

THIS REPORT WAS PRESENTED TO COUNCIL AT THE MEETING HELD ON 8 FEBRUARY 2018 AND IS REPRODUCED FOR INFORMATION ONLY

TITLE OF REPORT: REGENERATION OF CHURCHGATE SHOPPING CENTRE

REPORT OF THE DEPUTY CHIEF EXECUTIVE

EXECUTIVE MEMBER: LEADER OF THE COUNCIL AND EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY: ATTRACTIVE AND THRIVING / PROSPER AND PROTECT

1. EXECUTIVE SUMMARY

1.1 The purpose of the report is to inform Full Council of a potential joint venture opportunity with Shearer Property Group (SPG) for the regeneration of the Churchgate Centre in Hitchin and to seek approval to progress negotiations further to establish whether agreement can be reached on the terms of any potential investment by the Council.

2. RECOMMENDATIONS

2.1 That Full Council support the principle of a joint venture regeneration of the Churchgate Centre with the Council as funder of the regeneration.

2.2 That Full Council authorise the Deputy Chief Executive, in consultation with the Chief Finance Officer, the Leader of the Council and Executive Member for Finance and IT, to progress negotiations with Shearer Property Group on the terms of a potential joint venture regeneration of the Churchgate Centre, subject to Full Council's final approval of the terms of any proposal.

2.3 That Full Council notes the proposal to allow the contract for the management of Hitchin Market to expire and for the market to be managed in-house, subject to Cabinet's approval.

3. REASONS FOR RECOMMENDATIONS

3.1 The Council has been seeking to regenerate the Churchgate Centre for a number of years and a number of different proposals have been considered during that time, with none of those proposals progressing to a successful conclusion. The proposal currently being considered finds a solution to a number of the problems faced by previous proposals and would appear to be achievable in the short term. The proposals would also see significant investment in Hitchin Market and the public realm. The Council's potential investment in this regeneration opportunity is also expected to provide a reasonable financial return.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 Full Council has received a number of reports on the subject of Churchgate historically (see Background section below) and those reports explored a number of different alternative options for the site. At the current time the alternative options can best be summarised as any combination of the following:-

- i) do nothing; and/or
- ii) await Local Plan adoption and subsequent town centre strategy work; and/or
- iii) allow SPG option to purchase to expire and seek to acquire on the open market; and/or
- iv) extend/ re-let the contract for the management of Hitchin Market in the short term, pending further consideration of the operation of the market.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Leader of the Council and Executive Member for Finance and IT have been kept informed of the discussions with SPG and consulted as appropriate. The Chair of Hitchin Committee was briefed on the proposal on 9 January 2018 and an all-Member briefing was held on 31 January 2018. The Council has submitted a bid for funding for the market and public realm proposals to the Hertfordshire Local Enterprise Partnership (see section 8 below).
- 5.2 Officers met with Hitchin Market Ltd on 25 January 2018 and informed them of the proposals for the market and its management, as outlined in this report.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key decision and therefore there is no requirement that it be referred to in the Forward Plan. Nonetheless it was added to the Forward Plan on 19 January 2018 for reasons of transparency.

7. BACKGROUND

History of the Council's aspirations and recent decisions

- 7.1 The Council has been seeking to regenerate this area of Hitchin town centre for a number of years. It was first identified as an area for development in the Council's Local Plan No.2 adopted on 20 July 1993, and again identified for development in the Local Plan No.2 with alterations adopted on 23 April 1996 and the draft (unadopted) Local Plan No.3 in December 1999. A Hitchin Town Centre Strategy adopted in November 2004 and a Churchgate Area Planning Brief adopted in November 2005 formed the basis of seeking a suitable development partner. The site identified included the Churchgate Centre, the market area and four adjacent car parks. An OJEU procurement process led to Simons Developments having a contract between 2010 and 2013 for the redevelopment opportunity, but they were unable to make sufficient progress towards a viable scheme that was acceptable in design terms and the Council ended the contract in March 2013. Subsequent discussions with the existing leaseholder as to whether a joint approach to redevelopment might achieve a viable scheme ended in February 2016 after the leaseholder accepted their proposals for their Churchgate Extension Scheme were not viable.
- 7.2 A number of challenges have defeated previous attempts to produce a viable scheme for a regeneration, including:–
 - the cost of buying, knocking down and rebuilding the existing shopping centre as part of a wider regeneration;
 - the cost of replacing car parking that would be lost with a wider regeneration;
 - the scale and massing of development required to achieve a viable wider regeneration scheme, in particular with reference to the historic buildings nearby;

- finding a suitable alternative provision for the market;
- the public response to a wider regeneration;
- the limitations of the configuration of the land available;
- achieving viability in a challenging economic market where tenants are not committing to schemes and commercial lending rates remain challenging.

