

COUNCIL
THURSDAY, 16 JULY 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

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 Council approves the additional capital/ revenue funding set out in the Part 2 report to support the single competitive procurement, comprising of two phases of a partner to assist the Council with the next stage of the Churchgate Regeneration Project.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The Council has undertaken significant technical work, specialist studies and preliminary market engagement to inform the next stage of the Churchgate Regeneration Project.
- 3.2 The findings indicate that further feasibility, viability and delivery planning work is required before future decisions can be taken regarding the preferred delivery model and implementation of the regeneration proposals.
- 3.3 Approval is therefore sought for the additional funding required to undertake this next phase of work, enabling future decisions to be informed by robust technical, commercial and financial evidence.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. The following alternative options were considered:

- Not progressing with further feasibility and delivery planning work. This option was discounted as the Council would not obtain the evidence required to inform future decisions regarding the regeneration of the site.
- Undertaking separate procurements for the feasibility phase and any subsequent delivery support. This option was considered but is not recommended as preliminary

market engagement indicated that a single competitive procurement structured around phased gateway approvals are likely to provide greater continuity, reduce procurement duplication and maintain project momentum whilst preserving the Council's decision-making control.

- Delaying the project pending Local Government Reorganisation. This option was discounted as it would delay the development of the evidence base required to inform future decisions and may reduce the Council's ability to progress the regeneration project prior to local government transition.

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. The project team also 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 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 several 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.
- 7.8. 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.
- 7.9. This work has enabled the Council to move from high-level vision setting into a more informed, evidence-led and delivery-focused phase.
- 7.10. 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.
- 7.11. 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.
- 7.12. 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.
- 7.13. **Phased Single-stage Procurement Approach**
- 7.14. 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.
- 7.15. The proposed next stage 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.

7.16. The Council is therefore developing a single competitive procurement, comprising of a two phased approach which provides continuity between feasibility and subsequent delivery support activities, whilst retaining clear decision gateways and strategic control.

7.17. **What the next Phase will deliver:**

7.18. The purpose of the next phase is to move the project from strategy and option testing into a more detailed delivery-planning stage. This work will build on the evidence gathered to date and provide the Council with a clearer understanding of what can realistically be delivered, how it can be delivered and what level of investment, risk and intervention may be required.

7.19. By the end of this phase, the Council will have:

- a more robust and tested development proposition;
- greater certainty regarding viability and deliverability;
- a clearer understanding of the preferred delivery and partnership approach;
- an evidence-based assessment of development risk and investment requirements;
- a refined programme and route to delivery; and
- a stronger basis for future decisions relating to procurement, investment and implementation.

7.20 This will enable future decisions to be taken based on detailed technical, commercial and financial evidence, reducing uncertainty and placing the Council in a stronger position as the project progresses.

8. RELEVANT CONSIDERATIONS

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

8.1. 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.

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

8.3. **Car Parking Strategy:**

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.

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

8.5. **Market Requirements:**

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.

8.6. 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 and likely return periods. The work identified a modern indoor market and food hall-style concept as the strongest ongoing 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 and financial assumptions. This includes an assessment of the capital development cost with the income generated, and whether that provides a viable return on investment.

8.7. **Community Space Requirements:**

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.

8.8. See Background Paper: 'Community Provision Study, Leonard Design, November 2025'.

8.9. **Public Realm:**

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.

8.10. 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.

8.11. See Background Paper: 'Public Realm Assessment, Leonard Design, November 2025'.

8.12. **Planning and Design Parameters:**

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.

8.13. 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. Please note that this assessment was carried out from the landowner perspective and therefore is not binding on the Council's Local Planning Authority function.

8.14. See Background Paper 'Churchgate Regeneration Zone Massing Diagrams'.

8.15. **Developer Brief and Governance:**

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.

8.16. 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.

8.17. 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.

8.18. 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.

8.19. See Background Paper 'Churchgate Regeneration Zone - Soft Market Testing Brochure March 2026'.

8.20. 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.

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

8.22. In parallel with this activity, the Council is developing the procurement strategy for the next stage of the project. Feedback received through the Preliminary Market Engagement exercise has indicated support for a single competitive procurement process structured around two distinct phases with a formal gateway between them.

This approach is intended to provide continuity throughout the development process, whilst ensuring that the Council retains appropriate governance, control and flexibility as the project progresses.

