

Date: Thursday, 25 February 2021

Time: 10.00 am

Venue: THIS IS A VIRTUAL MEETING - PLEASE USE THE LINK ON THE AGENDA TO LISTEN TO THE MEETING

Contact: Tim Ward, Committee Officer
Tel: 01743 257713
Email: tim.ward@shropshire.gov.uk

COUNCIL

TO FOLLOW REPORT (S)

13 Future Civic Accommodation Appendix 1 (Pages 1 - 32)

Please find attached APPENDIX 1 to agenda item 13 – Future Civic Accommodation

Contact: Mark Barrow 01743 258916

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SHREWSBURY CIVIC CENTRE SITE OPTIONS APPRAISAL

Discussion Paper

DECEMBER 2020

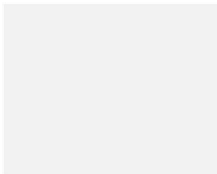
CONTACTS



MATTHEW HILL
Head of Development Management
UK – Local Government

dd ++44 (0)7825 377946
e matthew.hill2@arcadis.com

Arcadis.
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JOHN KNOWLES
Principal Consultant

dd +44 (0)7798 681024
e john.knowles@arcadis.com

Arcadis.
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SHREWSBURY CIVIC CENTRE SITE OPTIONS APPRAISAL

Shropshire Council

VERSION CONTROL

Version	Date	Author	Checker	Approver	Changes
1	10.10.20	John Knowles	Matthew Hill	Matthew Hill	Draft for comment
2	18.12.20	John Knowles	Matthew Hill	Matthew Hill	Issued for Discussion

This report dated 18 December 2020 has been prepared for Shropshire Council (the “Client”) in accordance with the terms and conditions of appointment dated 07 October 2020(the “Appointment”) between the Client and **Arcadis LLP** (“Arcadis”) for the purposes specified in the Appointment. For avoidance of doubt, no other person(s) may use or rely upon this report or its contents, and Arcadis accepts no responsibility for any such use or reliance thereon by any other third party.

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3. CONCLUSIONS AND RECOMMENDATIONS

1 Introduction

1.1 Background

In October 2020 Arcadis were commissioned by Shropshire Council to provide consultancy support in undertaking a feasibility and options appraisal to determine the optimum solution for a Civic Centre in Shrewsbury town centre.

The requirement for this work arises from the approval of the recommendations contained within a report submitted to Shropshire Council on 16 July 2020. Namely:

- A. Stop work on the project which involves the full refurbishment of the Shirehall building.
- B. Delegates to the Executive Director of Place, in consultation with the Portfolio Holder for Assets, Economic Growth and Regeneration, to provide a full evaluation of potential civic centre locations in Shrewsbury town centre along with outline costs and benefits.
- C. Delegates to the Executive Director of Place, in consultation with the Portfolio Holder for Assets, Economic Growth and Regeneration, to work on a potential disposal strategy for the Shirehall.
- D. A report covering the work in B and C will be provided to Performance Management Scrutiny Committee prior to consideration by Council.

The report set out the proposal to cease the existing Shirehall refurbishment and take a different approach which involves relocating the Council's headquarters to Shrewsbury town centre. The intention is to relocate during 2023.

This was informed by the way services have been delivered as a result of the COVID19 pandemic and provides greater scope to significantly reduce building related costs and carbon emissions. This in turn will allow the Council to spend more on people and rationalise and reduce its administrative portfolio.

We also understand that there is a desire to explore potential to relocate with other public sector partners and whilst this is not essential it is an option to be explored within each development opportunity.

The work that has been undertaken is informed by the Big Town Plan and the Northern Corridor consultation that has identified the five buildings for the potential Civic Centre site. Those five buildings are:

- Private sector building option 1
- Private sector building option 2
- The Guildhall
- Riverside Shopping Centre
- Pride Hill Shopping Centre

The Five Options & Shirehall - Locations

2 Site Options Appraisal

We have appraised each of the options against the information that has been made available for each building and have designed the criteria in such a way as to create a level playing field for all of the options. An options appraisal analysis has been undertaken for each site to assess the relative opportunities and challenges of each option based on a risk-based analysis. In the absence of detailed project information for each project we have assessed each opportunity based on our experience both in terms of our local knowledge and industry best practice on similar schemes across the country.

