

## MID SUFFOLK DISTRICT COUNCIL

<b>COMMITTEE:</b> Cabinet	<b>REPORT NUMBER:</b> <b>MCa/18/12</b>
<b>FROM:</b> Cabinet Member for Assets and Investments	<b>DATE OF MEETING:</b> 9 JULY 2018
<b>OFFICER:</b> Jonathan Stephenson Strategic Director & Anne Bennett - Corporate Manager	<b>KEY DECISION REF NO.</b> CAB11

### MID SUFFOLK FORMER HQ REGENERATION PROJECT – APPROVAL OF RECOMMENDED OPTION

#### 1. PURPOSE OF REPORT

- 1.1 In September 2016 Full Council made the decision to relocate from the HQ buildings at High Street, Needham Market to Endeavour House as the current HQ was not fit for purpose to fulfil modern local government functions with Babergh District Council.
- 1.2 In April 2017 Executive Committee gave approval for the appointment of a design and planning team following a full and compliant procurement process. The appointment of the design and planning team was required to support the Assets and Investments Team with developing options for the future use of the existing headquarter building, and associated car park sites at Hurstlea Road Needham Market, and to develop a programme of work which would ensure the successful delivery of a developed design for the site, that would enable the determination of a detailed planning application for the site.
- 1.3 This report sets out the options that have been considered and explains the rationale for the recommended option.
- 1.4 The purpose of the report is to provide information on the proposed option for the sites development, to Cabinet, prior to a decision being taken to submit a full planning application for the proposed option set out within 2.1 of this report (option 1) and within Appendix A.

#### 2. OPTIONS CONSIDERED

- 2.1 Carter Jonas carried out an initial soft assessment of the site in February 2016 to indicate what uses might be targeted. These options were further explored by Ark consultancy and Carter Jonas has updated their Employment Viability Report and this can be found at appendix D:
- 2.2 **COMMERCIAL OFFICE SPACE:** There is no equivalent sized office space within a 7-mile radius of the site. The nearest equivalent would be in Ipswich or Colchester. For the building to continue with its current use it would probably be necessary to attract an existing business out from Ipswich or Stowmarket which would be challenging. A local Chartered Surveyors were asked if they had any clients on their books who might be interested in leasing the building. They confirmed they had no

one suitable and they confirmed that the likelihood of finding a client for the building or a significant part thereof would be extremely difficult and unlikely to be successful.

2.3 RETAIL: The High Street has number of independent small shops and cafes with two Co-Op food stores at either end of the High Street. Demand for more retail space is limited. A local Chartered Surveyors contacted all their potential retail clients operating in the supermarket and discount warehouse sector, but no one was interested in taking the site or part thereof. Subsequently Ark opened negotiations with a retail operator who expressed an interest in opening a store on the Hurstlea car park area.

2.4 RESIDENTIAL: Needham Market is situated well for its links to the A14 but is not seen as a primary location. However demand is good for town centre developments as shown by the success of the Taylor Wimpey scheme. Housebuilders and land agents expressed interest in the scheme as a residential scheme. A large construction operator specialising in care provision confirmed also confirmed that they would be able to find a client for a 70/80 bed care home on part of the site. Further soft market testing with agents confirm that there was no interest in a care home as initial designs were circulated to agents. Subsequently consultations with heritage concluded that a care home of this size would have a severe impact of the listed building.

Enquires were made with the local GP services in Needham Market, there was no interest in relocating to the site.

Consideration was also given as to whether the community buildings currently located on the Needham Market Middle School site could be located on the car park site. The library and SCC (leaseholder for the library) indicated that their preference was to remain in School Street as they preferred the more central location.

2.5 Three options were developed in November 2017:

- **Option 1** Residential and retail
- **Option 2** Residential, retail and care home
- **Option 3** Residential, retail, care home and community space

<b>3. RECOMMENDATIONS</b>
3.1 That the Cabinet considers comments made by Full Council (appendix H) on 19 <sup>th</sup> June 2018 and makes recommendations for any amendments to the preferred option (Option 2) and development scheme
3.2 That Cabinet approves Option 1 (section 2.1 of this report) and delegates responsibility to the Strategic Director, with responsibility for Assets and Investments, in consultation with the Cabinet Member for Assets and Investments, to submit a full planning application for the redevelopment of the former Council HQ site and Hurstlea Road Carparks in Needham Market
<b>REASON FOR DECISION</b>

This option provides for the comprehensive and sympathetic regeneration of the site, enhancing the significance and setting of the important listed building, and preserving the character and appearance of the Conservation Area, whilst retaining an element of employment.

