

# Gloucester City Council

<b>Meeting:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>15 July 2015</b>
<b>Subject:</b>	<b>Regeneration of Greater Blackfriars</b>		
<b>Report Of:</b>	<b>Cabinet Member for Regeneration and Economy</b>		
<b>Wards Affected:</b>	<b>Westgate</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
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<b>Appendices:</b>	<b>1. Concept Masterplan 2. Governance Structure 3. Project Board Terms of Reference</b>		

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 The objective of this report is to update Cabinet on progress to deliver the successful regeneration of the Greater Blackfriars area of Gloucester City Centre.

### 2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that it be noted that:

- (1) Good progress is being made in the delivery of the regeneration of the Blackfriars area;
- (2) Governance arrangements, led by the Project Board, are in place.

### 3.0 Background and Key Issues

- 3.1 Members will be aware that Gloucestershire County and Gloucester City Councils have signed a Memorandum of Understanding for the Blackfriars area. This provides an understanding for the two local Authorities to work together to regenerate the Councils' combined assets at this location. This includes Quayside House (County Council) and the Barbican Car Park (City Council).
- 3.2 To progress the regeneration of this important site, a joint bid was submitted for Strategic Economic Plan (SEP) funding through the Local Enterprise Partnership (LEP), GFirst. The bid was based on the "de risking" of the Blackfriars area and the cladding of Shire Hall in photovoltaic cells. The bid was successful in securing £4.13M of grant funding. These resources are to be spent over a three year period starting in 2015/16.

- 3.3 A concept plan was produced and launched in March 2015, please see Appendix 1. This plan was designed to show the potential of the site and the contribution that it could make to the city. The concept plan is, by its nature, not the final intended use of the site and will be developed further in the light of consultation with Members and the wider public and in response to market conditions.
- 3.4 The site does pose a challenge to regeneration, primarily due to the “unseen” risks which are largely underground. Most importantly this includes archaeology. The objective of the £4.13M was to contribute towards the remediation of the site, allowing it to be developed in harmony with the archaeology.
- 3.5 Appendix 2 details the various work streams that have been developed to progress the project and work towards a successful conclusion. This includes site clearance, planning and highways. This demonstrates the complexity of the project. It is due to the complexity that a detailed governance structure has been set up that relates to stakeholder engagement to ensure coordination and communication. To oversee this process a joint Project Board between the two Authorities has been set up. The terms of reference for this Board are contained in Appendix 3.
- 3.6 In summary the Project Board is responsible for considering, reviewing and giving guidance on matters which the Board considers to be of concern, or potential concern, having regard to the interest and wellbeing of the project as a whole. Membership of the Board is made up of Members and Senior Officers. Representing the City Council are Councillor Paul James, Councillor David Norman and the Head of Regeneration and Economic Development. The first meeting was held on the 17<sup>th</sup> June 2015.
- 3.7 A strategic delivery programme for the site is also being developed. This considers a number of interdependencies including the occupation of Quayside House by County staff and the need for these to be relocated. The programme will show that technical work is now underway to develop the concept plan further into a technically sound masterplan. Works will start on the recladding of Shire Hall, a component of the larger scheme, towards the end of 2015.
- 3.8 An overarching aim of the project is to reduce risk. The complexity of the site and its associated heritage makes planning a risk to any potential developer. Detailed discussions are underway with planners and conservation officers to understand all potential issues and to what level these should be addressed by the projects enabling works.
- 3.9 What must not be overlooked by this scheme is the former prison site. This is integral to the regeneration of the wider area. After their initial consultation phase, Officers are having ongoing discussions with City & Country, the sites new owners. A planning application is expected later this year and the Council is keen to ensure the scheme is interwoven with the wider proposals.
- 3.10 In summary, the project has to date been looking at the detail around delivery, programmes, risk registers, accommodation requirements and governance. It has very much been in an information gathering mode. It will not be until the end of 2015 that works start to Shire Hall and more detailed information is available that is based on technical knowledge.

#### **4.0 Alternative Options Considered**

- 4.1 The alternative option considered was to market the site in its current state – this would limit the Councils' exposure to risk and cost if the sites were disposed of without any intervention. Whilst disposal may be possible, it would be highly conditional on risk related issues being addressed; this includes ground conditions and securing a deliverable planning permission. These negotiations could take time and ultimately fail to come to fruition. As a consequence the current project is being pursued as the most effective and speediest way of bringing the site back into use.

#### **5.0 Reasons for Recommendations**

- 5.1 To ensure Cabinet are informed of progress being made on the delivery of the regeneration of this site, together with its relevant governance structures.

