

**OVERVIEW & SCRUTINY COMMITTEE
9 JUNE 2026**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: Churchgate Regeneration Project Update & Next Steps

REPORT OF: Director - Enterprise

EXECUTIVE MEMBER: Executive Member - Enterprise

COUNCIL PRIORITY: Thriving Communities; Responsible Growth; Sustainability;

1. EXECUTIVE SUMMARY

To provide an update on the project progress so far, and report on suggested next steps and milestones in preparation for the Cabinet decision in June and Full Council decision in July.

The proposed Cabinet decision is as follows: Approval to commence the next steps as set out in the report, subject to Full Council approval, which will enable the Council to commence procurement in order to select a supplier to evaluate the viability, feasibility, and deliverability of the Churchgate Regeneration Zone.

2. RECOMMENDATIONS

- 2.1. That the recommendation to Full Council and to Cabinet decision is noted, and that the Overview & Scrutiny Committee also note the provided update/next steps of the project.
- 2.2. That Cabinet recommends that Council approves the allocation of additional funds referencing the Part 2 report.

3. REASONS FOR RECOMMENDATIONS

- 3.1. The recommendation is to ensure that the Overview & Scrutiny Committee are content with the decisions being put forward to Cabinet on 16 June 2026 and to Full Council on 16 July 2026. This report provides an overview of the recent work completed and details how the project team and Project Board propose to move forward – providing the Committee with an opportunity to ask any further details.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Executive Member and Shadow Executive Member/s have been kept up to date on this decision via either/or Project Board attendance or scheduled Executive Member

Briefings.

- 5.2. The team hosted three All Member Briefings throughout April and May 2026.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 15 May 2026.

7. BACKGROUND

- 7.1. This report has been written to provide the Overview & Scrutiny Committee with an update on the Churchgate Regeneration Zone project, in line with the pending Cabinet decision. This is an opportunity for Members to discuss the progress of the project and ask the Executive Member and Project Team any relevant questions in preparation for the Cabinet meeting.

8. RELEVANT CONSIDERATIONS

- 8.1. Since the last update provided to Overview & Scrutiny Committee in February 2026, the project team have made significant progress and remain on track against the project timeline. Please see below for a breakdown of the progress to date:

Mid 2026 – Governance and Direction:

In March 2026 the team (with Project Board approval) launched a Soft Market Testing exercise to find out what the level of interest is from the developer/partner market. This consisted of a series of meetings with registered interested parties and included an overview of the Councils position (due diligence carried out so far, consultation, direction of travel, Local Government Reorganisation etc). This step was valuable and allowed the project team to determine the level of interest and gain detailed feedback on what the developer industry would like to see in the projects next steps. The team reported that whilst the developers continue to work in a volatile market, the level of interest in Churchgate is high but requires more viability, de-risking and further due diligence before stepping into the delivery Procurement phase. The team met with 12 organisations (of different types), and gaged different levels of interest – with most reporting a strong market interest and viewed the project as a high-quality, investable opportunity.

Throughout April and May, the team organised three all Member briefings via Zoom and in-person. The sessions were attended by a total of 43 Members, and the team gave a presentation on the projects progress to date. This provided Members with an opportunity to meet the team, ask questions and find out more about the project. The sessions were constructive and received positive feedback by those attended.

The project team, with Lambert Smith Hampton, recently attended the UK Real Estates and Investment Forum (UKREiIF) event in Leeds. This is the third time that the team have represented the Churchgate project at this event, alongside colleagues at Invest Hertfordshire (neighbouring Councils). The team hosted a breakfast event, consisting of a presentation from the team (Chloe, Rumi, Steve and Anthony) on progress to date and next steps. Attendees included those who have registered their interest in the project, and those who are keen to work alongside the Council in the upcoming interim procurement activity. Attendance was healthy and emphasised that there remains a

high level of interest in the project from the market/industry. The team received positive feedback and continue to manage interested parties via the Pre-Market Engagement activity.

Mid-2026 – Late-2026 – Partner Procurement:

In May the team launched a Pre-Market Engagement exercise, alongside Procurement colleagues. This exercise will appoint a partner to advise on and deliver an optimal strategy for the site’s disposal and development – in preparation for the larger delivery Procurement in late 2026. This was in line with the feedback from the soft market testing and will provide the Council with a comprehensive development proposal for the site, a clear, evidence-based assessment of deliverability and financial viability, and recommendations on optimal development strategy and disposal route.

Please see below for an outline of upcoming project milestones:

Mid 2026 Governance and Direction	Mid-2026 – Late-2026 Partner Procurement	Late-2026 – Early-2027 Feasibility / Shaping Phase	2027–2028 Planning & Pre-Development
<ul style="list-style-type: none"> • SMT exercise • Member/ Councillor engagement • Cabinet approval 	<ul style="list-style-type: none"> • Pre-market engagement • Competitive procurement • Partner appointed 	<ul style="list-style-type: none"> • Development Manager appointed • Feasibility, viability, and option testing • Development Agreement agreed 	<ul style="list-style-type: none"> • Planning application • Pre-development and mobilisation

As of writing this report, the Pre-Market Engagement exercise has not yet concluded and is due to close on 5th June 2026. Therefore, a verbal update on the level of interest and any additional and relevant information will be provided during the Committee meeting on 9th June. An addendum will also be provided as part of this report to provide the Overview & Scrutiny Committee with any additional information.

9. LEGAL IMPLICATIONS

- 9.1. The purpose of this report is for Overview & Scrutiny to note the decision being taken to Cabinet and thereafter to Full Council and is therefore not a decision-making committee.

10. FINANCIAL IMPLICATIONS

- 10.1. We recognise that we require additional budget for this part of the project, and therefore this will be addressed within the Part 2 report.

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2. This project is closely monitored under the Council's Pentana system. The project team meet with the Risk Officer bi-monthly to reassess and discuss updates to the project. The levels of risk are assessed according to the project milestones and are reported to Committee regularly.
- 11.3. The reason for conducting the Pre-Market Engagement exercise is to derisk the project, ensuring that the Council are in control of the process and are appointing the most relevant developer to assist the team in the next phase. It will provide the Council with an importance evidence base for the Cabinet report and next stage of work – a procurement strategy and scope of the next phase of feasibility work. The outcome will be a robust evidence base and a clear recommendation on what can be delivered, how it can be delivered and what the most appropriate route forward is.

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.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. This report updates on the procurement approach to be followed. Depending on the value and scope of any procurement, Social Value will be considered and incorporated as relevant.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 No impact.

16. APPENDICES

- 16.1 None.

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

18.1 None.