



OLD RIVER LANE

A progress report

ORL Working Group July 2023

Old River Lane - an alternative view

Summary

The Old River Lane Working Group is not opposed to the development of the Old River Lane site. We acknowledge the local plan policy ([BISH8](#)) releasing this land for development including housing, ground floor workspaces, shops and restaurants. We also recognise that the new Green/Liberal Democrat administration at East Herts District Council (EHDC) has inherited a complex and challenging project where a lot of work has been done with an existing commercial partnership.

However, we are concerned at the newly appointed ORL Delivery Board's recent decision to proceed with the project largely unchanged and unchallenged. This paper aims to clarify the position in more detail and to offer some transparency. We hope these questions and answers are useful – if you would like more information, please don't hesitate to contact us (details at the end of this document). The information contain in this document reflects our best understanding of the status of the project, but we are happy to update it if new material comes to light.

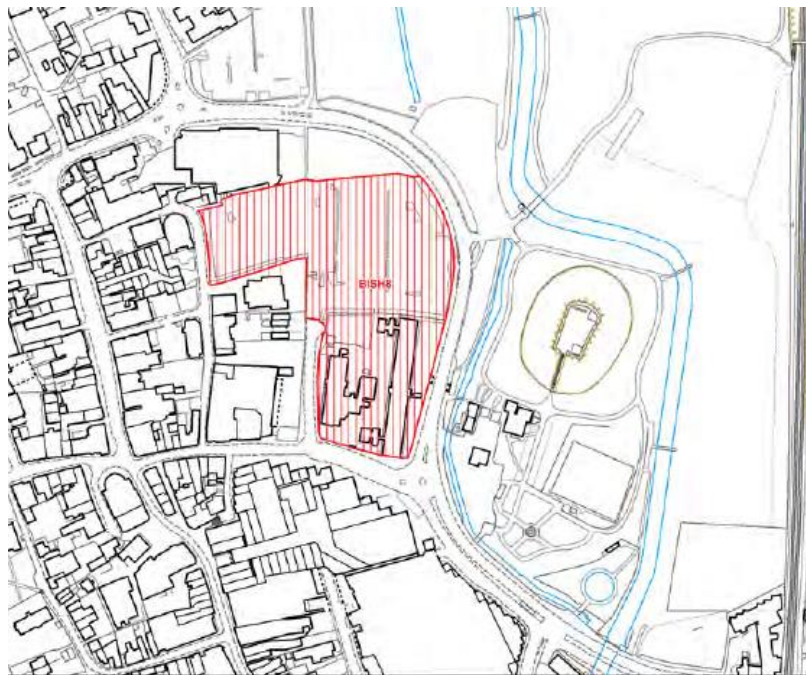


Figure 1. This is the allocated site in BISH8. Note that it covers all of Waitrose car park, even though it is integral to the store. The area does not include the URC hall, the three houses or the land behind the Lemon Tree restaurant.

What is the Old River Lane project?

EHDC owns land in Old River Lane in the centre of Bishop's Stortford, including the Causeway and Charringtons car parks, Charringtons House and the Water Lane church hall, and have been trying to develop it for several years. There is a more detailed timeline of these attempts at the end of this document.

The most recent Old River Lane project plans to demolish the buildings and redevelop the vacated site in partnership with Cityheart, a development company appointed in 2018 after a competitive bidding (tender) process. The terms of the agreement between EHDC and the developer were largely settled following acceptance of Cityheart’s bid, but the detail of this agreement remain confidential.

The key elements of the agreement in the public domain are:

- Cityheart will have a 200-year lease on the site for a one-off payment of £3m.
- EHDC will facilitate a land swap with Waitrose (see below).
- Cityheart will sell commercial leases for workspace, restaurants, etc.
- EHDC will receive a part of rental income as well as council tax and some business rates.
- EHDC will retain part of the site to be developed by itself but built by Cityheart.

