Drivers Jonas Deloitte.

Bridlington AAP Additional Hearing Session Evidence Paper ED 53

John Weir - Proof of Evidence

The Harbour Top as Part of Burlington Parade: Justification and Effectiveness

Contents

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1 Summary

1.1 This paper is one of five submitted by the East Riding of Yorkshire Council in response to the Inspector's provisional views on the inclusion of the Harbour Top as part of the comprehensive Burlington Parade development scheme. The five papers add to the evidence that is already before the Inspector. They should be read together and with the earlier evidence.

1.2 This paper (ED53) shows that the viability of Burlington Parade and the benefits it will deliver for the established shopping core are dependent on the development of the Harbour Top.

1.3 This paper builds on the already established evidence base submitted for the initial Area Action Plan (AAP) Hearing, in particular:

- Paper ED 06 – Development Appraisals, dated 4 July 2011
- Appendix 1 of Paper CD01 – Summary of the Evidence Base in Bridlington Town Centre AAP Publication Document

1.4 The evidence is structured around three areas:

1) An overview of Bridlington in the context of its retail, leisure and residential markets;

2) An assessment as to the need for the Harbour Top (from a qualitative and quantitative perspective), with specific regard to development viability of Burlington Parade as a whole; and,

3) Conclusions as to the effect on Bridlington's established shopping core and Burlington Parade in a 'No Harbour Top' world.

1.5 For Bridlington to prosper and improve its current appearance and economic performance, a step change is required. The baseline evidence highlights how the town centre would benefit from additional provision and diversification of some town centre uses, including retail, leisure and residential. The Harbour Top proposals are critical to the overall diversification of the town centre offer and the creation of an additional anchor for the town centre. Improved retail and leisure provision will enable economic growth and support the proper function of the town centre. Additional residential development will enhance the richness of the town's offer and overall vitality. The harbour and coast are assets of Bridlington and should be capitalised on to strengthen the tourist economy and supporting industries, such as hotels, accommodation and restaurants.

1.6 Bridlington's renaissance, in common with many Victorian seaside towns, has to be about more than an improved and tightened retail offer which could be found in most towns across the country. The secret to Bridlington's distinctiveness lies in its seafront and the connection of that seafront to the new Primary Shopping Area and vice versa. The harbour is therefore a critical ingredient in knitting together the established retail core and the Burlington Parade development. Without additional retail/leisure development at the Harbour Top, there will remain no further facilities for the visitor to Bridlington.

1.7 Therefore, the Harbour Top is performing three critical functions in the context of Burlington Parade:

1) Creating a needed anchor or destination point for Burlington Parade – a logical conclusion to the north/south desire line which will be created by the regeneration and opening up of the Gypsey Race corridor;

2) Providing a reason for visitors to come to Bridlington in the first place, in the understanding that there will be sufficient attraction and amenity for them when they get there and enough to satisfy their interest over an extended stay (i.e. more than a couple of hours);

3) Completing an essential ‘three-node’ circuit of the town, to include the unit shop scheme, the historic retail pitch and the harbour, with interlinking desire lines for pedestrians across the town.

1.8 Without the Harbour Top, the harbour area will not be regenerated and will remain divorced from the wider town centre. The established shopping core would continue to turn its back on the harbour. A regenerated Harbour Top would improve linkages between the town centre and the Spa.

1.9 The financial contribution to the viability of the wider Burlington Parade scheme is also considered as part of this Proof. The Harbour Top, along with the unit shop scheme (1C) are significant contributors of value in cross-funding other elements of Burlington Parade.

1.10 Developer/investor interest and confidence needs to be secured with confidence coming from a comprehensive scheme which maximises the opportunities to link the town to its waterfront via the Harbour Top. Bridlington is starting from a ‘low base’ and needs to exploit every opportunity through a comprehensive scheme with risk minimised through front end public sector investment. Should the Harbour Top be excluded, to be considered at a later date or never, uncertainty about the comprehensive nature of the Burlington Parade scheme would be created and this would seriously jeopardise future private sector interest in the town.

1.11 By removing the Harbour Top, a significant destination or anchor point for the Burlington Parade scheme and the regeneration of the wider town centre would be removed. The Gypsey Race (Parcels 2 and 3) are designed to provide a link between the station and unit shop scheme through to the harbour and marina area. Without the Harbour Top, there would be no useful or visible pedestrian draw down through the Gypsey Race valley to the harbour area with implications for values and ultimately private sector appetite and delivery.

1.12 Without the Harbour Top, the Burlington Parade concept will be diluted and its essence lost. Our opinion is that rents will fall and yields will rise throughout the rest of the scheme and impact negatively on viability. It will be more difficult to attract occupiers and private sector investment. This is due to the Harbour Top providing a key anchor point for the Burlington Parade scheme and diversity in the mix of leisure offer for the town, which currently does not exist and will not materialise without intervention.

1.13 With regards to phasing and cashflow of the Burlington Parade scheme, the Harbour Top would be the third phase of Burlington Parade, following the delivery of the supermarket in Parcel 1A and the unit shop scheme in Parcel 1C. This approach would provide major commercial anchors at the northern and southern ends of the town and generate value to support the Gypsey Race park and wider town centre. This phasing approach also allows the most valuable parcels come forwards first for cashflow purposes, to benchmark quality, build confidence and drive values for the more challenging parcels forming the Gypsey Race park. The public sector would have reduced funds to deliver infrastructure and public realm works for the provision of development platforms, dramatically affecting viability of the remaining Burlington Parade development. Without the Harbour Top acting as a value generator, the viability of the scheme deteriorates and the development of Parcels 1 and 2 would no longer be within the scale of the gap the Council is prepared or able to finance.

1.14 The Harbour Top is of vital importance to the Burlington Parade scheme and the future fortunes of the town centre as a whole. Its inclusion within Burlington Parade is essential to the overall soundness of the AAP.

1.15 For the reasons outlined in this Proof, the Harbour Top is an integral and inseparable element of Burlington Parade, the vision for which must be treated and viewed as a whole, not disaggregated.

