

<b>Planning &amp; Transportation Cabinet Advisory Board</b>	<b>13 November 2017</b>
<b>Finance and Governance Cabinet Advisory Board</b>	<b>14 November 2017</b>
<b>Communities Cabinet Advisory Board</b>	<b>15 November 2017</b>
Is the final decision on the recommendations in this report to be made at this meeting?	<b>No</b>

## Civic Development Delivery

<b>Final Decision-Maker</b>	Full Council
<b>Portfolio Holder(s)</b>	David Jukes, Leader of the Council
<b>Lead Director</b>	Lee Colyer – Director of Finance, Policy and Development
<b>Head of Service</b>	David Candlin, Head of Economic Development & Property
<b>Lead Officer/Author</b>	David Candlin, Head of Economic Development & Property
<b>Classification</b>	<b>Part Exempt</b> Exempt Appendices - exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended): Information relating to the financial or business affairs of any particular person including the authority holding that information.
<b>Wards affected</b>	All

**This report makes the following recommendations to the final decision-maker:**

1. That Full Council endorse the project designed to RIBA Stage 3 (Developed Design) in accordance with Full Council Decision FC70/16 on 22 February 2017 be approved for funding and delivery.
2. Delegate authority to the Head of Economic Development and Property, and S151 Officer, in consultation with the Leader and the Portfolio Holder for Finance and Governance (on behalf of the Council as land owner) to:
  - a. declare land within the development site surplus to requirements to enable the land to be included within the Civic Development;
  - b. To agree in principle to the use of TWBC's compulsory purchase powers to deliver the Civic Development programme.
  - c. to resolve that the Council's interests in the land within the Development Site be appropriated for planning purposes under Section 122 of the Local Government Act 1972 and such relevant legislation and to delegate the making of all necessary preparation to effect such appropriation

- d. progress formal submission of a planning application to the Local Planning Authority for the Civic Development as described in this report;
- e. submit details to discharge the conditions of all planning matters and conditions and statutory requirements;
- f. progress stopping up orders as required to enable the development;
- g. progress with the Parking Services Manager the relocation of taxi waiting area and relocation of the disabled parking bay on Mount Pleasant Road;
- h. market, negotiate and conclude the lettings for office occupiers;
- i. utilise appropriate OJEU-compliant frameworks or route to appoint the necessary professional consultancy team to support the Council in delivering the Civic Development;
- j. Utilise appropriate OJEU-compliant frameworks or route to invite competitive tenders for the development and accept a tender within the costs given in this report and oversee the development to completion;
- k. prepare the identified area of land (Civic Complex) including but not restricted to the Town Hall, Assembly Hall Theatre, 9-10 Calverley Terrace and Crescent Road properties for disposal and redevelopment, bringing a report/s on the approach and valuation for decision/s at Cabinet prior to completion of the approved Civic Development;
- l. allocate funding to specific aspects within the Civic Development;
- m. authorise the progress of any preparatory work required prior to the making of a Compulsory Purchase Order, as necessary to progress the Civic Development;

3. Delegate authority to Cabinet to:

- a. Progress the acquisition of the required third party property assets, rights of access and any other rights as required through negotiation or Compulsory Purchase Orders if required to enable the delivery of the project.
- b. Delegate authorisation to the Head of Economic Development and Section 151 Officer in consultation with the Leader and the Portfolio Holder for Finance and Governance the making of all necessary preparation to make one or more Compulsory Purchase Orders to deliver the Civic Development project subject to the final decision to make CPOs being agreed by Cabinet at a later date.
- c. Delegate authorisation to the Head of Economic Development and Property, and Section 151 Officer in consultation with the Leader and the Portfolio Holder for Finance and Governance, to acquire the necessary third party interests.
- d. to delegate to the Head of Economic Development and Property, and S151 Officer, in consultation with the Leader and the Portfolio Holder for Finance and Governance to take all necessary steps to secure and deliver out the confirmation of the CPO including the use of powers in the Town and Country Planning Act 1990 (as part of the CPO exercise) to secure the removal of any apparatus of statutory undertakers or communication code operators from the development site and grant alternative rights to facilitate the development;
- e. Grant approval to the Head of Economic Development and Property, and S151 Officer, in consultation with the Leader and the Portfolio Holder for Finance and Governance to publish and serve all appropriate notices of confirmation of the Order and to make one or more general vesting

declarations or serve notices to treat and notices of entry (as appropriate) in respect of the land within the compulsory purchase order;