#### **4. KEY INFORMATION**

- 4.1 At the Council meeting on 22 September 2016 Councillors considered and noted the key information relating to the development of the Needham Market site in C/70/16 (Appendix A).
- 4.2 At that stage early market testing and early appraisal of the possible options for the sites had been undertaken. In September 2016, following a development appraisal report by Carter Jonas, Members approved proposals for officers to investigate the future options for the use of the Head Quarters Site,
- 4.3 An OJEU advert was placed inviting expression of interest and 6 bidders were selected to interview. Both Council Leaders were part of the formal interview process with officers in April 2017.
- 4.4 In June 2017 Purcell Architects, Lawson Planning Partnership Hoggarth Cooke and Morley Riches & Ablewhite were appointed to support the Council with design, planning advice, feasibility and financial viability appraisals of the options for future use.
- 4.5 The commission was for both Babergh and Mid Suffolk's HQ sites and the aim of the commission was to establish a redevelopment option for each of the sites which realises the potential market values of the sites and is acceptable in planning policy terms; alongside the requirement to deliver outcomes which meet the Councils' Joint Strategic Priorities and also consider the socio-economic impact relating to the closure of the offices.
- 4.6 An important outcome for the commission was to achieve the delivery of a solution that will prevent the sites lying dormant for an extended period of time.
- 4.7 The project team have been developing proposals for the site. These proposals have been developed using the following mechanisms:
  - Site assessment and Pre-planning discussions
  - Market testing outcomes
  - Viability testing and appraisal
  - Sounding Board, Councillor, Town Council & public engagement comments
- 4.8 This reports the detailed design and planning work and takes into consideration all survey work, additional market engagement and the financial appraisal of various options.
- 4.9 Outline, schematic proposals for the conversion of the 1970s office accommodation were explored at the outset of the project. However due to the existing layout of the buildings, the limitations of the existing external fabric (single glazed windows etc.)

and the opportunity to improve the setting of the listed building it was agreed to propose the demolition of the 1970s accommodation wing.

- 4.10 The concept masterplan focuses on 2 elements; improving pedestrian access across the site, from the High Street to Crowley Park and creating a character and urban grain for the site that matches the surrounding context of Needham Market.
- 4.11 The options explored a variety of massing and masterplan arrangements on the site, including small footprint housing and large footprint apartments, retail units, community buildings and care homes. A key outcome of the pre-application consultation with the conservation officer was to avoid large footprint massing near the listed building.
- 4.12 There are two existing ponds on the site to the west of Hurstlea Road. It was agreed that the retention and restoration of the larger of the two ponds and the surrounding landscaping would be a significant public benefit, restoring an important amenity to the community.
- 4.13 The proximity of the car park site to Crowley Park and the retained pond lends itself to retail use and apartments, where and interdependency of shared, private/public amenity can be best utilised. It was therefore proposed to locate residential development in the form of housing on the High Street site and retail and apartments on the Car park site.

### **Next Steps**

- Following approval from Cabinet a full detailed planning application will be submitted for approval;
- Section 106 Heads of Terms of Agreement (if any);
- During the planning determination period (13 weeks) a detailed business case will be prepared and presented to Council for a decision to be made on the delivery approach to the site.

### **Project Benefits**

- The local economy will benefit from increased employment during the construction phase and increased foot fall for local shops and services in the long term.
- This scheme will provide outcomes which impact on the Councils Strategic Priorities by providing housing delivery of different tenures.
- The scheme will offer a better retail offer to the residents of Needham Market and increase the number of jobs (subject to contract)
- Comprehensive site reuse and redevelopment, including the retention and enhancement of the listed building significance and setting and preservation of the character and appearance of the Conservation Area

- Provision of public parking, this has increased from 10 to 20 spaces following public consultation.
- Net reduction of vehicular traffic in and out of Needham Market, when compared to the offices in full use.
- Improved pedestrian routes from the High Street to the Crowley Park
- Restoration of the public duck pond and enhancement of the surrounding public amenity.
- Community Infrastructure Levy (CIL)

## 5. LINKS TO JOINT STRATEGIC PLAN

- 5.1 The release of the former HQ sites for economic and housing purposes meets the following key strategic priorities:
- 5.2 Property investment to generate income and regenerate local areas
- 5.3 Making best use of land and buildings across the Suffolk system
- 5.4 Further develop the local economy and market towns to thrive

## 6. FINANCIAL IMPLICATIONS (Further Information is contained in part 2 of the report)

- 6.1 The costs of feasibility and design work being undertaken to support delivery of the Regeneration of the Head Quarters site are included within previously approved capital and revenue budgets.

