

Chichester District Council

THE CABINET

3 September 2019

Plot 21, Terminus Road - Ravenna Point

1. Contact

Cabinet Member

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2. Recommendation

- 2.1. **That the Post Project Evaluation (PPE) report in appendix one for the Plot 21/Ravenna Point development be approved.**

3. Background

- 3.1. The Council owns the freehold interest in the Plot 21 site and following the liquidation of Goodwood Metalcraft, the opportunity arose to accept the surrender of the then 38 years long leasehold interest to enable the site to be redeveloped. This approach was approved by Cabinet in November 2013 and surrender of the long leasehold interest took place on 26 February 2014.
- 3.2. At that same November meeting Cabinet also approved the submission of an outline planning application to demolish and clear the site of buildings and redevelop it for B1 Business, B2 General Industrial and B8 Storage and Distribution uses. An agent was also appointed and instructed to market the site.
- 3.3. At its meeting of 6 January 2015, as part of its consideration of the Corporate Plan, Cabinet approved proposals for the development of the site in principle, subject to the PID being approved and authorised the release of £100,000 from capital to fund the demolition of the buildings and clearance of the site.
- 3.4. Detailed estimates subsequently obtained indicated the cost of this work, including asbestos removal, would exceed the £100,000 indicated in the PID. At its meeting of 2 June 2015 Cabinet approved an additional budget of £66,000 to enable the work to be undertaken. An additional development budget of £1,505,000 was also agreed to be released, subject to a pre-let agreement being in place for a single unit. Demolition of the existing buildings was completed in August 2016.
- 3.5. Prior to completion of the demolition works, an update report on the emerging proposals was considered by Cabinet at its 12 July 2016 meeting. Cabinet was informed that, following a subsequent marketing exercise, a single pre-let

occupier had not been secured but that following receipt of a market overview report from local commercial agent Henry Adams, there would be good demand for an alternative approach that delivered a speculative 5 unit scheme on the site.

- 3.6. Cabinet recommended that funding of £150,000 be released from Capital Reserves to enable the detailed design work, planning matters and pre-construction tender process to commence. The £1,767,000 balance of the estimated total project costs was also released subject to the tender costs remaining within the estimated cost plan total of £2,083,000.
- 3.7. The Cabinet resolution was subsequently endorsed by Council at its meeting of 19 July 2016.
- 3.8. On 11 July 2017 Cabinet received a report update following completion of the detailed design work for the scheme having secured planning consent and concluded the procurement process. Upon further advice from commercial property agents, Henry Adams, the earlier scheme had subsequently been redesigned as a six unit scheme to provide a better mix of units and maximise the letability of the development. An Employers' Agent had also been appointed to ensure the design of the development met the requirements of potential occupiers.
- 3.9. At that July meeting Cabinet gave approval to release the budget necessary to enter into a contract with the preferred contractor and deliver the revised 6 unit scheme.

4. Post Project Evaluation

- 4.1 The Post Project Evaluation (PPE) appendix one provides a review of how the Plot 21 Project performed against the original intentions set out in the Project Initiation Document. It allows lessons learned to be passed on to other projects and ensures that provisions have been made to address all open issues and risks alongside follow on actions and recommendations where appropriate. It also provides the opportunity to assess any expected outcomes that have already been achieved and/or provide a review plan for those outcomes yet to be realised.
- 4.2 The original project objectives have been achieved albeit to a timetable that was noticeably different from that contained in the original PID for the reasons set out in section 3 above.
- 4.3 A sizeable underspend of £96,125 of the capital budget has been achieved in the delivery of the project despite some challenging obstacles during construction, including major ground contamination issues. A copy of the PPE can be found at appendix 1.

5. Contract Monitoring and Performance

- 5.1 The start of the work on site was delayed upon occupation by the contractor in order for a contamination issue to be resolved in accordance with the pre-

commencement planning conditions. Completion and handover were subsequently delayed owing to the late application to discharge a pre-occupation condition by the contractor and unresolved defects that required rectification prior to handover of the development to CDC.

5.2 Following Practical Completion on 16 January 2019 and with the 12 month defect period more than midway through, the focus for subsequent action centres on resolving any outstanding defects notified to the main contractor. These are relatively minor in nature such as the plastic gas service ducting covers in the forecourt area that have now been replaced with a more durable cast iron product.

6. Consultation

6.1 With the development now complete the majority of interaction with internal and external stakeholders centre's on the operational considerations necessary for the successful running and management of the scheme together with those activities required to help secure tenants for the remaining units.

6.2 The Council's Economic Development service is also actively promoting the development to potential tenants.

7. Community Impact and Corporate Risks

7.1 The redevelopment of this brownfield site has helped improve the commercial environment in Terminus Road and presents an opportunity for existing Chichester based companies looking to expand to secure new premises. It has also helped attract new business to the city as the letting of Units 5 & 6 to Quantum Electrical shows.

7.2 There will be an initial period when the unoccupied units remain empty while they are being marketed to attract new tenants. This is likely to be followed by rent free periods offered by way of incentives before the full market rent is achieved, albeit with the rent free period averaged out across the first year so that income flows to the Council from day one.

8. Other Implications

	Yes	No
Crime and Disorder The additional employment opportunities created by the construction of the centre could help reduce incidents of crime and disorder	X	
Climate Change		X
Human Rights and Equality Impact		X
Safeguarding		X
General Data Protection Regulations		X

9. Appendices

9.1 Appendix 1- Post Project Evaluation Document – Plot 21/Ravenna Point

10. **Background Papers**

- 10.1 Plot 21 Terminus Road - Cabinet Report: 5 November 2013
- 10.2 Plot 21 Terminus Road - Cabinet Report: 2 June 2015
- 10.3 Plot 21 Terminus Road - Cabinet Report: 12 July 2016
- 10.4 Plot 21 Terminus Road - Cabinet Report: 11 July 2017

[Note Each of these background papers is available for viewing on the committee papers pages of Chichester District Council's website]