4. That authorisation be given to the Head of Economic Development and Property and S151 Officer, in consultation with the Leader and the Portfolio Holder for Finance and Governance, to take all necessary steps to secure the acquisition of all third party interests and rights over the development site and the removal of all occupants from the land under Section 203 of the Housing and Planning Act 2016; to pay such compensation as is agreed between the parties or determined by the Upper Tribunal (Lands Chamber). This authorisation includes the publication and advertisement of the Order, participation in a Public Inquiry (if required); taking all necessary steps to acquire relevant interests; and such other steps as deemed appropriate to facilitate the development, redevelopment or improvement of the Order land or to facilitate the Council's participation in a potential Public Inquiry;
5. Delegate to the Head of Economic Development and Property in consultation with the Leader and the Portfolio Holder for Finance and Governance to undertake such steps as are necessary and incidental to the recommendations in this Report and enter into such legal agreements as deemed appropriate, to facilitate the progress and completion of the development subject to obtaining any Cabinet approval that may be required.
6. That Full Council endorse:
  - a. the Civic Development Project Financials Supplementary Report and approve the gross capital budget of £85 million plus a further £1 million for professional fees for the Development Programme Budget to be funded by a capital receipt of £9 million and borrowing of £77 million;
  - b. the schedule £2.3 million of cost reductions to the base revenue budget as a basis from which to fund the net cost of repaying the above borrowing;
  - c. the amendment of the Treasury Management Policy and Strategy to increase the authorised limit for external debt and the operational boundary for external debt by £77 million;
  - d. the CIPFA review of the Civic Development Project;
  - e. the Mid Kent Audit review of the Civic Development Project;
  - f. the Business Plan prepared for the proposed new Theatre;
  - g. the Consolidated Business Case;
  - h. the development of a Calverley Grounds Management Plan.
7. That Full Council note that all consultancy fees identified in the report are spent at risk and that they will be abortive costs if the buildings are not developed;
8. That the Civic Development be identified as a separate strategic risk in the Council's Strategic Risk Register and that it is overseen (alongside other risks) by the Audit and Governance Committee;
9. That the Development Advisory Panel is engaged as appropriate during the delivery of the work and that an outline programme of engagement is developed with wider Council members, stakeholders, community groups, businesses and residents.

**This report relates to the following Five Year Plan Key Objectives:**

- A Prosperous Borough
- A Green Borough
- A Confident Borough

The report supports delivery of the Council's Five Year Plan and seeks to progress the redevelopment of the theatre, provide brand new office space and car parking and improve the entrance setting to Calverley Grounds whilst protecting the historic integrity of the listed civic suite of buildings and providing a masterplan framework within which this place shaping may take place to complement and enhance Tunbridge Wells.

<b>Timetable</b>	
<b><i>Meeting</i></b>	<b><i>Date</i></b>
Management Board	25 October 2017
Discussion with Portfolio Holder	2 November 2017
Planning and Transportation Cabinet Advisory Board	13 November 2017
Finance and Governance Cabinet Advisory Board	14 November 2017
Communities Cabinet Advisory Board	15 November 2017
Audit & Governance Committee	21 November 2017
Cabinet	23 November 2017
Full Council	6 December 2017

# Civic Development Delivery

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Borough has a clear and ambitious vision to “grow our role as the cultural centre of the Kent & Sussex High Weald, so that by 2024 the borough of Tunbridge Wells is nationally recognised for its vibrant cultural provision”. Having a modern theatre sits at the heart of this vision. Likewise, the commitment to deliver a modern theatre fit for the 21st Century, is a key component of the Council’s Five Year Plan together with the delivery of new office space on Mount Pleasant Avenue Car Park.
- 1.2 Full Council on the 22 February 2017 approved the Council moving into RIBA Stage 3 (developed design) for the project to progress:
  - Office
  - Theatre
  - Underground Car Park
  - Development Framework
- 1.3 The decision was taken to enable procurement of a development partner delegated a decision on progression into RIBA Stage 3 (Developed Design) of the project and completion of the masterplan process.
- 1.4 The Civic Development project is concerned with delivering the Council’s place-shaping and civic leadership responsibilities for enhancing the attractiveness and cultural vitality of the borough. The benefits from the project will accrue not to the Council as the funder but to those who live and work in, and visit the Borough.
- 1.5 The reports cover the work undertaken during RIBA Stage 3 including the detailed design and site assembly work. They summarise the principal design elements for Stage 3 of the office, theatre, underground car park and public realm including the principal site, building and material design criteria which has informed the overall design of the whole project and further summarise the specific design elements for the theatre, office, underground car park and public realm and landscaping.
- 1.6 An outline of the options and preferred approach to the next stages of procurement to enable the construction of the proposed development including the procurement of the surveying, planning consultancy, project management, contract administration / employer’s agent and quantity surveying roles required to deliver a development of the scale of the Civic Development are set out.
- 1.7 Further the reports cover the existing Civic Complex and the proposed strategy and mechanisms for managing its disposal to ensure best consideration having regard to the historic integrity of the buildings and their locational and social significance in the Town.

- 1.8 The potential for alternative uses of the Town Hall and Assembly Hall Theatre other than residential use has been investigated by GVA on behalf of the Council and these are outlined in the reports.
  - 1.9 Finally the reports set out the costings, funding strategy and borrowing strategy to deliver the proposed new Theatre, Civic Centre, underground car park and public realm. It also highlight the three independent reviews commissioned by the Council to review the approach to Project Management, review the key financial assumptions underpinning the Civic Development Project and the robustness of the funding strategy, and a desk-top review of the Council's balance sheet.
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## **2 INTRODUCTION**

- 2.1 The design and development of a new Theatre, Civic Centre, underground car park and public realm works has now reached the end of RIBA Stage 3 (Developed Design). It builds on the work carried out during RIBA Stages 0-1 (Strategic Definition, Preparation and Brief) and Stage 2 (Concept Design). Each stage and the movement between stages has been subject to decisions at Full Council meetings. The completion of RIBA Stage 3 is an important project milestone and gateway.
- 2.2 Alongside the design of a new theatre, Civic centre, underground car park and public realm the Council has been undertaking a number of core pieces of work to support the broader vision. A key element of the Civic Development is the future of the Civic Complex and associated buildings. Work has been ongoing to confirm the market position and delivery of the site for new purposes to ensure it is an active part of the overall development.
- 2.3 This work has been supported by broader consideration of the approach to construction, the development of the approach to procurement of the design, project management and the contractors going forward, development of the Theatre business plan, the market position for new offices and understanding and developing the financial package necessary to deliver the scheme.
- 2.4 Throughout the development of the Civic Development project, Full Council has been asked to confirm that it wishes to progress to the next Stage. Approval for Full Council is now being sought to progress the Civic Development through to planning and ultimately a development. The basis of the Stage 3 documents and particularly the design proposals that will form the basis of a planning application.
- 2.5 This report is broken down into four key areas which are covered in detail in the attached reports. These are:
  - Report 1: Design & Site Assembly
  - Report 2: Procurement
  - Report 3: Civic Complex
  - Report 4: Project Financials