2 Personal Background

2.1 I am a Member of the Royal Institution of Chartered Surveyors, having qualified in the General Practice Division in 1999 and the Planning and Development Division in 2004. I am also a Member of the Royal Town Planning Institute, having qualified in 2011.

2.2 I am a Director of Deloitte LLP, trading as Drivers Jonas Deloitte. I am based in Leeds, where I lead the Development Consultancy practise for the firm's Yorkshire region.

2.3 On a day to day basis, I am involved in all aspects of development land appraisal and viability including valuation, disposals, acquisitions and town planning advice on behalf of clients across the North of England and elsewhere in the UK.

2.4 Typical instructions include valuations (formal or otherwise) of land and buildings to arrive at an opinion of value, including the use of development appraisals, to assess development scheme viability. Such exercises require a consideration of existing and projected supply of similar development, an understanding of demand and levels of take-up, a consideration of market rental and capital values and an understanding of investor appetite for a given location.

2.5 I provide background detail as to Drivers Jonas Deloitte's (DJD) involvement with Burlington Parade proposals, to date. DJD was formerly Drivers Jonas LLP, prior to merging with Deloitte LLP in March 2010 to form DJD. I will refer to DJD throughout this paper for consistency.

Background to DJD's advice on Burlington Parade

2.6 DJD provided property advice to East Riding of Yorkshire Council in connection with the regeneration of Bridlington since 2004. The team were first appointed to assist with the production of the 2004 report, 'A Strategy for Regenerating Bridlington'. DJD also prepared the separate Bridlington Business Space study in the same year.

2.7 In 2005, DJD were appointed as part of the consultancy team to provide property advice to assist with preparation of a deliverable masterplan for the town centre. This work built upon the Regeneration Strategy and urban design work which was being produced for the Town Charter, under Yorkshire Forward's Renaissance Towns Programme, and was done alongside and to inform the AAP at each stage of its preparation through the final 'preferred options' stage.

2.8 The consultancy team worked alongside the urban design practice, West 8, to produce a number of options for the masterplan. The focus was on improving the town centre offer and ensuring linkages with and enhancement of the current town centre functions, facilities and retail pitches. Consideration was given to the interventions required to arrest the town centre's decline.

2.9 In 2006, Chapman Taylor Architects were added to the team to provide specialist retail support and additional input into connecting the town centre's uses and drivers. Through various iterations the inclusion of the harbour area into the town centre has been discussed at length. There is universal agreement by the consultant team as to the inclusion of the Harbour Top as an integral part of Burlington Parade. It is fundamental in providing for a successful and *distinctive* town centre for the indigenous population and visitors to the town.

2.10 I will return to this concept of ‘distinctiveness’ in Section 5 of my Proof (Rationale for the Harbour Top’s Inclusion).

2.11 DJD are core members of the separately instructed team that has been responsible for the AAP’s delivery strategy since 2007. The purpose and principles of the delivery strategy are explained in ED06 Approach to the Development Appraisals of Burlington Parade (2011) and are outlined in CD01 Chapter 5.

3 Scope of Evidence

Background to the Further AAP Hearing

3.1 This paper is one of five submitted by the East Riding of Yorkshire Council in response to the Inspector's provisional views on the inclusion of the Harbour Top as part of the comprehensive Burlington Parade development scheme. The five papers add to the evidence that is already before the Inspector. They should be read together and with the earlier evidence.

3.2 This paper (ED53) shows that the viability of Burlington Parade and the benefits it will deliver for the established shopping core are dependent on the development of the Harbour Top.

3.3 The other papers show that:

i. It is technically feasible to accommodate the Harbour Top development at the west end of the Harbour and at the same time to benefit the Harbour's operations and finances (ED51); and,

ii. An in-Harbour alternative to the AAP's Burlington Parade and Marina schemes could not meet the BHC's operational or commercial objectives (ED52); and,

iii. The Harbour Top and Marina developments will cause no substantial harm to the significance of the heritage assets but will instead secure their optimal viable use and deliver substantial public benefits (ED55); and

iv. The Harbour Top is an essential part of the AAP's positive strategy for meeting the Town Centre's objectively assessed needs, and is justified, effective and consistent with national policy (ED50).

3.4 This paper builds on the already established evidence base submitted for the initial Area Action Plan (AAP) Hearing, in particular:

1) ED 06 – Development Appraisals, dated 4 July 2011.

2) Appendix 1 of CD01 – Summary of the Evidence Base in Bridlington Town Centre AAP Publication Document.

3) CD01 Section 5 - Delivering the Regeneration Strategy

3.5 My evidence is structured as follows:

1) An overview of Bridlington in the context of its retail, leisure and residential markets;

2) An assessment as to the need for the Harbour Top (from a qualitative and quantitative perspective), with specific regard to development viability of Burlington Parade as a whole; and,

3) Conclusions as to the effect on Bridlington's established shopping core and Burlington Parade in a 'No Harbour Top' world.

3.6 My evidence demonstrates the very clear need for the Harbour Top proposals, as an integral part of Burlington Parade and illustrates the negative effect of their removal on both the existing shopping core and the remainder of the AAP proposals.

4 Bridlington Market Context

The AAP Proposals

4.1 For Bridlington to prosper and improve its current appearance and economic performance, a step change is required. Improved retail and leisure provision will enable economic growth and support the proper function of the town centre. Additional residential development will enhance the richness of the town's offer and overall vitality. An improved harbour area which diversifies the leisure offer and links to the wider town centre will benefit the town and wider area, and vice versa.

4.2 Figure 4.1 below is taken from CD01 Plan 3.3 the Publication Draft AAP and illustrates the various parcels which will deliver Burlington Parade. The parcel numbers given below will be referred to later in this paper:

1A	Convenience Retail
1B	Station Plaza
1C	Comparison Shop Scheme
2A	Gypsey Race Mixed Use
2B	Gypsey Race Mixed Use
3A	Gypsey Race Mixed Use
3B	Gypsey Race Lord Feoffees
4	Harbour Top

Figure 4.1 Burlington Parade parcels (AAP Publication Draft October 2010)

The Bridlington Market Evidence Base for the AAP

4.3 The evidence base for the AAP has been well documented and DJD have been involved in preparation of this. To understand the requirement for investment in Bridlington, a brief contextual overview of the town is required. Many studies have been commissioned and form the evidence base for the AAP.