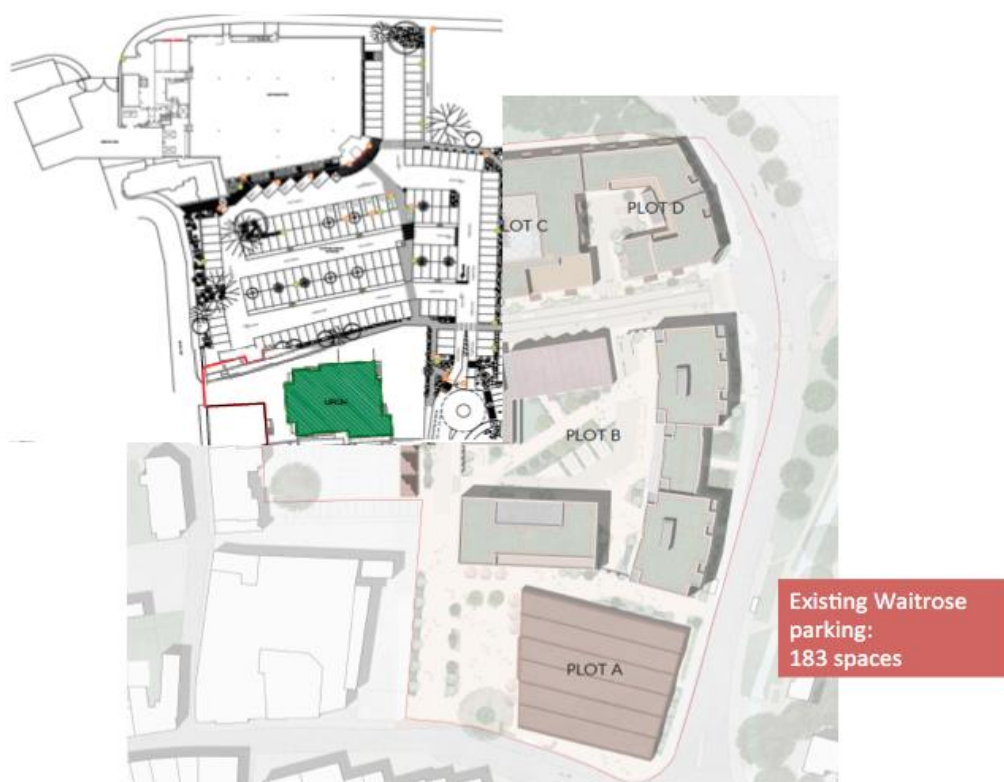


Figure 2: This shows Cityheart's illustrative masterplan overlaid with the existing Waitrose car park. It shows how much of Waitrose land is being claimed by Cityheart.

Is this still ‘best consideration’?

Local authorities are required in legislation to obtain best consideration for land disposal. But this does not preclude a council placing public interest conditions and requirements on the development, which the previous Conservative-led administration did not do in this case.

£3m for the EHDC land appears to significantly undervalue the site given that in 2010 the District Council sold a smaller footprint of land for £6.25m to Henderson Global Investors and in 2015 spent £19.55m buying it back.

Will there be an Arts Centre?

EHDC will retain about 20% of the site. They will design, specify, and develop this directly, and Cityheart will construct whatever is specified. The council is free to do anything on this retained land - it does not have to be an arts facility. This element of the site was originally planned to be a theatre-based arts centre. It was assumed that Charringtons House would be demolished to make way for this part of the development. The original theatre concept was subsequently dropped as unaffordable and a revised scheme emerged in 2021 at a forecast cost of £15.5m. While it was described as an arts centre, it consisted of a ‘community-managed’ five-screen cinema, with unspecified ‘arts activities’ in the café, foyer and outside space. In March 2023, this revised idea was further ‘value engineered’ – that is to say watered down. There was extensive consultancy work on the 2021 ‘arts centre’ concept. EHDC is now planning to consult further on what form this element of the project should take.

