

BRECKLAND DISTRICT COUNCIL

Report of: Councillor Paul Hewett, Executive Member for Property and Projects

To: Council

Author: Ralph Burton, Assistant Director Property & Infrastructure

Subject: Property Acquisition – Riversdale, Thetford

Purpose: To obtain a decision to acquire the subject property to enable land assembly to support the continued regeneration of Thetford town centre.

Agree and authorise Option 1 – Approve the acquisition of the Riversdale property and proceed with a project to undertake the necessary design and development of a new regeneration river-front scheme in Thetford to support the continued regeneration of the Thetford town centre.

1. BACKGROUND

‘Thriving Places’ in Thetford Town Centre

- 1.1 Agree and authorise Option 1 – Approve the acquisition of the Riversdale property and proceed with a project to undertake the necessary design and development of a new regeneration river-front scheme in Thetford to support the continued regeneration of the Thetford town centre.
- 1.2 Thetford is one of Norfolk’s most important centres, the fourth largest settlement in the county, the biggest single economy in Breckland, and home to a range of nationally significant industries and specialisms. With significant housing growth underway, it also represents one of the strongest growth potential sites in the region and is of key strategic importance to the district. Under the Council’s ‘Thriving Places’ agenda we are working with partners to bring forward a programme of complimentary activity to continue to enhance the Town and support its positive, inclusive, economic growth.
- 1.3 Appendix 1 provides some information on some key significant highlights in the recent success of the town centre. Despite this positive success there remains some opportunities and challenges with some significant investment needs to help unlock the opportunity to enable the town to achieve its potential. Therefore, the Council is committed to a continued, and enhanced set of activity to help meet the challenges and unlock the potential of the Town. Some of this is being driven by the Council’s Future Breckland initiative which is critical in shaping investment opportunities for change.

Riverside Walk Regeneration Opportunity

- 1.4 Riversdale on Tanner Street is a large Victorian building with gardens and outbuildings located in the centre of Thetford on Tanner Street. The property has a large rear garden stretching down to the open space/footpath known as riverside walk that runs between the town centre and the former Mill on School Lane which is alongside the river. The main building was originally built for residential use but its most recent use has been community/commercial.
- 1.5 The current owner is the Keystone Development Trust (KDT) who has utilised the property for different uses since acquisition of the property in 2005 but all of them providing community and voluntary space for local groups or businesses. However, in the last two years the main building has fallen into some disrepair which has caused the owner to close it and remove any occupiers. KDT has offered the property for sale.
- 1.6 The property is located on a relatively large and prominent site in the centre of Thetford. There are Council owned car parks on two boundaries (north and south). The property

therefore forms a noticeable gap in the Council's ownership alongside the river and amenity area.

- 1.7 The Riversdale property along with the other public owned property adjacent have the potential to create a high regeneration impact in this location should they collectively be converted to either quality residential, commercial, or mixed uses. These interventions have been shown to yield strong returns in terms of land value uplift for local area, generation of employment opportunities and could be important in helping generate more footfall and intensity of activity supporting the growth of Thetford's leisure economy. The Riversdale property is therefore strategically important and provides a major opportunity to assemble it with the other public owned property and redevelop and regenerate a further part of the centre of Thetford following the success of the Riverside leisure scheme opposite
- 1.8 To initiate this development design and pre-planning work is required to create a suitable scheme with a view to obtaining a planning permission for an alternative use that would support town centre planning policies. Part of this would also require establishing an alternative strategy for any car parking that may be required to be used in any scheme. Sustaining an empty property of this condition for a period to undertake the necessary development design and planning activity is an issue and therefore subject to the approval of this report it has been agreed that KDT will leaseback the main building to continue to offer it as a community enterprise centre as a meanwhile use whilst the design and planning work is undertaken. The intended strategy would be to dispose of the scheme with the benefit of the intended planning permission rather than the Council undertaking the development directly.
- 1.9 A Property Acquisition Appraisal has been undertaken and can be made available on request.

2.0 Recommendation

- 2.1 Agree and authorise Option 1 – Approve the acquisition of the Riversdale property and proceed with a project to undertake the necessary design and development of a new regeneration river-front scheme in Thetford.

3.0 Options

3.1 Option 1:

To acquire the Riversdale property and undertake the necessary design, development, and planning work to create a new development scheme to regenerate Thetford Riverside Walk area and to release £630,000 for the acquisition cost and acquisition fees and design and development project to enable this to happen.

3.2 Option 2:

Do not acquire the Riversdale property and do not pursue a development scheme.

4.0 Reasons for recommendations

- 4.1 The Council's "Thriving Places" agenda prioritises innovations at a local level which help enhance local areas, increase public and visitor engagement, and increase investment in local areas. The opportunity presented in this report would create a significant change for Thetford which could have significant positive impacts – particularly utilising the river frontage for town centre regeneration for a higher value land use. Due diligence has been undertaken on the acquisition of this key property and a planning assessment has been undertaken to mitigate planning risks.

