

HITCHIN COMMITTEE

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

TITLE OF REPORT: REGENERATION OF CHURCHGATE SHOPPING CENTRE

REPORT OF: 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 give Hitchin Committee an opportunity to comment on the report that will be presented to Cabinet on 20th November 2018 and Full Council on 22nd November 2018. Full details of the proposal for the regeneration of the Churchgate Shopping Centre will be contained within the Council report that will be published on Friday 9th November.

2. RECOMMENDATIONS

- 2.1 That the Committee considers the report, and where relevant provides the local input to Cabinet on the proposed regeneration of the Churchgate Shopping Centre.

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 Council report details a proposed regeneration scheme that has a good chance of being achievable and could provide a financial return that exceeds the current income. As the Churchgate Shopping Centre is located in Hitchin, this meeting provides a “forum for discussion on matters of local interest”.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Full Council has received a number of reports on the subject of Churchgate historically 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 Shearer Property Group (‘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.

6. FORWARD PLAN

6.1 The report to Cabinet contains a recommendation on a key decision and therefore was added to the Forward Plan on 22 October 2018.

7. BACKGROUND

7.1 The full background will be provided as part of the Council report. On 8 February 2018 Council resolved that:

- (1) *That the principle of a joint venture regeneration of the Churchgate Centre, with the Council as funder of the regeneration, be supported;*
- (2) *That the Deputy Chief Executive, in consultation with the Chief Finance Officer, the Leader of the Council and Executive Member for Finance and IT, be authorised 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; and*
- (3) *That 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, be noted.*

7.2 On 27 March 2018, Cabinet resolved that:

- (1) *That a decision on whether to manage Hitchin market in-house be deferred, until there is greater clarity on the deliverability of the proposals for the Churchgate Centre and Hitchin Market and further consideration has been given to the model for operating the market in-house; and*
- (2) *That the Deputy Chief Executive, in consultation with the Head of Leisure and Environmental Services, the Executive Member for Finance and IT and the Executive Member for Leisure, be authorised to agree with Hitchin Markets Ltd the terms of an extension of their existing management contract in the short term.*

8. RELEVANT CONSIDERATIONS

8.1 The proposals for Churchgate are substantially the same as was detailed to in the Council report in February 2018.

8.2 The contract with Hitchin Markets Limited has been extended for 2 years to 31st July 2020 with 3 months notice at any time. The intention is still to provide investment in the market and public realm to reinvigorate the area.

8.3 Local Enterprise Partnership (LEP) funding is still a crucial component for making the scheme possible. The Council were unsuccessful in their bid that was submitted in November 2017, but we were encouraged to bid again. A subsequent bid was submitted in October 2018. The amount of funding available is much greater for this bidding round. The LEP will make their decision in December.

- 8.4 Even with the LEP funding, the Council would still need to fund a significant amount and would need to borrow money to do this.
- 8.5 The Council report for 22nd November (which will have been sent to Members of Full Council in advance of the meeting) will provide more on the latest detail of the proposals. This will include:
- Detailed update on the proposed redevelopment;
 - Detailed financial appraisal;
 - Details of the proposed commercial arrangement with SPG;
 - Risk assessment including mitigations such as Plan B options and exit strategies.

9. LEGAL IMPLICATIONS

- 9.1 Area Committee terms of reference include at 9.8.2 (b) “To consider the policies and actions of the Cabinet as to their appropriateness to the needs and aspirations of local communities” and at 9.8.2 (d) “to act as a forum for discussion on matters of local interest”. Some issues are likely to be reported in the Full Council’s Part 2 report.

10. FINANCIAL IMPLICATIONS

- 10.1 This will be provided as part of the Council report. Some issues are likely to be reported in the Full Council’s Part 2 report.

11. RISK IMPLICATIONS

- 11.1 This will be provided as part of the Council report. Some issues are likely to be reported in the Full Council’s Part 2 report.

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. The Council report will provide more detail on the social value implications of a contract above the EU threshold.

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.

15. APPENDICES

15.1 None.

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

17.1 None – other than the Council report (Part 1 and 2) once issued. The Part 2 report will be subject to any applicable exemptions under the Local Government Act 1972 Schedule 12A.