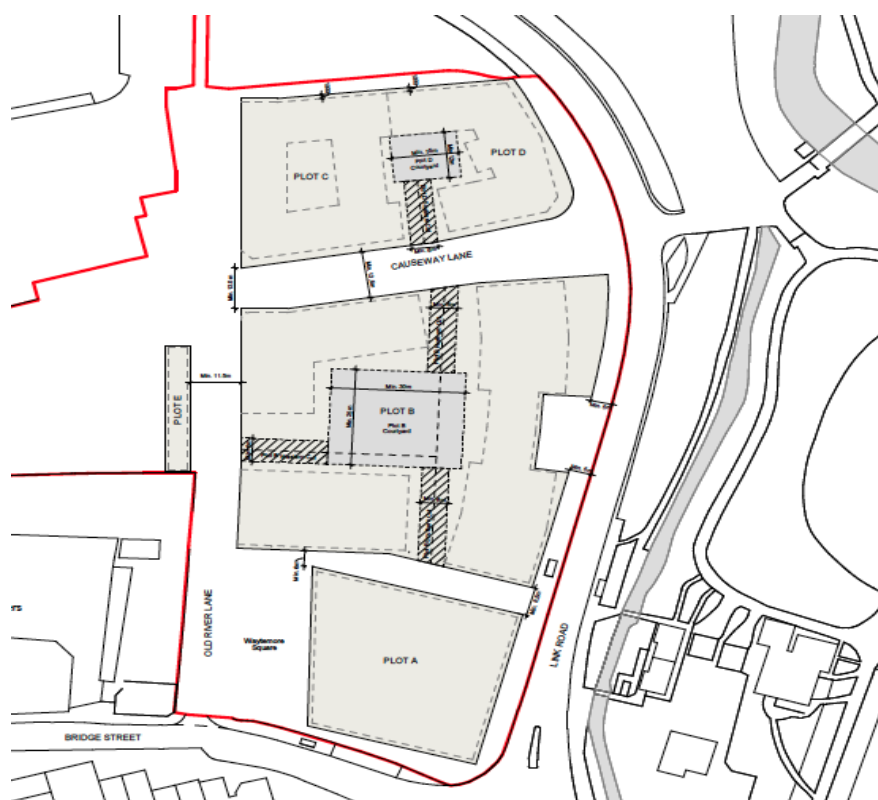


Figure 3: Forget Cityhearts' 'illustrative masterplan' - this is the plan that has been submitted for formal planning permission. The outline 'parameter plan' shows the maximum extent of building that would be permitted if it was granted.

Can the Cityheart scheme be changed?

We understand that EHDC has accepted legal advice that they cannot change the scope of the development because of the possibility of legal challenge. Nevertheless, several major changes have already been made to the scope of the project since agreeing terms with Cityheart:

- an electrical sub-station was overlooked and will have to be removed.
- Waitrose has a long lease on its car park which EHDC will have to negotiate.
- EHDC purchased the Water Lane hall for demolition to provide alternative parking for Waitrose.

- Cityheart’s tender submission was based on a four-way junction on Link Road. This has been dropped and replaced with an access road from the east.
- A large block for ‘extra care’ housing has been added.

Further changes to reflect new thinking by the council are not out of the question.

What has been happening since 2018?

So far as we can tell, Cityheart has spent nearly £1.5m on the scheme thus far ‘in good faith’ without a contract, memorandum of understanding or any form of commercial agreement with EHDC. At the same time EHDC secured a grant for ‘land assembly,’ enabling works and relocating South Mill Arts. All this was instead spent on the Northgate End multi-storey car park to release the site, the purchase of the Water Lane hall and other properties. A loan of £3.6m is to be repaid by March 2025.

What about Charringtons House and the Water Lane hall?

Charringtons House is being prepared for demolition, even though planning permission for this has not been granted. There is a risk that the building is being made unfit for occupation. All tenants have been evicted and the building is now insured only for demolition. EHDC have authorised the removal of all fixtures and fittings and have capped off water and electricity. Demolition of this building could cost up to £1,000,000.