4.4 My aim is not to slavishly repeat the existing evidence base contained within Appendix 1 to the Area Action Plan Publication Document CD01 (October 2010), rather to draw out aspects of underperformance and the significance of the Harbour Top's role in addressing that underperformance.

4.5 Some of the salient points from this evidence base, contained in Appendix 1 of CD01 are summarised below. Further comment and observations made from a recent inspection of the town centre have been made in Section 5 (Rationale for the Harbour Top's Inclusion).

Demographics:

i. Bridlington has a retail catchment of c. 84,348 population (SD09, Table 2.1);

ii. Only 70% of Bridlington's population are active in the labour market (Census, 2001. Ref in CD01, Appendix 1, para 6);

iii. Employment is skewed towards less skilled jobs (CD01, Appendix 1, para 8).

Retail Market:

i. The RTP evidence base for the AAP identifies Bridlington as having an estimated need for additional convenience and comparison retail (CD01, Appendix 1, paras 46-71).

Comparison Retail

ii. Bridlington currently suffers from significant comparison retail leakage to neighbouring centres such as Scarborough, Hull, Beverley and York. Retention levels within Bridlington town centre were estimated to be only 27% (CD01, Appendix 1, para 56). A retention level of well in excess 40% would be a realistic aspiration for Bridlington town centre, were it functioning correctly;

iii. Requirements to increase Bridlington's retention rate and retail offer include the need to provide retail floorplates which are conducive to today's modern occupier (CD01, Appendix 1, para 61);

iv. Improvements are required to the shopping environment of the town centre (CD01, Appendix 1, para 61);

v. The re-establishment of a clear and robust retail circuit, with anchors, to attract and retain footfall is acutely required (CD01, Appendix 1, para 61); and,

vi. Additional capacity figures for comparison retail are estimated as follows (CD01, Appendix 1, para 65):

2016:

£49.2m 'surplus' expenditure, capable of supporting a gain of some 9,360 sq m net, 13,370 sq m gross (c. 100,750 sq ft net, c. 144,000 sq ft gross)

2021:

£72.33m 'surplus' expenditure, capable of supporting a gain of some 13,100 sq m net, 18,710 sq m gross (c. 141,000 sq ft net, c. 201,500 sq ft gross)

Surplus expenditure is defined as the town's capacity to absorb additional retail provision and claw leakage to other surrounding centres.

Convenience Retail

vii. The convenience sector retention level for Bridlington is 88% including Morrisons and other out of town supermarkets (CD01, Appendix 1, para 68). The AAP responds to this need by proposing the allocation of the Coach Park site (1A) for additional convenience retail provision.

viii. Additional capacity figures for convenience retail are estimated as follows (CD01, Appendix 1, para 71):

2016:

£6.2m 'surplus' expenditure, capable of supporting additional convenience floorspace of 1,020 sq m net 1,700 sq m gross (c. 11,000 sq ft net, c. 18,300 sq ft gross)

2021:

£8.2m 'surplus' expenditure, capable of supporting additional convenience floorspace of 2,350 sq m net, 3,900 sq m gross (c. 25,300 sq ft net, c. 42,000 sq ft gross)

The Leisure, Tourism and Hotel Market:

4.6 The harbour and coast are assets of Bridlington and should be capitalised on to strengthen Bridlington's tourist economy and supporting industries, such as hotels, accommodation and restaurants. Recommendations as part of the baseline evidence are listed below (CD01, Appendix 1, Tourism Section pg. 9-10 and Shopping, Leisure and Hotels Section pg. 14-15):

i. Bridlington needs to diversify its tourism offer. Further improvements are also needed to support the tourism and leisure market, such as labour force, property, environment and access. These are mutually exclusive with each relying upon the other to create a successful tourism market focused around the coastal assets of the town;

ii. To achieve an improved tourism economy, the accommodation offer needs to diversify away from its existing B&B and guesthouse dominance with hotels and self catering accommodation;

iii. Traditional seaside tourism markets have shrunk and a more specialised offer is required that offer growth and higher spending opportunities, such as water based recreational and sporting activities; and,

iv. The town's competitiveness needs to improve and develop year round tourism opportunities.

The Residential Market

i. Bridlington's population is expected to grow by an estimated 2,783 households to 2021 (CD01, Appendix 1, para 84);

ii. New housing stock will support and attract additional households that are able to accommodate more economically active residents (CD01, Appendix 1, para 88);

iii. The AAP area will play an important role in meeting additional housing requirements and providing for sustainability and housing choice (CD01, Appendix 1, para 88); and,

iv. A diversified tourism market may generate demand for second homes/holiday lets in the town centre (CD01, Appendix 1, para 88).

Context Summary

4.7 Currently, there is significant comparison retail leakage to competing centres. Bridlington could increase its market share if additional fit for purpose comparison goods floorspace were to be provided;

4.8 The retention level for comparison retail spend in Bridlington is 27%. It is estimated that there is capacity for up to 13,100 sq m net (c. 141,000 sq ft) of additional comparison retail floorspace to 2021;

4.9 The retention level for convenience retail spend in Bridlington is 88%. It is estimated that there is capacity for up to 2,350 sq m net (c. 25,300 sq ft) of additional convenience retail floorspace to 2021;

4.10 It must be a more sustainable option for Bridlington to respond to this need by catering (via the AAP) for additional retail, retaining more trade and stemming leakage to other centres. Bridlington is closer to the catchment than competing alternatives, as LD09 Bridlington Urban Town Charter shows;

4.11 The provision of a robust and legible retail circuit in the Primary Shopping Area, with sufficient anchors to generate footfall, is required in the town as a whole;

4.12 The tourist sector would benefit from diversifying its offer of attractions, especially those which can offer growth, year round tourism and higher spending opportunities;

4.13 Diversification of the visitor accommodation offer will also improve the tourism market; and,

4.14 Additional housing stock is required in the town to support predicted population growth and a strengthening tourism market. The AAP area can contribute significantly to new and high quality housing stock; and,

4.15 The baseline evidence in Appendix 1 of CD01 highlights how the town centre would benefit from additional provision and diversification of some town centre uses, including retail, leisure and residential. The Harbour Top proposals are critical to the overall diversification of the town centre offer and the creation of an additional anchor for the town centre.

