

## **COUNCIL**

**28 APRIL 2016**

### **ROCHESTER RIVERSIDE REGENERATION**

Portfolio Holder: Councillor Rodney Chambers OBE, Inward Investment,  
Strategic Regeneration and Partnerships

Report from: Richard Hicks, Director of Regeneration, Culture,  
Environment and Transformation

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#### **SUMMARY**

This report provides details of a land and property transaction over £500,000 in respect of the Cabinet's decision on 8 March 2016 to award a contract, or a series of contracts, to develop Rochester Riverside.

#### **1. Budget and Policy Framework**

- 1.1 Rochester Riverside is designated as an Action Area for redevelopment in the Medway Local Plan (2003). Policy S7 of the Local Plan states that the comprehensive regeneration of the area will be sought in accordance with a development brief as approved by the Council.
- 1.2 In September 2014 Cabinet approved the adoption of the 2014 Rochester Riverside Development Brief and Masterplan as a Supplementary Planning Document to the Local Plan. The Development Brief establishes a set of strategic parameters and illustrative guidance to steer the future development of the site. It provides planning and design guidance to Developers and will inform future development management decisions.
- 1.3 This report complies with the constitutional requirement that land and property transactions over £500,000 be reported to the next Council meeting for information.

## **2. Background**

- 2.1 Rochester Riverside is a 32-hectare (74-acre) flagship regeneration project within the Thames Gateway. The site stretches from the A2 Rochester Bridge southwards to Doust Way, with the River Medway forming the eastern boundary of the site, and the high-speed rail line to central London forming the western boundary.
- 2.2 The project is managed in partnership by Medway Council and the Homes and Communities Agency (HCA), who jointly own the site and have invested substantial funds in land assembly, remediation, site preparation and infrastructure works to enable the comprehensive regeneration of the site. Representatives of each partner sit on the Rochester Riverside Board.
- 2.3 The key objective of the partners is to transform the area into an attractive place to live, work and play through the implementation of a substantial, high quality, sustainable, mixed use scheme.
- 2.4 Development has already begun on site. A new riverside walk and cycle way opened in 2008, making the waterfront accessible to the community for the first time in a century. The first residential development was delivered on Phase 1 of the site in 2013, the construction of 73 affordable housing units, associated infrastructure, and the creation of a new public square, the 'Southern Gateway Square'.
- 2.5 Funding of £4.4m from the Growing Places Fund (via the South East Local Enterprise Partnership) has also been committed to deliver further site preparation and infrastructure works along with a 321-space multi storey car park.
- 2.6 Network Rail has created a new station for Rochester, which will be connected to the Rochester Riverside site via a new pedestrian subway. The new station enables increased capacity and reduction in journey times to Central London, thus facilitating the economic growth of the local area and the regeneration of Rochester Riverside. The station opened in December 2015.

### **Rochester Riverside Masterplan**

- 2.7 The vision for Rochester Riverside is established in the 2014 Development Brief and Masterplan, adopted as a Supplementary Planning Document to the 2003 Local Plan.
- 2.8 The Development Brief establishes the key planning and design parameters for the development, including land use components, urban form, density, open space and sustainability. It sets out the previous use and history, the policy context and physical constraints.
- 2.9 The Masterplan envisages a phased development, with the site split into six main phases, but this may change in discussions with the selected Developer,

supporting a range of retail, leisure and tourism uses providing activity both day and night, including:

- A mix of up to 1,400 residential units, including affordable housing
- Residential and non-residential parking
- A hotel
- A centrally located Primary School
- A new entrance to Rochester Rail Station
- A Waterfront Square with associated shops, restaurants and bars
- Flexible commercial and office spaces
- Local retail facilities
- Riverside walk
- Publicly accessible open spaces.
- Upgraded site 'Gateways'
- Community facilities.

### **Disposal Process**

2.10 The report to Cabinet on 8 March 2016 explained that the Council and Homes and Communities Agency (HCA) would, through the procurement process, had sought a partner who is:

- Capable of delivering a large-scale regeneration scheme;
- With the skills and experience to deliver a range of high quality residential and non-residential elements;
- Who can manage the development now and in the future;
- Who has the ability to release tangible economic opportunities;
- Who is committed to working in partnership; and
- Who is commercially and financially robust.

2.11 The Development Agreement with the Preferred Developer will be structured to ensure sufficient time to deliver the regeneration vision for Rochester Riverside, which is anticipated to be 10 to 15 years.

2.12 The disposal of the whole of the site to a sole purchaser will be subject to development obligations included within the Development Agreement, ensuring the Council/HCA can secure a quality development and appropriate capital receipt. The intention would be that the Development Agreement would provide for phased disposal, with each phase being released to the Developer only following successful completion of works on the preceding phase.

### **Stanley Wharf**

2.13 At the Rochester Riverside Board meeting on 24 July 2015 the decision was made to include Stanley Wharf as part of the Rochester Riverside development, as advice received suggested that including this as part of the main site would bring in an increased financial offer as well as reducing the risk of having multiple Developers on site.

## **Amendments to the scheme at Rochester Riverside Board 20 October 2015**

- 2.14 At the Rochester Riverside Board it was reported by officers that the Coach Park had been removed from the masterplan requirements for the Developers, as there was not sufficient space to accommodate it. At this meeting the Board agreed to remove the Coach Park from Rochester Riverside and for officers to report back to the Board with alternative locations to be reviewed.
- 2.15 Also at this meeting, officers reported to elected Members that the River Walk had been retained within Medway Council ownership and so future repairs would be funded by the Council. To reduce revenue costs to the Council, officers subsequently recommended that the surface level of the River Walk be added to the development boundary and for the selected Developer to be responsible for its future maintenance.
- 2.16 To comply with the relevant governance arrangements, it was necessary for both the Council and the HCA to agree the award of the Development Agreement. The Council's Procurement Board considered the Gateway 3 Contract Award report on 17 February 2016 and this report was subsequently referred to Cabinet on 8 March 2016 for consideration, at which it was agreed to award a £263m contract or series of contracts for Rochester Riverside regeneration to Countryside Properties, subject to HCA approval on 10 March 2016. The HCA also agreed that Countryside be awarded the contract, or series of contracts for the Rochester Riverside regeneration. Further information on the contract(s) is set out in the Exempt Appendix.

### **3 Procurement Process**

- 3.1 The procurement process undertaken and the associated evaluation process was detailed in the report to Cabinet on 8 March 2016.

### **4. Financial, Legal and Risk Management Implications**

- 4.1 The detailed financial, legal and risk management implications in respect of the award of contract were detailed in the report to Cabinet on 8 March 2016.
- 4.2 There are no specific financial, legal and risk management implications specifically arising from this report other than to confirm that submission of this report to Council complies with the Constitutional requirement to report land and property transactions over £500,000 to Full Council for information.

### **5. Recommendation**

- 5.1 Council is asked to note the report.

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**Appendices**

Exempt Appendix

**Background papers**

Cabinet 2 December 2014 – Gateway 1 Procurement Commencement: Rochester Riverside Development:

<http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?Ild=13854>

Cabinet 8 March 2016 – Gateway 3 Contract Award: Rochester Riverside Regeneration:

<http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?Ild=15855>