

Supplementary Information

**HAVANT BOROUGH COUNCIL
CABINET
WEDNESDAY, 18TH JANUARY, 2023**

Please note that the attached is a revised version of report to be considered at Item 9 of the agenda.

Agenda No Item

9 Regeneration- Bulbeck Road Multi Storey Car Park

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NON EXEMPT

HAVANT BOROUGH COUNCIL

CABINET

18 January 2023

REGENERATION – Bulbeck Road multi storey car park

FOR DECISION

Portfolio Holder: Councillor Alex Rennie

Key Decision: No

Report number: HBC109/2023

1.0 Purpose of Report

- 1.1 To provide an update to the Cabinet on the regeneration of Bulbeck Road multi storey car park
- 1.2 To request new funding required to take forward this project.

2.0 Recommendation

That Cabinet decides to drawdown £135,000 of the revenue Regeneration Reserve in order to unlock £1.65M Government funding under the Brownfield Land Release Fund (BLRF). The purpose of BLRF is to demolish and remediate the Bulbeck Road site ready for redevelopment.

3.0 Executive Summary

- 3.1 The Brownfield Land Release funding of £1.65m has been secured for the demolition of Bulbeck Road Car Park in order to help address viability issues in bringing the site forward for residential development.
- 3.2 The BFLR2 funding has strict funding criteria for demolition and remediation only. It cannot be used for project management, specialist consultancy or other professional fees.

4.0 Project Key milestones

- 4.1 Procurement of a demolition company is out to tender with submissions required by the 16th Jan 2023 to enable a demolition contract to be let before the end of March 2023 (this being a condition of the funding received).

4.2 The timescale for the demolition will be dependent on the successful company and will form part of the selection criteria for assessing the tenders with a view to the demolition being complete as soon as possible.

4.3 Indicative milestones are in the below table:

Contract with demolition company	End of March 2023
Design of a scheme	From August 2023
Planning decision on scheme	February 2024
Completion of demolition and release of site to HBC housing company	June 2024
Procurement and contract with developer (HBC housing company)	May 2024
Development commences	July 2024
Completion of development and project closure	March 2026

5.0 Additional Budgetary Implications

5.1 In order to successfully complete the demolition of Bulbeck Road multi storey car park and get it ready for development, there is a requirement to commit council revenue funding to enable the following work:

- Environmental assessments will need to be conducted before demolition to ensure the most effective and efficient approach is taken. This requires both a detailed desk top exercise assessing all of the sites next to and adjacent to the car park. In addition, there is a high likelihood that further potential mitigation will be required by using an engineering company to drill a number of 100mm bore holes into the slab, (base), of the existing car park. This work will have to be carried out by an external supplier and will cost c.£40,000
- Flood assessment needs to be undertaken, with a cost of c.£10,000
- From the original Brown Field Release Fund 2 application, it is essential a second more detailed investment appraisal is undertaken and this will also assess the planning requirement. Estimated cost of c.£20,000
- HBC have used an external consultancy to draw up a demolition specification. The Council will want to use this specialist resource to procure and contract a demolition company. We would also require the consultants to undertake the relevant planning application and project manage the demolition. This overall cost will be c.£34,000

- A detailed utility search needs to be performed prior to any demolition at a cost of c.£30,000
- Additional funding will be required for HBC communications with the general public and local businesses which will include posters, webpage, etc - £1,000

The total revenue funding required amounts to circa £135,000

6.0 Financial implications

To progress with the demolition of Bulbeck Road car park, and thus access and utilise the government funding of £1.65m for the demolition, the Council will need to commit some up-front revenue funding of circa £135k. It is recommended that this funding is draw down from the Council's revenue Regeneration Reserve.

Section 151 Officer comments

10 January 2023

Committing this revenue funding will enable the council to utilise £1.65m of external grant to prepare the Bulbeck Road site for potential housing development. Subsequent plans to build on the site will be subject to the approval of a relevant Business Case which will need to identify the source of capital funding required for the development.

The conditions of the £1.65m Brownfield Land Release Fund does not enable the council to charge these required up front revenue costs to the grant. However, the council intends to ultimately capitalise the £135k upfront costs against the overall construction funding for the scheme upon approval of Outline Business Case.

I can confirm that there are sufficient funds within the Council's regeneration reserve to enable this financial drawdown.

7.0 Legal implications

See comments in earlier update report

Monitoring Officer comments

In governance terms the request to take this decision amounts to an in-year budget change through previously unanticipated use of council reserves.

Standing Order 64.3.1 provides that the Cabinet may increase in-year use of reserves provided that such use of reserves does not exceed an aggregate amount of £1,000,000 in any financial year. This use of reserves is subject to the Chief Finance Officer certifying each use of reserves would not cause the council's overall reserves to fall below a prudent level.

Any such use of reserves shall be reported to the next meeting of Full Council

8.0 Risks

8.1 None identified at this stage

9.0 Climate and Environment implications

9.1 None identified at this stage.

9.2 All the projects aim to lead the market in including environmental measures

10.0 Appendices

10.1 None

11.0 Background papers

11.1 None

Agreed and signed off by:

Cabinet Lead: Leader Alex Rennie
Exec Head of Service: Claire Hughes
Monitoring Officer: Mark Watkins
Section 151 Officer: Malcolm Coe

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