7.3 Since 2008 the Council has had contact with eight different developers, all of whom have been unable to propose a viable regeneration of the wider site. It should be noted that none of these schemes failed for reasons of lack of demand from potential tenants. Hitchin remains an attractive location for retailers and advice provided by lettings agents as part of the investigations of the current proposals shows strong demand, provided the right environment is created. Additionally the previous unsuccessful attempts at regeneration followed the traditional model of being developer led, with the Council not taking a proactive role after developing the planning policy and procuring a developer to lead a scheme. It is clear a different approach is required.

7.4 A fuller history of the project can be found in the reports to NHDC Full Council on 31 January 2013 and 11 February 2016 (links below)

<http://web.north-herts.gov.uk/aksnherts/users/public/admin/kab12.pl?cmte=COU&meet=30&arc=71>

<http://web.north-herts.gov.uk/aksnherts/users/public/admin/kab12.pl?cmte=COU&meet=93&arc=71>

The decisions in the last three years most relevant to the matters in this report are set out below at paragraphs 7.5 and 7.6.

7.5 On 27 November 2014 Full Council:-

“RESOLVED:

(1) That the legal advice set out at Appendix A to the report be noted;

(2) That, having considered its aspirations for the future of the Churchgate site and its surrounding area, the Council discontinues the current approach based on the Churchgate Planning Brief and considers alternative approaches for a smaller scheme in the short term; and

(3) That Officers be instructed to investigate the Council’s preferred approach, as agreed in (2) above, and report back to Council setting out the options and points for consideration to progress the project.

REASON FOR DECISION: *To allow the Council to clearly state its current aspirations for the Churchgate area of Hitchin in the light of the history of the project to date and provide clarity on its preferred approach going forward.”*

7.6 Full Council’s most recent decision in respect of Churchgate was on 11 February 2016 where it was:-

“RESOLVED:

(1) That work on the Churchgate Project cease; and

(2) That the possibility of acquiring the Churchgate Centre be explored, subject to further consideration of the commercial case for so doing at a future meeting of the Council.

REASON FOR DECISION: *To review the Council’s strategic approach to the site, in an endeavour to find a viable and acceptable solution for the Churchgate Centre and surrounding area.”*

Involvement of Shearer Property Group

7.7 On 5 April 2016 the Council was approached by Shearer Property Group (SPG) (see <http://www.spglondon.com/>) who explained that they had agreed a binding option to purchase the Churchgate Centre from the existing owner, Hammersmatch. SPG requested to meet with the Council in order to explain its aspirations for the Churchgate Centre. Since an initial meeting on 13 April 2016, a number of different options have been put forward by SPG and discussed with the Council, including developer led regeneration and joint venture opportunities with the Council. Throughout those discussions SPG have stressed the importance of investment by the Council in the public realm and market in order to complement a regenerated shopping centre.

7.8 After working on possible solutions for twelve months SPG concluded that a developer led regeneration of the shopping centre was not financially viable at that time. This was due to the rates that they could borrow at and the returns that they would require from an investment. However, SPG put forward that a regeneration funded by the Council could still be viable. This would be due to the wider regeneration benefits of the investment and the ability to access cheaper funding. Due to the budgetary pressures on the Council and the need to identify new investment opportunities, officers and the Leader of the Council and Executive Member for Finance and IT felt that further work should be undertaken in order to establish whether there was a sufficiently attractive proposition for the Council to invest in, that both provided much needed regeneration of the shopping centre and also provided an acceptable financial return to the Council. The outcome of those further discussions with SPG is being presented to Full Council to seek agreement in principle to the proposals, before then undertaking the further detailed work that would be needed in order to finalise and formalise a joint venture arrangement. If Council is unable to support the principle of the proposals then it would not be an effective use of Council resources to undertake that more detailed work.

