

EXECUTIVE

LEADER: Cllr Jeremy Christophers

PORTFOLIO HOLDER: Cllr Timothy Golder

DATE: 05 March 2019**REPORT OF: Tony Watson – Interim Head of Commercial Services****SUBJECT: Brunswick Street, Teignmouth****PART I****RECOMMENDATIONS****The Executive is recommended to resolve that**

- 1) £85,000 be committed to acquire specialist work required to prepare the business case to advance the hotel scheme**
- 2) Subject to planning permission, demolish derelict buildings at Brunswick Street and clear the site in preparation for development on an estimated contract value of £130,000**
- 3) Dispose of the Council's freehold interest in 4/5 and 1 Northumberland Place and reinvest the capital receipts into the Brunswick Street project.**

1.0 PURPOSE

- 1.1 The purpose of this report is to provide an update on the Brunswick Street project and seek approvals required to further the scheme.

2.0 BACKGROUND

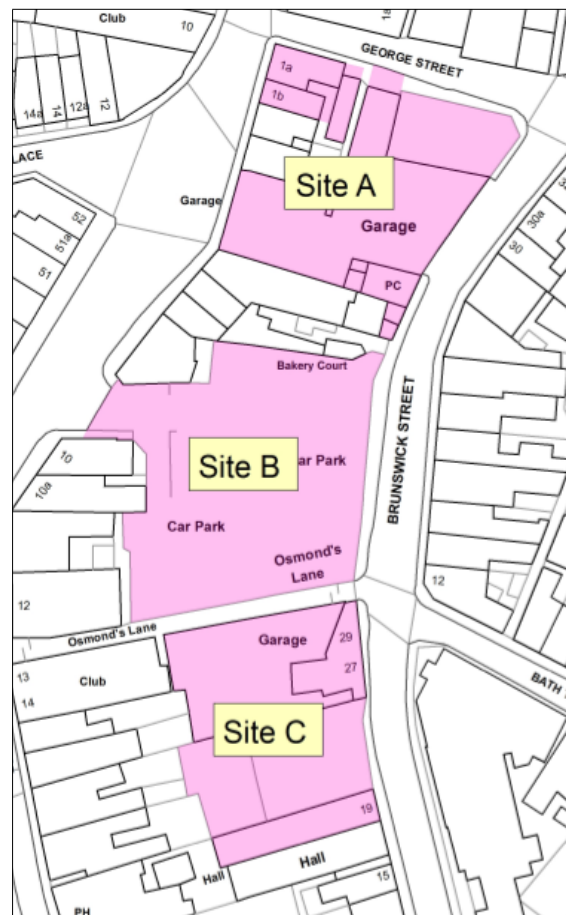
- 2.1 At the Executive Committee meeting held 4 September 2018, Members were advised of the proposals for the site following a marketing campaign held last year. The following was resolved:-

- (1) To proceed with a proposal for the council to build a hotel on part of the Brunswick Street site;
- (2) That subject to a public consultation to be run by the NHS this Winter, to work with the NHS to progress the delivery of a Health and Well-Being Centre with a remit to include replacement accommodation for Teignmouth Arts Advisory Group (TAAG), subject to TAAG raising necessary funding;

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- (3) A feasibility study to be carried out to investigate the options for the future water sports needs in Teignmouth and how they can be met; and
- (4) The principle to develop detailed plans and carry out statutory consultation to construct a deck on the Quay Road Car Park be approved.

2.2 Since September, steps have been taken to advance the project on this basis. Advice has been taken in respect of procurement options available to the Council to secure delivery of the hotel on sites B & C as illustrated on the site plan below.



2.3 The Council must ensure that it complies with Public Contracts Regulations 2015 and ensure against unlawful State aid. To this end, the Council will need to run a compliant procurement procedure. To enable Members to make an informed decision prior to entering into an agreement with a preferred hotel operator and running a procurement procedure, a business case must be prepared. Authority is sought to invest up to £85,000 to prepare the business case. This investment, both financial and in officer time, will be made entirely at risk. The outcome will include a detailed cost plan, concept design, and a project strategy. A future report will then be brought forward for member consideration in relation to the detailed financial implications of the hotel build,

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both capital and revenue, in tandem with the car parking re-provisioning strategy.

