

Report

Report to:	Community and Enterprise Resources Committee
Date of Meeting:	21 August 2018
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Hamilton Towers Phase 6
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ seek approval to proceed with the procurement of a suitable development proposal for the site at Hamilton Towers Phase 6, as illustrated on the plan at appendix 1.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the unsuccessful negotiation process, undertaken following the previous committee approval in March 2014, to secure a development partner for the Hamilton Towers Phase 6 site, be noted; and
- (2) that the Executive Director (Community and Enterprise Resources) be authorised to progress a procurement exercise to identify development opportunities for the site, with a report on the detail of any such proposal being submitted to a future Committee meeting.

3. Background

Previous proposals

- 3.1. The site at Phase 6, Hamilton Towers is one of the key development opportunities for Hamilton town centre and has been highlighted as such in the recent Hamilton Town Centre Strategy and Action Plan consultative draft.
- 3.2. The plan at appendix 1 shows the extent of the site which is bounded by Keith Street, Bourne Street and Blackswell Lane but which excludes the former Salvation Army building which is in third party ownership. The site offers excellent access and visibility having 3 prominent frontages, 2 of which will allow direct vehicle and pedestrian access.
- 3.3. A procurement exercise was previously undertaken to identify a development partner to develop this site in a manner that would be commercially viable to a commercial partner while creating additional town centre footfall and linkages between the more established sections of the town. No firm proposals were forthcoming at that time, largely due to the challenging commercial and economic conditions.

- 3.4. The Executive Committee on 26 March 2014 then gave approval to progress negotiations with the adjoining landowner, with a view to securing a mutually beneficial development proposal for both the Council owned site and the former Town Hotel.
- 3.5. It has not been possible to reach an agreement which addressed each of the parties' requirements. The introduction of the Public Contracts (Scotland) Regulations 2015 and ongoing concerns in respect of demonstrating Best Value and compliance with State Aid brought discussions to an end. The Town Hotel is now the subject of independent redevelopment proposals for which planning consent was granted on 26 June 2018.
- 3.6. Council officers in Economic Development, Property and Legal Services, supported by independent advice from the District Valuer, have reviewed the options for the Council's site and are of the view that in order to deliver a suitable development proposal and demonstrate that the Council is achieving Best Value, the Council should place the site on the market and invite offers.

4. Current position

- 4.1. The site at Hamilton Towers Phase 6 is one of the key development opportunities for the town centre and was highlighted as such in the recent Hamilton Town Centre Strategy and Action Plan consultative draft. Early analysis of the responses shows that there is public support for development and resultant improvement to this section of the town centre. There has also been some interest from agents working for property developers.
- 4.2. The site is currently laid out as town centre car parking with 196 spaces, a portion of which will be lost as a result of the development proposals. Any new development will however be required to meet the appropriate parking standards as part of the planning approval process.
- 4.3. An assessment of the current parking usage has been carried out and it is considered that there is regular demand for around 100 of the 196 spaces in this location. The section of the existing car park between Bourne Street and Townhead Street will be retained by the Council for parking.
- 4.4. By extending this parking area at the southern end of Townhead Street onto an underutilised area of the town which was stopped up to traffic several years ago, it is possible both to achieve the development proposals and to sustain parking provision. The area to be retained in the Council's ownership and extended for car parking is shown hatched on appendix 1 and initial designs indicate that the combined area will provide over 100 spaces.
- 4.5. The site has considerable potential for a range of town centre uses which will add to the overall offer in the town centre and help drive footfall between the busier areas, such as the Palace Grounds, and the traditional town centre areas which have not performed well in recent years. It is likely the development market will present mixed use offers for the site which may include residential, retail and other commercial uses.
- 4.6. While there remain many challenges within the Hamilton commercial property market, the recently approved planning permissions from both Wetherspoons at the former Bairds' property and Premier Inn at the former Town Hotel site illustrate an increased level of interest and confidence in the Hamilton market.

- 4.7. In order to maximise the site's potential and to retain influence and control over the development, legal advice is that the development must be procured which will involve:-
- a public procurement advertisement of the development opportunity comprising a development brief outlining a range of proposals which the Council consider might be suitable and inviting developers to submit their own alternative proposals, predetermined evaluation criteria with evaluation weightings designed to ensure the best combination of outcomes to support the town centre and to provide a financial return to the Council and a set closing date, submission of proposals and financial bids by interested developers;
 - assessment and evaluation of the proposals against the predetermined evaluation criteria;
 - report to Committee on the recommended developer, development proposal and the commercial legal agreements required to ensure delivery of that proposal.
- 4.8. The proposals will be assessed and evaluated against predetermined evaluation criteria. Officers are currently developing the criteria and evaluation process which will include the developer taking responsibility for the reconfiguration of the town centre parking which will remain in the Council's ownership. It is anticipated that the procurement process will commence this calendar year.
- 4.9. It is considered that the combination of the development proposal of the Hamilton Towers Phase 6 site combined with the Premier Inn proposals on the Town Hotel site and the reconfigured car parking will provide a step change to this section of the town centre, which is strongly supported through the town consultation process.

5. Employee Implications

- 5.1. There are no employee implications arising from this report.

6. Financial Implications

- 6.1. There are no direct financial implications for the Council from this report. There will be financial implications from the agreement the parties reach, however, these will be reported to a future committee meeting.
- 6.2. There are currently no budgets allocated to the cost of reconfiguring the car parking to remain in Council ownership. It is proposed that the reconfiguration of the car park will be funded through the development proposal.

7. Other Implications

- 7.1. The risk associated with not supporting the proposal is that this strategic site within the town centre will remain undeveloped for the foreseeable future.
- 7.2. There are no significant issues in terms of sustainability arising from the recommendations made in this report.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore, no impact assessment is required.

- 8.2. Extensive public consultation on the wider town centre initiatives has been coordinated by Economic Development Services with a range of Council Services who have an ongoing role in delivering services and initiatives in our town centres.

Michael McGlynn
Executive Director (Community and Enterprise Resources)

12 July 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Improve the quality of physical environment
- ◆ Support the local economy by promoting the right conditions for growth, improving skills and employability
- ◆ Partnership working, community leadership and engagement

Previous References

- ◆ Executive Committee on 26 March 2014 - Hamilton Towers Phase 6
- ◆ Executive Committee – 5 November 2008 – Proposed development of Keith Street/Townhead Street, Hamilton with Lynnham Ltd

List of Background Papers

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Iain Ross, Project Manager
Ext: 4227 (Tel: 01698 454227)
E-mail: iain.ross@southlanarkshire.gov.uk

