

15 July 2024

## **REPORT OF THE SERVICE DIRECTOR FOR GREEN GROWTH, INVESTMENT AND ASSETS**

### **FUTURE OF COUNTY HALL**

#### **Purpose of the Report**

1. To note the outcomes from the public, stakeholder and development community engagement undertaken during March 2024 on the future of County Hall, and to endorse the use of the findings as part of the development of the Outline Business Case.

#### **Background**

2. At its meeting on 13 July 2023 Full Council considered a report seeking approval for the Latest Estimated Costs for a proposed new office building near Hucknall, and for work to be undertaken to develop a formal options analysis and resultant business case for the future use of the County Hall site for further consideration by Members. Crucially it was agreed that this work on the future of County Hall should incorporate:
  - Engagement and consultation with key stakeholders and residents.
  - Business Case options to achieve best value.
  - Consideration of the heritage factors associated with the site.
3. Members considered that work to develop the business case be informed by the following core principles: -
  - That the County Hall building is a significant local landmark of heritage value in a location offering significant public amenity.
  - That in considering options for the future of the site, the Council will seek to develop a vision for its future that respects these characteristics, and ideally enhances them, whilst ensuring that the Council's financial and risk imperatives are met.
  - That in its consideration of options, the Council will engage and involve local stakeholders, including residents and heritage organisations.
4. In February 2024 the Cabinet Member for Economic Development and Asset Management authorised progression of the Outline Business Case including early engagement with the community, stakeholders, and developers. Approval was given to the proposed route through community and stakeholder engagement enabling the development of the vision for

the site and business case through to a proposed delivery route to achieve a disposal that meets the core principles.

5. A wide-ranging engagement has subsequently been undertaken through March 2024 including:
  - i. An online survey for the general public (with hard copies available if needed).
  - ii. Direct contact with key stakeholders including local Councils, heritage groups, neighbours, universities, public sector partners and local sports clubs.
  - iii. Soft market testing with the property development community. The online survey was supported by a communications campaign to raise awareness and encourage participation.

## Information

6. The public engagement involved an online survey which was open from **6 March to 31 March 2024**. Key headlines are as follows:
  - i) 1,628 responses received.
  - ii) 1,521 of these from residents.
  - iii) 665 from business owners.
  - iv) 448 from Council employees (260 working at County Hall).

*Note: the survey allowed respondents to respond to all the questions about their status and so the numbers above will reflect that.*

7. This was an extremely positive response to early engagement and highlights that both residents and staff value the importance of the site and the potential is has to support the aspirations of the area.
8. The survey asked some direct questions and the results were as follows:

85% agree to the retention of the H – block (the main green roofed building).  
86% value the views of the site from across the river and from Loughborough Road.  
70% agree that the development of the existing car park is an opportunity for regeneration.  
77% would like to see improvement to the riverside environment.  
60% agree that having more hospitality businesses (bars and restaurants) would be a good idea, 28% don't.  
73% think that the development of the site would help economic growth.
9. In addition, the public were asked some less direct questions about what uses on site they would or would not like to see and how they saw development of the site supporting existing businesses and communities. This led to a wide range of responses but in summary responses recognised the unique opportunity available, with the main theme suggesting a mixed-use development majoring on residential (high value flats and affordable accommodation both have significant support, mixed response to student housing and older persons accommodation) with other uses having support including commercial (e.g. hotel, offices, bars, restaurants), community (e.g. café, touchdown) and cultural (e.g. museum,

gallery). Support to retain the H block and make use of the riverside location were confirmed and there is some support for uses to complement neighbouring sports venues. Continued public access to or across the site is also supported.

10. Further engagement was undertaken with a group of specific stakeholders including Rushcliffe Borough Council, Nottingham City Council, our two universities, our local sports clubs, heritage organisations, neighbours, public sector partners through One Public Estate and the Environment Agency. These parties were all individually approached and are likely to be parties that we continue to engage with through the process as plans develop and thus this engagement can be seen as the start of an ongoing dialogue. Responses to date confirm the prominence of the location, the need to retain the main building, sustainability and the maintenance of the riverside access and views. The City Council identified the wider context of the river and the urban area north of the river to frame visioning and the potential for improved road network, pedestrian and cycling routes. Preference for major office floorspace to be in the city centre was also expressed. Notts County FC highlighted a desire that the site be used for greater place making turning it into a destination for visitors and a complementary to the four local sports stadiums.
11. An informal soft market testing (SMT) exercise was conducted by commercial property advisors during March and April 2024. The purpose of the SMT process was to seek up to date market feedback on the redevelopment potential of the County Hall site, assuming H-Block is retained, and thoughts on preferred approaches to delivery, including a potential partnership with the Council.
12. To ensure a broad range of views, a total of seventeen development and regeneration specialists were invited to engage, each with a proven track record. Nine parties expressed interest and took part in an informal discussion (note: that one party cannot engage until May). Three parties did not respond, and six parties confirmed that the opportunity was not of interest because it does not meet their current target geography or because the likely nature of scheme and uses does not meet current requirements.
13. The eight parties engaged to date have provided very positive feedback about the County Hall site. Almost all stated that it is 'one of the best development sites in the city currently, given the unique riverside location'. It is clear there would be genuine interest if the opportunity were to be brought to market.
14. Most felt that the retention of H Block is essential given its 'iconic' appearance. All the developers stated a preference for taking a holistic and comprehensive approach to the site, including H Block, to focus on place-making and creating a new destination. Connectivity to the station and the wider West Bridgford area would be important. Parties also highlighted the opportunity for a future scheme to interact more with the river.
15. Retaining and refurbishing H Block would not put off developers. Whilst it was recognised that the repurposing of H Block will come at a significant cost, that could impact viability, some parties commented that the overall development has the potential to set new benchmarks for values in Nottingham given the quality of location.