2.6 A summary of each of these reports is outlined in sections 5, 6, 7 and 8 below.

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### 3 BACKGROUND

- 3.1 The borough has a clear and ambitious vision to 'grow our role as the cultural centre of the Kent & Sussex High Weald, so that by 2024 the borough of Tunbridge Wells is nationally recognised for its vibrant cultural provision'. Having a modern theatre sits at the heart of this vision. Likewise, the commitment to deliver a modern theatre fit for the 21st Century, is a key component of the Council's Five Year Plan. This was the clear statement of intent set out in the October 2014 Cabinet which approved the Assembly Hall Theatre mandate.
- 3.2 From the outset and following the principles set down for the Development Programme in 2013, the investigative work has been carried out in stages with the end of each stage providing a 'gate' or decision point regarding continuation of the project and the commitment of additional resources towards the feasibility. The investigative works for the Civic Development are in accordance with the Royal Institute of British Architects (RIBA) defined stages. The decisions taken at each stage are set out in Appendix 2 (Key Council Decisions) attached to this report. In addition to the key decisions, Appendix 3 (List of Committee Meetings) – attached to this report – provides a list of all committee meetings (all held in public) where the Civic Development has been an item on the agenda.
- 3.3 **Feasibility** - In October 2014 Cabinet commissioned wider work on the Assembly Hall Theatre Mandate which includes the civic complex, Great Hall Car Park and the Mount Pleasant Avenue Car Park to consider those assets within the Council's property portfolio to enable the development of a new theatre whilst keeping the existing theatre operational until the new theatre is built and open. Included within the mandate was the authority to consider the disposal of the Town Hall and Assembly Hall theatre to contribute toward the financing of a new theatre. Within this investigative work the opportunity for the Mount Pleasant Avenue site to be developed as an office for potential use by the Council in the future with a potential to sub-let part of the building to another occupier has formed part of the core opportunities. This was in recognition of the place-shaping priorities of the Council and the recognition of the need for top quality modern office accommodation in Royal Tunbridge Wells to continue to attract and keep a core business and economic priority of office workers within the town. The Council appointed consultants GVA to undertake an initial feasibility.
- 3.4 **Stage 1** – At the end of the feasibility work, Full Council (on 9 December 2015) agreed to move to RIBA Stage 1. A decision in October 2015 to progress with the office proposal had already been taken in advance of the full project being considered in December.
- 3.5 **Stage 2** - At the end of Stage 1, Full Council (on 20 July 2016) resolved to move into RIBA Stage 2.

- 3.6 **Stage 3** - At the end of Stage 2 Full Council (on 22 February 2017) approved a decision to undertake the developed design work at Stage 3.
- 3.7 It is at the end of Stage 3 that the Council will now need to consider the capital requirements and decide to deliver the project. The initial feasibility elements up to the end of this stage are at financial risk until a decision on delivery is taken.
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## **4 PROJECT TEAM**

- 4.1 The Council appointed GVA as our lead consultant. Utilising a national framework (Crown Commercial Services), a strong project team was assembled to ensure we had the correct experience and expertise available to advise on a significant project with technical challenges in designing a modern theatre in the heart of an existing town centre. The project team is outlined in Appendix 4.
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## **5 REPORT 1: DESIGN & SITE ASSEMBLY**

- 5.1 This report covers the design to RIBA Plan of Works Stage 3 and the site assembly aspect of the Civic Development Project. It summarises the principal design elements for Stage 3 of the office, theatre, underground car park and public realm including the principal site, building and material design criteria which has informed the overall design of the whole project and further summarises the specific design elements for the theatre, office, underground car park and public realm and landscaping.
- 5.2 It places the project design within the setting of the historic Calverley Grounds and the surrounding townscape and explains how massing, size and scale have been addressed through design to sit comfortably within this context and respect and complement the original Decimus Burton concept. The report highlights how the designs have changed from Stage 2 to Stage 3.
- 5.3 It considers the transport and access arrangements for the scheme, the office and theatre servicing, access and inclusive design and neighbourly matters including rights to light and day light and sunlight and party wall matters. The site assembly strategy and CPO process are summarised with the proposed timeline integrated into the project programme.
- 5.4 A summary of the Planning Pre-Application engagement is included and highlights that, as is usual practice for developers, we will be continuing our pre-application discussions and seeking to refine design and address issues through to a planning application being submitted. The report indicates those matters that need further discussion and highlights the fact that in a scheme of this scale there will be elements that the planning authority will need to consider against the broader benefits of the scheme to the town and the borough.
- 5.5 The report includes information on the engagement with the independent specialist bodies, Historic England and Design South East, which indicates their endorsement in principle to the overall design. These discussions will continue through the later RIBA design stages.
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## **6 REPORT 2: PROCUREMENT**

