

Agenda Item No: 9.8 **Report No:** 96/17
Report Title: Springman House Site, North Street - Design and Redevelopment to Accommodate new Community Fire Station
Report To: Cabinet **Date:** 26th June 2017
Cabinet Member: Councillor Andy Smith, Leader of the Council
Ward(s) Affected: All Lewes Wards
Report By: Nazeya Hussain, Director of Regeneration and Planning
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1.0 Purpose of Report:

This report seeks approval to progress the design and development of a new Community Fire Station, and Ambulance Community Response Post (ACRP), at the site of the vacant Springman House, North Street. The project will enable delivery of the North Street Quarter (NSQ) regeneration scheme by relocating the existing Lewes Community Fire Station from its current premises within the NSQ site.

2.0 Officer Recommendations:

1. To delegate authority to the Director of Regeneration and Planning, in consultation with the Deputy Chief Executive and Cabinet Member for Finance, to authorise the design and development of a new fire station and ACRP at the site of Springman House and to take all and any steps necessary to facilitate implementation of such development.
2. To make an allocation of £3.5m for the delivery of the project within the 2017/18 capital programme.
3. To delegate authority to the Director of Regeneration and Planning, in consultation with the Deputy Chief Executive and Cabinet Member for Finance, to procure project management services as set out in paragraphs

5.4 – 5.6 and to waive any requirement in the Council’s Contract Procedure Rules which might otherwise require a different approach.

4. To delegate authority to the Director of Planning and Regeneration to conduct a feasibility study and/or options appraisal on the remainder of the site

3.0 Reasons for Recommendations

1. To unlock the strategically significant North Street Quarter (NSQ) development in Lewes. The NSQ is a £180m mixed use brownfield site that will deliver the following regeneration benefits to the area:
 - 416 new homes, of which 40% will be affordable,
 - 140,000 sq. ft. of new commercial space, including subsidised creative workspace,
 - 475 full time jobs,
 - 100 full time construction jobs,
 - a new modern health centre serving in excess of 26,000 patients,
 - strategically important flood defences, completing the defence of Lewes,
 - a new riverside promenade, new footbridge, extensive new cycle paths and footpaths, and
 - a public square hosting contemporary eateries and riverside dining.

This report has been tabled at a meeting of the North Street Quarter Members’ Oversight Board.

4.0 Background information

The North Street Quarter development

- 4.1 In 2012, Cabinet resolved to explore the possible disposal of its land interests in the North Street area to facilitate a comprehensive development scheme with landowner Santon North Street (SNS). Following approval in 2013 to enter into a joint agreement with SNS (subject to satisfactory Heads of Terms and the securing of planning permission), Cabinet endorsed a masterplan for the site. It also agreed the Council’s priorities (as landowner) which are:

Essential:

- Achievement of 40% affordable housing
- Maximisation of a return on the Council’s investment through a recurring revenue stream

Desirable:

- Up to 40,000 sq ft of commercial floor space including cultural quarter, retail and a health facility
- Extra care housing units, and
- Improved public realm and connectivity with the town

- 4.2 Following the decision to grant planning permission for the NSQ scheme at the December 2015 meeting of the South Downs National Park Planning Committee, Cabinet approved a report covering a number of commercial and legal matters relating to the development. These matters included agreement

of the Heads of Terms of the Joint Venture, the procurement approach for land disposals and the exploration CPO powers to ensure site assembly for the scheme. Cabinet also agreed the necessary expenditure to buy back leasehold interests on Council owned land in the area.

- 4.3 Council officers continue to progress the acquisition of the outstanding land interests, and work is underway by SNS to discharge the pre-commencement conditions that form part of the conditional planning permission for the scheme. Officers are also working with SNS to identify options for the delivery of the development. This work is the subject of a separate report to Cabinet.
- 4.4 A dedicated project manager for the North Street Quarter scheme was appointed by LDC in March 2016.