Prior to the May 2023 local elections, EHDC officers appointed surveyors to assess the hall. Their surveys estimated that it would cost £2.4m to bring it up to standard (a figure which compares closely to studies done by the Friends of Water Lane Church Hall). The building is structurally sound (as surveyed) and not all works are immediate or urgent. It could be argued that the hall cannot continue to be used because of the rules on energy efficiency. The Minimum Energy Efficiency Standards (MEES) regulations have been in place since 2018 and require buildings with new tenancies to achieve a minimum EPC rating of E before they can be let to new tenants. Since April 2023 the same rule has applied to all existing leases. This means they could be fined even with the existing users. EHC registered the hall as an Asset of Community Value in September 2022

Policy CFLR8 protects the hall as a community facility. Closure of the building may not conflict with this policy, but prolonged non-use and relocation of activities would undermine the case for retention or replacement under CFLR8.

In the 2023 local elections all the opposition parties (Labour, Liberal Democrats and Greens) campaigned to retain both these buildings.

Friends of Water Lane Hall have prepared a cogent business plan for transforming the hall into an arts space, in line with the original ORL vision. It is important to remember that to keep the hall means radically changing the Cityheart spatial layout (to keep Waitrose parking as is). But this is rigidly ruled out by Cityheart and officers (see ‘Can the scheme be changed?’ above).

What happens now?

EHDC has announced on its website that the new executive and the ORL delivery board have accepted recommendations to pause the arts element of the project but otherwise to press ahead with all other elements of the project, including the demolitions.

The planning applications

In December 2022 Cityheart applied for planning permission to demolish Charringtons House and the Water Lane hall, and for outline planning permission for the overall development. These applications have not yet been approved. We understand that EHDC planning officers have raised several issues with Cityheart including:

- the quality of supporting evidence required of all major developments including drainage and flooding.
- reproviding the hall community space.
- the height and character of the development.
- impact on the traffic.
- sustainability measures.
- affordable housing

Without significant changes to the amount and type of development it would appear that these applications are unlikely to be recommended for approval. Little if any physical work can be done until these permissions are in place. Hundreds of objections have been raised to these planning applications. We believe the application for demolition should be withdrawn, as it is entirely dependent on the outline application principles, which have to be approved first.