- 6.1 The report has been prepared with input from GVA, DAC Beachcroft, Aecom and project, procurement and legal officers from the Council. There have been a number of detailed discussions held to discuss the options, emerging strategy and to help shape the preferred approach to the next stages of procurement to enable the construction of the proposed development including the procurement of the surveying, planning consultancy, project management, contract administration / employer's agent and quantity surveying roles required to deliver a development of the scale of the Civic Development.
- 6.1 The Council has set out a number of key aspects it is seeking to meet through the procurement of contractors and professional expertise to deliver the Civic Development:
- Cost – the Project is procured within the approved Budget.
  - Quality – the completed Project meets the high standards required for a development of its status and highly sensitive location.
  - Risk – as far as possible the risk of delivering the Project is allocated to a single contractor that is experienced, competent and resourced to manage the risks and deliver the project successfully.
  - Disruption – the disruption to the locality and the Town due to construction operations is minimised in time, temporary loss of amenities, traffic and pedestrian movements, noise and dust etc.
  - Timescales – the project is delivered in the shortest overall time, whilst achieving the above cost, quality and risk objectives.
  - A fair and transparent procurement process is put into place.
- 6.2 The Two-Stage Design & Build approach has been selected as meeting the Council's objectives and market requirements. A suitable construction framework will be utilised.
- 6.3 Alongside the procurement of a contractor the Council will utilise a suitable framework/s (Homes and Communities Agency and Crown Commercial Services RM 3816 and RM 3741 frameworks) to appoint the design and project management teams and to appoint the specialist site assembly and Compulsory Purchase advisors with the relevant experience and expertise to meet our criteria.

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## **7 REPORT 3: CIVIC COMPLEX**

- 7.1 This report covers the existing Civic Complex and the proposed strategy and mechanisms for managing its disposal to ensure best consideration having regard to the historic integrity of the buildings and their locational and social significance in the Town.
- 7.2 A brief has been developed by Allies & Morrison which sets out the site's planning potential. This document provides more detailed guidance for the options to re-use the existing buildings beyond the Planning Framework Document which was adopted in September 2017.

- 7.3 The potential for alternative uses of the Town Hall and Assembly Hall Theatre other than residential use has been investigated by GVA on behalf of the Council and these are outlined in the report. These include demand for the following uses to occupy a large quantum of the site or to become the predominant use.
- Office (conventional letting or serviced office)
  - Hotel
- 7.4 And demand for the following uses to occupy a sizeable albeit lesser quantum of the site, perhaps subservient to a more predominant use.
- Restaurant
  - Leisure (Has potential, albeit medium - low strength)
- 7.5 More specific uses such as healthcare, and educational purposes have been deemed by agents as plausible, but dependent on specific demand closer to the time of marketing.
- 7.6 Developers could seek to acquire the Civic Complex site as a standalone project as far back as 24-18 months prior to the earliest starting point for construction (in this case vacant possession). On the basis of the Council vacating the Civic Complex during the first quarter of 2022 would mean disposal in 2020. This will allow time to undertake sufficient due diligence, optimise a scheme for planning.
- 7.7 The report states that overall the Town Hall and Assembly Hall site is expected to be desirable amongst developers and occupiers alike and has a low risk of sitting vacant for an extended period of time.
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## **8 REPORT 4: PROJECT FINANCIALS**

- 8.1 The Civic Development project is concerned with delivering the Council's place-shaping and civic leadership responsibilities for enhancing the attractiveness and cultural vitality of the borough. The benefits from the project will accrue not to the Council as the funder but to those who live and work in, and visit the Borough. This report sets out the costings, funding strategy and borrowing strategy to deliver the proposed new Theatre, Civic Centre, underground car park and public realm.
- 8.2 The report highlights the three independent reviews commissioned by the Council to review the approach to Project Management, review the key financial assumptions underpinning the Civic Development Project and the robustness of the funding strategy, and a desk-top review of the Council's balance sheet.

### **Costings**

- 8.3 The Council has received the costings report from the consultants AECOM following the completion of RIBA Stage 3. As the scheme progresses through each RIBA stage then more detailed information is obtained on the costs of the scheme and how the various elements will look and function. In addition, there is the opportunity to improve the scheme and to take on board the comments of stakeholders. The costs of the scheme at Stage 3 are shown below.

Components	Stage 3 (Developed Design)	
	Capital Cost	Revenue Net
	£m	£m
Office block	20	(0.60)
Theatre	41	0.10
259 spaces	15	0.00
Public Realm	4	
Inflation	5	
Less fees incurred to planning stage	(4)	
Emergency suite, sprinklers & Theatre fit out		
<b>Expenditure (agrees to GVA report)</b>	<b>81</b>	<b>(0.50)</b>
<b>Capital receipt from Civic Site</b>	<b>(9)</b>	
<b>Net Build Cost</b>	<b>72</b>	
Contingency and Fees included above		
Other Potential Development Costs & Compensation	4	
Consultancy costs for Development Budget	1	
<b>Net scheme cost to finance</b>	<b>77</b>	
<b>Cost of Borrowing</b>		
Principal and interest repayments		2.80
<b>Net Revenue Cost</b>		<b>2.30</b>
<b>Other Funding Sources</b>	<b>0</b>	
<b>Net Cost to deliver</b>	<b>77</b>	
Fee Expenditure to date	4	
<b>Total Net Cost</b>	<b>81</b>	
<b>Total Gross Cost</b>	<b>90</b>	

### Funding Strategy

- 8.4 In order to fund the net revenue cost of the project a total of £2.3 million of new recurring cost reductions or income is required from the Council's base budget allowed for within the Medium-Term Financial Strategy. The schedule of budget changes that need to be made ready for when the project is completed in 2022/23 is shown below.