8. RELEVANT CONSIDERATIONS

Proposals for Churchgate Centre

8.1 The proposal being investigated is a regeneration of the Churchgate Centre on its existing footprint. In broad terms a new frontage would replace the existing and the centre re-roofed, with some re-configuration of the existing units as required in order to make them suitable for the targeted tenants. In particular the frontage onto Market Place would be completely redesigned and reworked. This transformative “face-lift” of the Centre is intended to create a step change in the quality of the units available, thereby making them more attractive to retailers. The significant advantage of the approach being proposed is that it addresses all of the issues listed in paragraph 7.2 which have affected previous attempts to regenerate the site.

- 8.2 With regard to potential tenants, a mix of food and beverage operators and aspirational/lifestyle retailers would be targeted, with some smaller units currently remaining earmarked for existing tenants. On the proposals currently being investigated there would not be any one single large operator anchoring the centre. Feedback received from agents to SPG is that there is good demand from operators for the right type of units in Hitchin. This has also been confirmed by the Council's consultant. As with any shopping centre key elements in reaching agreement with potential tenants are the incentives they would demand as part of any lease negotiations (for example rent free periods, or contributions to fit out costs) and ensuring an attractive environment from which they operate.

Proposals for Hitchin Market and the Public Realm

- 8.3 Hitchin is an historic market town. The market rights are owned by the Council and it is currently managed by Hitchin Markets Limited, with the contract expiring on 31 July 2018. This arrangement started in 2008 and the management contract includes a break clause that allows the Council to terminate the arrangement (with no liability for costs) for reason of development of the Churchgate Shopping Centre, provided at least three months prior written notice is provided.
- 8.4 As stated at 8.2 above one of the key challenges in attracting retailers is ensuring the surrounding environment is attractive and a vibrant space which supports the investment being made in the shopping centre. The market has been without significant investment for a number of years and there now exists an opportunity to invest in it in order to re-invigorate it and ensure it continues to meet the needs of the community going forward. The proposals being considered include investment in the market and surrounding public realm, with a new public space being created adjacent to the shopping centre and the market broadly in its current location, but with the core of it being at the Queen Street end of the current space. The proposal would include a mix of new stalls, both permanent and demountable, which could spread across the terrace below the St Mary's car park towards Portmill Lane, and could include a covered area over the permanent stalls. Please note the indicative plan at Appendix A shows a potential layout for stalls, but should not be taken as any indication of the potential number of stalls.
- 8.5 In order to most efficiently and effectively facilitate and manage the investment in the market the current thinking is that the contract for the management of the market would be allowed to expire, with the Council managing in-house the operation of the market in the short term both before and after the regeneration of it. Consideration will be given to the future management of the market as part of the ongoing assessment of the proposals and any in-house management would not preclude an outsourced arrangement, or other alternative arrangement, at any time in the future. In-house management of the market would of course mean that any direct surplus generated would be retained by the Council. Any surplus would provide a contribution towards the management and regeneration of the market. If Full Council agrees to the principle of the regeneration investment a separate report will be taken to the March meeting of Cabinet for a decision on the Hitchin Market contract.

- 8.6 With regard to the public realm, resurfacing of the 'mall' down the middle of the Churchgate Centre, the new public space, the market area and terrace and steps in front of St Mary's car park would transform the look and feel of the area. Removal of the walls between the current market and the Church would open up the space and provide enhanced views of the Church from the new public space. Additionally consideration can be given to relocation of the electricity sub-station and refurbishment of the toilet block. The level of investment in the public realm and market is dependent on the cost and funding available.