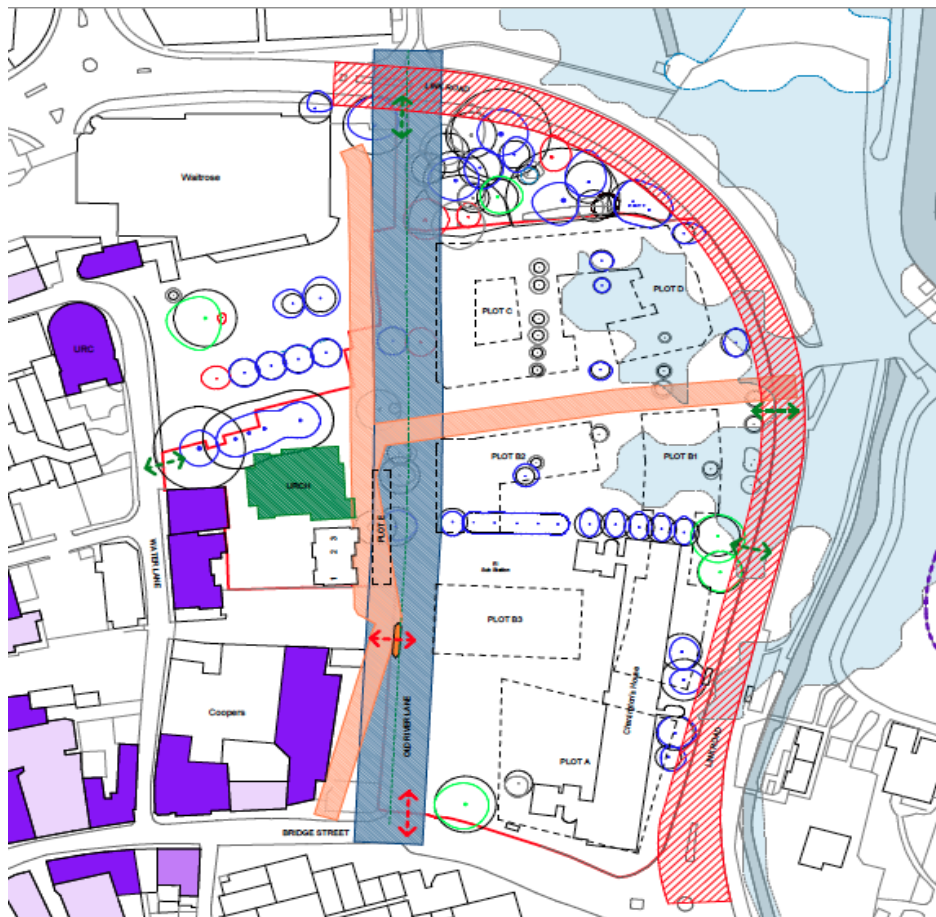


Figure 4: This plan (from Cityheart documents) shows the site constraints, including the 8m underground river culvert. Note that the building outline encroaches this.

Where does Bishop’s Stortford Town Council stand in relation to the development?

The Town Council’s planning committee objected to both planning applications (part of the Local Planning Authority’s considerations).

The 2023 annual town meeting agreed to hold a parish poll on the retention and adaptation of the Water Lane Hall. This poll has yet to be called, and while the previous town council resolved to investigate if the building could be purchased, this resolution proved to be disingenuous.

The Town Council is holding a special meeting on Old River Lane in early September.

Why does the development need a land-swap with Waitrose?

Rather than starting with the clearly defined developable land (the vacated Causeway and Charringtons House car parks all owned by EHDC) Cityheart included part of Waitrose car park in their plans. This private-owned car park (John Lewis & partners have 17 more years on their lease) and access to it is a major constraint on development. However, all Cityheart’s financial calculations of value depend upon the ability to use this land. It therefore needs a land swap, with the site of the hall, to maintain the same amount of Waitrose customer parking. The Water Lane hall site is outside of the BISH8 development site area but was included in the land assembly area in April 2019.

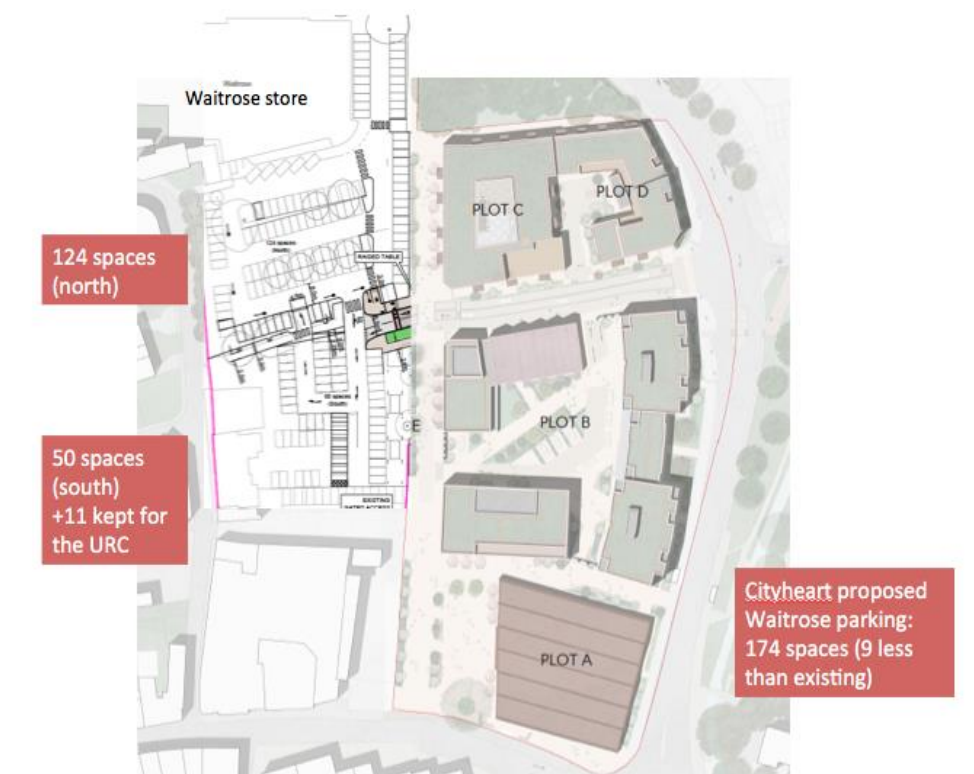


Figure 5: This shows the proposed sea of surface car parking proposed by Cityheart, down the west side of ORL.