	By 2022/23 £000s
<b>Options for a new recycling and waste collection contract in 2019</b>	
1 Choice for offering a chargeable garden waste service and KCC to share savings from reduced waste sent to landfill.	(700)
2 <b>Alternative ways to support community groups and Environmental Grants</b>	(280)

3	<b>Review of development programme resources/ ROI</b>	<b>(500)</b>
4	<b>Increased share of business rates</b>	<b>(300)</b>
5	<b>Relocate Weald Information Centre to Hub</b>	<b>(40)</b>
6	<b>Project Executive savings</b>	<b>(100)</b>
7	<b>Senior Management savings (Achieved April 2017)</b>	<b>(120)</b>
8	<b>Pension reserve contribution ends</b>	<b>(250)</b>
	<b>TOTAL</b>	<b>(2,290)</b>

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## 9 AVAILABLE OPTIONS

- 9.1 In terms of progressing from this point there are a number of options which are covered in more detailed by the consolidated business case. These include:
- 9.2 **Doing nothing (Staying Put)** – Doing nothing should not be regarded as a cost-free option. In effect this is staying put and accepting that we continue to maintain the Town Hall and Theatre to the current standard, accepting the current size and limitations of the Assembly Hall Theatre will not be addressed and that existing maintenance and running costs for the Town Hall and Theatre will remain with life cycle costs of this are £31,515,238. It would also mean that the Council would not be able to deliver its strategic objectives set out in its Five Year Plan and Cultural Strategy nor deliver the benefits associated with an improved theatre to the local economy. It was partly in recognition of the costs of staying put that the AHT Mandate was first approved by Cabinet in October 2014.
- 9.3 **Do minimum** - As previously outlined costs in excess of £13 million would be required to maintain the current Town Hall building and refurbish to make it more suitable for current employment practices. We have relocated all our current staff into the Town Hall with the proposal that Gateway is relocated in the new Cultural & Learning Hub. Further contraction of the officer base could enable some space to be let to third parties but without further investment the building is obsolete in the current market and therefore likely to prove problematic to let. In addressing a refurbishment the Council would need to decant to other premises for approximately 3-4 years and this in itself would incur significant costs and it is by no means certain that suitable alternative accommodation could be secured.
- 9.4 In a 'do minimum' scenario for refurbishing the Theatre, the Council would deliver Option 1 that was set out in the Stephen Browning Associates report to improve the auditorium and create new bar facilities. This would not increase the number of seats, increase the size of the stage, wing space or fly tower and would cost in the region of £15m. In addition the Theatre would need to close for a number of years which would present difficulties to the local economy, to local community users and to managing the theatre. Fundamentally, this option would not address the fundamental issues related to the building and would not enable the town to attract larger touring shows. The lack of space in the wings would start to see the current facility become less attractive to shows as costs to deliver in a compromised space increase. Some minor improvements in maintenance and running costs could be expected in this scenario (within the limitations of the listed buildings). The Cabinet report in October 2014

considered this option when the AHT Mandate was first proposed. The base capital investment costs are estimated as £28,000,000 with lifecycle costs estimated as £42,885,329.

- 9.5 **Do something** – The Civic Development Project comprises the proposed building of a new theatre on Great Hall Car Park, an office for Council and private tenant occupation on Mount Pleasant Avenue and a new underground Car Park with supporting public realm work, and anticipates the disposal (in some form) of the Town Hall and other enabling sites to contribute to the funding of the development. The detail is spelt out across the reports attached to this document as is the capital cost. The lifecycle costs are estimated as £33,925,329.
- 9.6 There are a range of potential options related to this which release one or more parts of the existing asset sites for redevelopment. The potential for alternative uses of the Town Hall and Assembly Hall Theatre other than residential use has been investigated by GVA on behalf of the Council. Their report is attached as Report 1 Appendix 3 (GVA Civic Site Alternative Uses Report September 2017)
- 9.7 The report suggests that there is demand for the following uses to occupy a large quantum of the site or to become the predominant use.
- Office (conventional letting or serviced office)
    - Mixed use developers confirmed their interest in providing offices over part of the site as part of a mix with residential space. Both have cautioned that their interest would depend on the viability and state of the market at the time, but have highlighted that strong residential values over part of the site may help subsidise some of the less valuable office accommodation.
    - Discussions with specialist office developers, and operators of serviced offices have confirmed interest in undertaking office development citing the popularity of the town and the future lack of supply as a key driver and the emerging trend of modern-day office tenants who desire more flexible terms. Crucially, the serviced office business model seeks to achieve rental premiums beyond usual market rent by offering tenants greater flexibility.
  - Hotel
    - The Town Hall could accommodate 70-90 bedrooms. This is a relatively popular space requirement amongst operators. The Town Hall's existing configuration of cellular offices and a central corridor also lends itself well to a conversion to hotel use. The Assembly Hall's configuration as a theatre would require a comprehensive redevelopment to accommodate hotel bedrooms. GVA highlighted that 3 of the UK's five key operators have confirmed a requirement to locate within Tunbridge Wells.
- 9.8 The report further suggests that there is demand for other uses to occupy a sizeable albeit lesser quantum of the site, perhaps subservient to a more predominant use.