Funding

- 8.7 As stated at paragraph 7.7, the proposal being put forward is that the Council fund the regeneration, with SPG providing specialist expertise and knowledge. In return the Council would receive the lion's share of the revenue generated and SPG a much smaller share, subject to agreement on that split. In light of the proposed capital programme (see elsewhere on agenda), which has allocated substantially all of the Council's current and forecast capital reserves, officers have been working on the prudent basis that the Council would need to borrow from the Public Works Loan Board (PWLB) all sums required for the regeneration of the Churchgate Centre. Local authorities are able to borrow provided that it is in accordance with the Prudential Code, as published by the Chartered Institute of Public Finance and Accountancy (CIPFA). Meeting these requirements needs to be confirmed by the Council's Chief Finance Officer. The Council's Chief Finance Officer is satisfied that the principle of borrowing to fund the regeneration of the shopping centre would meet the requirements of the Prudential Code.
- 8.8 The interest rates charged by PWLB are published twice daily and are not fixed until you draw down the loan. Additionally the rates vary according to the length of loan taken out. Where the Council borrows money to fund capital investment it is a requirement of local government finance rules to make provision for the repayment of the lump sum at the end of the loan period. This is known as the Minimum Revenue Payment (MRP). Based on the current financial projections, a potential investment in regenerating the shopping centre would cover the revenue cost of borrowing (both interest and MRP) and provide the Council with a reasonable return on its investment over and above the income currently generated from the ground rent paid by the current leaseholder to the Council.
- 8.9 The Council has also submitted a bid to the Hertfordshire Local Enterprise Partnership (LEP) for grant funding to cover the cost of the investment in the market and public realm. On 13 November 2017 the LEP launched an open call for applications from economic development projects in Hertfordshire with £12.5m of capital grant funding available. Bids were required to be submitted by Monday 18 December 2017. Due to the timing of the LEP bidding process it was necessary to submit this bid before seeking approval from Full Council for the principles of the regeneration. Within the LEP bid it was made clear that Full Council's approval had still to be obtained, but that it was being sought. It is believed that the Council's bid meets all the LEP's requirements; however it is known that there are eighteen other bids that have been submitted. Outcomes of this bidding process will be known by the end of March 2018. If this application to the LEP is successful, the level of investment in the public realm and market requested would be transformative creating a vibrant space and would support the delivery of the shopping centre regeneration. If the bid is unsuccessful, or only partially successful, further work would need to be undertaken to consider potential alternative approaches.

Potential Community Benefits

- 8.10 As Members will be aware the Council has long held aspirations for improvement of the Churchgate Shopping Centre. A brief history is provided in paragraph 7.1 above, however the starting point for those aspirations was even earlier. On 17 November 1986 the Economic Development Sub-Committee received a report titled North Herts Town Centres and their role in the Economy. The report stated “The Churchgate shopping mall is showing its age in many respects and its bland characterless form combines with a need for refurbishment that results in it being considerably less attractive than it could or, indeed, should be.” This is therefore an issue that is still not resolved more than thirty years later.
- 8.11 The proposals being explored, if able to be successfully delivered, would finally bring a resolution to the issue of the Churchgate Centre. Additionally the surrounding public realm would be transformed, a new public space created and much needed investment made in Hitchin Market. This investment in the town centre would increase the current offer within the town centre and should provide an economic benefit to the rest of the town.
- 8.12 As noted above in paragraph 8.10, previous reports on the Churchgate Centre have found the existing building to be of a poor quality, to be of bland design and which has not aged well. The existing building does not contribute to and is at odds with the overall character of Hitchin town centre. The regeneration of the Churchgate Centre together with the proposed works to the market and the public realm would provide a welcome opportunity to significantly enhance and improve upon the character and appearance of this part of Hitchin Town Centre and which would also be to the benefit of the wider Hitchin Conservation Area.
- 8.13 In addition to the potential benefits set out above, this proposal also provides a commercial investment opportunity for the Council, which is anticipated to provide a reasonable return on investment. This increased revenue stream, which would have potential to increase over time as rents increase (as the interest costs remain fixed over the lifetime of the loan), would therefore help to support the provision of Council services generally.

The Future of Hitchin Town Centre

- 8.14 The Council’s emerging Local Plan (currently at Examination in Public stage) identifies the potential for regeneration of the Churchgate area and the need for additional retail floorspace (paragraphs 13.130 to 13.135 refers – see <https://www.north-herts.gov.uk/files/lp1-proposed-submission-local-planpdf>). The wider site is allocated for mixed use, retail led, schemes as site HT11. The supporting retail studies which underpin that element of the proposed Local Plan (see <https://www.north-herts.gov.uk/files/e2-retail-and-town-centres-background-paperpdf>) show a need for retail space in Hitchin, which supports the information provided by lettings agents that there remains strong interest in Hitchin from potential operators. The proposed regeneration of the existing Churchgate shopping centre does not create much additional floorspace (approximately 3,350 sq ft), however there will be a step change in the quality of retail and food and beverage operators who are tenants.

8.15 As noted above the amount of additional floor space proposed does not meet the requirements in the emerging Local Plan (and nor is it intended to). It is important to stress that the proposals currently being explored only relate to the Churchgate Centre and market area and does not include any of the wider area identified in the Local Plan. However the proposed regeneration of the Churchgate Centre, Hitchin Market and the public realm would not preclude other incremental development in the future and would in the meantime provide solutions to issues that have previously posed problematic in unlocking the development potential of the wider site.

