

# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Public Service Village Phase II: Update and Next Phase</b>	
<b>Report No:</b>	<b>CAB/SE/15/023</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	24 March 2015
	<b>Special Council</b>	25 March 2015
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<b>Lead officer:</b>	Steven Wood Head of Planning and Regulatory Services <b>Tel:</b> 01284 757306 <b>Email:</b> steven.wood@westsuffolk.gov.uk	
<b>Purpose of report:</b>	<p>The Public Service Village concept was approved and adopted by the Council in 2006. In agreeing to progressing Phase II, the Council at it's meeting on 16 December 2014, agreed a budget of £100,000 to appoint consultants to review the adopted Masterplan, appoint Project Management resources, and Legal and Property advisors to help formulate the project and ensure that the Council obtains Best Consideration.</p> <p>Good progress is being made with signing up with potential partners to occupying the Olding Road site. The activities approved at the December meeting are also at an advanced stage to provide confidence to take the project to the next stage sooner than expected. To deliver the next stage more permanent arrangements need to be put in place requiring the Council to commit a further £200,000 towards underwriting the continued appointment of legal, property, architectural, project management and other expertise to help progress this initiative to immediately accommodate a partner organisation on site and develop plans to advance proposals with other parties for other parts of the site. These initial costs will be recovered from partner organisations once formal commitments have been made.</p>	

	<p>To this end, the Head of Planning and Growth, in conjunction with the Leader of the Council, need to seek delegated authority to open negotiations with the owner of the NHS distribution unit and potential partners to agree Heads of Terms to be contained within the different partnership and development agreements that are about to be negotiated.</p>
<p><b>Recommendations:</b></p>	<p><b>It is <u>RECOMMENDED</u> that, subject to the approval of full Council:</b></p> <ul style="list-style-type: none"> <li><b>(1) the progress of the Public Service Village Phase II (PSVII) Bury St Edmunds project, be noted;</b></li> <li><b>(2) £200,000 be allocated from earmarked reserves (Delivering our Strategic Priorities and Medium Term Financial Strategy Reserve) to underwrite the appointment of project management, legal, property and other specialists including architectural expertise, as detailed in Section 1.3 of Report No: CAB/SE/15/023;</b></li> <li><b>(3) the Head of Planning and Growth, in consultation with the Leader of the Council, be given delegated authority to negotiate Heads of Terms for a joint venture with the owners of the NHS distribution unit, and partnership agreements with potential occupiers of PSVII, as detailed in Section 1.1.7 of Report No: CAB/SE/15/023; and</b></li> <li><b>(4) the Cabinet is requested to <u>NOTE</u> the exemption to the Contract Procedure Rules, as detailed in Sections 1.2.3 to 1.2.5 of Report No: CAB/SE/15/023.</b></li> </ul>
<p><b>Key Decision:</b></p> <p><i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> <p>(as full Council approval required)</p>
<p><b>Consultation:</b></p>	<p>Extensive consultation will be undertaken as part of the review of the Masterplan for this site. In addition, stakeholders will be incorporated into the project management governance structure.</p>

<b>Alternative option(s):</b>		The Masterplan process in June 2006 will have sequentially looked at a variety of uses and alternative sites but found this site as the best place for the development of the Public Service Village.	
<b>Implications:</b>			
Are there any <b>financial</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> The initial financial commitment was £100,000 to commission Masterplanning, project management legal and property experts to properly assess the potential commitment going forward. The additional £200,000 requested in this report acknowledges the speed that this project is progressing but acknowledges that these initial expenses will be recovered as the project is progressed once partners on board.	
Are there any <b>staffing</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • See above.	
Are there any <b>legal and/or policy</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Town and Country Planning Act for all the planning considerations. Localism Act 2011 to ensure the Council gets "best consideration"	
Are there any <b>equality</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Diversity and Equality issues will be tested at each stage of the project and an Equality Impact Assessment will be part of the initial stages of revising the Masterplan.	
Is there any <b>other impact</b> ? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> This project is linked to the plan for the relocation of the depot and therefore relies on the success of that project.  The commitment of stakeholders to the project will be critical and the close association of this project with Bury St Edmunds Leisure Centre and the West Suffolk College.	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)

Not continuing with the appointed legal and property expertise or dedicated project Manager	High	Continue with the appropriate professional appointments to protect the council's interests. Appoint a dedicated Project Manager.	Medium
Achieving best consideration.	High	Make appropriate professional appointments to protect the council's interests. Adopt strict project management principles to manage the project. At the appropriate stage appoint a project board.	Medium
Achieving project delivery with a start date of end of 2016	High	Gateway project management, appropriate level of resources at each stage of the project. Good project management and corporate commitment.	Medium
<b>Ward(s) affected:</b>	All Wards		
<b>Background papers:</b>	<a href="#">Cabinet Report No: CAB/SE/14/010</a>		
<b>Documents attached:</b>	None		

