

CIVIC OFFICES SITE

REPORT OF THE DEPUTY CHIEF EXECUTIVE (COMMUNITY DIRECTION)



Hinckley & Bosworth
Borough Council

A Borough to be proud of

WARDS AFFECTED: CASTLE WARD

1. **PURPOSE OF REPORT**

The purpose of this report is to update Council on the outcome of the recent developer procurement process for the civic offices site on Argents Mead. The report also sets out recommendations for terminating this process, and for reviewing the feasibility of developing a new leisure centre on this site as part of the leisure centre options appraisal, following the termination of the recent marketing process.

2. **RECOMMENDATION**

That Council is recommended to:

- 2.1 Note the outcome of the recent developer procurement process for a residential/retirement village development for this site, and endorse the termination of this process, due to the current poor market conditions.
- 2.2 Agree to progress feasibility option work in respect of a possible option to develop a new Leisure Centre on the site.
- 2.3 Endorse the establishment of a new Project Board to lead this Leisure Centre option work.
- 2.4 Request that a report be brought back on the outcomes of the Leisure Centre feasibility option work in November 2012.

3. **BACKGROUND TO THE REPORT**

- 3.1 On the 12 October 2011 Executive approved the marketing of this site, to an agreed development brief. This was on the basis that the Council would seek a developer partner to purchase the site, and design, fund, build and sell/operate the resulting residential/retirement village development.
- 3.2 Since that time officers have been progressing a formal 'OJEU' European regulation compliant developer procurement process. The site has been marketed subject a brief that comprised the following key components:
- 3.3 **The Site:**
As defined on the attached Plan.
- 3.4 **Development Brief:**
 - A new residential scheme, with developers encouraged to include Retirement Village elements within their proposals.
 - To expand Argents Mead main park through to Mount Road to the south.
 - That such a development could include community facilities (excluding any retail) for the scheme's residents, and (in part) for the general public.
 - To promote high quality design
 - to enhance Argents Mead and address existing issues relating to opening up views, and site connectivity with adjoining sites and areas (including the Castle

Street shopping area) , through the creation of a landmark development. To promote sustainable development by increasing accessibility for pedestrians and cyclists in the public park.

3.5 Programme:

The recent procurement programme to date is shown on Appendix 1.

4. PRESENT SITUATION:

4.1 A formal three-stage procurement process commenced in November last year. Only three parties initially submitted expressions of interests, and were invited through to the next stage to submit outline development scheme proposals, and indicative financial bids.

4.2 However, two of these parties subsequently withdrew from the process, leaving just one party. Officers were clear that given the circumstances the Council would not benefit fully from the procurement process by continuing to the next stage with a single developer. Also, that in order to limit the potential cost exposure to both itself and the remaining bidder the procurement process should be aborted. The remaining party was formally advised of the Council's position on 10 August, and that the Council, would now be reassessing its ambitions for a residential/retirement village scheme on this site.

4.3 The above process and outcome clearly illustrates the very weak current market conditions for a scheme of this type. Officers do not recommend remarketing the site for this use at present.

5 ALTERNATIVE OPTIONS FOR THE CIVIC OFFICES SITE:

5.1 Status of site:

Following the completion of the Hinckley Hub in 2013 the current Council offices will be vacated leaving a brown field development opportunity on part of Argents Mead. The site is included in the Hinckley Town Centre Area Action Plan for redevelopment purposes. The Council has also included this in the agreed Medium Term Financial Strategy for a capital receipt of £3m. Keeping the status quo of the site is not an option, as demolition of the present offices once vacated must take place to avoid attracting anti-social behaviour, and causing a detriment to the park's visual amenity. A park of the size that would be created after the demolition of the civic offices is not sustainable for a town of Hinckley's size. Consequently the options for some development now need to be considered further.

5.2 Other commercial uses (e.g. retail and offices):

These uses have previously been discounted by officers and members. This is on the basis that retail would be inappropriate for the Argents Mead site, and that the market for offices would be very weak.

