

## **CABINET**

**Meeting Date: 1 DECEMBER 2022**

**Issue Title: NEXT STEPS IN THE CIVIC QUARTER REGENERATION**

**Report of: Chief Executive**

**Cabinet Portfolio: Finance & Corporate Services**

**Key Decision: No**

**Confidentiality: Non Exempt**

### **PURPOSE OF REPORT**

1. To update Cabinet with regards to the work being undertaken by the Civic Quarter Regeneration Work Group and seek Cabinet's approval to further funding to enable the next stages, a financial report to determine viability of the scheme.

### **RECOMMENDATION**

That 15K is allocated in the council 22/23 budget, to fund consultancy costs, to refresh the viability report and produce a detailed cost projection to determine viability of the Civic Quarter Regeneration scheme.

### **BACKGROUND**

2. In November, a report was made to Cabinet on the progress regarding the Civic Quarter Regeneration to date. it was agreed to fund the next stages of the Civic Quarter project which would support the community engagement work to engage with residents and understand their views on what they would like to see as part of a civic regeneration opportunity.
3. The community engagement ran for 6 weeks from 23<sup>rd</sup> May 2022 through to 4<sup>th</sup> July 2022 where the overall public response was positive, and the thoughts and ideas received can contribute to the design of the masterplan.
4. During the party's working group meeting in July 2022 (as noted in the minutes at Appendix 1) the owners of the library land, Hampshire County Council would be contacted to further understand their position on a partnership moving forward. HCC estates met with HDC on 16<sup>th</sup> August and were positive in their discussion. HCC estates confirmed they would continue negotiations with HDC and partner in the scheme assuming a cost neutral position.
5. HCC Libraries partnership and the continued positive negotiations with Fleet TC with regard the Harlington Lease lends the project to consider moving forward with next steps.

### **CONSIDERATIONS**

6. In September 2022, HDC began work to understand the cost implications for the next steps of the project which would take the regeneration project from vision through to planning. The work would span approximately 10-12 months and is likely to cost between £300k and 500k. This fee is comparable to other national schemes but funding opportunities to support this level of fees cannot be sourced until viability has been assessed.
7. A viability assessment was originally commissioned in November 2020. HDC enlisted the help of Montagu Evans, a team of multi disciplinary consultants to

help inform the commerciality of the Civic Quarter Regeneration. A draft report was provided in January 2021 but it was felt it was too premature to draw together a fully resolved business case due to the many unresolved variables.

8. With the current economic situation, paying particular regard to the rising costs and interest rates, and the requirement to move forward with caution and evidence based finance checks, it is recommended that we update the previous work before a decision is made on the direction of the Civic Quarter Regeneration project.
9. A summary of the report, expected to be delivered within 2 months of instruction will be provided to cabinet, which will provide a clear financial evidence based outcome which can then be used to determine the future direction of the Civic Quarter Regeneration site.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED (check Heading 2)**

10. Not undertaking this work would not meet with the Councils Corporate Plan objectives, nor Cabinet's earlier resolution to explore the opportunities with regards to a civic quarter regeneration.
11. The Council does not have the capability to complete this work as the report requires a team of multi-disciplinary property consultancy experts.

## **CORPORATE GOVERNANCE CONSIDERATIONS**

### **Relevance to the Corporate Plan and/or The Hart Vision 2040 (check Heading 3)**

This work will assist the council in achieving its agreed objective of exploring a civic quarter regeneration.

#### **Service Plan**

- Is the proposal identified in the Service Plan? No
- Is the proposal being funded from current budgets? No
- Have staffing resources already been identified and set aside for this proposal?  
No

### **Financial and Resource Implications (check Heading 3)**

12. It is estimated that the cost of the next stages in the civic quarter regeneration, updating the viability report, which was last undertaken in November 2020, will cost £15K. This includes a £5k fee to Gleeds who will undertake a cost projection of the build.

## **EQUALITIES**

13. No equality issues resulting from approval of this reports recommendation have been identified.

## **CLIMATE CHANGE IMPLICATIONS**

14. Although there are no climate change implications which arise from the scope of this report, any redevelopment of the Civic Quarter would require careful climate change consideration.

## **ACTION**

15. Subject to agreement by Cabinet, it will be recorded that an exemption has been applied for the continued use of Montagu Evans, and the Council will confirm their continued role on this project.

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**Background Papers: 22 07 25 Minutes Civic Campus Regeneration**