The client brief required that each building option be initially appraised against the following criteria:

- a. build cost and value
- b. site preparation, demolition, remediation and abnormal site conditions
- c. deliverability – in this context means sites that are capable of delivering flexible accommodation in a town centre location in a three-year period.
- d. adaptability, flexibility and resilience to mitigate future changing organisational needs
- e. suitability – judged on what the site is now and how to make fit for purpose.
- f. timing, phasing and indicative delivery programmes
- g. lifecycle/whole-life costs including opportunities to address legacy/backlog maintenance issues
- h. commercial opportunities to support stakeholders, partners and generate income
- i. sustainability and climate impacts
- j. Support of wider Shrewsbury Big Town Plan aspirations.

For the purpose of this report and to inform a qualitative and quantitative assessment we have grouped the above criteria and developed the following assessment matrix. The criteria are given a category reference and a quantitative weighting based upon the relative importance of each element. For example, we understand that deliverability (within 3 years) is a top priority given the need to vacate Shirehall and therefore this is given a quantitative weighting of 100%. Each option is scored against the criteria and then a weighting percentage is applied to give an overall score, together with a risk assessment. The scoring assessment is based on a score between 1 and 5 (low to high):

Criteria	Category	Qualitative (narrative)	Quantitative (weighting)
Build cost and value	A	Build costs are based on a range of BCIS benchmarked costs for the building types. Value – we have made an initial assessment (linked to category E) of the potential to create commercial value.	100%
Deliverability (including timing phasing and indicative delivery programmes) Prevailing site conditions that could impact on deliverability (Site preparation, demolition, remediation and abnormal site conditions)	B	In this context this means sites that are capable of delivering flexible accommodation in a town centre location to align with the need to vacant Shirehall within three-years and by 2023.	100%
Adaptability, flexibility, and resilience to mitigate future changing organisational needs. Suitability for purpose*.	C	A high-level assessment of the type of accommodation offered at each location and its potential over a longer-term period, based on current knowledge of work practices to be highly adaptable, flexible and resilient to change.	75%

Lifecycle/whole-life costs including opportunities to address legacy/backlog maintenance issues	D	A high-level assessment of the type of accommodation and its ability to meet these criteria.	25%
Commercial opportunities to support stakeholders, partners and generate income*	E	A high-level assessment of the type of accommodation at each location and its ability to meet these criteria.	75%
Sustainability and climate impacts	F	The sustainability and climate change appraisal looks at the suitability of the site with focus on environmental, social and economic impacts that the development will have at each site. Consideration is also paid to the viability of a sustainability accreditation method such as BREEAM.	100%
Support of wider Shrewsbury Big Town Plan aspirations.	G	A high-level assessment of the type of accommodation and its ability to meet these criteria.	50%

*The accommodation baseline, to be developed at the next stage is as follows:

Agency	Staff	Desks	Floor area (based on 12/m2/desk)
Shropshire Council Staff Democratic allowance	550	250	3,000m2 300m2
Public Sector Partner 1	132	80	960m2
Public Sector Partner 2 – nominal allowance		15	180m2
Public Sector Partner 3	75	60	720m2
Public Sector Partner 4	25	20	240m2
Public Sector Partner 5	15	12	144m2
TOTAL		437	5,544m2

The options are reviewed on the following pages against these criteria.

