

CABINET
16TH 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

1.1. Since the previous update to Members, further work has been undertaken to assess the viability, deliverability and regeneration potential of the Churchgate site. This report provides an update on that work and seeks approval for the additional funding required to support the next phase of the project.

2. RECOMMENDATIONS

2.1. Cabinet recommends to Council the approval of the additional capital / revenue funding set out in the Part 2 report to support the next phase of the Churchgate Regeneration Project.

3. REASONS FOR RECOMMENDATIONS

3.1. Since the last Full Council update in July 2025, and subsequent Overview & Scrutiny Committee discussions in February 2026, the Churchgate Regeneration Project has progressed significantly and moved into a substantially more mature and evidence-led phase.

3.2. Over the past year, the Council has undertaken an extensive programme of work to respond directly to key matters raised by Members and stakeholders, including viability, parking, public realm, market provision, delivery options, governance and long-term town centre sustainability. This has included financial analysis, specialist technical work, Project Board workshops and Member briefings.

- 3.3. This work has enabled the Council to move from high-level vision setting into a more informed, evidence-led and delivery-focused phase.
- 3.4. Alongside this, the Council has also undertaken early engagement with the development and investment sector to inform future procurement, delivery and partnership decisions. Feedback from this work has demonstrated strong market interest in Hitchin and increased confidence in both the credibility of the opportunity and the Council's commitment to delivering a high-quality regeneration programme for the town centre.
- 3.5. The recommendations within this report therefore represent a logical progression from the work completed to date and are intended to ensure that future decisions regarding the regeneration of the site are informed, evidence-led and commercially robust
- 3.6. The proposed next stage of work is materially different from earlier strategic and visioning exercises. The Council is now seeking to appoint specialist regeneration and development expertise to work alongside the project team in refining a deliverable scheme, testing assumptions in greater detail, reducing uncertainty and supporting the transition from strategic visioning into delivery planning and implementation.
- 3.7. This phased approach enables the Council to retain control of the project as it develops, whilst ensuring that investment and risk remain proportionate to the level of certainty and information available at each stage.
- 3.8. The proposed next phase reflects the consistent feedback received through market engagement and specialist advice: that the appropriate next step is a structured feasibility and delivery-planning phase focused on shaping a viable, deliverable and investment-ready regeneration scheme for Hitchin town centre.

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 regularly informed throughout the development of this proposal through Project Board meetings and scheduled Executive Member briefings.
- 5.2. The project team hosted three All Member Briefings during April and May 2026 to provide updates on project progress, emerging findings and next steps.

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 15th May 2026.

7. BACKGROUND

- 7.1. The Churchgate Regeneration Zone (CRZ) represents one of the most significant long-term regeneration opportunities within Hitchin town centre. The site occupies a prominent and strategically important location adjoining the historic core, the River Hiz corridor and the existing market area.
- 7.2. The Churchgate area performs an important role within the town centre but also faces a number of long-standing challenges relating to asset condition, public realm quality, accessibility, connectivity, parking, market provision and the overall visitor experience.
- 7.3. Alongside these challenges, the site presents a significant opportunity to support the long-term vitality and sustainability of Hitchin town centre through investment in key assets, improved public realm, enhanced connectivity and better integration with the River Hiz corridor. The project also provides an opportunity to strengthen Hitchin's role as a destination, support a vibrant and modern market offer, introduce new homes and mixed-use activity within the town centre, and create a high-quality environment appropriate to a thriving 21st century market town. In doing so, the project also has the potential to deliver wider social and economic benefits through increased town centre activity, improved accessibility, new public spaces and a stronger sense of place for residents, businesses and visitors.
- 7.4. The Council acquired the Churchgate Shopping Centre leasehold in 2022 to support the long-term regeneration of this important town centre area, recognising that the current condition and configuration of the shopping centre are unlikely to provide a commercially sustainable long-term future.
- 7.5. The redevelopment of the site also presents an opportunity to deliver wider town centre benefits, including the revitalisation of the existing market area, improved public realm and green space, enhanced accessibility, new housing and flexible community uses.
- 7.6. In July 2025, the Council considered a range of potential development options in the context of challenging economic, commercial and political conditions affecting town centre regeneration and development viability nationally. A preferred mixed-use option incorporating commercial, residential and environmental benefits was identified as the most credible basis for further feasibility and viability testing. The preferred option included retention of St Mary's car park, consideration of a food store to support viability, provision of affordable housing where feasible, and wider public realm and community benefits.

7.7. Whilst the preferred option was considered to provide the strongest alignment with community aspirations and wider regeneration objectives, further work was identified as necessary to better understand viability, deliverability, development risk and delivery options before progressing to the next phase of the project.