- 9.9 It is envisaged that 9-10 Calverley Terrace is brought forward with the main Civic Complex buildings. There is also a potential for the Police Station (which is in separate ownership) to be considered as part of any integrated scheme.
- 9.10 There is an opportunity to explore the delivery of a development and see a financial return on 30-36 Crescent Road in advance of the other sites being brought to market. This could be either directly by the Council or through disposal on the open market after a planning application has been secured.
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## **10 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 10.1 It is recommended that the Council proceed with the developed design of the whole Civic Development project. The proposal would create a new, enhanced entrance into Calverley Grounds and in doing so increases the park's profile in the heart of the town; it would deliver a new, state-of-the-art theatre to be built in a unique location which enhances the leisure offer by linking the theatre with the park; it would allow for the provision of new office space that would go some way to replace some of the space lost through permitted development rights and, together with the new Cripps offices, send a signal to the market on the need for quality office accommodation within the town. The scheme would also enable the Council to secure a revenue stream for the future and to move from inefficient, obsolete office accommodation into modern cost-efficient space. The underground car park would replace some of the car parking that would be lost with the redevelopment of the Great Hall Car Park and provide new, modern car parking space fit for modern standards. Crucially, the development would ensure that inevitable new housing developments in the Borough are matched by a commensurate growth in cultural and leisure facilities, ensure that the Town and wider Borough retain their unique brand, support the local economy by ensuring the town remains an attractive place to live, work and visit and provide a significant increase in consumer spend within the town.
- 10.2 Within the complete project option, in order to realise maximum qualitative benefit (but having regard to cost and viability), it is recommended that:
- The theatre be the design that offers the maximum space that can be accommodated on the site to ensure the quality of the visitor experience and ensure that this will be a state-of-the-art theatre fit for the 21st Century;
  - The office is flexible in design to allow for the future, that it imparts dignity but that the civic space is flexible for alternative uses; that it provides space for a tenant/s and for the Council but that it be designed in keeping with its surrounds and to avoid unnecessary expenditure through the construction of superfluous space;
  - The car park comprises around 261 spaces to maximise the number of spaces against the increased construction as the site is developed deeper into the ground; and
  - The development framework/masterplan sets the context for the development and provides a framework to protect the integrity of the listed suite of existing historic buildings.
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## **11 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 11.1 The Stage 3 work is now completing and engagement with Members is continuing. Three briefing sessions covering the Theatre Business Plan, Design and Site Assembly and Finances have been given on the 16, 17 and 19 October. In addition, the Development Advisory Panel has received a briefing on the 9 October. Alongside these internal briefings, a number of Stakeholder engagements are taking place with local residents, friends and community groups, businesses and stakeholders. Information has been placed in the public domain on a regular basis including the suite of redacted Stage 1, 2 and 3 documents and the establishment of a dedicated website to provide information on the proposed scheme.
- 11.2 These most recent meetings are part of a programme of engagement both internally and externally throughout the development of the Civic Development from initial options through to the completion of the Stage 3 documents. Attached are a list of formal Committee Meetings (Appendix 3), Member Engagement (Appendix 5) and Community Engagement (Appendix 6). Articles have also been placed in the Council's 'Local' magazine and in local newspapers.
- 11.3 In addition presentations and discussions have been held with members of Cabinet throughout the process.
- 11.4 A group of 24 Councillors and Officers attended a fact-finding visit to the new Marlowe Theatre on the 25 October 2017. The visit comprised of a tour of the theatre, a Q&A panel with Councillors, Officers and local businesses, lunch and networking, followed by the option of viewing the stage production of 'Grease' the Musical. A summary of the visit is attached as Appendix 8.
- 11.5 Copies of the redacted initial feasibility carried out under the Assembly Hall Theatre Mandate, together with copies of the Cabinet and Full Council reports are available on the Council website. A copy of the redacted RIBA Stage 1 documents which summarise the work undertaken to the end of RIBA stage 1 are available publically on our website.
- 11.6 The redacted RIBA Stage 2 report which has an extensive set of appendices is available on the Council website.
- 11.7 The redacted RIBA Stage 3 report which has an extensive set of appendices is also available on the Council website.

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## **12 LEGAL IMPLICATIONS**

- 12.1 The making of a compulsory purchase order under the Town and Country Planning Act 1990, section 226(1) and the Acquisition of Land Act 1981 is a function which can be undertaken on behalf of the Council. The power must be exercised in line with the statutory requirements.

- 12.2 Section 226 of the Town and Country Planning Act 1990 enables a local authority to exercise its compulsory purchase powers:
- (i) if it considers that acquiring the land in question will facilitate the carrying out of development, redevelopment, or improvement on, or in relation to the land being acquired and
  - (ii) provided that it considers that the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of its area (S226(1A)).

12.3 The Compulsory Purchase Order made by the Council will require confirmation by the Secretary of State in accordance with the statutory requirements.

12.4 The Council is entitled to acquire relevant sites through negotiation with third parties before or after the confirmation of the CPO by the Secretary of State. Compensation may be payable by way of negotiation; under statutory requirements or through the Court.

### **Human Rights**

12.5 The Human Rights Act 1998 protects particular European convention rights to include :

- (a) the right of everyone to the peaceful enjoyment of their possessions, which can only be impinged upon in the public interest and subject to relevant national and international laws;
- (b) the right to a fair and public hearing for those affected by the making of the CPO – Article 6;
- (c) the right to a private and family life, home and correspondence, which again can only be impinged upon in accordance with law and in the public interest.