2.1 OPTION ONE – Private sector building – option 1

2.1.1 Background and Context

Redacted due to commercial sensitivity

2.1.2 Indicative Proposal

Redacted due to commercial sensitivity

2.1.3 Programme

Redacted due to commercial sensitivity

2.1.4 Cost Assessment

At the time of writing Arcadis have not had the benefit of plans or survey information and therefore our cost advice is based upon high-level assumptions of the site. Indicative costs are based on a range of BCIS benchmarked cost indices for comparable development projects. The costs do not constitute an assessment of the actual likely development costs for this scheme but are provided in order to allow for a cost comparison of the site against the other options. The high-level costs are:

Key Activity	£
Demolition	£500,000
New Build based on 5,544m2	£9,979,200
Contingency	£1,047,920
Professional Fees	£1,047,920
Total	£12,575,040
Cost/m2	£2,268

2.1.5 Options Appraisal Analysis

An analysis has been undertaken as part of the assessment as follows:

Category	Assessment	Criteria Met?	Score	Weighting	Total score	RAG
A	Costs					
	Development costs as noted are expected to be high given the location and site abnormalities. Land value may be competitive given the challenging constraints and as the development will be phased it is likely that SC could benefit longer term as land values increase.	In part	2	100%	2	
B	Deliverability					
	A large site capable of delivering large scale development aligned with other key redevelopment opportunities in the immediate area. The land is not in the ownership of the Council. Currently [redacted] and therefore the timetable is largely unknown.					

	<p>Redeveloping the site will require sourcing of an alternative site [redacted]. The programme will be at the mercy of a 3rd party [redacted] and subsequent landowners.</p> <p>The site is in a constrained location [redacted] – will add complexity and cost.</p> <p>The re-development will require extensive demolition and re-engineering of the site.</p> <p>We have provided an estimated timetable that shows the new development would not be ready for occupation until early 2026.</p>	No	1	100%	1	
C	Meeting space criteria					
	<p>As the site will require complete demolition and new build development it can be designed fully to meet the required criteria.</p> <p>In its current form it is unsuitable and does not meet the criteria – this analysis extends refurbishment / reuse of the existing buildings.</p>	Yes	3	75%	2.25	
D	Lifecycle costs					
	<p>As the development would be new build, we assume that the lifecycle cost would be designed in and thus future costs can be minimised.</p> <p>As the site is not owned by the Council there are no backlog issues to be considered.</p>	Yes	5	25%	1.25	
E	Commercial opportunities					
	<p>Due to the timescale involved we expect there to be limited opportunities for commercial development in short term (over next 3 years).</p> <p>Longer term as development would be phased then there are commercial opportunities, however as this timetable would look beyond the 3-year window it has not been considered at this time.</p>	No	1	75%	0.75	
F	Sustainability					
	<p>By demolishing the building and replacing with purpose-built accommodation there are several opportunities to embed sustainability at the heart the of the project and ensure that sustainable a sustainability plan is created to set specific and measurable targets, identify risks and mitigation measures, establish procedures for monitoring and reporting, procedures for communicating and training.</p> <p>From a sustainability accreditation point of view there is the opportunity to set a high benchmark by which the project can be targeted against. The inflexibility of the site may however cause issues when targeting a high rating and there may be certain credits that could not be achieved based on the location of the site and the impact of the previous uses of the site.</p>	Yes	3	100%	3	

	Demolition of the existing site will generate large amounts of waste and will need to be carefully considered during the demolition process. Due to the existing nature of the site, there may be contamination which would impact on the reusability of the materials					
G	Alignment with Big Town Plan					
	<p>Redevelopment of this site could act as a catalyst for further regeneration in this location and aligns with the [redacted] element of the Big Town Plan.</p> <p>Large site with potential in an area of growth and land value could be attractive given location.</p>	Yes	3	50%	1.5	
Overall weighted score and risk RAG rating					11.75	

2.2 OPTION TWO – Shrewsbury Station Buildings

2.2.1 Background and Context

Redacted due to commercial sensitivity

2.2.2 Indicative Proposal

Redacted due to commercial sensitivity

2.2.3 Programme

Redacted due to commercial sensitivity

2.2.4 Cost Assessment

At the time of writing Arcadis have not had the benefit of any plans or survey information and therefore our cost advice is based upon high-level assumptions of the site. Indicative costs are based on a range of BCIS benchmarked cost indices for comparable development projects. The costs do not constitute an assessment of the actual likely development costs for this scheme but are provided in order to allow for a cost comparison of the site against the other options. The costs are also on the basis on the assumption that 2,500m2 is available, but only to Shropshire Council with no space being available for partners.