- 8.23. Under the proposed approach, the successful bidder would be appointed as the Council's regeneration partner through a single competitive procurement. The initial phase of the appointment would comprise of feasibility, viability, master-planning and delivery planning activities designed to refine the regeneration proposals, test commercial assumptions, assess development risk and inform the preferred delivery model. The scope of Stage 2 will be informed by the outputs of Stage 1, and determine whether the Council wishes to proceed onto Phase 2 or not. Phase 2 will include detailed development planning, delivery preparation, planning and consenting activities, development agreement support, implementation planning and other services required to support project delivery. Any progression beyond Phase 1 would remain subject to future Council approval, satisfactory performance of the appointed partner, confirmation of any necessary funding (i.e. setting a capital budget for the scheme) and compliance with the contractual gateway provisions established through the procurement.
- 8.24. Structuring the procurement in this way provides transparency to the market from the outset regarding the potential scope of the appointment, whilst avoiding unnecessary duplication of procurement activity should the Council determine that the project remains viable and appropriate to progress following completion of the feasibility phase. It also enables the Council to retain strategic oversight and decision-making at each key stage of the project. The procurement notices that will be required to be published will include an indication of the overall scheme value.
- 8.25. The Council is therefore seeking approval at this stage only for the funding required to undertake Phase 1 of the appointment. Approval of this report does not commit the Council to progressing to Phase 2, entering into a development agreement or implementing any regeneration scheme. Those matters will be the subject of separate reports and future Member decisions at the appropriate time. This approach mitigates against unnecessary expenditure if ultimately a viable and deliverable scheme cannot be identified.
- 8.26. See Background Paper 'Procurement Diagram' for a visual explanation of the above.
- 8.27. **Indicative Programme and Delivery Pathway**
The table below provides a high-level summary of the proposed next stages of the Churchgate Regeneration Zone project. 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.
- 8.28. 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.

- 8.29. The project team is aware of the potential implications of Local Government Reorganisation (LGR) and is actively factoring emerging governance requirements into programme planning and decision-making. The phased approach being adopted provides flexibility and clear decision points, enabling the Council to respond to future governance arrangements as relevant. Progressing this work now will also place the Council in a stronger position ahead of LGR, by reducing uncertainty and strengthening the evidence base for future decisions.

Mid 2026	Mid-Late 2026	Late 2026-Early 2027	2027-2028
Governance Direction	(Phase 1) Partner Procurement for Feasibility Study	Delivery Planning Feasibility/De-risking Masterplanning & Concept Design (RIBA Stage 0-3) Viability Assessment Delivery Routes & Partnership Options Delivery Programme	(Phase 2, subject to gateway approval) Delivery route & long-term partner selection Detailed Masterplanning (RIBA Stage 4-6) Planning Strategy Development Agreement (pre-dvpt conditions, development obligations, 3 rd Party agreements) Delivery & Implementation
Soft Market Testing Member engagement Pre-Market Engagement Cabinet/Council Approval	Competitive Procurement Partner Appointed	Feasibility/Delivery options tested Viability tested Development Agreement/Delivery Route tested	Planning Application Pre-Development & Mobilisation

8.30. Procurement Approach

As explained above, the procurement will be structured around two phases. Phase 1 will focus on feasibility, viability, deliverability and delivery planning, and Phase 2 will aim to provide detailed development planning, delivery preparation, planning and consenting activities, development agreement support, implementation planning and other services required to support project delivery. Any progression beyond Phase 1 will remain subject to future Member approval, satisfactory performance of the appointed partner, approval of any required funding and the contractual gateway arrangements established through

the procurement.

- 8.31. This approach reflects feedback received through the Preliminary Market Engagement exercise, which highlighted the importance of maintaining continuity and momentum whilst retaining appropriate governance, competition and Council control. Structuring the procurement in this manner provides transparency to the market regarding the potential scope of the appointment, maintains continuity throughout the project, avoids unnecessary duplication of procurement activity and enables the Council to retain strategic control through clearly defined decision gateways.
- 8.32. **Impact of Local Government Reorganisation (LGR):**
The Government is expected to announce decisions on future unitary structures before 16 July 2026 (meaning decisions would have been announced prior to the Full Council meeting taking place), with legal implementation following the approval of a Structural Changes Order (likely late 2026 or early 2027). Once in force, statutory Joint Committees - comprising County and District representatives - will be established to oversee LGR and prepare key governance frameworks. These Committees are advisory only and will cease when Shadow Authorities are formed. A voluntary Joint Committee may be established earlier, though no decision has been made yet
- 8.33. Elections to new Unitary Authorities are scheduled for May 2027. Newly elected Members will likely serve an initial five-year term, with the first year operating as a Shadow Authority alongside existing councils. Shadow Authorities will be decision making and will be tasked with agreeing the building blocks needed for running the new Unitary Authority (e.g.: constitution, code of conduct, interim statutory officer, budget for 2028/29 etc). A Section 24 direction will safeguard certain financial decisions by existing councils during this period, requiring Shadow Authority consent for significant transactions (e.g. major land disposals and high-value contracts). These controls are intended to protect the financial sustainability of the new authorities.
- 8.34. Routine operations are typically managed through “General Consent” arrangements. Given that the Churchgate project is a town centre regeneration scheme, irrespective of the route chosen for delivery one or more of the likely financial thresholds would be triggered and therefore any significant financial decisions between May 2027 and 31 March 2028 would require prior consent from the new Shadow Authority.
- 8.35. Overall, these arrangements should not present Members undue concern, and our aim is to continue to identify a viable and deliverable scheme for Churchgate that would also be viable and deliverable for the new Unitary Authority to proceed. Members are encouraged to ensure decisions taken now are sustainable and in the best long-term interests of the new council structures.