4.16 Further discussion about the Harbour Top and its pivotal role as an anchor in the overall improvement of the town centre offer is discussed in Section 5 (Rationale for the Harbour Top's Inclusion).

5 Rationale for the Harbour Top's Inclusion

5.1 This Section of my Proof demonstrates, from a qualitative and quantitative perspective, that the Harbour Top is an essential element of and ingredient in the wider regeneration of Bridlington. Moreover, this Section of my Proof demonstrates that the regeneration of Bridlington will only be achieved if the exercise is viewed strategically, as distinct from an examination of individual development parcels or plots.

5.2 The key issues that I address in this Section include:

1) Assessment of existing retail/leisure provision;

2) The 'need' for the Harbour Top and its contribution in driving investment in Burlington Parade and the town as a whole;

3) The impact not including the Harbour Top would have on the viability of the delivery of Burlington Parade and on the established shopping core as existing.

5.3 I address each of these in turn:

Assessment of the Existing Retail/Leisure Provision

5.4 Extensive papers have been produced which analyse and discuss the offer of Bridlington's town centre as part of the AAP evidence base. These are summarised in Appendix 1 to the AAP Publication Document CD01 (October 2010). These illustrate that the retail, leisure and residential health of Bridlington is not good.

5.5 My view on the current retail offer within Bridlington town centre is as follows:

i. The established shopping core of Bridlington includes King Street, Chapel Street and the Promenades Shopping Centre;

ii. Historically, King Street appears to have been the prime retail pitch with Marks and Spencer occupying their freehold unit some way to the east on Prince Street;

iii. Since the opening of the Promenades Shopping Centre, the 'prime' retail pitch appears to have dispersed north to occupy Chapel Street but remains fragmented with key retailers dotted around the town centre, rather than clustering together – retail clustering , rather than dispersal, being a sign of a well performing and healthy centre;

iv. Key existing retailers in the town are few and far between and include Argos, Boots, Boyes, Marks & Spencer, New Look, Peacocks, Sport Direct, Poundland and Superdrug.

v. There are relatively few current requirements from the following national multiples:

Convenience	Comparison	Restaurant/Food
Aldi	Bodycare	ASK
Little Waitrose	Claires	Love Coffee

Londis	Countrywide	Starbucks
One Stop	River Island	
Sainsburys Local	Mothercare	
	Orange	

Retailer requirements, EGi March 2012

5.6 Practical intervention, in the form of Burlington Parade, is proposed to arrest the disorder and decline illustrated above. To highlight my point further, a successful town centre will typically display the following characteristics:

i. Anchor shops or developments at key geographic locations (traditional anchors have included significant department stores or a cluster of retailers in a retail development) to generate footfall and define the core town centre area;

ii. Successful, 'tight knit' retail pitches which, as a result of their attraction and success, continue to attract developer, retailer and thus investor interest; and,

iii. Secondary and tertiary uses, such as banks, building societies and charity shops occupying peripheral areas where demand is lower and rents are cheaper.

5.7 In contrast, the Bridlington town centre now suffers from declining interest and as a result:

i. A 'bloated' and confused retail area with no discernable difference between primary, secondary or tertiary pitches;

ii. An incursion of banks and building societies where A1 units should be trading;

iii. A surplus of retail units, the majority designed in the Victorian era, which are functionally obsolete and many of which are vacant or underutilised/underperforming;

iv. A lack of good quality modern units fit for occupation by today's comparison goods retailer;

v. A lack of anchor developments or points of interest to define the town centre core area and generate footfall;

vi. The town centre's greatest, most distinctive and differentiating asset (The Harbour) is partially obscured from the town itself; and,

vii. The prime retail pitch is particularly hard to identify. Typically this would be obvious by virtue of its occupation by a key retailer such as Marks and Spencer with retailers of a similar calibre clustering adjacent and nearby.

5.8 Bridlington's renaissance, in common with many Victorian seaside towns, has to be about more than an improved and tightened retail offer which could be found in most towns across the country. The secret to Bridlington's distinctiveness lies in its seafront and the connection of that seafront to the new Primary Shopping Area and vice versa. This is because Bridlington is geographically remote and must therefore work harder, with its existing assets i.e. the tourism angle, to improve the overall attractiveness of the town to investors, occupiers and consumers alike. To fail to connect the town's tourism opportunity with its retail opportunity is to fail to capitalise on Bridlington's potential.

The 'Need' for the Harbour Top

5.9 Whilst it is an objective of the AAP that the outcomes to the resident population are positive, it is equally an objective to attract more visitors, who will dwell longer and spend more – thereby improving the local economy.

5.10 The harbour is therefore a critical ingredient in knitting together the established shopping core and the Burlington Parade development.

5.11 Without additional retail/leisure development at the Harbour Top, which will comprise restaurants/bars and a hotel and residential accommodation on the upper levels, there will remain no further facilities for the visitor to Bridlington.