Key Challenges to Overcome

8.16 As stressed throughout this report Full Council is being asked whether or not it supports the principle of these proposals, prior to more detailed work being undertaken. Whilst a lot of work has been undertaken to inform the proposals there are still a number of issues that require more work prior to seeking a formal final decision from Council, including (but not limited to):-

- Negotiating and agreeing the final terms of any potential joint venture between the Council and SPG
- Identifying the most appropriate ownership structure, with particular reference to the most tax efficient way for the Council to invest and receive its return
- Further work on the financial viability appraisal to ensure that it reflects any changes to the design proposals and changing market conditions for both costs and potential income
- Reviewing the financial and non-financial risks including the potential ways that they can be managed
- Ensuring sufficient tenant demand
- Obtaining high quality CGI images of the proposed regeneration, to support formal approaches to retailers
- Investigating the ways in which financing costs can be minimised
- The outcome of the LEP bid (see paragraph 8.9) and any adjustments to proposals required as a result
- Ensuring final proposals comply with all statutory requirements
- Consideration of appropriate exit strategies and 'Plan B' options if the Centre is purchased but the regeneration does not proceed

8.17 In the event that the above challenges are overcome and Full Council decides to enter into an agreement for the delivery of the regeneration it is anticipated that it would then take, from that point of final decision, approximately twelve months to conclude all issues prior to getting on site (including planning, procurement etc) and a further approximately twelve months of on site construction works.

Management of the Project

8.18 As stated in paragraph 8.16 above the ownership/investment structure is yet to be determined. From the point of view of the Council's future governance arrangements this means that it could in future be the responsibility of the Cabinet Sub-Committee (Local Authority Trading Companies' Shareholder) or Cabinet or Council itself to deliver. Therefore it is proposed to provide further detail on the future project management arrangements in the next report, once that proposed responsibility is known. In the interim it is therefore recommended that the Deputy Chief Executive be authorised (in consultation with the Chief Finance Officer, the Leader of the Council and Executive Member for Finance and IT) to continue to progress negotiations with SPG, subject to Full Council's final approval of the terms of any proposal.

Conclusions

- 8.19 The proposals being considered would, on the basis of the information currently available, seem to provide the best opportunity the Council has had for finding a solution to the Churchgate issue. In addition, investment in Hitchin Market and the public realm would create opportunities to transform and reinvigorate the area. This investment, if successful, would create jobs and improve this part of Hitchin town centre, whilst providing a reasonable financial return to the Council. The Council's consultant has confirmed that, in his view, *"The initial work carried out on both the value and cost side of the equation point towards a regeneration that has sufficient financial viability and benefits to the town as a whole to progress to the next level of detail"*. It is therefore recommended to Full Council that this proposal be supported in principle and that further work be undertaken on the details needed in order to report back to Full Council for a final decision on whether to proceed or not.

9. LEGAL IMPLICATIONS

- 9.1 Full Council's terms of reference include at 4.4.1(v) "to authorise the acquisition of land or buildings where the purchase price, premium or initial rent (after the expiry of any rent free period) exceeds £2,500,000" and at 4.4.1(b) "approving or adopting the budget", which includes the capital programme. The responsibility for the decision on the arrangements for the management of Hitchin Market lies with Cabinet. On 8 April 2008 Cabinet made the decision to outsource the market operations, subject to negotiating suitable agreements with interested operators. The report to Cabinet will need to include the TUPE implications of the proposed change of approach to the management of the market.
- 9.2 If the Council agrees to support the principle of the proposals being delivered via a joint venture, the legal implications will need to be considered in the light of the specific proposals. The legal implications would likely include procurement, contract, governance and property considerations. If required specific external legal advice will be obtained.
- 9.3 In accordance with previous reports to Full Council, Members are advised that taking part in Council decisions on the strategy to adopt for the Churchgate Area was unlikely to create a valid perception of predetermination in relation to a Member of the Planning Committee who takes part in the decision relating to any future planning application.

10. FINANCIAL IMPLICATIONS

- 10.1 A budget of £52,500 previously allocated by Full Council for investigating alternative proposals for the Churchgate Centre has been carried forward from previous years. Up to £15,000 of this has been allocated for development consultancy support for the current proposals and it is proposed that the remainder be used for any further specialist advice required, for example legal or tax advice. At the moment, therefore, no additional budget is being sought to progress these proposals. Any underspend on this budget in 2017/18 will need to be carried forward to 2018/19. This will be reported to Cabinet in due course as part of the regular budget monitoring process.