9. LEGAL IMPLICATIONS

- 9.1. 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.
- 9.2. 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.

- 9.3. Subject to approval of the necessary funding, the Council intends to undertake a competitive procurement process in accordance with the Council's Contract Procurement Rules and all applicable procurement legislation. The procurement documentation will clearly define the scope of the phased appointment, the services to be delivered during each phase and the contractual gateway arrangements governing any progression beyond the initial feasibility phase.
- 9.4. Whilst the procurement is intended to cover both phases of the proposed appointment, this report seeks approval only for the funding required to undertake Phase 1. Any decision to progress beyond the initial phase, including approval of any development agreement, additional expenditure, land transaction or implementation of the regeneration scheme, will remain subject to future Member approval and the Council's constitutional decision-making requirements.
- 9.5. 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.

10. FINANCIAL IMPLICATIONS

- 10.1. 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.
- 10.2. This focus of this stage is feasibility, viability, deliverability and delivery planning. This means that it is revenue funding that is required. Future reports will focus on setting a capital budget for the scheme, subject to viability.

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 on the Council's Ideagen system and progress is reported via the Council Delivery Plan. The project team meet with the Performance & Risk Officer quarterly 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 important evidence base for future decisions and the 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 within the constraints of the Council's risk appetite.

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

16. APPENDICES

- 16.1 None.

17. CONTACT OFFICERS

Rumi Bose	Churchgate Project Manager	rumi.bose@north-herts.gov.uk, Tel: 01462 474443
Chloe Gray	Enterprise Manager	chloe.gray@north-herts.gov.uk, Tel: 01462 474223
Isabelle Alajooz	Director – Governance	isabelle.alajooz@north-herts.gov.uk
Anthony Roche	Chief Executive	anthony.roche@north-herts.gov.uk
Tim Everitt	Performance & Risk Officer	tim.everitt@north-herts.gov.uk
Ian Couper	Director – Resources	ian.couper@north-herts.gov.uk
Steve Crowley	Director – Enterprise	Steve.crowley@north-herts.gov.uk

18. BACKGROUND PAPERS

- 18.1 Development Principles, May 2025 – Page 541 of [\(Public Pack\)Agenda Document for Cabinet, 16/06/2026 19:30](#)
- 18.2 Churchgate Car Parking Assessment Findings, Markides, November 2025 – Page 656 of [\(Public Pack\)Agenda Document for Cabinet, 16/06/2026 19:30](#)
- 18.3 Community Provision Study, Leonard Design, November 2025 – Page 579 of [\(Public Pack\)Agenda Document for Cabinet, 16/06/2026 19:30](#)
- 18.4 Public Realm Assessment, Leonard Design, November 2025 – Page 621 of [\(Public Pack\)Agenda Document for Cabinet, 16/06/2026 19:30](#)
- 18.5 Churchgate Regeneration Zone Massing Diagrams – Page 675 of [\(Public Pack\)Agenda Document for Cabinet, 16/06/2026 19:30](#)
- 18.6 Churchgate Regeneration Zone Soft Market Testing Brochure, March 2026 – Page 677 of [\(Public Pack\)Agenda Document for Cabinet, 16/06/2026 19:30](#)
- 18.7 NHDC01128038 - Churchgate Pre Market Engagement Questionnaire, May 2025 – Page 683 of [\(Public Pack\)Agenda Document for Cabinet, 16/06/2026 19:30](#)
- 18.8 Hitchin Prospectus UKREiiF Breakfast Event, May 2026 – Page 693 of [\(Public Pack\)Agenda Document for Cabinet, 16/06/2026 19:30](#)
- 18.9 [Procurement Diagram](#)