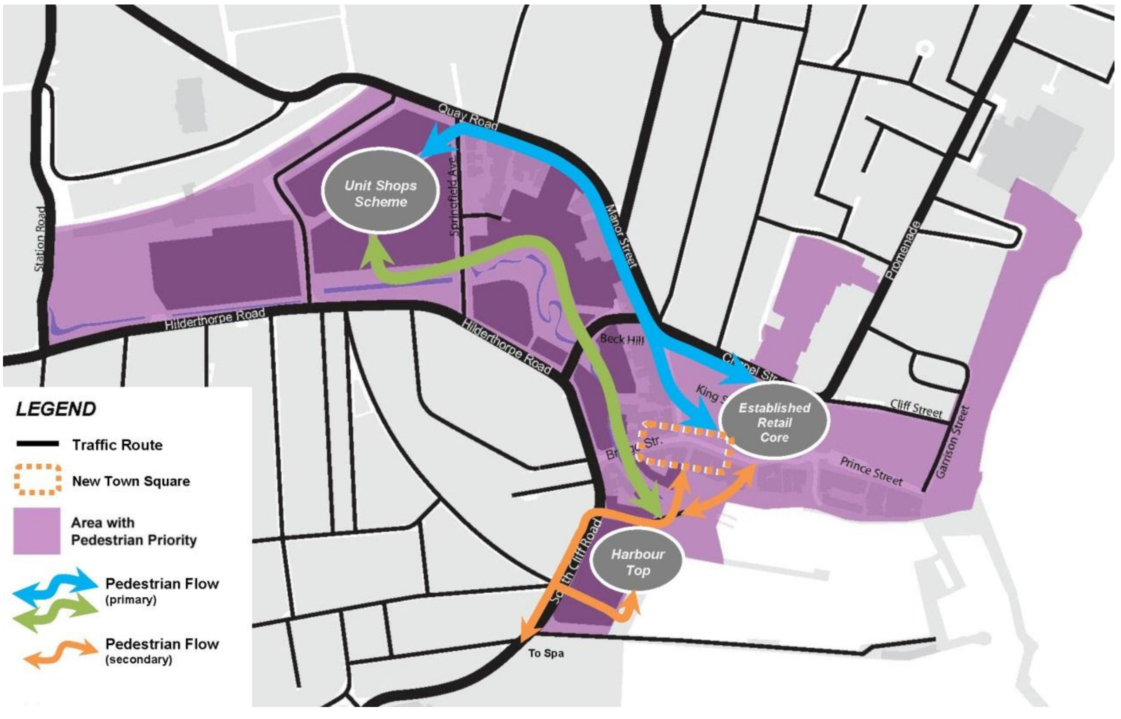
5.12 Bridlington cannot rely on its historic and existing 'day tripper' if it is to move up a league in tourism terms. Visitors to Bridlington need to feel that they can stay longer and, in order for them to feel that, they need to be assured that there will be modern accommodation in the form of a hotel and a choice of amenity, including a variety of bars and restaurants.

5.13 Therefore, the Harbour Top is performing three essential functions in the context of Burlington Parade:

i. Creating a critical anchor or destination point for Burlington Parade – a logical conclusion to the north/south desire line which will be created by the regeneration and opening up of the Gypsey Race corridor;

ii. Providing a reason for visitors to come to Bridlington in the first place, in the understanding that there will be sufficient attraction and amenity for them when they get there and enough to satisfy their interest over an extended stay (i.e. more than a couple of hours);

iii. Completing an essential 'three-node' circuit of the town, to include the unit shop scheme, the established shopping core and the harbour, with interlinking desire lines for pedestrians across the town. The annotated plan below provides (for illustrative purposes only) a diagram of this 'three-node circuit' and the likely pedestrian flows between the three 'anchor' points which will be created within the town centre:



5.14 The principle of a circuit with three key nodes is important because it will:

i. Respond to the need for significant 'anchors' at key locations in the town centre to facilitate pedestrian flows around the town – pedestrians respond well to anchors – they orientate and provide logic in the context of the geography of a town;

ii. Provide a range of retail units to the west of the established retail core, providing choice for retailers which does not exist at present, thus expanding choice for investors and consumers alike and helping to stem convenience and comparison leakage to other centres;

iii. Provide a focal and practical destination point at the harbour for tourists to allow them to dwell longer in the town and spend more locally; and,

iv. Mean that the established shopping core retains its important established retailing function as part of a rationalised and more focussed Primary Shopping Area.

5.15 The Harbour Top is therefore the facility which will:

i. Draw footfall through Burlington Parade, along the regenerated Gypsey Race corridor, to the seafront;

ii. Provide a logical destination point for the Burlington Parade development and the Gypsey Race corridor;

iii. Complete a 'leisure' circuit that parallels and complements the primary retail circuit within the town centre, and act as a critical 'third node', counterbalancing the existing/consolidated retail offer to the north;

iv. Provide attractions and amenity of a type and of a scale and quality not in existence in the town at the moment, for the visiting public and indigenous occupants;

v. Provide a logical link and active and vibrant frontage between the retail units at the southern end of South Cliff Road and the Spa; and,

vi. Provide leisure and speciality facilities which are acutely required by visitors to the town and to be attractive, relative to its competitors e.g. Scarborough/Beverley, particularly out of the summer season.

The Qualitative Impact of not including the Harbour Top

5.16 The corollary is that, without the Harbour Top, the town will:

i. Lose a key opportunity to connect its seafront and harbour with the town centre;

ii. Fail to provide leisure facilities and provision for a hotel required by the demographic of person likely to dwell longer, spend more and generally help Bridlington achieve its vision in the context of the tourist economy;

iii. Fail to compete with other seaside towns on the east coast of Yorkshire with perhaps more to offer the visitor;

iv. Fail to create a robust retail and leisure circuit resulting in a rationalised town centre but with a Gypsey Race corridor that fails to conclude at an anchor destination and whose regeneration is likely to be threatened/called into question;

v. Fail to improve the town centre and pose significant risk to the established retail core. Without the Harbour Top creating a third anchor for the town centre, the retail circuit risks being skewed to the west of the established retail core. Conversely, the existence of the Harbour Top results in a desirable counterbalance to this by influencing the overall appeal and attractiveness of the town as a whole;

vi. Fail to link the Spa and Seafront/Promenade back into South Cliff Road and create an active frontage from the town centre through to the Spa; and,

vii. Fail to attract the scale of inward investment to Bridlington, by commercial developers who would wish to see a significant/transformational step change in Bridlington's fortunes, before considering investment in the town.

5.17 This last point is critical. In the absence of the Harbour Top it will be extremely difficult to persuade investors that the aspiration for Bridlington is sufficiently ambitious to result in a step change in the town's fortunes.

5.18 It is likely that demand would continue for the supermarket (1A) and unit shop scheme (1C) but much less certain in respect of Parcels 2A/B and less certain yet in respect of Parcel 3A. This is because without the Harbour Top as a southern anchor or destination point, Parcels 2 and 3 will effectively lead to nowhere other than Bridge Street. There would be no leisure draw to 'pull' pedestrians through the Gypsey Race corridor, to a destination development at the harbour. The existing attractions of the harbour are not likely to be sufficient.