5.0 Expected Benefits

The expected benefits of the recommendation are:

- Offers the opportunity to acquire a key strategic property asset in Thetford town centre that has become available now as the owner is offering it for sale. This may not be available in the future.
- Offers the opportunity to continue future place-making and regeneration in Thetford town centre following the success of the commercial Riverside scheme on the opposite side of the river.
- Leaseback option allows for the necessary time to undertake the pre-planning work and obtain change of use, while a meanwhile use is maintained in the property and overheads discharged.
- Creates a project for any future place-based grant funding that may become available.
- Aims to create a future capital receipt.

6.0 IMPLICATIONS

6.1 Constitution & Legal

6.1.1 The approval for this acquisition is a Council decision due to the value and to enable release of the funding from the draft budget for 2022/23 to 2025/26.

6.2 Contracts

6.2.1 A legal document will be produced to formally capture this arrangement.

6.3 Corporate Priorities

6.3.1 Thriving Places.

6.4 Financial

6.4.1 The property freehold has been valued at £265,000 for the freehold and £335,000 if the intended improvements are to be made by the current owner (intended leaseholder). This report requests funding for the design and planning costs as well as the acquisition. The decision in this report is to acquire the property and invest in the necessary design work to create an alternative scheme. Both elements require funding. The property should not be purchase unless the further investment is made available to support the change of use and the creation of a new development scheme. It is estimated that the completed design could create a minimum gross land value of £1m. A Proforma B attached.

6.5 Risk Management

6.5.1 The key risks are as follows:

- Ensuring there is a financially viable future scheme that will cover the costs of acquiring the property and any design and planning costs. To mitigate this some baseline analysis has been undertaken to confirm that providing there is a minimum number of c.40 residential units included in the scheme it will be financially viable. This acquisition is being acquired on a regeneration basis and not for investment purposes.
- Obtaining planning permission for a future change of use is a risk. To mitigate this an independent planning assessment has been undertaken as part of the Council's due diligence which has confirmed that a range of different uses, including retail, restaurant and leisure uses, as well as residential, alongside complimentary commercial uses, which are compatible with the site's Flood Zone designations, are likely to be acceptable in principle, subject to detailed design considerations.

6.5.2 Other risks exist regarding tenant default during the meanwhile use period and that land values are insufficient.

6.6 Stakeholders / Consultation / Timescales

6.6.1 It is anticipated that the acquisition will complete over the next three to four months, allowing the building to be brought back into use in early 2022 for its meanwhile use.

7.0 WARDS/COMMUNITIES AFFECTED

7.1 Thetford - Castle

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Key Decision: No

Exempt Decision: No

This report refers to a Discretionary Service

Appendices attached to this report:

Appendix 1 – Key highlights in the recent success of Thetford town centre

Appendix 2 - Proforma B

Appendix 1

Key highlights in the recent success of Thetford town centre include:

Riverside Complex – an £8m asset, constructed in 2015 via Breckland Bridge, which has shown remarkable resilience despite tough trading conditions nationally. The complex is 100% let, and home to a mix of vibrant regional businesses.

Private Sector Investment – The Town Centre is currently benefitting from over substantial investment from the private sector, with significant new activity including the renovation and reimagining of the Former M&Co site into 5 new river-facing units and workshops facing a redeveloped customer car park. which is due for completion early 2022. At a time of wider disinvestment from high streets nationally this is an incredibly positive sign for confidence in Thetford and the future opportunities it will generate.

Market Towns Initiative Investment & Public Realm Enhancements – The Council uses the Market Town's Initiative to unlock local opportunities and provide impactful locally directed investment. Under the current programme, since 2021, MTI has invested almost £70k in important new public facilities in and around the Town Centre Including new heritage-style footway lighting columns on Spring Walk and Butten Island, as well as new recreational street furniture providing chess and table tennis tables for public use.

River Clean Up Programme – Recognising the important role of the river in the vibrancy of the town centre, the Council has invested over £40k in activity to clean up and improve public realm along the river corridor. This includes the removal of the disused river boat café which had fallen into disrepair and become an eyesore on the river, enhanced public realm and an intensive programme of weeding, painting, planting and street cleaning.

Thetford Place Branding Project – Securing the services of the nationally renowned Hemingway Design agency, who have delivered exceptional place branding projects in York, Berwick-upon-Tweed, Crewe, Andover, and many others, and delivered bold, largescale events in Redcar, Lowestoft, Liverpool, Blackburn, and London's Southbank Centre. They are currently working on new place branding vision for Thetford due for winter 2021.

Renaming of the Maharaja Ranjit & Duleep Singh park on Button Island – Enhancing the Punjab history and culture and the significance to the town of Thetford, encouraging visitors. It will also provide a further national-level point of interest to highlight the strength and diversity of Thetford's culture, and significance within historic and modern UK.