

**19<sup>th</sup> June 2018**

## **Policy Performance and Finance Committee**

### **Corporate Projects**

**Report of:** *Philip Ruck, Chief Executive*

**Wards Affected:** *All*

**This report is:** *Public*

#### **1. Executive Summary**

1.1 Members will be aware of the key corporate projects that have been reported regularly to this committee. An overview of each of these projects is contained within this report and a schedule of the key timelines with major events/actions is set out in Appendix A.

1.2 These key corporate projects previously included:

- Local Development Plan
- Town Centre Development
- Town Hall Remodelling

1.3 Further to this list the following two key corporate projects have been added and are included within this report:

- Commercial Activity
- Joint Venture Procurement

#### **2. Recommendation(s)**

2.1 That members agree the list of Corporate Projects as set out in 1.2 and 1.3 of this report

2.2 That members agree the timelines as set out in Appendix A of this report

2.3 That the Policy, Performance and Finance Committee are requested to consider the Corporate Projects as set out in Appendix A and report back to the appropriate committee

### **3. Introduction and Background**

- 3.1 The key corporate projects have previously been reported to the appropriate committee on their progress of the projects to date and upcoming actions.
- 3.2 The projects will have interdependencies with other council projects and strategies which could have an effect on the proposed timelines. In addition, proposed timelines may alter as a result of options and decision taken.

#### **Local Development Plan (LDP)**

- 3.3 Public consultation was held in early 2018 (29 January – 12 March 2018) following publication of the Brentwood Draft Local Plan Preferred Site Options document (Regulation 18, January 2018). The number of representations received in response to the consultation is broadly in line with previous consultations. Officers are currently finalising the processing of all representations, which once completed will then be published online in June 2018.
- 3.4 Work is continuing to progress a Regulation 19 (publication or pre-submission stage) version of the LDP ready for approval and public consultation in Autumn 2018. This includes consideration of all representations received and working with partners on strategic cross boundary issues identified through the Duty to Cooperate. Work to progress all accompanying evidence base is taking place to meet agreed timeframes.
- 3.5 The Council remains on track to deliver the LDP in line with adopted timescales, including Regulation 19 approval and submission by the end of the year. Examination in Public would then likely take place during 2019, before adoption would be possible later in the year (subject to the outcomes of the examination process).
- 3.6 Work to deliver Dunton Hills Garden Village progresses, which has been identified as central to the strategic aims of the LDP. Further Government funding was successfully bid for and received in late 2017, which has helped to fund necessary resources, such as people and technical support, during 2018 and beyond.

## **Town Centre Development**

- 3.7 Brentwood Town Centre is adapting to changing market demands. Council owned sites, such as William Hunter Way car park, provide an opportunity for redevelopment but it is vital that any development meets a range of local needs (retail/leisure, car parking, enhanced public realm, housing, for example). It is also important that new development across the Town Centre, including sites outside Council ownership, is planned cohesively and contributes positively to the area, and that proposals are deliverable and sustainable.
- 3.8 In 2016 the Council moved to understand more about redevelopment opportunities and progress these by beginning work on "Design Plan" for Brentwood Town Centre. Urban design specialists, Levitt Bernstein, were appointed along with a wider project team of experts in retail market viability, transport & movement, and heritage. This work took an overarching strategic view of the Town Centre and considered development options on specific sites - how they relate to each other and the area. The Brentwood Town Centre Design Plan was published in November 2017. The Design Plan is now informing two further projects as the Council progresses towards redevelopment, namely:
- a) Brentwood Town Centre Design Guide; and
  - b) Joint Venture Procurement (see below).
- 3.9 The Brentwood Town Centre Design Guide will provide specific planning policy guidance on the design of buildings and spaces. It will inform decisions on development proposals and form part of the Council's development plan. Preparing planning policy that can be given the necessary weight in decision-taking requires the Council to undertake public consultation in line with relevant legislation. A public consultation period will take place later this year, with consideration of the representations to include the Town Centre Member Working Group, set up as part of the Council's Audit & Scrutiny Committee. Once adopted, the Design Guide will be a valuable tool to assist the Planning Development Management Team in decision-taking on Town Centre proposals and help shape our strategic planning aims of enhancing Brentwood.
- 3.10 Alongside this, the Brentwood Town Centre Design Plan (2017) has informed bids in response to the Council's Joint Venture Procurement project. Questions provided to bidders through the procurement process include the need for bidders to respond to strategic Town Centre issues that the Design Plan begins to consider. As this process continues the Design Plan will be an important document to help the Council identify a development partner.

## **Town Hall Remodelling**

- 3.11 A report was taken to the 12<sup>th</sup> March 2018 Policy Performance and Resources Committee (Min 311) which gave an overview of the latest position. A further update report will again be taken to the PP & R Committee in September 2018.
- 3.12 The Town Hall Remodelling project however remains on track to be complete for residential occupation by the 1<sup>st</sup> April 2019 with full uptake available from the end of July 2019.
- 3.13 Detailed planning for the return to the Town Hall has now commenced based on the construction timeline. Initial 'return' meetings have been held with representatives from all the services and further details & engagement sessions for employees and members will be scheduled.
- 3.14 Work will also begin on promotion of the residential and commercial space available at the Town Hall along with information and communication to Brentwood residents.
- 3.15 Financially the construction phase remains on track however the budget for the enablement phase increased due to the identification of a quantity of asbestos between the second and third floor supports. The removal of which was under £200,000. There have also been other smaller increases to spending including:
- those to the Police area which included the provision of portacabins for their shower and toilet facilities,
  - improvements to Seven Arches Road to make habitable and safe which included extra electrical works, asbestos and DDA improvements.