5.19 As such, the overall reputation of the town would suffer as developers will almost certainly 'cherry pick' Parcels 1A and 1C for development – leaving the Palace and Beck Hill car park areas and Gypsey Race corridor as undeveloped back land during the plan period and a missed opportunity. Equally, such an approach risks damaging the established shopping core yet further by skewing activity to the west and failing to treat the town as a whole from a regeneration perspective.

5.20 For this reason in particular, the Harbour Top cannot be regarded as an 'optional extra'. Without it, the implementation of Burlington Parade could actually do more damage to the existing retail area as the retail shop scheme (1C) competes for indigenous tenants, then further cannibalising the town centre

Benchmark Case Studies

5.21 Whilst I accept that both case studies are in locations of a different scale to that of Bridlington and the limitations of direct comparison, nonetheless I feel it useful to highlight examples of other locations which are successfully reconnecting to their waterfront and the wider benefits of year round linkages between tourism and their other commercial functions.

Barcelona

5.22 Barcelona's Mediterranean edge has been completely reshaped since the early 1990s and the city's identity is now interlinked with its waterfront.

5.23 Having been successful in its application to host the 1992 Olympic Games, the city saw the opportunity for a comprehensive regeneration programme to focus on its waterfront. It was recognised that an event of this nature required substantial investment in infrastructure and facilities. Barcelona used this opportunity to rethink its port areas and neglected neighborhoods.

5.24 Barcelona's strategy was to use a critical mass to create prominent projects with a focus on the water, thereby creating bold transformations of the waterside. The city was prepared to invest billions of pounds of public money into regeneration and set out to convince private sector investors to follow.

5.25 Port Vell represents the biggest transformation in the area. Port Vell was completely transformed from a disused eyesore made up of vacant warehouses and factories to a destination location. Barcelona skillfully exploited the port's proximity to the city's most famous street: Las Ramblas. To capitalize on this further, an extension of Las Ramblas was built across the harbour to the port. A shopping centre, theatre and numerous public spaces were created. Ease of public access and the creation of a destination location resulted in a very successful regeneration area.

5.26 Although the city had a strong foundation of history, architecture, culture and climate, the Olympic Games helped Barcelona boost its image further. 20 years on from the Barcelona Olympics, the spaces created remain well used. The facilities provide programs of activities that are well used by locals and this is backed up by restaurants and bars. The beach is a natural asset that sits well alongside the facilities and clearly is a major attraction in itself.

Swansea

5.27 Swansea's SA1 Swansea Waterfront comprises a mixed use waterfront development comprising residential, commercial (offices), leisure (restaurants, cafes, bars) and community facilities.

5.28 The aim was to create a destination location and a sustainable extension to Swansea city centre and create 4,000 jobs. The Welsh Government has invested around £50 million to date, and the private sector has demonstrated its support and belief in the scheme by investment a further £150 million.

5.29 Swansea's SA1 scheme is expansive and comprises a broad range of residential and commercial elements. Completed developments to date include:

i. 116 bedroom Village Hotel

ii. 79 unit residential retirement scheme

iii. Ellipse - 42,000 sq ft Grade A office

iv. Langdon House – a 42,000 sq ft BREEAM Excellent building designed to be occupied by SMEs in office suites of 2,000 – 16,000 sq ft (part funded by the public sector)

v. 38,000 sq ft dental clinic

vi. 54 unit high quality affordable housing scheme

vii. 6,000 sq ft community church

5.30 The residential element of the scheme is substantial, with over 2,000 new homes planned. Some schemes have been completed, such as Bellway's Altamar development – five to nine storeys and comprise one, two and three bedroom properties.

5.31 SA1 has hosted numerous community and public events in the last eight years. Notable examples include the Great Wales Triathlon (2003), the central hub of the World Rally Championships (2007 and 2008) and its regular hosting of the annual South Wales Boat Show - the latest appearance of the show took place at SA1 in June 2011.

Summary

5.32 Although much larger in scale, the case studies demonstrate the potential positive impacts of reconnecting Bridlington's town centre and its waterfront, such as:

i. Regeneration of the port and harbour areas;

ii. Development focused around the waterfront with improved connections to each city centre.

iii. Public sector investment has reduced the risk associated with these areas and attracted private sector investment;

iv. Focusing on leisure activities such as retail, restaurants, bars and public spaces which in turn support each other and create a destination for both the local population and visitors;

v. Increase in visitor numbers, job creation and economic growth through diversification of the offer around the waterfront; and,

vi. Successfully attracting and hosting sporting events and conferences, again boosting the visitor and tourist economy.

Rationale for the Harbour Top – Burlington Parade Viability

5.33 It is also necessary to consider the extent of financial contribution that the Harbour Top, as a component of Burlington Parade, makes to overall development viability of the scheme.

5.34 This should not be overlooked – The Harbour Top, along with the unit shop scheme (1C) are significant contributors of value in cross-funding other elements of Burlington Parade.

Approach to the Appraisals

5.35 The financial appraisal inputs and assumptions were agreed and panelled for accuracy by members of the immediate DJD team, a senior Partner and colleagues from the Valuation team of DJD. This is for quality and best practice purposes and is standard procedure with all advice DJD provide to clients.

5.36 The scale and quanta of development was reconsidered in 2011 and the appraisals updated to reflect these changes in development area. Inputs such as value and cost remained dated at 2010 levels, based on 2010 evidence. This information is documented in ED 06 – Development Appraisals, dated 4 July 2011 and submitted as evidence for the original AAP Hearing.

5.37 The appraisals have been revisited for this exercise. Inputs have been amended and are based on 2010 evidence, to provide a like for like comparison with the work completed in 2010.

5.38 The detailed results of the development appraisals are commercially sensitive, exempt from publication and are not set out here. They are exempt so as to ensure the Council is not compromised in fulfilling its duties to achieve best value in the public interest, both in acquiring land by negotiation within Burlington Parade and in concluding negotiations with principal partners to Burlington Parade's delivery.