The high-level costs are:

Key Activity	£
Demolition	£0
Refurbishment/adaptation based on 2,500m2	£5,250,000
Contingency	£787,500
Professional Fees	£525,000
Total	£6,562,500
Cost/m2	£2,625

2.2.5 Options Appraisal Analysis

An analysis has been undertaken as part of the assessment as follows:

Category	Assessment	Criteria Met?	Score	Weighting	Total score	RAG
A	Costs					
	The proposal will require the adaptation and refurbishment of existing floor space [redacted]. Therefore, whilst the capital costs would be lower than a number of the alternative options, there are significant challenges we feel in demonstrating value for money.	No	1	100%	1	
B	Deliverability					
	Whilst the building exists and thus could be occupied relatively quickly the timetable is at risk as the					

	<p>land/building is not in the ownership of the Council and 3rd party negotiations would be required. [redacted]</p> <p>Should the landowner be amenable then the proposal could work within Council programme parameters, however, it is noted that this is a high risk until such time as discussions have commenced with the landowner.</p> <p>[redacted]</p>	No	1	100%	1	
C	Meeting space criteria					
	<p>It is understood that the building [redacted] would require significant [redacted] refurbishment of the upper floors to provide new commercial space. The scope and scale of refurbishment could be problematic [redacted]</p> <p>The existing building is unlikely to accommodate the full space requirement of the Council (3,300m²) without further compromise on space requirements or operational models.</p> <p>It is also likely therefore that it would not be possible to accommodate stakeholder requirements of the partners and will provide no additional commercial income.</p>	No	1	75%	0.75	
D	Lifecycle costs					
	<p>As the building is not a Council asset and we suspect, would remain in the ownership of [redacted], we assume that the life-cycle costs of this asset are not of concern at this stage.</p> <p>As the site is not owned by the Council there are no backlog issues to be considered.</p> <p>However, the lifecycle costs of a building such as this are likely to be significant and a proportion of the costs will be passed to the Council as part of service charge costs.</p> <p>Whilst these costs are yet to be understood it could be assumed that they will not represent good value for money in comparison to new build options.</p>	Yes	3	25%	0.75	
E	Commercial opportunities					
	<p>Given what we expect to be limited space and flexibility provided through this option, we conclude at this stage that there are no opportunities for commercial development or flexible adaptable space.</p>	No	1	75%	0.75	
F	Sustainability					
	<p>The refurbishment and fit out [redacted] presents limitations in design options and specific requirements that are attached to a building. Factors such as the building's existing condition, structure, fabric and built form provide a level of complication that do not exist for a new build project.</p> <p>Limited demolition and removal of existing interiors will limit the amount of waste created.</p> <p>Excellent location to limit the need for private car use</p>	No	1	100%	0.75	