10.2 The Council is able to fund capital projects from the follow sources:

- Capital reserves
- Grants and other contributions
- Revenue funding
- Prudential borrowing

The funding received from the housing stock transfer in 2003 has meant that for a number of years the Council has funded its capital programme from capital reserves, and any grants and contributions that have been available. The proposed capital programme (see elsewhere on agenda) shows that to fund the current capital programme there will be a need to top up capital reserves from the sale of surplus land and buildings. If taken forward it is expected that the majority of the potential investment in the Churchgate Centre will need to be funded by borrowing.

10.3 When borrowing for capital expenditure, the Prudential Code (published by CIPFA) determines that the Council must consider whether it is Affordable and Prudent. The consideration of affordability relates to whether the Council can meet the revenue costs of the borrowing, which will be made up of interest and Minimum Revenue Provision (MRP). The expectation is that these will be more than covered by the income from the investment, although they may need to be partly covered from the General Fund during the first few years (i.e. during construction and the early years of operation). Prudence relates to an assessment of the risk, both individually and in the context of the wider treasury position of the Council. As the Council only has a small amount of historic borrowing, this is not a significant factor. The risks in relation to this project will be assessed during the next phase (subject to agreement from Full Council to continue) and will consider variability and sustainability of returns, as well as the security and liquidity of the underlying asset.

10.4 When the Council borrows money to fund a capital investment, it is required to set aside an annual provision for the repayment of the debt. This is known as a Minimum Revenue Provision (MRP) and is a cost to the general fund. There is some discretion as to the phasing of when this is set aside, but it should be linked to the life of the asset it is funding and the benefits that accrue from that asset. This will be determined as part of the next phase of the project (if agreed) and will be reflected in the financial appraisal.

10.5 The returns from this investment are expected to be through a Joint Venture company. They will therefore be subject to Corporation Tax before they are received by the Council. Advice will be obtained on legitimate ways in which the tax liability can be minimised.

11. RISK IMPLICATIONS

11.1 Some of the key risks to the progress of these proposals are set out in paragraph 8.16 above. As part of the LEP bidding process an initial risk log has been created, which identifies 22 potential risks, their consequences and mitigating action required. This risk log will be developed as formal project management arrangements are considered. If the proposals move forward then the project is likely to be proposed as a Top Risk which is then monitored and updated regularly as part of the Council's risk management procedures.

- 11.2 The Council's Risk and Opportunities Management Strategy refers to Contractors and Partners as follows: *"Contractors and Partners are included in the Risk & Opportunities Management Strategy for NHDC. The risk appetite for both contractors and partners should be considered prior to engaging into contracts or partnerships. Ideally a joint Risk Register should be in place for significant contracts and partnerships. In order to achieve the Council's objectives, Client Officers/relationship managers should implement an ongoing review of risks jointly with appropriate contractors and partners."*
- 11.3 In accordance with this Strategy the Churchgate Development Project with Simons Developments between 2010 and 2013 had its own Risk Register. Such a document would also be considered should the Council decide to proceed with the joint venture regeneration.

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 Any regeneration proposals for the site will need to consider proposals for thoroughfares, access, surface treatments etc and the needs of the users of the resulting development. These will be considered and recorded under separate equality analysis at the relevant time.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 The Social Value Act and "go local" policy do not apply to this report due to the nature of the decisions Full Council is being asked to make.
- 13.2 However, any decision Council may make in the future with regard to the regeneration of Churchgate which could, either in whole or part, constitute a public service contract would need to report on the social value implications of each/any option at the time of consideration. This would, in brief, consider how every £1 spent could best be spent to benefit the local community, which may include award of some aspects of redevelopment or management of the centre etc. by local social enterprises, a contractor offering an apprentice scheme or similar.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 The current work undertaken to this point has been met from existing resources, with additional external development consultancy expertise sought to support internal skills and knowledge. An internal team of officers including financial, legal, planning and technical expertise has been identified to support the Deputy Chief Executive. The ongoing resourcing requirements will be considered as part of the next phase of work, if Council supports the principle of the proposals, and can be factored into service plans for 2018/19. Additionally the internal resourcing will be considered in the light of any changing responsibilities as a result of the senior management restructure.

15. APPENDICES

- 15.1 Appendix A – Indicative Site Plan.

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17. BACKGROUND PAPERS

- 17.1 Reports on previous Churchgate proposals to Full Council dated 31 January 2013 and 11 February 2016.
- 17.2 Draft Local Plan.