5.39 Two scenarios have been analysed to inform our opinion on the justification and effectiveness of the Harbour Top:

1) Original Scheme

2) No Harbour Top

5.40 In Scenario 2 'No Harbour Top', the Harbour Top development has been removed from the appraisal.

5.41 Removal of the Harbour Top has potential implications for the rest of the Burlington Parade scheme, including developer appetite, values and phasing and ultimately scheme viability. My opinion on each of these is set out below.

Removal of the Harbour Top: Implications for developer appetite

5.42 To deliver the Burlington Parade scheme, it is paramount that developer/investor interest and confidence is secured. Opportunities to maximise developer interest needs to be maximised from the beginning through a comprehensive scheme which includes the linkages to the waterfront through the Harbour Top development.

5.43 Bridlington is starting from a 'low base' and needs to maximise every opportunity through a comprehensive scheme to attract developer appetite and secure interest. The public sector investment in front end infrastructure and mitigation of developer risk is of critical importance. In the current climate and with regard to the peripheral location of Bridlington, removing risk to attract the private sector is required. Should the Harbour Top be excluded initially, to be considered at a later date or separately, uncertainty about the comprehensive nature of the Burlington Parade scheme would be created and jeopardise the private sector interest.

5.44 The perception generated needs to be positive and show that Bridlington and the Council are serious about creating a step change for the town through the delivery of Burlington Parade. Excluding the Harbour Top sends the very opposite message and illustrates how fundamental this key anchor point is to attracting the private sector and ultimately delivery of the wider scheme.

Removal of the Harbour Top: Implications for values and phasing

5.45 By removing the Harbour Top, **a significant destination or anchor point** for the Burlington Parade scheme and the regeneration of the wider town centre would be removed.

5.46 The Gypsey Race and Parcels 2 and 3 are designed to provide a link between the station and unit shop scheme through to the harbour and marina area. Without the Harbour Top, there would be no visible pedestrian draw down through the Gypsey Race valley to the harbour area.

5.47 As Parcel 3B to the north of the Gypsey Race could be brought forward independently by the Lords Feoffees, Parcel 3A would be viewed as marginal and not commercially attractive to private developers without the pedestrian link to the harbour. A comprehensive scheme needs to come forwards to facilitate the development of Parcel 3A. For these reasons, Parcel 3A has also been removed from the appraisal scenario of 'No Harbour Top'.

5.48 In our opinion, without the Harbour Top, the Gypsey Race corridor, especially the area comprising Parcel 3A would remain as undeveloped back land. Burlington Parade would be delivered in the form of Parcels 1A, 1B and 1C, potentially with 2A and 2B creating a pedestrian link to Beck Hill only.

How Value would be Affected

5.49 Without the Harbour Top, the Burlington Parade concept will be diluted and its essence lost. Development in Bridlington will be skewed towards the easier parcels of land which offer richer, short term, pickings to the developer. My opinion is that if Burlington Parade is not brought forward comprehensively as currently envisaged, that rents and yields will fall throughout the rest of the scheme and impact negatively on its overall viability. It will be more difficult to attract occupiers and private sector investment in Bridlington generally. This is due to the Harbour Top providing a key anchor point for the Burlington Parade scheme and diversity in the mix of leisure offer for the town, which currently does not exist and will not materialise without intervention of the nature proposed.

5.50 The following table summarises the commercial impact of the removal of the Harbour Top on each of the remaining uses in each of the parcels of Burlington Parade (Parcels 1C, 2A and 2B).

Use	Commercial impact of removal of the Harbour Top
1C Unit Shop Scheme	i. Occupier demand will remain for the new product but will not be as strong without the Harbour Top. ii. The Harbour Top will diversify the offer of Bridlington and attract a varied and increased number of visitors. Without the Harbour Top, the visitor profile of Bridlington will not increase or diversify its offer. This will not be as attractive for

		new retailers coming into the town and rents and yields will be affected as a result.
2A Other Retail	iii.	The success of the retail offer throughout the Gypsey Race is dependent on footfall and the linkages through the park to the Harbour Top. Without the Harbour Top the pedestrian linkages and rationale for making the trip to the waterfront would be significantly compromised.
	iv.	This type of retail is aimed at local businesses providing cafes and small retail units fronting onto the Gypsey Race park area. Without the anchor of the Harbour Top, the Gypsey Race would end at Beck Hill and would be a backwater scheme with minimal footfall. Rents would fall, yields soften and void periods increase.
2A/B Residential – Apartments and Town Houses	v.	Burlington Parade will create a step change and diversify Bridlington's offer and lift the town's fortunes economically. Modern housing stock in the town centre is limited and there would be demand for new build stock. However, the capital values attracted without the Harbour Top development will be less.
	vi.	DJD have carried out internal research which demonstrates how properties with harbour/sea views can attract a premium. The Harbour Top would provide the highest value residential units in the Burlington Parade scheme.
	vii.	The impact of the Gypsey Race park will be muted if the Harbour Top does not come forward and residential properties overlooking the park area will attract lower values.
2B Residential – Retirement	viii.	Bridlington has an elderly population. A new build purpose-built retirement complex as part of the Gypsey Race development parcels would still be popular and not reliant on the Harbour Top development. As the retirement complex does not directly overlook the harbour area, the values attributed would not be reduced.

How Phasing would be Affected

5.51 The Harbour Top would be the third phase of Burlington Parade, following the delivery of the supermarket in parcel 1A and the unit shop scheme in Parcel 1C. This approach would provide major commercial anchors at the northern and southern ends of the town and generate value to support the Gypsey Race park and wider town centre. This phasing approach also allows the most valuable parcels come forwards first for cashflow purposes, to benchmark quality, build confidence and drive values for the more challenging parcels forming the Gypsey Race park.

5.52 Removal of the Harbour Top will remove one of these key anchor points and the phasing of the scheme will alter. The supermarket in Parcel 1A will come forward first, followed by the unit shop scheme in 1C as in the original appraisals, dated 2010. Parcels 2A and 2B would then likely follow, in the absence of a Harbour Top scheme.