Revenue/Capital/ Expenditure/Income Item	2017/18	2018/19	2019/20
Purcell Contract (includes others subcontracted as full project team)	£135,934	£86,670	N/A
Other Surveys/land investigation & Consultation commissioned directly by the Council	£54,018	£19,543	N/A
Full Planning Application & listed building consent	N/A	£29,483	N/A

- 6.2 A business case for the regeneration of the headquarters site, which sets out the full financial implications, including any capital funding requirements, will be presented to Council for approval, at a future date, prior to moving forward with the regeneration of the site.

## 7. LEGAL IMPLICATIONS

- 7.1 All procurement for the project was advertised nationally and via the Office of journal of the EU (OJEU) using a two-stage process.
- 7.2 Subject to Cabinet approval a planning application will be made pursuant to Regulation 3 of the Town and Country Planning General Regulations (as amended)
- 7.3 All rights of way and ownerships have been rigorously investigated by solicitors and they have confirmed that the development of this option can be achieved

**8. RISK MANAGEMENT**

- 8.1 This report is most closely linked with the Council’s Corporate / Significant Business Risk No. 4b Assets and Investments, Failure to Manage our corporate and housing assets effectively. Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If we didn’t explore fully the options for the former HQ site the Council may not achieve the best economic, social and financial outcomes from the site	Unlikely (2)	Medium (2)	Having the appropriate professional and technical experts to support the Council to ensure that the future options are fully appraised.
Other project risks:			
The project cannot be delivered within budget and within the agreed timescale and this could give rise to increased costs.	Unlikely (2)	Bad (3)	The project team have been working well together; all relevant surveys and site investigations have been carried out so that cost implications are known and it also serves to front load the planning application. Full consultation with stakeholders as the project has progressed have shaped the proposals.

The planning application is refused.	Unlikely (2)	Bad (3)	The application has been very thorough.
There is a market downturn which means that the viability position is altered for the project.	Unlikely (2)	Bad (3)	The Council could consider using properties for private rent whilst the market recovers.

## 9. CONSULTATIONS

- Sounding board November 2017: A project sounding board consisting of Ward Councillors, Councillors, Council Leader, and representatives of the Town Council was established in November 2017 to provide important confidential input from representatives of the Community. In November 2017, the site analysis, strategic and detailed briefs, concept designs and 3 site options were presented to the Sounding Board.
- Pre - application submissions were made to the Planning Authority and statutory consultees as follows – to the Planning Authority (incorporating Suffolk CC as Local Lead Flood Authority, Highways and Place Services Historic Buildings/ Ecology Officers and the Strategic Housing Officer) in November 2017, and to the Environmental Health Officer in January 2018.
- Cabinet briefing and all member sessions – January 2018.
- Town Council meeting 31<sup>st</sup> January 2018.
- SDRP – in March 2018, the consultant team engaged with the Suffolk Design Review Panel. Following a site visit, the site analysis, briefing and outline options were presented along with the developed, preferred option. The review panel provided useful feedback which has been reviewed and taken into account during the subsequent development of the proposals.
- Public consultation exhibitions of the proposals were held at the Needham Market Community Café on 4<sup>th</sup> and 11<sup>th</sup> of April 2018.
- Second sounding board – April 2018, the consultant team presented to the Sounding Board members, feeding back the responses from the SDRP and the public consultation.
- The proposal (Option 1) was presented at Full Council, for comment, on the 21<sup>st</sup> June 2018. These comments can be found at appendix H.
- The advice from all these bodies, the responses arising from the public consultation exhibitions, councillor briefings and Full Council (21<sup>st</sup> June 2018) have been considered in developing the scheme design for the preferred option, including the associated site redevelopment mitigation strategies.

## 10. EQUALITY ANALYSIS

Equality Impact Assessment (EIA) not required. There are no equality issues arising from the contents of this report and/or the recommendations.

## 11. ENVIRONMENTAL IMPLICATIONS

The environmental implications of the project/build specifications will be set out in the report on the delivery of these proposals.

## 12. APPENDICES

Title	Location
(a1) Process Summary	Attached
(a) Paper C/70/16 Site Options	Restricted (Part 2 of the Report)
(b) Public Consultation Exhibition Boards	Attached
(c) LPP Summary of consultation responses	Attached
(d) Carter Jonas employment viability report	Attached
(e) MRA Viability Information	Restricted (Part 2 of the Report)
(f) High Level Project Plan/ Timetable	Attached
(g) Drawings 200-203	Attached
(h) Comments from Full Council 19.06.2018	To follow