## **1. Key issues and reasons for recommendation(s)**

### **1.1 Key issues**

- 1.1.1 On 16 December 2014, the Council was reminded about the concept of a Public Service Village on the Olding Road site and how that was contained in a Masterplan approved in June 2006. West Suffolk House (WSH) being the first phase had successfully achieved its objectives in accommodating staff from St Edmundsbury Borough Council (and now both West Suffolk councils) and Suffolk County Council together with other public sector organisations.
- 1.1.2 Council made a further commitment to this project and agreed an initial budget of £100,000 to put in place resources to bring together a team of experts to review the Masterplan for the site and progress matters with the new owner of the DHL (NHS Logistics) building which had been excluded from the previous plans (Referral from Cabinet to Council Report No: COU/SE/14/001 (B) (6) refers).
- 1.1.3 The Council had been able to resurrect its plans for this project because of the improving economic environment and changes in ownership of the DHL (NHS Logistics) building. In addition and importantly the plans for the relocation of the depot also contributed to the Council being able to bring this project forward.
- 1.1.4 The project therefore has two key components:
- (a) the review of the Masterplan to include the DHL Building and any changes in the economic environment since the adoption in 2006 and importantly provide planning certainty; and
  - (b) develop a phased approach to deliver the aspirations contained in the revised Masterplan by entering into partnerships with key stakeholders and the new landowners of the DHL building.
- 1.1.5 The first part of the project has been scoped and the scheme is progressing more quickly than expected with a number of public sector organisations expressing real interest and one wanting to commit as soon as possible. The Council initially approved £100,000 to fund the appointments of a dedicated project manager, legal and property consultants in addition to experts to revise the Masterplan.
- 1.1.6 To maintain the pace and deliver the next stage, more permanent arrangements need to be put in place requiring the Council to commit to underwrite a further £200,000 towards the continued appointment of legal, property, project management and other expertise. This will help progress this initiative immediately to accommodate a partner organisation on site and develop plans to advance proposals with other parties for other parts of the site. This next stage will also include architectural advice. These initial costs will be recovered from partner organisations once formal commitments have been made.

1.1.7 The Public Service Village Phase II proposal has generated a great deal of interest with various public sector partners. It is therefore important that the momentum of this project is maintained and therefore the Head of Planning and Growth would like to be granted delegated authority to continue these discussions to a point where they can be formulated into Heads of Terms and incorporated in a joint venture or partnership and developer agreement. It is proposed that this delegation would be used in consultation with the Leader of the Council.

## 1.2 **Masterplan**

1.2.1 The review of the current Masterplan is now underway which has included the commissioning a topographic survey and transport study.

1.2.2 If the Council is to achieve the start on site deadline estimated to be the later part of 2016, the present Masterplan is required to be revised. This revision work requires to be started immediately and to this end Pick Everard have been identified to carry out this work. Pick Everard were the consultant team used to deliver the Masterplan in 2006 and were the architects involved in the WSH construction.

1.2.3 The Cabinet is therefore asked to note that section 4.3 of the Contract Procedure Rules states: *'Between £50,001 and the EU Threshold any exemption must be approved by the Officer and Head of Service in consultation with the Head of Resources and Performance. The Officer must produce evidence to support the request for any exemption. The Head of Service shall prepare a report for the next Cabinet to support the action taken. The exemption, being a Contracting Decision, the reason for it (together with support evidence) shall be forwarded to the Head of Resources and Performance'*.

1.2.4 This exemption was exercised on 19 February 2015 for a contract to Pick Everard, valued at £60,000, for the urgent review of the Public Service Village Masterplan, including transport survey work for the Public Service Village Phase II project which is to complete the development of the Council owned site bounded by Western Way and Beeton's Way, Bury St Edmunds.

1.2.5 The exemption was made because:

- (a) there was a time constraint put on the project timetable which meant that action needed to be taken to ensure the Council was able to complete the review of the Masterplan before the end of 2015; and
- (b) the Council needs to take advantage of an improving economy and interest from potential partners for inclusion into the project against very challenging timescales.

## 1.3 **Resources**

1.3.1 Phase II of the Public Service Village project will be a major investment opportunity, one of the largest developments in the Borough and a catalyst for other neighbouring sites. It is important that in recognising this, appropriate resources are committed at this early stage. The specialist expertise needed at

this next stage is not available within the present establishment, as it wasn't with Phase 1 of the project.

- 1.3.2 Good progress has been made and initial interest from public sector partners is very strong. This has happened sooner than anticipated. To ensure, therefore, that the Council can continue to take advantage of these negotiations and start to put together proposals for the accommodation for potential partners, the appropriate specialists need to be commissioned beyond the next stage of this project.
- 1.3.3 The interest by potential partners and the speed in which potential partners wish their enquiries to be progressed has been really very encouraging. Following the initial commission, which focused on the development partner and the review of the Masterplan, further appointments need to be made, with an extra £200,000 allocated from earmarked reserves (Delivering our Strategic Priorities and Medium Term Financial Strategy Reserve) to appoint the project manager for this second stage. Once partners are committed these costs will be recovered.
- 1.3.4 Once the partnerships as described have been formulated, the project governance and budget will be progressed and brought to Cabinet accordingly.