- 2.4 Further discussions have also been held with the NHS in respect of a new medical centre at Site A. The public consultation due to have been undertaken over the winter, has been postponed until May 2019. Subject to the consultation, which will be run over a period of four months, the NHS have expressed an interest in now acquiring just part of Site A, excluding 4/5 Northumberland Place.
- 2.5 Authority is also sought to secure a budget of £130,000 to progress the part demolition and clearance of Site A, excluding the buildings that front onto Northumberland Place. There is a particular urgency to demolish the derelict buildings on the site: Both buildings known as 3 George Street and Swanson's Workshop have been assessed by an engineer and are considered to be in such a dangerous condition that they pose a health and safety risk.
- 2.6 The site is in a conservation area and therefore planning permission will be required for the demolition. It is proposed that in the first instance, planning permission be sought for a temporary car park. Should a sale be agreed to a third party in the future, such as the NHS, the site will be cleared and ready for development.
- 2.7 Initial discussions have been held with the Town Clerk in relation to the Town Council's tenancy arrangements on the site.
- 2.8 4/5 Northumberland Place is not required to deliver a health and well-being centre or a temporary short stay car park. With no operational or strategic requirement to retain, it is therefore recommended that these premises are sold. When the Council's property interest was marketed last year, Teignmouth Arts Advisory Group (TAAG) submitted an initial offer for 4/5 Northumberland Place. It is recommended that Teignbridge now enter into negotiations with a view to selling the building and the terms of any agreed purchase price be delegated to the Portfolio Holder for Economy & Tourism, the Interim Head of Commercial Services and the Chief Finance Officer.
- 2.9 1 Northumberland Place could be required to deliver a health and well-being centre but at this time, the NHS are unable to commit to a purchase. With no operational or strategic requirement to retain, it is therefore recommended that these premises are sold as a stand-alone investment.
- 2.10 Discussions are ongoing with water sports groups.

3.0 MAIN IMPLICATIONS

- 3.1 Business case preparation involves processes necessary to progress the Council's previous decision to proceed with a hotel build proposal. It is

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therefore proposed to capitalise the associated costs along with the demolition works, as the earliest stages of the scheme, which as a whole is to be funded from borrowing. Where possible, the council will make use of internal borrowing to minimise financing costs. Should the capital receipts mentioned in recommendation 3 be available, they can be used towards overall project costs.

- 3.2 If for any reason the project does not come to fruition, there is the risk that the sums committed would have to be written off as a revenue expense with the potential to cause a budgetary pressure.

4.0 GROUPS CONSULTED

- 4.1 The project team includes officers with specialist areas of expertise and are contributors to this report. These include
Lucy Ford - procurement;
Karen Trickey – legal;
Donna Best - property;
Andrea Snape –finance; and
Leigh Florence and Aaron McCluskey - project management and engineering.
- 4.2 In addition, initial discussions have been held with Teignmouth Town Council's Town Clerk in relation to property currently leased by them.

5.0 TIME-SCALE

- 5.1 A future report will be brought forward for member consideration in relation to the car parking re-provisioning strategy. This will be in conjunction with a business plan providing detailed financial implications of the hotel build, both capital and revenue, in tandem with the car parking re-provisioning strategy.
- 5.2 Table 1 provides an indicative timetable for partial demolition and clearance of Site A.

Table 1

Activity	Date
Submit planning application	May 2019
Planning decision	September 2019
Contract tendered	October 2019
Deadline for return of tenders	December 2020
Contract commencement	March/April 2020

6. JUSTIFICATION

- 6.1 Progression of this project is important to Teignbridge and in particular, the town of Teignmouth. However, this next step requires a significant non-refundable financial and staff resource cost and is therefore considered a key decision.

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6.2 The project supports the Council's 'going to town' Teignbridge 10 super project. By investing in the delivery of this regeneration project, it is envisaged that jobs will be created, the local built environment improved and that more visitors will be attracted to the town.

7. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)

10.00 a.m. on Tuesday 12th March 2019.

Tony Watson
Acting Head of Commercial Services

Cllr Timothy Golder
Portfolio Holder for Economy & Tourism

BELOW TO BE FILLED IN BY REPORT AUTHOR:

Wards affected	Teignmouth Central, East & West
Contact for any more information	Donna Best
Background Papers (For Part I reports only)	1) Brunswick Street, Teignmouth Executive Report & minutes 04 September 2018 2) Local Development Order (LDO)
Key Decision	Y
In Forward Plan	Y
In O&S Work Programme	N
Community Impact Assessment attached:	N
Appendices attached:	N/A