use developers to ascertain the level of likely market interest in the scheme, the delivery options being considered and the mix of uses that would be anticipated by these partners.
40. It is also recommended that officers be asked to refine the financial residual appraisal and cash-flow for the scheme, and as part of this work to assess the likely duration and impact of the loss of the car parking income for the Council, and the extent to which the generation of ongoing income from the scheme is feasible and necessary for the Council, in taking the scheme forward.
41. Finally, it is recommended that lessons be captured from other similar schemes that have been developed successfully elsewhere by other local authorities working in partnership with rail bodies, the Department for Transport and a range of private sector partners. Key comparable schemes already identified for this purpose include Hatfield Station, the Luton Transport Interchange and Guildford Station. It is recommended that examples also be sought where the different delivery options being considered by the Council have been used, and that factors affecting timescales and delivery pace are understood.

Part 5: Interim car parking review

42. The station site is currently being operated as a temporary car park, providing approximately 192 car parking spaces. The facility is well used with between 95 and 100% occupation typically during the week. In conjunction with considering whether or not to proceed with a mixed-use scheme, it is recommended that the Council review, consider and cost any further remedial works required to ensure safe operation of the temporary car park in the period up to construction commencing. Noting that, in the case of the mixed-use development, the time period to the commencement of construction and the extent to which that is in the full control of the Council, will be dependent on the delivery option selected.

Measures of success in Central Bedfordshire

43. The ultimate measure of success to be applied to this project and its subsequent implementation is the enhancement of Flitwick town centre in line with the principles adopted by the Council's five year plan, namely a town centre positioned to thrive and prosper with improved facilities and services. The preferred option of a mixed-use development presented in this report would positively contribute to this, as assessed through the socio-economic benefit appraisal presented above.

Council Priorities

44. The successful progression of this project will support the Council's objective of enhancing Central Bedfordshire by better enabling Flitwick town centre to thrive and prosper with an improved town centre and facilities for the benefit of residents, employees and visitors. It will also help to create a stronger local community by providing a greater sense of place with the town centre at the heart of this.

Corporate Implications

Legal Implications

45. The report is updating Executive on the progress made so far in reviewing /appraising options for the future use and development of Flitwick Station site and the nearby CBC car park and asking for approval to further develop the preferred mixed use option that incorporates transport improvements.

46. If the mixed use scheme is taken forward legal consideration will need to be given to the selection of partners to provide a strong retail presence and to the heads of terms to be prepared with interested parties such as the Homes and Community Agency who will be involved in any housing element and Network Rail as a promoter of improved transport facilities and an interchange on the Flitwick Station Site.
47. Decisions on what legal powers and consents will be required to achieve the redevelopment will need to be made. As these discussions develop it may be appropriate to leave the lead on securing powers to one of the interested parties thus transferring delivery risk. These matters will need to be reported back to Executive in the report proposed in the Autumn of 2017.
48. In the meantime the preparation of a development brief and a proposed consultation will seek to inform both the Council, its partners and the public about what types of scheme would be preferred and support the provision of transport improvements and delivery of starter or other types of housing.

Financial Implications

49. There are significant financial implications concerning all of the options available to the Council in relation to its landholding within the Flitwick station regeneration area.
50. This includes both existing income from rents generated from Franklins House and also parking income generated by the Council's temporary car park. Balancing the potential loss of this current income against future income sources (both revenue and capital) that could be generated from a mixed-use redevelopment will be an important consideration once we are in a position to present final recommendations.
51. It should be noted that the Council has an existing allocation of funding within its Medium Term Financial Plan of £1,057M.

Risk Implications

52. If a comprehensive mixed-use regeneration scheme centered on Flitwick Station area is not pursued, the Council is potentially at risk of having to repay Government Growth Area Fund regeneration grants totaling £3.6m. These funds were used for the acquisition of a substantial part of the Council's current landholding in this location.

53. In terms of the development options available to the Council there is a broad range of risks and level of exposure that varies considerably across the options available. These risks are summarised in part in the main body of this report, however they will be fully explored as part of the development of the final recommended options further to this report.

Equalities Implications

54. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
55. Good planning can improve environments and opportunities for communities experiencing disadvantage. Planning which does not adequately engage with, or consider the needs of, local communities is unlikely to improve their life chances and may further entrench area-based disadvantage.
56. The redevelopment of Flitwick Station area, with input from the local community, provides a unique opportunity to radically improve access to this important infrastructure so that it provides a genuinely enhanced service for all station users, residents, employees and visitors.

Sustainability Implications

57. Whichever option is taken forward there will be considerable implications concerning sustainability. A mixed-use development will provide improvements to transport infrastructure which will encourage and promote greater use of public transport whilst growing the number of local jobs closer to communities. This would thereby reduce out-commuting and increase local prosperity and the growth of the local economy. If the Council does not proceed with a mixed-use scheme it will still be in a position to enhance local infrastructure in terms of improved car parking facilities thereby supporting forecasted passenger growth at Flitwick Station.

Appendix

Flitwick development and growth – site plan

Table 1: Benefits and risk appraisal

	Benefit appraisal						Risk appraisal					
	Connectivity	Commuter amenity	Flitwick employment	Retail offer	Resident priorities	Total benefit score	Construction risk	Sales / end use / occupation / operations risk	Planning risk	Site risks	Vacant possession risk	Total risk score
Do nothing existing car park	None (0)	None (0)	None (0)	None (0)	Low (1)	1/25	None (0)	None (0)	None (0)	None (0)	None (0)	0 / 25
Car park upgrade at grade, existing capacity	Low (1)	Medium (2)	None (0)	None (0)	Low (1)	4 / 25	Low (1)	Low (1)	Low (1)	Low (1)	Low (1)	5 / 25
Car park upgrade multi-storey, enhanced capacity	Low – Medium (2)	Medium (3)	Low – Medium (2)	None (0)	Low (1)	8 / 25	Low - Medium (2)	Low - Medium(2)	Medium (2)	Medium (2)	Low (1)	9 / 25
Mixed use development	Medium – High (4)	High (5)	High (5)	High (5)	Medium - High (4)	23 / 25	Medium (3)	Medium plus (4)	Medium (3)	Medium plus (4)	Low-Medium (2)	16 / 25

Table 2: Summary options appraisal outcome -

	Benefit score	Risk score	Indicative pre-build / project preparation duration	Indicative build duration	Build cost	Annual operating gross income	Residual financial position
Do nothing existing car park	1/ 25	0/ 25	Nil	Nil	No cost (Rank 1)	Third highest income (Rank 3)	Third highest income (Rank 3)
Car park upgrade at grade, existing capacity	4/ 25	5/ 25	6 – 8 months (assuming no planning consent required)	10 – 12 months (typically 4 – 6 months for car park but retaining wall will take longer).	Third highest cost (Rank 2)	Third highest income (Rank 3)	Second highest residual (Rank 2)
Car park upgrade multi-story, enhanced capacity	8/ 25	9/ 25	12 months (planning consent would be required)	12 – 18 months (typically 10 - 12 months for car park but retaining wall will take longer).	Second highest cost (Rank 3)	Second highest income (Rank 2)	Third highest residual (Rank 3)
Mixed use development	23/ 25	16/ 25	12 – 24 months (depending particularly on delivery option and procurement approach)	36 – 48 months (but with the potential for interim handovers of particular elements)	Highest cost (Rank 4)	Highest income (Rank 1)	Highest residual (Rank 1)