What should the new council administration do?

We believe the council needs more information to inform any decisions. It needs to understand how much money has already been spent, on what, and what are the costs of stopping the project

compared to carrying on. Most importantly it needs time to consider a range of more sophisticated options for the site – election pledges cannot simply be discarded.

We want to see an appropriate development at Old River Lane guided and governed by local planning policies. We need the new council to shine a light onto the mess this project has got into. That will need time: we need a pause of the whole project, and no agreements should be signed until they have been intensively scrutinised line by line and each of the conditions challenged.

What other options could be considered? Some alternatives that councillors should consider are:

- Making the development agreement ‘subject to planning’ and/or not signing one until planning permission is granted.
- Ending the relationship with Cityheart and holding a development and architectural competition to find new developers followed by new development agreement.
- Commissioning a full options review of Charringtons House and the Water Lane hall by architects signed up to the Architects’ Declaration on climate change. This would show how the building could be adapted and how the layout could be changed.
- Offering the smaller area of the site to Cityheart to develop on a commercial basis, with a sustainable development brief.

Old River Lane Working Group

July 2023

For more information, please contact orlworkinggroup@gmail.com

Timeline of the Old River Lane development (with thanks to the Friends of Water Lane Hall)

2010 – East Herts District Council own property assets at the Causeway comprising Charringtons House office block; the adjacent offices (now demolished); the Causeway car park; and 1, 2 and 3 Old River Lane – three houses with tenants.

2010 – The District Council sell all this property, estimated to be worth £9.9m, for £6.25m to Henderson Global Investors, to take forward a development strategy.

2011 – Henderson receives outline planning permission for a new department store; 35 shops, restaurants; a digital cinema, a hotel, 670 parking spaces and 100 new residential units.

2015 – The District Council spend £19.55m buying back Henderson’s enhanced holdings. The council argue the deal makes sense because rents and other incomes mean the site could generate a return on the investment of 5 to 6 per cent.

2018 – After a competitive tender process, the council appoint Cityheart Ltd as its preferred developer for the ‘main’ Old River Lane site.

2018 – The statutory District Plan is adopted, including the policy allocation of Old River Lane as a major development site (Policy BISH 8)

2018 – The Old River Lane Delivery Board is formed. It comprised 4 Conservative councillors, 2 of whom represented wards in Bishop’s Stortford and EHDC officers. Subsequently a Liberal Democrat councillor was invited to join the board.

2019 – Old River Lane is split into two: the ‘main development’ to be led by Cityheart; and the ‘arts centre development’ to be led directly by East Herts.

2019 – East Herts Council buys the Water Lane Hall from the United Reformed Church.

2019 – The arts centre vision is announced, based on a 500 seat theatre.

2020 - The theatre-based arts centre concept is abandoned as not being viable. It is replaced with an arts centre vision based on a five-screen cinema.

2021 – The District Council’s property service consulted the public on whether they would like a luxury multi-screen cinema and the kind of seats they would prefer. The survey was not sent to a representative sample of the community.

December 2021 – the Local Planning Authority set up a community steering group for preparation of a supplementary planning document to guide the masterplan for the whole ORL area.

May 2022 – the Local Planning Authority produce a draft SPD for Executive approval.

July 2022 – A four-week public consultation on the draft SPD.

25 October 2022 – The revised SPD is presented to East Herts Council Executive for approval. Following representations by Friends of Water Lane Hall, new text from the ‘Council as landowner’ about what an arts centre might offer, is drastically reduced at the Executive meeting.

9 November 2022 – Cityheart stage a half-day public exhibition announcing their imminent outline planning application.

4 May 2023 - New district council elected led by the Green Party and Liberal Democrats.

July 2023 - Old River Lane Delivery Board reconstituted and agrees to proceed with the development of the main site.