8. RELEVANT CONSIDERATIONS

8.1. Following consideration of the July 2025 report, Cabinet concluded that further work should be undertaken to examine a number of key aspects of the preferred development option:

- Car parking strategy and capacity
- Market requirements and viability
- Community space requirements
- Public realm expectations and scope
- Planning and design parameters
- Development risk, return and delivery considerations
- Governance and preferred partnership approach

8.2. The following section provides an update on the work undertaken in response to these key matters and demonstrates how the project has progressed from high-level option testing into a more informed and evidence-led phase focused on deliverability, viability and implementation planning.

8.3. The Churchgate Project Board has been regularly consulted throughout the development of these workstreams.

Car Parking Strategy

8.4. The Council appointed transport planning and infrastructure consultants (Markides) to review current parking provision, usage, demand and the scope to redevelop part of the Churchgate Regeneration Zone car parking, principally at Portmill Lane, without detrimental impact on wider town centre vitality and viability. The assessment concluded that Hitchin town centre generally has sufficient parking capacity to meet current and foreseeable demand, with pressure primarily limited to peak Saturday lunchtime periods. The work also identified a range of mitigation measures, including improved signage, parking management, pricing and operational changes, which could support more effective use of existing parking assets. This may also need to be considered alongside changing travel patterns and wider multi-modal transport objectives.

8.5. See Background Paper, 'Churchgate Car Parking Assessment Findings, Markides, November 2025'.

Market Requirements

- 8.6. The Council appointed Market Curators to advise on options for delivering a modern market offer capable of supporting both commercial viability and wider town centre activity.
- 8.7. A range of options were assessed, including open-air, covered and indoor market formats. Each was appraised using an assessment of initial capital costs, potential revenues, together with an assessment of capital costs, potential revenues and likely return periods. The work identified a modern indoor market and food hall-style concept as the strongest commercial option, offering opportunities for flexible day-to-evening use, enhanced activation of the market square and wider community use. Further due diligence will, however, be required in relation to operational arrangements, capital costs and long-term revenue assumptions.

Community Space Requirements

- 8.8. An assessment of existing community space provision within Hitchin has been undertaken. This work identified a broad range of existing spaces currently available across the town and did not identify a clear requirement for a standalone purpose-built community facility within the town centre. However, opportunities remain to incorporate flexible community uses within wider mixed-use or multifunctional spaces as part of any future regeneration proposals.
- 8.9. See Background Paper: 'Community Provision Study, Leonard Design, November 2025'

Public Realm

- 8.10. The Council commissioned Leonard Design to explore options for delivering high-quality public realm improvements within the Churchgate area, including better integration with the River Hiz corridor and wider riverside walk proposals.
- 8.11. A range of design approaches and indicative cost options were prepared to help inform future design principles, public realm aspirations and budget considerations. Whilst the objective was not to fix the scheme design requirements, this work has assisted in establishing a clearer understanding of the scale and quality of the public realm which may be achievable as part of a future regeneration scheme.
- 8.12. See Background Paper, 'Public Realm Assessment, Leonard Design, November 2025.'

Planning and Design Parameters

- 8.13. Further design and massing work has been undertaken to better understand development constraints, site capacity and the potential scale and mix of development across the site, including the Portmill Lane car parks.
- 8.14. This work has helped refine the Council's understanding of planning, heritage and viability considerations, including protected views, townscape impacts and the relationship with adjoining heritage assets, particularly St Mary's Church.
- 8.15. See Background Paper 'Churchgate Regeneration Zone Massing Diagrams'.

Developer Brief and Governance

- 8.16. The Churchgate Project Board has undertaken a series of technical workshops examining potential delivery models, development risk, governance arrangements and the Council's appetite for risk and return. This work has included engagement with other local authorities delivering similar mixed-use town centre regeneration schemes, alongside preliminary soft market testing with developers, investors, contractors and development managers.
- 8.17. The work undertaken has included consideration of a range of delivery approaches, including direct delivery and partnership models, together with the potential relationship between development risk, commercial return and the delivery of wider public realm and community benefits.
- 8.18. The feedback received consistently indicated that Hitchin is viewed as an attractive regeneration opportunity with strong underlying market interest. However, it also highlighted that the overall viability of the scheme remains finely balanced and that further feasibility, due diligence and delivery planning work will be required before progressing towards any future delivery phase.
- 8.19. The soft market testing also reinforced the importance of identifying an appropriate commercial and partnership structure capable of supporting the Council's wider regeneration ambitions whilst managing development risk appropriately.
- 8.20. See Background Paper Churchgate Regeneration Zone - Soft Market Testing Brochure March 2026
- 8.21. Alongside this activity, the Council presented the opportunity at UKREiiF and subsequently commenced a Preliminary Market Engagement (PME) exercise to further test market appetite and inform the next stage of project development.