Relocation of Lewes Community Fire Station

- 4.5 The NSQ site includes the existing Lewes Community Fire Station on North Street. This site is in phase two of the NSQ development scheme and occupies land that is intended for market housing for families. Failure to relocate the fire station would impact on the return from the NSQ development and therefore the viability of the proposed scheme.
- 4.6 In line with the Council's Infrastructure Delivery Plan, there has been a long standing proposal to relocate the existing fire station. The site it currently occupies is in an area at risk from flooding (flood zone 3).
- 4.7 An initial site appraisal looked at a number of possible relocation sites and identified that Springman House was the best option operationally for East Sussex Fire and Rescue Services (ESFRS). As well as being located outside of a flood risk zone, the site offers opportunities to co-locate 'blue light' emergency service functions with Sussex Police, who occupy the adjacent building. The site's location also conforms to ESFRS' access time requirements.

Purchase of the Springman House site

- 4.8 The Springman House site is located on North Street in Lewes, but is outside of the area of the permitted NSQ scheme. The site comprises a mid to late 20th Century building, which was most recently used as NHS administration offices. An open yard and smaller buildings behind Springman House are still operated as an ambulance depot by South East Coast Ambulance Service (SECamb).
- 4.9 Following advice from GVA, acting as its financial advisors, and preliminary feasibility and ground investigation works, LDC completed the purchase of the Springman House site from the vendors in March 2017. The Council was successful in securing a £2 million capital grant from the Coast to Coast LEP towards the site purchase costs.
- 4.10 Prior to the purchase, the Council carried out extensive discussion with both ESFRS and SECamb to understand their ongoing / future operational requirements in terms of the delivery of services. SECamb requested that an Ambulance Community Response Post (ACRP) be included as part of the new

facility and ESFRS agreed to accommodate. A specification for the ACRP was included in the sale contract documents.

5.0 Design and development of the new facility

Project costs

- 5.1 Once the site has been developed by LDC, it is intended that part of the facility will be leased to SECamb and that ESFRS will then take freehold ownership of the facility, subject to the SECamb lease. In return, ESFRS will transfer the freehold of their existing fire station to the Council to allow for delivery of the NSQ scheme. This will increase the proportion of the NSQ development site that is owned by LDC, thus increasing the Council's share in, and subsequent revenue value from, the scheme. However, leasing arrangements may vary depending upon the final design of the new facility.
- 5.2 With the purchase of the site completed, Cabinet is now requested to authorise a budget of £3.5 million to deliver the design and build of the new fire station (and ACRP), including project management fees. Officers consider that construction costs may be considerably lower if there are opportunities to work with Sussex Police to co-locate facilities.
- 5.3 The site of the existing fire station represents circa 4.5% of the overall NSQ site area. It has been agreed with Santon that in return for the Council acquiring the Springman House site, the Council will increase its equalisation share of the NSQ scheme by the additional percentage and that the cost of building and funding the new fire station will be a direct scheme development cost, to be shared between the Council and Santon ahead of any distribution of land value or profit to the parties.

Procurement route

- 5.4 There are two possible procurement routes open to the Council. One is to procure a range of services from Orbis. The Orbis Professional & Technical Services Framework would be used to procure all necessary professional services and contractors and would be procured on either a design, build, or design and build contract. The framework, which will be launched on 1st August 2017, will include approved consultants / contractors that have been agreed through an initial competitive tendering exercise.
- 5.5 Orbis have previously delivered the collaborative project to build Saxon House in Newhaven and are familiar with requirements of each of the organisations who will have a stake in the new fire station. Saxon House is considered to be an exemplar project delivered on time, under budget, and meeting the requirements of three different partners. It is hoped that by appointing Orbis, there will be demonstrable efficiency savings because of their prior experience.
- 5.6 Alternatively, the Council may choose to procure the design, build, or design and build, through the Energy & Sustainability Joint Venture Agreement. Officers will continue to explore the best delivery route, which may be a hybrid

of both potential project management partners and is it recommended that authority is delegated to the Director of Regeneration and Planning, in consultation with the Deputy Chief Executive and Cabinet Member for Finance, to procure project management services to deliver the new fire station facility, to include a waiver of the Contract Procedure Rules if required.