12.6 In light of the matters detailed in this Report, the exercise of the proposed compulsory purchase powers is justified on the basis that it is in the public interest, authorised by law and necessary and proportionate towards achieving the Civic Development programme. The CPO will also contribute to the Council achieving its key objectives within the Council's Five Year Plan of delivering a Prosperous, Green and Confident Borough. The Civic development will facilitate the redevelopment of the Theatre, provide new office space and improve the entrance to Calverley Grounds whilst protecting the historic integrity of the listed civic suite of buildings.

12.7 The proposed CPO will be consistent with Article 6 of the Human Rights Act 1998. All those affected will be informed and advised of a right to make representations to the Secretary of State, to be heard at a public inquiry and have a fair entitlement to compensation within the statutory provisions.

### **Overriding Existing Rights**

12.8 Where the Council is satisfied that the development or re-development will contribute to the promotion or improvement of the economic and/or social and/or environmental well-being of its area; and it is in the public interest and thereby justified to appropriate the land to facilitate the development, this will enable the Council to override and infringe third party rights in accordance with the Housing and Planning Act 2016, section 203.

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12.9 In order for section 203 of the 2016 Act to apply to the development site, all of the Council's interests must be held for planning purposes. It is therefore necessary to appropriate land within the development site for planning purposes under section 122 of the Local Government Act 1972.

12.10 The Council has the general power under the Local Government Act 1972, section 120 to acquire land by agreement for any of its purposes. The acquisition by negotiation prior to the making of the CPO is therefore permitted under the Act.

### 13 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

13.1 Following a decision by Full Council, a planning application will be finalised and submitted and the procurement of our expert advisors will be undertaken to enable the delivery of the Civic Development.

13.2 Attached as Appendix 7 is an indicative master programme that sets out the key stages towards the delivery of the Civic Development. It sets out the anticipated timeframes for the consideration of a planning application, land assembly issues, procurement of contractors, construction mobilisation and the period of construction. A copy of the master programme is provided in the redacted Stage 3 documents.

### 14 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Legal</b> including Human Rights Act	<p>The framework agreements for professional services referred to in the report have been through a process of formal procurement in accordance with European and UK law to ensure that all requirements are met.</p> <p>Further legal implications are outlined within this Report.</p>	Patricia Narebor, Head of Legal Partnership and Monitoring Officer (03/11/17)
<b>Finance</b> and other resources	<p>Grant from central Government will disappear completely from April 2018. Future funding will be dependent on this Council's ability to deliver growth and to retain a greater share of business rate growth proceeds.</p> <p>The finances of eth scheme have been independently reviewed and the council does have the financial capacity to deliver the scheme provided the schedule of cost reductions is achieved.</p>	Lee Colyer, Director of Finance, Policy and Development (01/11/17)

<p><b>Staffing establishment</b></p>	<p>Staff will be impacted in many ways by this project and engagement with them will be important to delivering aspects of the project successfully. Workforce transformation and moving to new more flexible ways of working will be a significant piece of work. It will be necessary to review how we use the resources we have for delivery on an ongoing basis to ensure that we have the right people, working on the right things, at the right time.</p>	<p>Nicky Carter, Head of HR (02/11/17)</p>
<p><b>Risk management</b></p>	<p>The Council has already developed a number of 'gates' to manage the allocation of resources and introduce a phased approach to development. This approach has continued to be used for this project with the RIBA Workplan stages forming the break points. Broader risks for each development have been assessed as the project has progressed.</p> <p>Risks for the Civic Development project have been identified at three levels: project, operational, and strategic risk. All risks identified are recorded on a risk register, using a risk policy framework which directs that risks are assessed for impact and likelihood. Existing controls and actions are identified for each risk, specifically to manage high level risks to an acceptable level. The risk registers are regularly reviewed, updated and reported to either the Civic Steering Group (Management Board), Leadership Board, Development Advisory Panel or Audit and Governance Committee. Risk information is available online, and also hard copies are displayed in the Members Room.</p> <p>On agreement to progress the systems and monitoring will be maintained. A thorough review of the risk registers will be undertaken.</p>	<p>David Candlin, Head of Economic Development &amp; Property (01/11/17)</p>
<p><b>Environment and sustainability</b></p>	<p>As referred to in the report the aim of the council is to influence place shaping and develop a theatre and office complex fit for the 21<sup>st</sup> Century, recognising its responsibility for civic leadership.</p> <p>It is therefore anticipated that the assessment of space and design will enable the delivery of the best possible environmentally sustainable building, include energy efficiency, exploring use of renewables, and keeping the use of resources such as water to a minimum. Thereby, ensuring long term, corporate energy bills are kept low; resources are used sustainably with the Council demonstrating leadership in supporting carbon reduction as set</p>	<p>Karin Grey, Sustainability Manager (02/11/17)</p>

