

# Arun District Council

<b>REPORT TO:</b>	<b>Special Economy Committee – 20 November 2023</b>
<b>SUBJECT:</b>	<b>Bognor Regis Arcade update</b>
<b>LEAD OFFICER:</b>	<b>Neil Taylor, Regeneration Lead</b>
<b>LEAD MEMBER:</b>	Councillor Roger Nash, Chair of Economy Committee
<b>WARDS:</b>	<b>Hotham / Marine</b>

## **CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:**

Bring the unused upper floors of the Arcade back into residential use will support the Council's Vision in respect of delivering the right homes in the right places. Using our expertise to influence the local housing market, working with the right partners from all sectors, to develop the housing and infrastructure that we need.

## **DIRECTORATE POLICY CONTEXT:**

The Council has a responsibility to bring forward regeneration activity across the district where possible. Bringing the upper floors of the Bognor Regis Arcade back into use will improve the appearance of the arcade and provide 35 new homes. The scheme will bring wider regeneration benefits including increased footfall in the Arcade and High St area, increased perception of security due to there being more activity in the area and increased spend locally.

An additional benefit for Arun District Council will be a reduction in maintenance liabilities associated with the Arcade currently and in the future.

## **FINANCIAL SUMMARY:**

This Committee agreed (minute 59) at its meeting of the 13 June 2023 to approve the Bognor Regis Arcade project and request it be added to the Council's capital programme, at a capital cost of £7,991,069. This decision was subsequently approved by Policy & Finance committee and Full Council at their meetings of the 11 July 2023 and the 19 July 2023 respectively.

## **1. PURPOSE OF REPORT**

The purpose of this report is to update members on the progress of the project to refurbish the upper floors of the Bognor Regis arcade to provide new residential accommodation.

## **2. RECOMMENDATIONS**

- a) That the Economy Committee note the progress on the project.

### **3. EXECUTIVE SUMMARY**

- 3.1 At the Economy Committee meeting on 13 June 2023 members approved the proposal to refurbish the upper floors of the Bognor Regis arcade to provide new apartments and a further retail unit, subject to the Council being allocated a grant under the Government's Brownfield Land Release Fund. This report is to confirm that funding has been received and the project is now underway.

### **4. DETAIL**

- 4.1 In mid-August ADC were advised that the bid to the BLRF had been successful at the value requested. ADC have since accepted the allocation of funding and the funds are expected to be transferred to ADC by the end of September 2023.
- 4.2 Officers have been working to secure the design and management services need to deliver the project using the Fusion21 framework. We expect to make an appointment by mid-October and progress the project from there. There will be two parts to the construction contract, firstly the enabling works that are part funded by the BLRF grant, that contract needs to be placed by 31 March 2024. The enabling works will create a secure shell to allow the second construction phase to deliver the residential and commercial units. The spend deadlines for the BLRF grant make it necessary to have two phases to the construction.
- 4.3 Further updates will be provided to the Economy Committee as the project progresses.

### **5. CONSULTATION**

N/A

### **6. OPTIONS / ALTERNATIVES CONSIDERED**

N/A

### **7. COMMENTS BY THE GROUP HEAD OF FINANCE/SECTION 151 OFFICER**

- 7.1 The total cost of the project is estimated to be £7,991,069 and was approved as an addition to the Council's capital programme in July 2023. The cost will be funded from borrowing, net of the value of the Brownfield Land Release Fund grant of £628,322.
- 7.2 The net revenue cost of the scheme is £28,646 per annum, including borrowing costs and is growth to the revenue budget. This will be addressed as part of the 2024-25 budget process. Members will note that this cost is significantly less than the cost of maintaining the current asset were no development to take place.

### **8. RISK ASSESSMENT CONSIDERATIONS**

- 8.1 The risks were listed in the original report dated 13 June 2023 and have not changed.

**9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER**

9.1. As the purpose of this report is to update members, there are no immediate legal and governance implications. However, officers in due course will need to consider, and seek authority for, the appropriate vehicle to dispose of this premises (whether by lease or otherwise) and to comply with section 123 of the Local Government Act 1972 (best consideration) or whether it will form part of the Council's housing stock.

**10. HUMAN RESOURCES IMPACT**

N/A

**11. HEALTH & SAFETY IMPACT**

11.1 As this is an update to Members there are no direct health and safety impacts resulting from the proposal of this report. There will however be specific Construction Design and Management obligations that will need to be met as part of the redevelopment works as well as ongoing health and safety management and statutory compliance requirements following completion.

**12. PROPERTY & ESTATES IMPACT**

N/A

**13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE**

N/A

**14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE**

N/A

**15. CRIME AND DISORDER REDUCTION IMPACT**

N/A

**16. HUMAN RIGHTS IMPACT**

N/A

**17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS**

N/A

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**CONTACT OFFICER:**

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## **BACKGROUND DOCUMENTS:**

Economy Committee report 13<sup>th</sup> June 2023 – Bognor Regis Arcade