

CORPORATE SCRUTINY COMMITTEE

THURSDAY, 30 JANUARY 2020

REPORT OF THE CHIEF EXECUTIVE

GUNGATE UPDATE

EXEMPT INFORMATION

Not applicable

PURPOSE

To update Corporate Scrutiny on progress on the Gungate Masterplan programme.

RECOMMENDATIONS

1. That members note and approve the contents of this report.

EXECUTIVE SUMMARY

Background

The most recent Cabinet Report (13th June 2019) provided Members with an update on work done to date on the Gungate site and sought approval to move on to the next phase of work. The Report included options from the emerging Gungate Masterplan with related Schedules of Accommodation for consideration by Members. At the time of the Report, the Master-planning process was at Stage 2a – Preliminary Options, Masterplan & Viability – and endorsement was sought for the evolving direction of the Gungate Masterplan.

The approved Report recommendations were to:

1. Endorse the work undertaken to date and approve the progression of the next phase of work based on option B
2. Authorise officers to commence discussions and prepare and submit applications to funding providers to bring in external funding to support the delivery and maximise the regeneration opportunity.
3. Delegate authority to the Chief Executive and Section 151 Officer to enter into funding agreements that enable the scheme to proceed, in consultation with the Leader of the Council and the Portfolio Holder for Heritage and Growth.
4. That a further report is taken to Council seeking additional funding to acquire further sites that are beneficial to the overall regeneration opportunity and endorse officers to commence negotiations with land owners and leaseholders.

The Report to Cabinet was restricted by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. (Paragraph 3 refers to information relating to the financial or business affairs of any particular person including the authority holding that information) due to the commercially sensitive nature of the land assembly proposals.

Gungate Master-planning Process

The Gungate Master-planning project commenced at the beginning of 2019 following a grant of £90,000 from the GBSLEP and a grant of £28,000 from the LGA. Regeneration Consultants and a specialist Housing Consultancy were appointed and the project continued throughout 2019 until completion in December 2019. An internal project team managed the process with representatives from the TBC Executive Leadership Team, the Economic Development & Regeneration Service and Housing Department with administration provided by the Business Support Unit. Partnership meetings were held with Staffordshire County Council (SCC), South Staffordshire College (SSC) and relevant landowners.

Documents produced as part of the process were:

1. Gungate Baseline Report
2. Concept design and emerging proposals
3. Options Appraisal
4. Viability & Delivery Report

The basis of the Master-planning process was to create a flexible masterplan that could respond to local consultation responses and which was commercially robust. The flexible masterplan sought to establish the principle of acceptable uses and identify the compatibility of neighbouring uses along with the practicality of vehicle and public circulation. Following the Options Appraisal reported to Cabinet in June 2019 the process followed the logical progression summarised below:

Viability Analysis

- Preferred Option
- Proposed phasing
- Basis of modelling
- Benchmark Land Value Analysis
- Assumptions

Viability Outputs

- Funding Gap
- Sensitivity testing

Residential Delivery Strategy

- Viability issues
- Market testing
- Key Stakeholders
- Delivery mechanisms / models

Commercial Delivery Strategy

- Viability issues
- Market testing
- Public Sector Funding
- Key Stakeholders
- Delivery mechanisms / models

The report further identified the following **Next Steps**

- Land Assembly
- Funding
- Route to Market (incl. Development Partners / legal implications)

Although the masterplan identifies uses in various locations across the site, it is worth noting that flexibility is proposed as part of the plan. This means that were a developer to propose one of the uses included in the plan, but in a different location at the site, it would still be considered to be in accordance with the masterplan. Fundamentally, the plan sets out a range of suitable uses, but acknowledges that the market may deliver these in a different way. It is important that the plan should not do anything to prevent development where what is proposed is in line with the broad principles and intentions of the masterplan.

Funding

Further to the announcement by GBSLEP of another funding round of the SEP Enabling Fund, two funding applications have been submitted for funding to develop the Gungate Multi-storey Car Park project and the Gungate Leisure Centre project. The enabling works proposed in the bids deal with the specific issues that require resolution for both projects before they can move onto the implementation stage. If these funding bids are successful further work will start on these two projects at the beginning of the next financial year (7th April 2020). The enabling works include gap funding bids for capital works.

Gungate Land Assembly Process

The land assembly process is running in parallel to the master-planning process. Due to the commercially sensitive nature of the land assembly process it is not possible to give exact details however the current position is as follows:

- Negotiations are underway with a landowner and proceeding to agreeing heads of terms.
- Negotiations with a landowner have not proved fruitful to date and other routes are being developed, including the consideration of legislation associated with a compulsory purchase order.
- Negotiations with the County Council on their land ownership are progressing with an opportunity for a mutually beneficial deal that may result in a unified public sector hub as a direct output of the agreement.

Gungate Masterplan Consultation Strategy

The results of the master-planning process will be reported through Cabinet in order to arrive at a preferred masterplan for the Gungate site that has been formally endorsed. Scrutiny will be kept up to date on progress and asked for their comments as part of this process. It is anticipated this will be completed by the end of March 2020.

Once approved, the preferred option will be subject to public consultation. This will take the form of an exhibition, specific meetings where appropriate, discussions with stakeholders and a survey which people will be invited to complete online, with hard copies available. This consultation process will be similar to the Tamworth...What's Next? campaign that invited opinions on the future of Tamworth Town Centre and will form a logical progression from the results of the What's Next campaign. The consultation will be promoted via articles in the press and online media and through the TBC social media channels. Due to Cabinet timescales and purdah commencing on 30th March until 7th May, it is unlikely that Consultation will take place until after local elections and will run for 6 weeks.

RESOURCE IMPLICATIONS

There is an existing capital budget available to bring forward land assembly.

Discussions with potential funders are taking place to identify possible sources of finance.

Officers from the Economic Development and Regeneration Service will be leading activity with support from relevant senior Officers from CMT, utilising relevant skills and specialisms from other service areas where required and appropriate.

LEGAL/RISK IMPLICATIONS BACKGROUND

Land assembly and the delivery of the programme going forward will require appropriate, specialist legal advice to ensure all activity is delivered in the most efficient, effective and risk mitigated approach possible.

EQUALITIES IMPLICATIONS

None.

SUSTAINABILITY IMPLICATIONS

None.

REPORT AUTHOR

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LIST OF BACKGROUND PAPERS

Cabinet Report – 13th June 2019

APPENDICES

None