	<p>out in Climate Local Tunbridge Wells 2014 and the adopted Kent Environment Strategy 2016.</p> <p>It is acknowledged that part of delivering a more environmentally sustainable building, consideration is being given to the building's footprint beyond its walls. By incorporating suitable designs and facilities to enable staff and patrons of the office and theatre to use sustainable transport methods. Which supports the actions as set out in the Borough Transport Strategy 2015, Cycle Strategy 2016 and adopted Air Quality Action Plan.</p>	
<b>Community safety</b>	There are no specific community safety issues arising from this project.	Terry Hughes, Community Safety Manager (02/11/17)
<b>Health and Safety</b>	There are no specific H+S issues at this stage. Specific H+S issues may arise at subsequent stages of the project and these will need to be managed during construction and post-delivery including security within the buildings, policies related to agile working, as well as ensuring that there are the required resources to ensure specific safety standards are in place. These are all issues that can be worked through easily prior to the full operation of these buildings.	Mike Catling, Corporate Health and Safety Advisor (02/11/17)
<b>Health and wellbeing</b>	The proposal supports the wider determinants of health by providing improved facilities for cultural, social and community engagement.	Tracey Beattie, Mid Kent Environmental Health Manager (03/11/17)
<b>Equalities</b>	<p>Decision-makers are reminded of the requirement under the Public Sector Equality Duty (s149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups.</p> <p>This decision is relevant to the requirement to eliminate discrimination, harassment, victimisation and any other prohibited conduct under the Act with regard to:</p> <p style="padding-left: 40px;">Making reasonable adjustments for people with disabilities in relation to the public realm works and office accommodation. An 'Access and Inclusivity Statement' has been prepared by an Access Consultant (in the redacted Stage 3 documents) which addresses parking and the public realm/landscaping in so far as it relates to the proposed building and related works, for</p>	Sarah Lavallie, Corporate Governance Officer (02/11/17)

	<p>example, at interfaces between the street and entrances/thresholds.</p> <p>This decision is relevant to the requirement to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it with regard to:</p> <p>Meeting particular needs such as the needs of people with disabilities when relocating the disabled parking bay on Mount Pleasant Road and in the design of the public realm. Please refer to the 'Access and Inclusivity Statement' (in the redacted Stage 3 documents)</p> <p>Encouraging participation in cultural activities. The report sets out the borough's vision to 'grow our role as the cultural centre of the Kent &amp; Sussex High Weald, so that by 2024 the borough of Tunbridge Wells is nationally recognised for its vibrant cultural provision'. In addition we have a corporate equality objective in place 'as a community leader and a service provider, we will foster good relations and advance equality of opportunity by increasing participation in our heritage, arts and culture programme for people with disabilities, younger and older age groups, ethnic groups, religious groups and lesbian, gay, bisexual and trans people'. The options of 'doing nothing' or 'doing the minimum' may give us fewer options to advance equality of opportunity in line with our vision and objective.</p> <p>This decision is relevant to fostering good relations between persons who share a relevant protected characteristic and persons who do not share it with regard to:</p> <p>Increasing confidence and trust in the local authority by people with protected characteristics that may use our services and facilities.</p> <p>Members should note that further analysis of the impacts of the proposed schedule of cost reductions and suggestions for mitigating any impacts identified, will need to be brought forward at the time these are being considered.</p>	
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## 15 SUPPLEMENTARY REPORTS AND APPENDICES

The following documents are to be published with, and form part of, the report:

### Open Appendices:

Agenda pack label	Document Title
Appendix A	Appendix 1: Site Location
Appendix B	Appendix 2: Key Council Decisions
Appendix C	Appendix 3: List of Committee Meetings
Appendix D	Appendix 4: Project Team
Appendix E	Appendix 5: List of Member Engagement
Appendix F	Appendix 6: List of Community Engagement
Appendix G	Appendix 7: Indicative Master Programme
Appendix H	Appendix 8: Marlowe Theatre Visit Summary
Appendix I	Report 1: Design & Site Assembly
Appendix J	Report 1: Appendix 1: Historic England Statement
Appendix K	Report 1: Appendix 2: Design South East Panel Letter
Appendix L	Report 1: Appendix 3: Response to Design South East
Appendix M	Report 2: Procurement
Appendix N	Report 2: Appendix 1: GVA - Construction Procurement Strategy Options & Recommendation
Appendix O	Report 3: Civic Complex
Appendix P	Report 3 Appendix 1: Tunbridge Wells Town Hall and Assembly Hall Brief September 2017
Appendix Q	Report 3 Appendix 2: Civic Site Alternative Uses Report
Appendix R	Report 4: Project Financials
Appendix S	Report 4: Appendix 1: Construction Costs
Appendix T	Report 4: Appendix 2: Business Plan for the proposed new Theatre (Bonnar Keenlyside)
Appendix U	Report 4: Annex to Appendix 2: Theatre Business Plan Budget
Appendix V	Report 4: Appendix 3: Consolidated Business Case
Appendix W	Report 4: Annex to Appendix 3: Consolidated Business Case NPV 1
Appendix X	Report 4: Annex to Appendix 3: Consolidated Business Case NPV 2
Appendix Y	Report 4: Appendix 4: Mid Kent Audit review of the Civic Development Project
Appendix Z	Report 4: Appendix 5: CIPFA review of the Civic Development Project

## Exempt Appendices:

Exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended): Information relating to the financial or business affairs of any particular person including the authority holding that information.

<b>Agenda pack label</b>	<b>Document Title</b>
Exempt Appendix A	Exempt Appendix 1: Covering Report Supplementary
Exempt Appendix B	Exempt Report 1: Appendix 1: Site Assembly Strategy
Exempt Appendix C	Exempt Report 1: Appendix 2: Site Assembly Schedule
Exempt Appendix D	Exempt Report 1: Appendix 3: One Tunbridge Wells Marketing Update Report
Exempt Appendix E	Exempt Report 1: Appendix 4: One Tunbridge Wells Summary Report
Exempt Appendix F	Exempt Report 3: Appendix 1: Civic Site Report indication of Value
Exempt Appendix G	Exempt Report 3: Appendix 2: SMT Findings Report

## 16 BACKGROUND PAPERS

Redacted RIBA Stage 3 documents:

<http://www.tunbridgewells.gov.uk/business/enterprise-and-regeneration/regeneration/civic-complex-development>