8.22. See Background Paper NHDC01128038 - Churchgate Pre Market Engagement Questionnaire May 2025 and Hitchin Prospectus UKREiIF Breakfast Event, May 2026.

8.23. At the time of writing this report, the deadline for Preliminary Market Engagement submissions has not yet passed. A verbal update summarising the responses received will be provided during the Committee meeting on 9 June 2026, with any additional information provided by way of addendum if required.

8.24. Initial feedback from both exercises has reinforced the view that a phased feasibility and delivery-planning approach represents the most appropriate next step in refining a viable and deliverable regeneration scheme for the site.

9. INDICATIVE PROGRAMME AND DELIVERY PATHWAY

9.1. The table below provides a high-level summary of the proposed next stages of the Churchgate Regeneration Zone. It reflects the phased approach being taken by the Council to refine the emerging scheme, undertake further feasibility and delivery planning, and determine the most appropriate long-term delivery and partnership arrangements for the site.

9.2. The programme has been structured to ensure that future decisions are informed by robust technical, commercial and financial evidence, whilst enabling the Council to retain strategic oversight and manage risk proportionately as the project progresses.

Mid 2026	Mid-Late 2026	Late 2026-Early 2027	2027-2028
Governance & Direction	Partner Procurement	Delivery Planning Feasibility/De-risking	Delivery Route & Long-term partner selection Planning & Pre-development
Soft Market Testing Member engagement Pre-Market Engagement Cabinet/Council Approval	Competitive Procurement Partner Appointed	Feasibility/Delivery options tested Development Agreement/Delivery Route agreed	Planning Application Pre-Development & Mobilisation

10. LEGAL IMPLICATIONS

- 10.1 Under Section 4.3 of the Council's Constitution, Full Council is responsible for approving the Council's overall revenue and capital budgets and any changes to those budgets. Where additional funding is required beyond existing approved budgets, approval must therefore be obtained from Full Council.
- 10.2 The purpose of this report is to seek approval of the additional funding required to support the next phase of the Churchgate Regeneration Project, as detailed within the Part 2 report. Cabinet may make recommendations to Council in relation to budget matters in accordance with the Budget and Policy Framework Procedure Rules set out within Section 16 of the Constitution.
- 10.3 Subject to approval of the necessary funding, any procurement activity associated with the next phase of the project will be undertaken in accordance with the Council's Contract Procurement Rules, relevant statutory procurement requirements and the Council's scheme of officer delegations.
- 10.4 The Council has broad powers under section 1 of the Localism Act 2011 (the general power of competence) to undertake activities connected with the economic, social and environmental well-being of its area, including regeneration initiatives. The proposals contained within this report form part of the ongoing development and assessment of options for the regeneration of the Churchgate area and do not commit the Council to any future development scheme, delivery model or procurement outcome. Any future decisions relating to procurement, development agreements, land transactions or implementation of a regeneration scheme will be the subject of separate decision-making processes and reports as appropriate.

11. FINANCIAL IMPLICATIONS

- 11.1. It is recognised that additional budget is required for this part of the project, and therefore this will be addressed within the Part 2 report.

12. RISK IMPLICATIONS

- 12.1. 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.
- 12.2. 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.

12.3. 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 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.

13. EQUALITIES IMPLICATIONS

13.1. 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.

14. SOCIAL VALUE IMPLICATIONS

14.1. 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.

15. ENVIRONMENTAL IMPLICATIONS

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

16. HUMAN RESOURCE IMPLICATIONS

16.1. There are no known Human Resource impacts or requirements that apply to this report.

17. APPENDICES

17.1 None.

18. CONTACT OFFICERS

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3. Rumi Bose, Churchgate Project Manager, rumi.bose@north-herts.gov.uk

19. BACKGROUND PAPERS

1. Development Principles, May 2025
2. Churchgate Car Parking Assessment Findings, Markides, November 2025
3. Community Provision Study, Leonard Design, November 2025
4. Public Realm Assessment, Leonard Design, November 2025
5. Churchgate Regeneration Zone Massing Diagrams
6. Churchgate Regeneration Zone - Soft Market Testing Brochure, March 2026
7. NHDC01128038 - Churchgate Pre Market Engagement Questionnaire, May 2025
8. Hitchin Prospectus UKREiiF Breakfast Event, May 2026.