This is being met from within the existing budget.

- 3.16 There is also the added expenditure of a sprinkler system to the development agreed at the 12<sup>th</sup> March 2018 Committee (Min 311) which will be an additional cost.
- 3.17 However, following a review and as reported to the 12<sup>th</sup> March 2018 committee (min 311) the back-office space to be utilised by the Council has been reduced. This has been achieved by improvements to the methods of working which have therefore freed up further space for the commercial aspect of the project.

- 3.18 The financial payback model and revenue model have been recalculated based on the revised commercial space and likely overall increase in budget. This recalculation increases the potential revenue to just over £824,000 per annum which in turn decreases the overall pay back to less than 39 years.

### **Commercial Activity**

- 3.19 Seven Arches Investment Limited (“SAIL”) was officially registered with Companies House on 12th April 2018.
- 3.20 This wholly owned company will seek to engage in a variety of commercial activities that will be asset based initially, and subject to appropriate business cases and financial sustainability, could be extended into other areas such as service provision. On the 12th March 2018, Policy, Projects and Resources (PPR) Committee approved a £10m loan facility for use by SAIL. This will be used to acquire investment properties, following due diligence, to generate a sustainable revenue stream.
- 3.21 The procurement of Property Investment Advisors during April resulted in two City firms being appointed: Montagu Evans LLP and Carter Jonas LLP. These firms advise SAIL when the best property investments become available, either “on market” or “off market”. Sample sites have already been supplied by both parties and show good promise.
- 3.22 As a result, a request will be going to the June PPR Committee to increase the loan facility from £10m to £30m to enable a wider portfolio of property to be established more quickly and efficiently.
- 3.23 Work is underway to recruit professional firms to provide Building Surveying services and Valuation services in order to further ensure that due diligence is undertaken prior to any purchase of investment properties. Conveyancers are also being recruited in order to expedite the legal work involved.
- 3.24 Company Administration set up is underway (e.g. bank account, VAT Registration etc).
- 3.25 Investment decisions will follow the Company’s business plan.

### **Joint Venture Procurement**

- 3.26 Following the publication of an OJEU Notice and a dedicated website on 23<sup>rd</sup> March 2018 there were 15 organisations who submitted bids by the deadline of 4<sup>th</sup> May.

- 3.27 The 15 bids have been evaluated based on who best met the Selection Questionnaire (SQ) criteria and the successful 5 will now be put forward for Competitive Dialogue stage 1.
- 3.28 First competitive dialogue commences Monday 11<sup>th</sup> June, followed by further sessions, with bidders being reduced to the preferred 3 by 21<sup>st</sup> November 2018.
- 3.29 Further dialogue sessions will then take place up to the end of October 2018.
- 3.30 One preferred bidder will be selected in January 2019.
- 3.31 Contract award will be during March 2019 and Joint Venture go-live will be in April 2019.

#### **4. Issue, Options and Analysis of Options**

- 4.1 That members agree the list of Corporate Projects as set out in 1.2 and 1.3 of this report.
- 4.2 That members agree the timelines as set out in Appendix A of this report.
- 4.3 That the Policy, Performance and Finance Committee are requested to consider the Corporate Projects as set out in Appendix A and report back to the appropriate committee.

#### **5. Reasons for Recommendation**

- 5.1 To ensure that the Corporate Plan 2016 – 2019 is supported by projects that deliver the necessary change.

#### **6. Consultation**

- 6.1 None

#### **7. References to Corporate Plan**

- 7.1 A modern Council transforming its services to improve efficiencies and economies through new ways of working.

## **8. Implications**

### **Financial Implications**

**Name & Title:** Jacqueline Van Mellaerts, Interim Chief Finance Officer

**Tel & Email:**

- 8.1 Financial Implications have been highlighted within the body of the report. Each Corporate Project is monitored within the Council's Budget & Medium Term Financial Plan 2018/19-2020/21 and key variances reported in line with the Council's financial regulations.

### **Legal Implications**

**Name & Title:** Daniel Toohey, Monitoring Officer & Head of Legal Services

**Tel & Email:** 01277 312860/daniel.toohey@brentwood.gov.uk

- 8.2 The Council when delivering these projects is required to comply with the EU procurement regulations and related legislation, as well as regulations on State Aid. Legal Services acting in conjunction with specialist legal and technical advisers are advising and assisting on these projects to ensure ongoing compliance.

## **9. Background Papers** (include their location and identify whether any are exempt or protected by copyright)

- 9.1 None.

## **10. Appendices to this report**

- 10.1 Appendix A - Schedule of key timelines with major events/actions

### **Report Author Contact Details:**

**Name:** Greg Campbell, Director of Operations

**Telephone:** 01277 312738

**E-mail:** greg.campbell@brentwood.gov.uk