16. Developers cited a broad range of potential uses including residential (a mix of accommodation and tenures were stated), community sports and complementary commercial uses such as restaurants, flexible workspace, hotel / conferencing, and fitness.
17. The Developers who engaged expressed a preference for a conditional site sale or Development Agreement. A corporate joint venture would not appeal to most of the parties. Parties would be prepared to engage in a formal procurement process provided this was streamlined to avoid prohibitive cost and time. Parties have suggested due diligence and technical information the Council should provide at the start of any procurement process to de-risk it and help generate better quality bids.
18. The results of engagement will now inform the vision for the site and the further development of the Outline Business Case to achieve this which will be the subject of a further report later in the Summer. The OBC progresses the following methodology to ensure that the Councils objectives and vision as developed through engagement are captured.
  - 1) Setting out the strategic reasoning for unlocking County Hall (including the outcomes of the Stakeholder Engagement exercise).
  - 2) Exploring the economic benefits of doing so.
  - 3) Providing confidence that the site represents a commercially viable opportunity.
  - 4) Appraising the financial impacts of the disposal on the Council's revenue and capital budgets.
  - 5) Provide assurance that appropriate management structures are in place to successfully deliver the strategic objectives of the project – including a clear project delivery plan.
19. At OBC stage an outline preferred approach to delivery structure and broad procurement route will be identified which best suits delivery of the Councils vision for the site.
20. It is anticipated that the OBC will be completed this summer and if approved will enable commencement of the Full Business case/marketing of the site. It is anticipated that formal marketing will launch in Autumn with shortlisting in the New Year.

**Timeline**

OBC completed	July/Aug 24
Procure FBC team	Aug/Sept 24
Pre-marketing/tender prep	Sept/Oct 24
Marketing	Nov/Dec 24
Recommendation to Cabinet Member	Jan 25

**Other Options Considered**

21. The development of OBC will use information gleaned from the engagements undertaken to inform the agreement of the Council's objectives for the site and consider options available for the Council to progress to meet those objectives. The robust business case process that is being undertaken will ensure that all options are considered in the light of the Council's objectives.

## **Reason/s for Recommendation/s**

22. This report sets out the outcomes from the engagements undertaken in March 2024 and notes the use of the outcomes in informing the Councils vision for the future of the site which will in turn inform the OBC.

## **Statutory and Policy Implications**

23. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **Financial Implications**

24. The continued progression through the OBC stage is estimated to cost £200,000. This is to be funded from within the existing Major Projects revenue budget held within Place.

## **RECOMMENDATION/S**

- 1) To note the outcome from the engagement undertaken with the public, stakeholders, and developers.
- 2) Approve these outcomes being taken into consideration in setting the vision for the site as part of the development of the Outline Business Case.

**Wayne Bexton**

**Service Director, Green Growth, Investment and Assets**

**For any enquiries about this report please contact: Neil Gamble, Group Manager Property Asset management, T: 0115 9773405, E: neil.gamble@nottsc.gov.uk**

## **Constitutional Comments (SF 08/05/2024)**

25. The content of this report and the recommendation fall within the remit of the Cabinet Member for Economic Development and Asset Management as set out in the Council's Constitution.

## **Financial Comments (PAA 08/05/2024)**

26. The financial implications are set out in paragraph 22 of the report. The continued progression through the Outline Business Case (OBC) stage is estimated to cost £200,000 and is to be met from the Place Major Projects revenue budget which for 2024/25 presently stands at £499,549. The other commitments against this budget will need to be kept under review to ensure that they do not exceed the funding available.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Report to Full Council on 13 July 2023 titled 'Building and Office Rationalisation Programme – update, future arrangements for County Hall, and proposals for new offices near Hucknall'.

Decision of the Cabinet Member for Economic Development and Asset Management dated February 2024 and titled 'Future of County Hall'.

## **Electoral Division(s) and Member(s) Affected**

Rushcliffe: West Bridgford North – Councillor Penny Gowland