Scope of work

5.7 The scope of the work to be undertaken by the Project Management Partner is as follows:

- Design, or design and build, a new Lewes Community Fire Station, and ACRP (for use by SECAMB).
- Explore, as part of the project's feasibility and design stages, opportunities to integrate facilities for ESFRS, SECAMB and the adjacent Sussex Police station.
- Inform any legal agreements relating to the end use of the site (as necessitated by the final approved scheme) through negotiation with landowners / prospective leaseholders.

Programme / timeframe

5.8 Should Cabinet approval be granted, the project will commence, in July/August 2017. The project programme will be as follows:

- Procurement of a multidisciplinary Design Team
- Feasibility work and development of a project brief
- Concept design and costings
- Procurement of build contractor
- Detailed design, planning permission and construction

5.9 It is intended that the new facility will be built concurrently with phase one of the NSQ development (2018 to early 2020) in order that ESFRS can relocate prior to the clearance of land for phase two (which includes the site of their existing premises).

Stakeholder involvement

5.10 The end users of the facility (ESFRS, SECAMB and East Sussex Police) will be involved in the design stages of the development in order to ensure that it meets their operational requirements.

5.11 The planning application for the development will be determined by The South Downs National Park as planning authority. Public consultation on the concept design will take place as part of the pre-planning application stages of the scheme. The proposals will also be available for public comment during the life of the planning application.

6.0 Financial Appraisal

- 6.1 The gross cost of designing and building a new fire station and ACRP on the Springman House site is projected to be £3.5m. As explained in paragraph 5.3, this cost will be shared by the Council and Santon through the mechanism to distribute the profit to be realised from the NSQ scheme as a whole. The Council's relative share of the distribution will increase as a result of taking ownership of the current fire station site.
- 6.2 Pending the realisation of the profit from the NSQ development, funding for the design and build costs will be met by an interim increase in the General Fund borrowing requirement. Interest costs associated with this borrowing will be funded from the Strategic Change Reserve to alleviate the short-term impact on the General Fund budget.

7.0 Legal Implications

- 7.1 The Council's Contract Procedure Rules contain a set of procedures relating to the purchase of works, goods and services.
- 7.2 Cabinet is asked to agree a waiver of the Contract Procedure Rules to allow the Council to use the project management services described in paragraphs 5.4 – 5.6 above for the justifiable reasons set out in these paragraphs.

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8.0 Risk Management Implications

- 8.1 The following risks will arise if the recommendations relating to Springman House are not implemented:
- If the Council is unable to deliver a suitable replacement for the fire station, the North Street Quarter development may not come forward in its present consented form due to the need to give space over to a replacement fire station. This will impact the viability of the scheme and the regeneration benefits it delivers.
 - Lewes Fire Station will continue to be situated in a location that is vulnerable to flooding.
- 8.2 The following risks will arise if the recommendations are implemented, and I propose to mitigate these risks in the following ways:
- The main risk for Springman House is that the cost of purchase plus building a new fire station will not be off-set by the additional value of the old fire station to the development when looked at in isolation. Our initial analysis shows that this is very likely to be the case. To mitigate this risk, officers will explore options to extract maximum value from the Springman House site.

- The build cost risk for the new fire station will sit with LDC. This will be mitigated through effective project management and value engineering.

8.3 If the recommendations are implemented, the residual risks that cannot be mitigated fully are:

- The risk, outlined above, relating to the costs associated with Springman House being higher than value it generates is not fully mitigated, needs to be considered against the larger profits and benefits from the NSQ development as a whole.