5.3 Leisure Centre Option

In parallel with this marketing exercise work has progressed on reviewing potential options for the future of the Hinckley Leisure Centre. The preliminary findings of the consultant commissioned to advise the Council has included the potential of the Argents Mead site for a new build leisure facility. Given the lack of market interest in this site it is recommended this option is explored in more detail and that a report is brought back for the Council's consideration.

6. FINANCIAL IMPLICATIONS [IB]

- 6.1 The Council's Mid-Term Financial Statement ('MTFS') programmed a £3m capital receipt for this site. Clearly due to current market conditions and only one potential bidder it is difficult to assess whether the maximum capital receipt can be realised.
- 6.2 Other commercial uses for the site have previously been discounted. The "do nothing" option would still need a level of capital investment. The level of capital investment would depend on the final scheme.
- 6.3 Financial implications arising from the Leisure Centre Option will be reported in due course.

7. LEGAL IMPLICATIONS [LH]

- 7.1 The invitation to participate in the process clearly outlined that the Council would be able to terminate the process and as such there are no legal implications arising from the decision to terminate.
- 7.2 The legal implications of the new proposal will be considered in full during the feasibility stage including but not limited to consideration of the Land title.

8. CORPORATE PLAN IMPLICATIONS

9. CONSULTATION

Extensive consultations took place on the development brief for this site during November and December 2010, when the public expressed preferences for two of three broad masterplan layout and land use options for the site.

10. RISK IMPLICATIONS

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Losing public support and backing for any chosen new development option:	This risk will be mitigated by continuing to pro-actively consult the public and key stakeholders on these emerging ideas and designs, and later on the eventual proposals	Bill Cullen
Lack of staff resources to manage and deliver the recommended Leisure Centre feasibility option work project.	There are currently sufficient staff resources at present to manage and deliver this project. This will need to be kept under review.	Bill Cullen

11. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

The recommended feasibility option work for a possible Leisure Centre on the site will consider and report back on any equality and rural implications.

12. CORPORATE IMPLICATIONS

This project continues to work towards meeting the Corporate Plan's aim of 'achieving a thriving economy'. In addition it works towards meeting the target of 'regenerating Hinckley Town Centre'. The project also contributes towards the Corporate Plan's aim of 'strong and distinctive communities' through enhancing local pride and improving residents' satisfaction of Hinckley and Bosworth as a place to live.

By submitting this report, the report author has taken the following into account:

Community Safety Implications:

None as a direct consequence of this report.

Environmental Implications:

The current residential based Development Brief was based on the regeneration masterplan's design vision to enhance and improve the park setting via sympathetic development design and landscaping. The area (and its trees) has the added protection of being sited within the Town Centre Conservation Area. This approach will still apply to any Leisure Centre development options Officers will continue to work towards consulting key stakeholder groups to safeguard the present environment.

ICT Implications:

None as a direct consequence of this report.

Asset Management Implications:

The Asset Management Team have been consulted and involved throughout the procurement process to date, and will be included in the feasibility option work recommended in this report.

The human resource implications:

