

Cabinet

19 March 2009

Seaham St John's Square Regeneration – Progress Report



Report of Stuart Crowe, Corporate Director Resources [Cabinet Member for Corporate Resources Councillor Michele Hodgson]

Purpose of the Report

- 1 To update Cabinet on progress with the regeneration project and to seek approval to enter into a development agreement with District of Easington Council and County Durham PCT.

Background

- 2 A report was approved by Corporate Management Team in June 2006 proposing regeneration of St John's Square in partnership with District of Easington Council, County Durham Primary Care Trust and Seaham Town Council and for the development of the Council's Multi-User Centre. On 25 January 2007, Cabinet approved budget provision of £5.5 million for the Multi-User Centre.
- 3 On 19 April 2007, Cabinet approved the Council entering into a Memorandum of Understanding reflecting the resolve of the partners to work together to undertake the redevelopment of St John's Square. The Memorandum has been signed by representatives from all the partner organisations.

Current Position – Joint Venture

- 4 The development of the Square is under the management of a Project Board comprising senior officers of the three principal partners; Durham County Council, District of Easington Council and the PCT. An officer working group, comprising representatives of the partner organisations, is responsible for developing detailed proposals under the direction of the Board.
- 5 Outline Planning consent was given on 25 September 2007 for the comprehensive redevelopment of St John's Square incorporating the Multi-User Centre, Health Centre, Public Realm works and potential residential development. An extensive joint public consultation exercise carried out during July, August and September 2007 demonstrated support for the proposals.

- 6 The process of site assembly, including the transfer of land between the partners and the acquisition of the former Magistrates Courts building, is in progress. A Compulsory Purchase Order (CPO) notice applying to the whole of the redevelopment site has been published to ensure that the scheme can be implemented as planned. Negotiations will continue in parallel with the owners of the former Magistrates Courts building to acquire the site for development of the Health Centre. However, in the absence of a negotiated agreement a Public Inquiry is scheduled for 7 April 2009. A separate submission will be made to the Magistrates Court to implement Stopping-up Orders for the former Bus Station site (Multi User Centre) which will facilitate its progress independently of the CPO process.

Current position – Multi-User Centre (MUC)

- 7 The main occupiers of the MUC are the Library, Adult and Community Services teams, East Durham Homes and Seaham Town Council. Appropriate tenancy and service charge arrangements will be made for the non-DCC users in due course.
- 8 After considering a range of options the MUC is being procured separately through an EU compliant competitive tender process.
- 9 Design of the MUC is nearing completion and Planning approval was given on 2 September 2008 subject to meeting a number of conditions which have now been addressed.
- 10 Tenders are due to be issued on 4 March 2009 with the start on site planned for the end of May 2009. Completion of the MUC is scheduled for May 2010. Demolition of Caroline House may be deferred for a year to provide temporary accommodation for PCT staff during the construction of the new Health Centre. Occupation by the PCT will be subject to agreement of satisfactory terms and conditions.

Current position – Health Centre

- 11 The PCT has appointed its LIFT company, CP25, to prepare initial proposals for its development. Full design and construction cannot begin until the site of the former Magistrates Courts is acquired and this will now be subject to the outcome of the Public Inquiry for the aforementioned Compulsory Purchase Order.
- 12 It is anticipated that a full planning application for construction of the £12 million Health Centre will be made in March 2009 with completion of the project in 2011.

Current position – Residual land development

- 13 On completion of the MUC, Health Centre and public realm a residual area of land extending to 1.48 acres, which will all be owned by the new Authority, will be available for development. Consultants have conducted market appraisals to identify potential developers including residential, commercial, retail and leisure. Market interest is currently weak. The current value of the residual land is around £220,000 but will be subject to market changes by the anticipated time of disposal in 2011.

Current position – Public Realm

- 14 The public realm comprises the hard and soft landscaping within the Square together with lighting, renewed drainage system and upgraded electrical infrastructure.
- 15 The regional development agency ONE North East has earmarked a contribution of up to £1 million towards the public realm and Easington District Council, as the relevant regional partner, is seeking approval to a business case for funding. However, due to the imminent local government reorganisation ONE is minded to transfer the funding to DCC which will then undertake the public realm works at the appropriate time in the overall development. In accepting the contribution the Council would be required to provide a commitment to ONE North East to implement the public realm works in accordance with the agreed scheme and at the appropriate time in the regeneration programme for St John's Square. A detailed schedule of works and implementation programme is being prepared for agreement with ONE North East. The scope of development of the public realm scheme would be subject to affordability within funding available from ONE North East.

Proposals

- 16 Following the undertakings of the Memorandum of Understanding and to further demonstrate and detail the partners' commitment to site assembly and implementation of their respective developments, it is proposed to enter into a development agreement in the form of a Statement of Intent. The agreement would document the partners' long-standing collaborative approach to the redevelopment of St John's Square and would provide a continuing arrangement post local government reorganisation.

- 17 The partners have also created a joint development fund of £100,000 from equal contributions made by the Council, District of Easington Council and the PCT in order to undertake common requirements including seeking valuation advice, legal advice and site surveys. Forecasts of commitments indicate that this fund should be increased by £60,000 with equal contributions of £20,000 required from the three principal partners. The Council's contribution will be found from the existing MUC budget and will offset expenses which would otherwise be incurred by the MUC project.

Recommendations

- 18 It is recommended that Cabinet:-
- (a) note progress with the regeneration of St John's Square,
 - (b) authorise entering into a development agreement (Statement of Intent) for the redevelopment of St John's Square with County Durham Primary Care Trust and District of Easington Council (pending transition to unitary local government) and delegate authority to the Corporate Director, Resources to agree final terms in due course.
 - (c) Approve in principle acceptance of a contribution of up to £1 million from ONE North East for public realm works to be undertaken by the Council at the appropriate time subject to satisfactory terms being agreed by the Corporate Director, Resources.

Background Paper(s)

Contact: Alan Ostle Tel: 0191 383 3235

Appendix 1: Implications

Finance

Approved capital expenditure commitment of £5.5 million for the Multi User Centre (MUC) and potential grant funding of up to £1 million from ONE North East for public realm works.

Staffing

None.

Equality and Diversity

The MUC, Health Centre and public realm will be fully accessible and Disability Discrimination Act compliant for community use.

Accommodation

The MUC will provide improved Library facilities and up to date office accommodation.

Crime and disorder

The new buildings will be designed in accordance with Secured by Design standards. The design of the Square is intended to provide a safe and attractive place for all the community.

Sustainability

The completed Square redevelopment is planned to provide 10% on-site renewable energy.

Human rights

None.

Localities and Rurality

The MUC, together with the PCT building and public realm improvements, creates a new “civic heart” for the town of Seaham.

Young people

Improved Library facilities including internet access will provide new activities for young people.

Consultation

There has been regular consultation with local Members and a sustained public consultation has taken place jointly with the PCT. The building occupiers are being fully consulted on their requirements.

Health

The scheme removes buildings which contain asbestos. The MUC will host joint Council and PCT teams and the close location with the Health Centre will facilitate greater integration of health services to the community.