9.0 Equality Screening

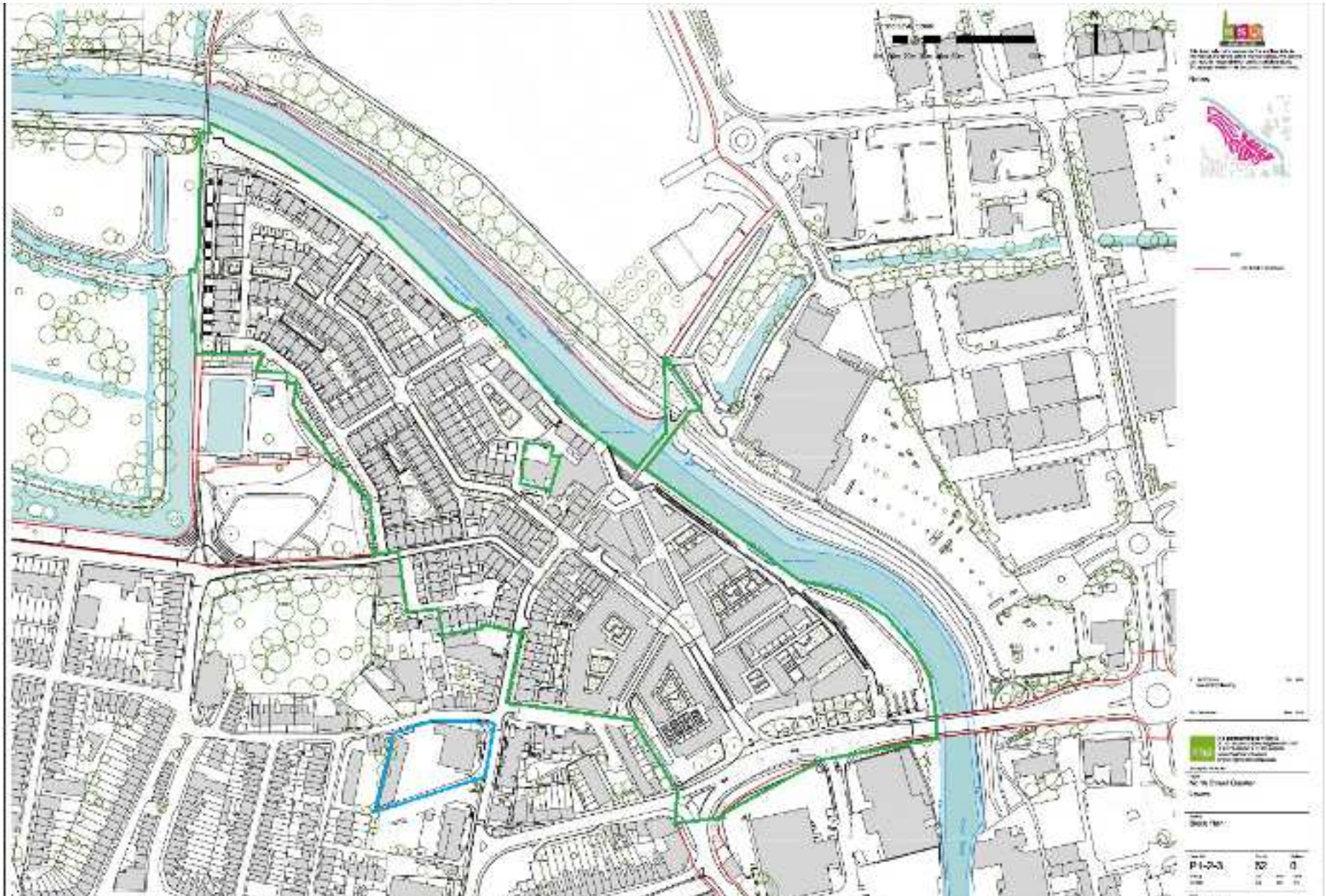
9.1 Equality screening has been carried out for previous NSQ reports. This report raises no new equalities issues.

10.0 Background Papers

10.1 North Street, Lewes: Proposed Property Acquisition of Springman House – Report to Cabinet, 21st March 2016.

11.0 Appendices

11.1 Appendix 1 – Plan of Springman House and the NSQ Site



Springman House edged Blue, NSQ Site edged Green