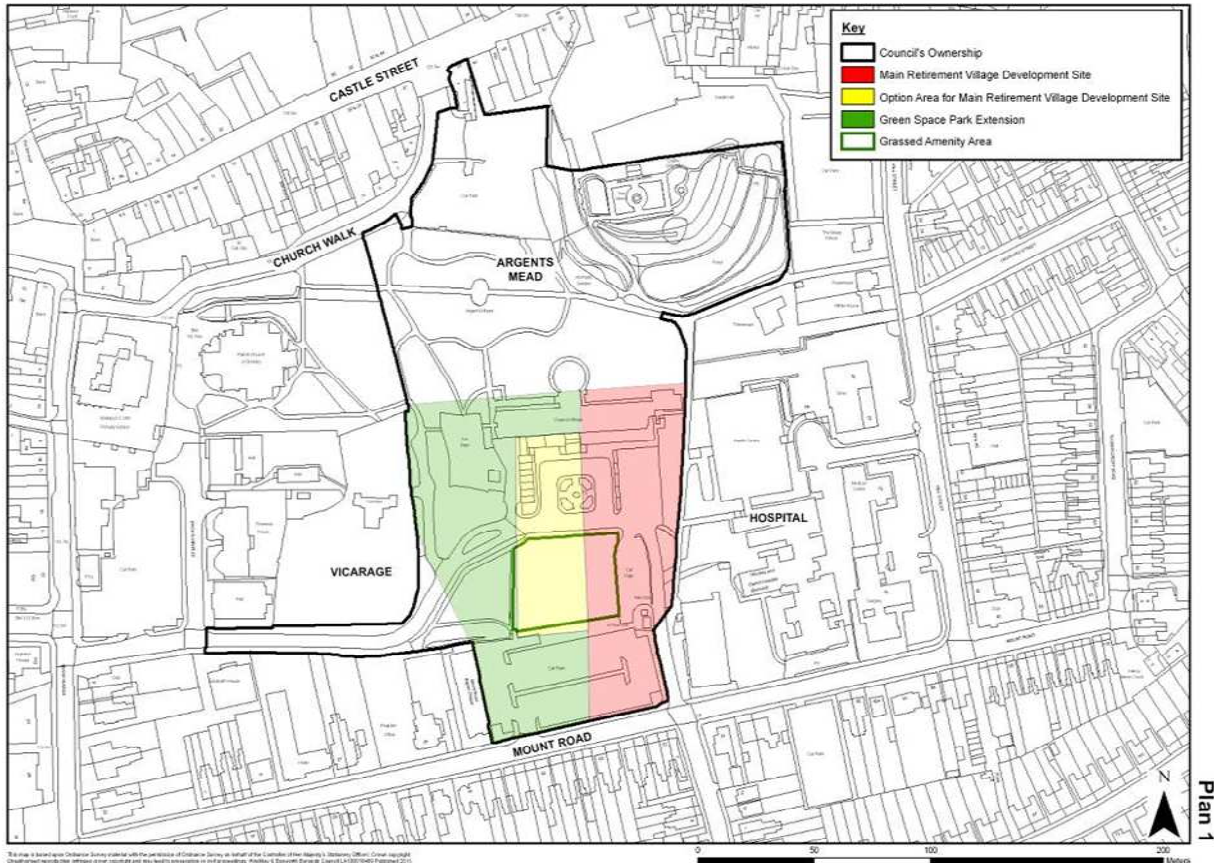
None as a direct consequence of this report.

Background papers:	'Invitation to participate in Competitive Dialogue' document. Dated 6 June 2012.
Contact Officer:	Simon Wood (Head of Planning). Tel: 01455 255692
Executive Member:	Councillor Stuart Bray

PROCUREMENT PROGRAMME TO DATE

Indicative Date	Stage
Nov. 2011	'OJEU' notice seeking initial expressions of interest.
31/1/12	Expressions of interest received by HBBC
06/06/12	Issue "Invitation to Participate in Competitive Dialogue" ("ITPD") to three shortlisted Candidates and opening of competitive dialogue.
w/c 18/06/12	Bidders Day at Council Offices
18/06/12 – 07/07/12	Opportunity for formal pre-application discussions with planning team and initial meetings with each Bidder to discuss draft outline solution approach and proposals.
w/c 23/07/12	Programmed presentation by bidders of draft outline solutions
w/c 30/07/12	Programmed further dialogue meetings with Bidders.
11/08/12 12 noon	Programmed return of Final ITPD Responses and evaluation.

Development Site Plan



Shaded Red: Main development site.

Shaded Yellow: Option area for main development site.

Edged Green: Grassed amenity area to be retained/re-sited within overall scheme.

Shaded Green: Park extension area.