#### **6.0 Future Work and Conclusions**

- 6.1 Following approval of this report, a considerable amount of further specific work will be required in order to progress the project. This will include further negotiations and technical investigation and modelling work to identify and address risk based issues. .

#### **7.0 Financial Implications**

- 7.1 The cost of the delivery of the capital components of the scheme will be met by the grant from the SEP. The City Council's other obligations will be through staff resources. There is a financial risk attached to the scheme which is considered below.

(Financial Services have been consulted in the preparation of this report)

#### **8.0 Legal Implications**

- 8.1 There are no direct legal implications but the proposed governance arrangements should enable legal matters, such as procurement, to be addressed in a timely manner.

(One Legal have been consulted in the preparation of this report)

#### **9.0 Risk & Opportunity Management Implications**

- 9.1 There are two primary risks associated with this project:

- 9.1.1 Financial – whilst the SEP grant is significant, many of the costs attached to the project are not known at the current moment in time. This creates the scenario of potential cost overruns. These costs would have to be met by the partner authorities. This risk will be managed through the Project Board. Works will be broken down into sequenced packages which will only be commissioned with appropriate contingency sums and budget availability.

Failure to meet the SEP requirements could also result in the requirement to repay the grant. This will be addressed through careful alignment to the SEP conditions and ongoing dialogue with the LEP, GFirst.

- 9.1.2 Reputation- should the scheme be unsuccessful and the outputs not delivered, both Councils would suffer a loss of reputation for delivery. Relationship management will be key in the delivery of the project ensuring the Councils' reputations are enhanced through successful delivery. The role of the Project Board will be pivotal in managing reputational issues.

## **10.0 People Impact Assessment (PIA)**

- 10.1 There is no direct impact on equalities against any particular group.

## **11.0 Other Corporate Implications**

### 11.1 Community Safety

No impact

### 11.2 Sustainability

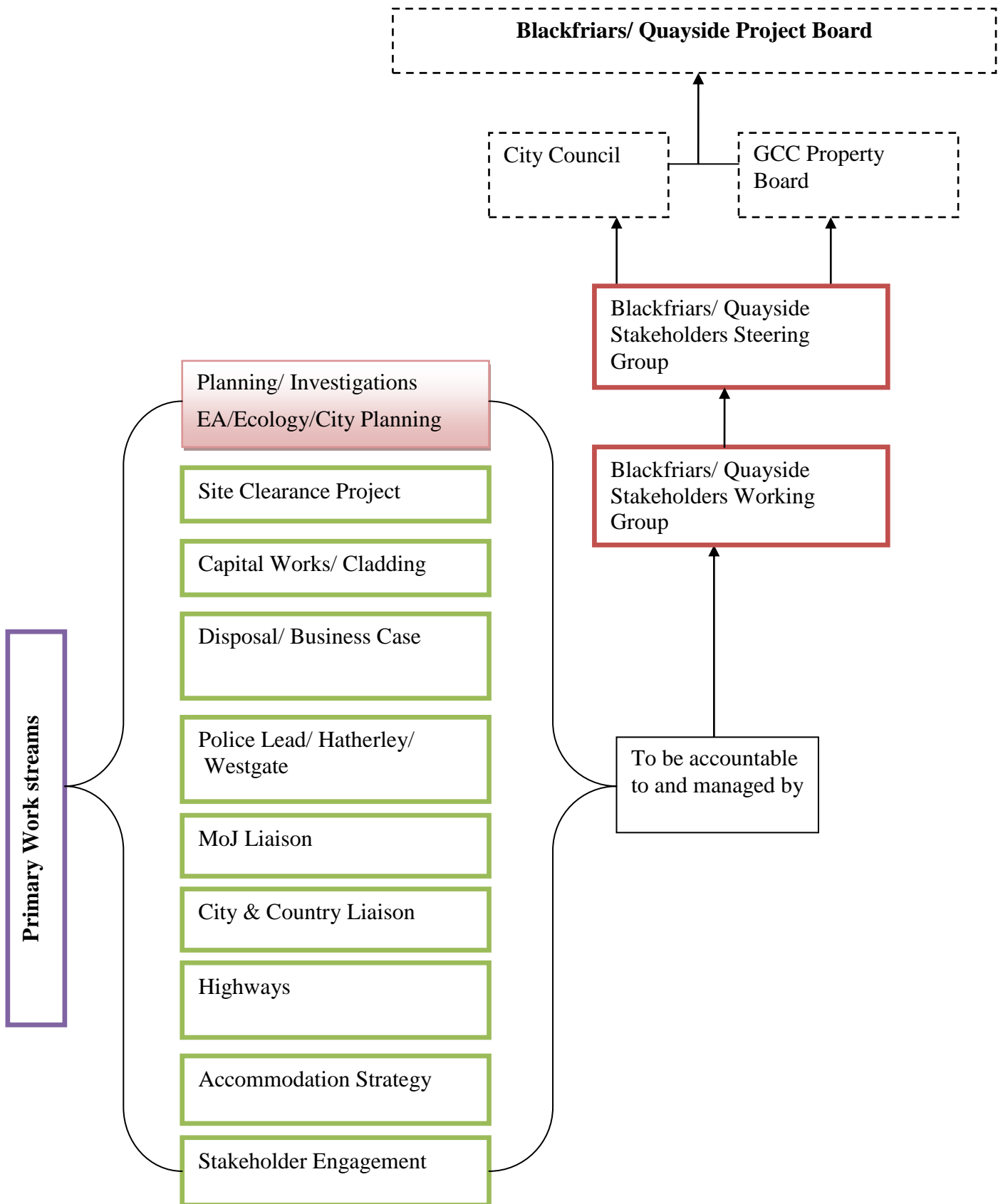
This project relates to the development of obsolete buildings and previously developed land in a city centre location. As a consequence it will make a positive contribution towards sustainability issues.

