

Item No	Referred from:	Overview and Scrutiny Committee
6C	Date:	9 June 2026
	Title of item:	Churchgate Regeneration Project Update & Next Steps – Part 1
To be considered alongside agenda item:		Agenda Item 21

The report considered by the Overview and Scrutiny Committee at the meeting held on 9 June 2026 can be found here: [Agenda for Overview and Scrutiny Committee on Tuesday, 9th June, 2026, 7.30 pm | North Herts Council](#)

RECOMMENDED TO CABINET: That Cabinet recommends that Council approves the allocation of additional funds, referencing the Part 2 report.

REASON FOR RECOMMENDATION: 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.

Audio recording – 01 hours 03 minutes 38 seconds

Councillor Val Bryant, as Leader of the Council, presented the report entitled ‘Churchgate Regeneration Project Update & Next Steps – Part 1’ and advised that:

- Since the consideration of the project at a Full Council meeting in July 2025, they had worked to test the most critical issues of the site such as parking, public realm, the future of the market, governance and long-term sustainability of the town centre.
- The Council was in a stronger position than it was 12 months ago as there was a strong technical and financial evidence base, and a clearer understanding of the site constraints, viability and delivery challenges, market appetite and delivery expectations.
- Soft market engagement recently undertaken had confirmed strong confidence in Hitchin as an attractive town centre regeneration opportunity with long-term potential.
- It was a finely balanced scheme, which required detailed feasibility work and delivery planning, and a proportionate approach to risk before any delivery route was chosen.
- The Council was seeking to appoint specialists with regeneration expertise to work alongside the project team and take it from ambition and planning to delivery and implementation.
- A phased approach would ensure that investment, funding and risk remained proportionate to uncertainty at each stage of the project and reflect the scale and complexity of the opportunity and feedback received from the soft market engagement.
- This would ensure that the project would progress in a measured way by maintaining strategic oversight and decision-making control, and reduce uncertainty before any long-term partnership was entered into.
- The recommendations would support the ambition to deliver a viable, high-quality regeneration scheme to support the sustainability and vitality of Hitchin town centre.

The Chair advised that an updated version of this report had been published as a supplementary document.

The following Members asked questions:

- Councillor Claire Winchester
- Councillor Ralph Muncer
- Councillor David Chalmers
- Councillor Daniel Wright-Mason
- Councillor Elizabeth Dennis

In response to questions, the Churchgate Project Manager advised that:

- Viability testing would not decrease the quality or delivery of the project or affordable housing as the regeneration aimed to produce a high-quality mixed-use development that celebrated the market, public realm and heritage of the area.
- The additional funds would allow testing of design quality, viability, and deliverability together rather than separately, while allowing the Council to have strategic oversight over quality control.

In response to questions, the Chief Executive advised that:

- The Secretary of State would place restrictions on the financial decision-making ability of the Council once a shadow authority was created, which would mean signoff from the shadow authority being required for financial decisions over a certain threshold and the potential need for multiple signoffs on this project.
- If they focused on delivering a viable scheme that made sense to the Council, it should also make sense to a shadow authority.
- However, they could not speak on behalf of a shadow authority that did not yet exist and whose purpose would be to oversee the preparation of the unitary authorities.

In response to questions, the Director – Enterprise advised that:

- Funding for this work would not go towards their current consultants, but to a different development partner or similar company.
- Appointing an external partner for this stage would put them in a better position due to the complexity of the project, and the expertise they would provide on appropriate testing before going out to the market.
- Not procuring an external partner would significantly impact both time and costs spent on the project, and using this funding would get them the right advice to proceed correctly.

In response to questions, Councillor Val Bryant advised that:

- There were detailed month by month plans in place for the project and there was no reason why the project should not be in a good position when Local Government Reorganisation (LGR) took place if they followed this.
- It would be an advantage for them to merge with other authorities such as Stevenage Borough Council as part of LGR as they were looking at bigger regeneration projects.

Councillor Jon Clayden proposed recommendation 2.1 in the report and the amended recommendation 2.2, and these were seconded by Councillor Claire Winchester, as follows:

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

The following Members took part in the debate:

- Councillor Ralph Muncer
- Councillor Elizabeth Dennis
- Councillor Paul Ward
- Councillor Martin Prescott
- Councillor Nigel Mason

The following points were made as part of the debate:

- There was a fear that this project had reached a tipping point whereby the Council would continue to commit funding to it past the point of no return.
- The initial estimates for the project had been inadequate, and with turbulence in both the economy and construction industry, the overspend was unacceptable and the administration should evaluate their projects in a phased approach to focus on what was realistic.
- Additional costs were likely to arise in the future, and it would be useful for Members to be provided with more costing information before they reached the pre-development stage.
- They wanted the project to succeed, but not at any cost, therefore, measures should be taken to prevent it from spiralling.
- From experience with previous Council projects, it was important that this additional funding was allocated so that the Council was in the strongest possible position before the planning phase, and to prevent last minute changes from spiralling the project.
- The Churchgate Project Board had given this considerable thought, and they trusted the approach that was being taken.
- There was no reason not to support the recommendations.
- The project should not be stopped considering it was a multimillion-pound investment.
- The project was complicated and expensive, but they understood that the Project Board were doing their best to deliver this.
- They were not telling the Project Board to stop the project, they were simply telling them to be cautious.
- The Council should always remember that this was taxpayer money being spent, but the proposal was sensible and those living in Hitchin would benefit.

The Chair summarised discussions and outlined that:

- There had been discussion over the risk for them as a Council versus the risk for a developer in being involved in this project and how to balance that.
- Uncertainties would be present at the later stages of the project around financial decisions and upper bands when LGR took place.
- The Committee did not want to see a loss of quality on the final scheme because of challenging market conditions or a stop to the project because of LGR.
- Reasons for involving external parties in the project had been discussed at length.

The Chair thanked Members and officers on the Project Board for their contributions.

Having been proposed and seconded and, following a vote, it was:

RESOLVED: That the recommendation to Full Council and Cabinet was noted, and that the Overview & Scrutiny Committee also noted the provided update/next steps of the project.

RECOMMENDED TO CABINET: That Cabinet recommends that Council approves the allocation of additional funds, referencing the Part 2 report.

REASON FOR RECOMMENDATION: 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.

N.B. Following the conclusion of the item, there was a break in proceedings at 21.08 and the meeting reconvened at 21.17. During the break, Councillor Martin Prescott left the Chamber and did not return.