

# Briefing report to Economic Development and Enterprise Scrutiny Committee

2 July 2014

## Ryecroft regeneration and redevelopment

### Background

Members will recall that the Council, at its meeting in November 2013, resolved as follows:

- 1. That officers be authorised in liaison with its Joint Venture partner, Staffordshire County Council to commission the demolition of the former Sainsbury's store on the basis set out in the report, including the seeking of necessary consents.*
- 2. Subject to in-principle approval being given to relocate from the Civic offices, officers be authorised to proceed with the formal marketing of the Ryecroft redevelopment opportunity, with the aim of securing a preferred developer/investor.*
- 3. That approval is given, in principle, for officers to work with key partners in the preparation of a full business case for the relocation of the Civic Offices based upon the broad principles set out in the report in order to facilitate the comprehensive retail-led redevelopment of the Ryecroft area and to contribute towards broader regeneration objectives for the town centre.*
- 3b. That the Civic Offices will not be relocated unless and until there is a clear business case for a new location and there is a firm contract in place to redevelop the whole of the Ryecroft Site.*
- 4. That officers be authorised in liaison with its Joint Venture partner, Staffordshire County Council to commission the demolition of the former Sainsbury's store on the basis set out in the report, including the seeking of necessary consents.*
- 5. That provision of up to £75,000 revenue funding be made available from the Revenue Investment Fund and up to £50,000 of funding be allocated from the Capital Programme to support the actions set out in the report.*
- 6. That officers report back to Members the outcomes of items 1 and 2 at the earliest available opportunity in order that the next key decision can be made.*

*NB. There are two errors in the minutes; resolution 6 should refer to items 2 and 3 rather than items 1 and 2; and resolution 4 is a repetition of recommendation 1.*

## Position update

1. With regard to the demolition works these will have been substantially completed by the time of this meeting well within the timescale and budget parameters that were agreed.

2. In respect of the Ryecroft redevelopment site it is confirmed that a national advertising campaign to secure a developer brought forward a range of interested parties, including more than 20 development companies.

The two councils shortlisted three prospective development companies as potential preferred partners to take the retail-led regeneration project forward.

The shortlisted companies are Henry Davidson Developments (part of the Development Securities Group), St Modwen and a consortium led by Zerum Consult.

The most recent stage of the selection process involved the said companies making presentations to a joint steering group from the two councils on 11 June 2014, including the Portfolio Holder's attendance as an observer. At the time of writing further points of clarification were being sought in order that the bids could be objectively assessed.

It is anticipated that the two Councils will be in a position to decide upon the outcome of the process by about September 2014.

On the assumption that a preferred development partner is identified, the next stage of the process will involve the completion of a Development Agreement; it is expected that this would be completed towards the end of the current financial year.

3. With regard to the Civic Offices re-provision it can be confirmed that all of the 3 shortlisted developers for the Ryecroft scheme have incorporated the site of the current Civic Offices in their plans. So in parallel with the above-mentioned developer selection process a considerable amount of work has been undertaken over the past few months to finalise the business case for re-providing office accommodation for the Council and its tenants/partners.

The previous Council resolution reflected the fact that the two councils have agreed in principle to relocate their office requirements to a new 'civic hub' at the nearby site of the former St Giles's and St George's primary school leaving the Ryecroft regeneration site with largely vacant possession. In the case of this Council this decision was contingent upon there being a business case and a contractual commitment from a developer for the Ryecroft site.

So at the time of writing it is confirmed that the work on the business case is nearing completion with a view to it being available to report to Members at the same time as the outcome of the developer selection process referred to above.

### Next steps

At this stage it is considered premature for this Committee to undertake any formal scrutinisation of the overall project. However it is intended that this Scrutiny Committee, possibly in a joint meeting with Finances, Resources and Partnerships Scrutiny Committee, will have the opportunity to review the output of the above processes prior to any final decisions being made. This may necessitate a special meeting being scheduled in view of the importance of the project.

### Recommendation

That members note the information and agree to receive a further report at the earliest opportunity.