### 11.3 Staffing & Trade Union

No impact

**Background Documents:** None





## Terms of Reference of the Project Board

### 1. Introduction

The Quayside and Blackfriars project requires an agreed governance structure to oversee and manage a complex and challenging interlocking series of projects to achieve the ultimate aim of regeneration of this part of the City. It is proposed that the Project Board will oversee the day to day working of a Stakeholders Steering Group, the group which will filter and feed in recommendations from a Stakeholders Working Group responsible for individual projects. The Stakeholders Steering Group will manage day to day decision making under the parameters set by the Project Board.

### 2. Membership

The Project Board comprises the following individuals

- Leaders of the County and City Council.
- Appointed Councillors of the County and City Council, one from each Authority
- Officers of the County and City Council, Property Strategy Manager Gloucestershire County Council, Director of Strategic Finance Gloucestershire County Council, Head of Regeneration and Economic Development Gloucester City Council.
- Others to be agreed by the Board.

Members of the Board are appointed for the life of the project but can be substituted as required

The Chairman of the Property Board will be the Director of Strategic Finance, Gloucestershire County Council

### 3. General Powers

The Project Board is responsible for considering, reviewing and giving guidance to the Stakeholder Steering Group on matters which the Board considers to be of concern, or potential concern, having regard to the interest and wellbeing of the project as a whole

These matters include national, legal, and fiscal requirements, implementation of agreed policies and the arrangements for effective communications between the Stakeholders and project managers.

Other major powers include:

- determining and overseeing the process for managing the direction of the project;
- determining how any disagreement between the partners is to be resolved;
- approving the communication strategy to the internal and external Stakeholders;
- approving, transactions, legal commitments and financial arrangements to comply with procurement requirements and the LEP funding stream;
- by a simple majority any matter involving, in the opinion of the Board, a significant change in the form or direction of the project.

#### **4. Financial Matters**

The project accounts will be maintained in accordance with standard accounting principles determined by the Board with the support of the GCC finance lead.

The Board will approve the choice of external auditor (if required).

The Board is required to approve changes to the capital requirements of each phase of the project and programme. The Board also approves the procedures for placing orders for capital works.

#### **5. Operational Matters**

As a general rule, the Board must consult with the Stakeholders Steering Group before putting any matter to the vote for approval or determination.

The Board is also required to consider a matter if requested to do so by the Stakeholders Steering Group

#### **6. Meetings**

The Chairman of the Board determines a rolling programme of ordinary meetings of the Board which must provide for at least four ordinary meetings in each calendar year.

Additionally, the Chairman may at any time (and at the request of any four other members of the Board, shall) convene a special meeting.

The Board will keep written minutes of its proceedings and make these available to [stakeholders] as required

The quorum is (5) members of the Board.

#### **7. Committees**

The Board may delegate any of its powers or discretions to the Stakeholders Steering Group.

The Stakeholders Steering Group must contain at least 2 members of the Board.

The Steering Group will comprise - Property Strategy Manager Gloucestershire County Council, Head of Regeneration and Economic Development Gloucester City Council , Property and Project managers, external stakeholders and LEP. It will meet [monthly] to

1. Regularly update the Board as to the tracking of the project progress and issues.
2. Report on financial compliance with LEP funding projections.
3. Is responsible for reviewing the policies and processes for identifying, assessing and managing risks within the project. It will oversee the management of those risks, including financial control, compliance and independence.
4. It also reviews the scope of the project including effectiveness of internal and external audit.
5. Manages the Stakeholder working groups