

Meeting of the Cabinet - 13th June 2007

Report of the Director of Law and Property and Director of Finance

Dudley Town Centre Regeneration – Redevelopment of Dudley Civic Quadrant

Purpose of Report

- 1.0 To provide the Cabinet with a report on the progress of the Civic Quadrant Project.

Background

- 2.0 At its meeting on the 23rd November 2006, the Cabinet received a report from the Director of Law and Property and Director of Finance on the proposal for the comprehensive redevelopment of the Dudley Town Centre Quadrant site facilitated by BV Strategies Ltd. On the 4th December 2006 the Council subsequently:
- 2.1 approved the Success Criteria upon which the project was to be measured and confirmed that the project was to remain a priority for Council for capital investment;
 - 2.2 noted the liability for fees should the Council not wish to proceed with an acceptable solution proposed by BV Strategies and required the Director of Law and Property to report back in order to agree a cap on fees for phase 2;
 - 2.3 authorised the Director of Law and Property, in consultation with the Director of Finance to enter into agreement with BV Strategies to undertake the second phase of the Project;
 - 2.4 authorised the Director of Law and Property, in consultation with the Leader to set up of a Joint Corporate Steering Group to oversee the Project;
 - 2.5 requested that the Director of Law and Property and the Director of Finance keep the three group leaders informed of progress.

General Progress

- 3.0 The Joint Corporate Steering Board has been created and comprises the Leader of the Council, the Leader of the Labour Group, the Director of Finance and the Director of Law and Property. BV Strategies also have four representatives, two of which are from the organisation underwriting the e2 Phase fee, the Winston Group.

- 4.0 The Director of Law and Property signed an agreement with BV Strategies in March 2007 to undertake the e2 Phase of the Civic Quadrant Project. The agreement lays down the 10 criteria upon which the Project would be deemed a success and specifically identifies certain criteria which are to be met in full by the end of the second phase if the Project is to continue. The agreement also articulates the responsibilities of the two parties in progressing the work, the role of the Joint Corporate Steering Group and clarifies the position in relation to the payment of fees.
- 5.0 The agreement also states that the fee for the e2 Phase of the Project is capped at £500,000. This will be borne by BV Strategies but the Council will be liable for its payment if BV Strategies meet the stipulated success criteria but the Council chooses, for whatever reason, not to proceed further at the end of the e2 Phase. The agreement lays down a way forward should the two parties fail to agree that the success criteria have been met.
- 6.0 BV Strategies have reported that expenditure to date has mainly been on external consultant commitments and amounts to approximately £90,000. At May 2007 work in this e2 Phase of the Project was approximately 15% complete. Completion of the e2 Phase is programmed for September 2007. In working towards meeting the specific e2 Phase Success Criteria; BV Strategies have reported progress accordingly:

Success Criteria 2: BV Strategies provide an acceptable office solution

- 6.1 Meetings between BV Strategies and Directorate Management Teams have taken place in which Directorates have explained what they do and what their main operational issues are. BV Strategies have now begun compiling an Accommodation Needs document which will form the heart of their architect's brief. The evolution of the design will be an iterative process in which the Council will have regular input and progress reported to each Joint Corporate Steering Board.
- 6.2 A review of existing buildings within the Quadrant site in relation to conservation and planning issues has started. The Council has produced a document highlighting key conservational issues for each property on the existing quadrant site. Further meetings between BV Strategies and Council planners have been scheduled over the coming months.
- 6.3 A dimensional survey of the existing site by BV Strategies has commenced which will be used by the architects to establish a design. Work to determine car parking requirements has also commenced and innovative ideas for underground car parking are being explored.

Success Criteria 3: The proposal offers good value for money

- 6.4 Progress on this work stream has been limited.
- 6.5 BV Strategies and the Council are working together in establishing the extent and allocation of their responsibilities. At this stage the Council is considering obtaining objective, third party specialist expertise to provide financial advice in relation to value for money. Until a clear way forward has been determined,

a detailed programme of work has not been established but it is hoped that the position will be finalised in early June.

Success Criteria 4: The proposal is affordable

- 6.6 The design of draft business case models and identification of high level data required to identify possible improvement areas has been provided by BV Strategies.
- 6.7 BV Strategies presented their initial work plan to identify possible improvement areas and to carry out work in identifying opportunities for efficiency savings to the Council's Quadrant Project Group on the 2nd May. Following issues raised by the Group, revised proposals to progress this work which fully engage with Directorates will be made by BV Strategies at a meeting on the 23rd May. It has been made clear to BV Strategies that these efficiency savings must be directly related to the Quadrant development.

Success Criteria 7: The Legal Framework

- 6.8 Internal consultancy contracts between BV Strategies and consultants they have identified as being necessary to deliver the e2 Phase of the Project have been developed.
- 6.9 A programme for meeting with and subsequently instructing Counsel has been developed and the first meeting is planned for mid May. Work has begun on drawing up instructions for Counsel.
- 6.10 Programme management and administration is also being provided through this work stream.

Finance

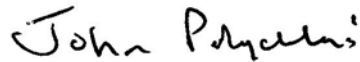
- 7.0 At this point, with the exception of officer time and minor budgeted costs (eg communications with staff, printing etc) the Council has not incurred any material costs as a result of the work undertaken so far . However, we may need to review this position if there is a need to engage formal external financial and legal advice in the context of responding to the above success criteria. Any costs incurred would have to be met from existing resources.

Law

- 8.0 Section 2 of the Local Government Act 2000 enables the Council to do anything which it considers is likely to achieve the promotion or improvement of the economic, social or environmental well-being of its area.
- 9.0 The Dudley Civic Quadrant will be fully compliant with the Disability Discrimination Act and the project will be consistent with the Council's policies on equality and diversity.
- 10.0 Children and young people will be consulted on the proposals during the e2, (Examine) Phase.

Recommendation

- 11.0 It is recommended that Cabinet note the progress made to date in relation to the Civic Quadrant Project.



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List of Background Papers

None