

TOWN HALL SITE

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| Head of Service: | Mark Shephard, Head of Property and Regeneration |
| Wards affected: | (All Wards); |
| Urgent Decision?(yes/no) | No |
| If yes, reason urgent decision required: | |
| Appendices (attached): | None |

Summary

This report considers the appointment of specialist consultancy support required for the Council to consider all its options.

Recommendation (s)

The Committee is asked to:

- (1) Agree the procurement of specialist regeneration and development consultancy support as detailed in this report.**
- (2) Agree a budget of up to £150,000 to be funded from the Corporate Projects Reserve.**
- (3) Delegate to the Acting Director of Environment, Housing & Regeneration and the Head of Property & Regeneration in consultation with the Chief Finance Officer, to commission the work.**
- (4) Note a report will be brought back to Committee at the earliest opportunity following completion of the work.**

1 Reason for Recommendation

- 1.1 The recommendations set out above will allow a strategic review of all Town Hall site options.
- 1.2 This is fundamental to the Council's approved Strategic Asset Management Plan 2020-30.

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2 Background

- 2.1 At its meeting on 14th February 2023, Council approved delegated authority to the Chief Executive in consultation with the Chair and Vice Chair of Strategy and Resources, the review of 70 East Street and progress feasibility of the relocation.
- 2.2 The review work is underway and once complete, a full relocation business case will be brought back to Council at the earliest opportunity.
- 2.3 If approved, a relocation to 70 East Street will release the Town Hall site for potential redevelopment, thus requiring a separate consideration of the potential opportunities.
- 2.4 The Town Hall site potentially offers many options - both in terms of alternative uses and how redevelopment might be delivered. For example, the Town Hall site could be redeveloped on its own or potentially developed alongside other Council owned town centre sites to realise wider benefits.
- 2.5 For the Council to consider all the options for such an important, centrally located site, specialist external regeneration and development consultancy advice is required.

3 Specialist consultancy support

- 3.1 The work will consist of a two-stage business case and feasibility study for the potential redevelopment of the Town Hall site.
- 3.2 **Stage 1 - Strategic Business Case**
 - All options will be considered for the optimal land use of the site and how development is delivered.
 - Each option will be assessed to determine relative risk, financial return and contribution to the Council's strategic objectives.
 - Member / officer workshops will be held for members to determine a shortlist of options which will then support a Strategic Business Case for the Town Hall site's redevelopment.
- 3.3 **Stage 2 - Feasibility Study**
 - The purpose of this stage is to undertake a detailed assessment of the member determined shortlist identified above for the Strategic Business Case.
 - It will include full analysis of the different options for delivery (incorporating procurement advice, an estimate of likely costs and timescale required).

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- Each option will be fully worked up with corresponding development appraisals and indicative scheme illustrations.

4 Consultancy procurement and budget requirement

- 4.1 To ensure the Council has access to the best consultants in the industry at competitive rates, it is proposed to use The Homes England Property and Financial Professional Services Framework.
- 4.2 The Framework is available free of charge to local authorities with all suppliers having provided a set of competitively tendered rates which are the highest rates that can be charged by the suppliers on work procured through the Framework.
- 4.3 During the last few years, it has proven extremely challenging to estimate consultant and contractor pricing levels. This is in response to organisations increasing salary levels (to retain high calibre staff) in an already inflationary economic environment.
- 4.4 For this reason, we are unable to offer an accurate fee estimate but would anticipate the tender exercise returning bids within a budget envelope of up to £150,000 (for the two stages combined).
- 4.5 Once complete, the Feasibility Study will be brought back to Committee at the earliest opportunity.

5 Risk Assessment

Legal or other duties

5.1 Equality Impact Assessment

- 5.1.1 Implications will be assessed in the Feasibility Study undertaken in Stage 2.

5.2 Crime & Disorder

- 5.2.1 Not applicable

5.3 Safeguarding

- 5.3.1 Not applicable

5.4 Dependencies

- 5.4.1 The release of the Town Hall site for development is dependent on the Council's relocation.

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5.5 Other

5.5.1 The Council's Asset Management Plan's key property strategies will ensure value for money, maximise asset performance and minimise exposure to avoidable loss of income.

6 Financial Implications

6.1 Allocating £150,000 from the corporate projects reserve would reduce the reserve's balance available for other projects to £2.43m.

6.2 Council has agreed to retain a minimum uncommitted balance of at least £1m in this reserve.

6.3 **Section 151 Officer's comments:** It is important that options be explored to optimise the potential alternative uses of the Town Hall site, which is evidently a valuable strategic asset.

7 Legal Implications

7.1 **Legal Officer's comments:** The Council must comply with Public Contracts regulations and its own Standing Orders in relation to this procurement. It will also need to adhere to the Framework conditions of use.

8 Policies, Plans & Partnerships

8.1 **Council's Key Priorities:** The following Key Priorities are engaged: Opportunity and Prosperity, Effective Council.

8.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

8.3 **Climate & Environmental Impact of recommendations:** Will be considered in the Strategic Business Case (Stage 1) and explored in further detail in the Feasibility Study (Stage 2).

8.1 **Sustainability Policy & Community Safety Implications:** As for 8.3 above, these will be considered in both Stage 1 and 2.

8.2 **Partnerships:** Potential partners will be considered as part of the Feasibility Study (Stage 2).

9 Background papers

9.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Property Review to Council 14 February 2023

<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=146&MIId=1248>

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Other papers:

- Strategic Asset Management Plan to S&R Committee 28 July 2020

<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=132&MId=770>