5.53 The phasing of the scheme with no Harbour Top would have to allow enough time for the advanced site preparation and public realm infrastructure required to deliver the Gypsey Race. This would have to be done ahead of delivery of development of Parcels 2A and 2B with a receipt generated from the development of Parcel 1C. In the original appraisals, it was assumed that this would be carried out during the later stages of development of the Harbour Top, with receipts generated from the unit shop scheme and Harbour Top being significant contributors to value. Receipts generated from these schemes would cross-fund the infrastructure and public realm works required to provide the development platforms for Parcels 2A and 2B.

5.54 The public sector would have reduced funds from earlier parcels in Burlington Parade to deliver infrastructure and public realm works for the provision of development platforms for Parcels 2A and 2B. This dramatically affects viability of the remaining Burlington Parade development. This is discussed in further detail below.

Removal of the Harbour Top: Significant loss of gross development value and scheme viability

Gross Development Value

5.55 The Harbour Top generates significant development value for Burlington Parade. Comparing the two scenarios demonstrates how fundamental the Harbour Top is to the Burlington Parade scheme, **generating over half of the gross development value of the scheme**. The highest values are attributed to the Harbour Top due to its waterfront setting.

5.56 Parcel 3A has also been removed. This parcel does contribute to the gross development value of the scheme but not to the magnitude of Harbour Top.

Scheme Viability

5.57 Without the Harbour Top development, the scheme generates a much reduced receipt for the public sector to contribute to additional costs, such as acquisition costs, public realm improvements, infrastructure costs and public car parking. The Harbour Top acts as an anchor for the whole scheme and wider town centre area. Without the Harbour Top acting as a value generator, the viability of the scheme deteriorates and the development of Parcels 1 and 2 would **no longer be within the scale of the gap the Council is prepared or able to finance**.

6 Conclusions

6.1 The main conclusions of my Proof, both qualitative and quantitative, are summarised in the bullet points below. These capture and emphasise the importance of the Harbour Top area to the Burlington Parade scheme and the future fortunes of the town centre as a whole.

Consequences of No Harbour Top

6.2 Our opinion of the consequences of removing the Harbour Top area from Burlington Parade are summarised below:

i. The purpose of the harbour Top development is to anchor the town centre in three areas by way of the unit shop scheme, existing town centre and Harbour Top. The unit shop scheme will re-focus, re-position and reinforce the Primary Shopping Area to the west and provide modern units to attract today's retailer. Without the Harbour Top, the AAP would fail to create a balanced town centre retail and leisure circuit and could risk further damage to the established retail core and therefore to the town's economic fortunes;

ii. Without the Harbour Top anchor, the Gypsey Race (Parcels 2 and 3) will lead nowhere other than Bridge Street. The lack of Harbour Top would not provide the leisure offer or draw pedestrians down through the Gypsey Race park. Burlington Parade would at best comprise Parcels 1A, 1B, 1C and, possibly Parcels 2A and 2B. The private sector would, in effect, 'cherry-pick' the most attractive parcels – 1A and 1C. Parcels 2A and 2B are difficult but could come forwards under certain circumstances, leaving the Gypsey Race park to end at Beck Hill. The Lords Feoffees might deliver their aspirations for a multi-storey car park on Parcel 3B, leaving Parcel 3A very marginal and unlikely to come forwards for development. Linkages to the harbour area will remain via the existing road network which can be busy and uninviting for the pedestrian and cyclist and would do nothing to change the fact that the harbour is largely hidden from the established retail pitch;

iii. New retailers would be attracted to Bridlington to the modern units developed on 1C, however, the town will be very significant and more attractive to occupiers if visitors are offered the opportunity of linked trips to the town with an improved harbour area, Gypsey Race park and retail offer. Without the Harbour Top there is a risk that retailers attracted will be of a lower quality. This would not achieve the desired (and required) step change;

iv. Without the Harbour Top, the harbour area will not be regenerated and will remain divorced from the wider town centre. The main town centre area would continue to turn its back on the harbour and fail to connect to the existing retail core. A regenerated Harbour Top would improve linkages between the town centre and the Spa. The case studies of Barcelona and Swansea illustrate how reconnecting to the waterfront and improving the leisure offer brings benefits to the local economy through more visitors and sporting attractions.

v. Without the Harbour Top development, the town will not be able to diversify its leisure and visitor offer. The leisure offer of the town is important to attract new visitors, increase dwell time and spend per visitor, boosting the tourism economy. The hotel, accommodation and restaurant offer also needs to diversify and improve to attract more visitors to the town. Bridlington Spa offers a significant visitor attraction in the town; however, the rest of the leisure offer does not provide the diversity and quality to encourage those visitors to stay in the town centre. This is a missed opportunity to create a destination and capitalise on and increase visitor 'dwell time' and associated spend;

ix. Developer/investor interest and confidence needs to be secured with confidence coming from a comprehensive scheme which maximises the opportunities to link the town to its waterfront through the Harbour Top. Bridlington is starting from a 'low base' and needs to maximise every opportunity through a comprehensive scheme with risk minimised through front end public sector investment. Should the Harbour Top be excluded initially, to be considered at a later date or separately, uncertainty about the comprehensive nature of the Burlington Parade scheme would be created and jeopardise the private sector interest.

x. The Harbour Top provides a significant financial contribution to the Gross Development Value of Burlington Parade and acts as a value generator for the wider scheme, making the comprehensive development of the whole site feasible.

xi. Without the Harbour Top development, rental levels for the wider scheme would be reduced and yields would soften, lowering development value for the remaining parcels as the more straightforward parcels are developed out opportunistically. Without the Harbour Top, the viability of the Burlington Parade scheme would deteriorate significantly. The development of the remaining parcels would no longer be within the scale of gap the Council is prepared to finance. The scheme needs to stay within this gap to allow ERYC to finance and deliver the infrastructure in the town which it has committed to.

xii. Potentially, only the supermarket and unit shop scheme of Burlington Parade would come forward. This highlights the significance of the Harbour Top development to the rest of the scheme as well as the economic and physical regeneration of the wider town centre.

6.3 For these reasons I believe that the Harbour Top is an integral and inseparable element of Burlington Parade, the vision for which must be treated and viewed as a whole, not arbitrarily disaggregated. Its inclusion is necessary to ensure the overall soundness of the AAP.

Drivers Jonas Deloitte
12 April 2012