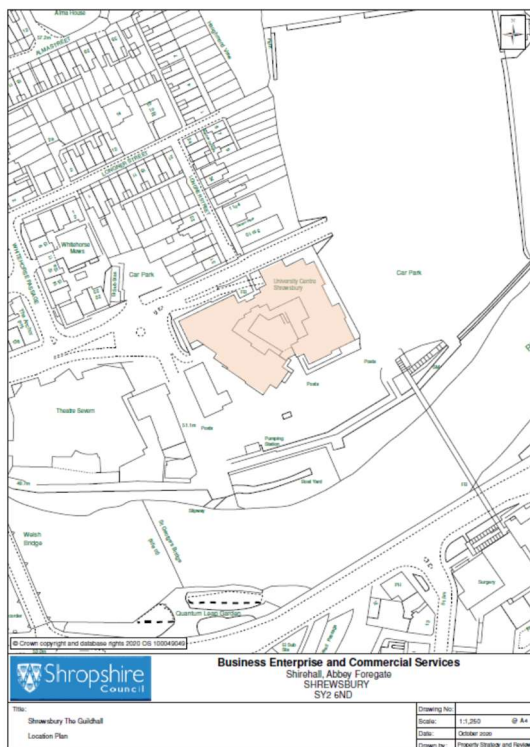
	<p>There are limited options to improve thermal performance of windows and walls. Will it be possible to improve the thermal efficiency of the building in its current state?</p> <p>Ensuring breathability of traditional constructions – Will installing double or triple glazing affect the breathability of the building? It may cause problems of moisture retention and damp.</p> <p>The location and size of windows restricting daylight provision – consideration needs to be paid to the layout of the building and how much daylight will be available to building users. Restricted layout and provision of view out for building users.</p> <p>Identifying space for cycle storage – may be limited by site constraints of the current building</p> <p>Increase in proposed occupancy levels and performance requirements impacting on measures required to achieve higher building regulations performance levels – Where the building was originally designed to accommodate a set number of occupants, a new higher number may have detrimental effect on building performance levels.</p>					
G	Alignment with Big Town Plan					
	Wider development of the [redacted] buildings aligns with the [redacted] element of the Big Town Plan, however, given the restrictions posed [redacted] it is unlikely that this project would significantly contribute to wider plans.	Yes	2	50%	1	
Overall weighted score and risk RAG rating						6

2.3 OPTION THREE – The Guildhall

2.3.1 Background and Context

The Guildhall is located to the north of the Town Centre at Frankwell Quay, across the River Severn and adjacent to Frankwell Car Park. First constructed in 2004, the Guildhall building is a 5-storey (including Lower Ground Floor) brickwork building. The Guildhall was renovated in 2015 for the arrival of the University Centre Shrewsbury, part of the University of Chester, and it is used for the main centre for teaching and learning.

From the AutoCAD drawings provided by the Council we have estimated that the Guildhall provides approximately 4,155 square metres (44,725 square feet) of Net Internal Area that could be replanned for some of the office space required in the brief. As the total area required is 5,544m² there would be a shortfall in area of nearly 1,400m².



Location Plan



Guildhall

2.3.2 Indicative Proposal

The Guildhall has previously accommodated Council offices prior to becoming home to the University Centre Shrewsbury. Moving the Council back into this building could be an unpopular decision and a new home for the University would be required. The University have no current plans to relocate and moving them away from the Guildhall does not align with the aspirations of the Big Town Plan. We understand that at present the University are not charged rent for the use of the building. We are also advised that discussions with representatives from the University are due to take place in January 2021. At this meeting enquiries are to be made to understand the University's longer-term ambition and thus plans for the site.

Being of recent build, the Guildhall could be cost effectively adapted to high sustainability standards, and this could be achieved within three years subject to agreement and relocation of the University. The site is in a good location adjacent to an area of redevelopment and regeneration.

However, without extension to the building it is not currently large enough to accommodate the full needs of Partners and the Council. As noted, there is a shortfall of accommodation of nearly 1,400m². To address this some of the possible options are:

- A. Only SC relocate – with this scenario decisions would need to be made regarding how the balance of the building is used and who occupies it.
- B. SC and some Partners occupy up to the limit of 4,155m².
- C. The building is extended to allow for full occupation by SC and Partners up to a limit of 5,544m².

These options are considered further in the cost section below.

2.3.3 Programme

In the absence of plans for this proposal a high-level timeline, based upon our knowledge of the site, and of the status of discussions with key stakeholders, the following timetable is considered appropriate at this stage based on refurbishment only of the existing building:

Key Activity	Timetable
Negotiations with the University	January – December 2021
Design, planning and procurement	January – December 2021
Decant University to new premises	January to September 2022
Refurbishment and alteration work	October 2022 – July 2023
Occupy	August 2023

2.3.4 Cost Assessment

At the time of writing Arcadis have not had the benefit of plans or survey information and therefore our cost advice is based upon high-level assumptions of the site. Indicative costs are based on a range of BCIS benchmarked cost indices for comparable development projects. The costs do not constitute an assessment of the actual likely development costs for this scheme but are provided in order to allow for a cost comparison of the site against the other options. The high-level costs for each option set out above are:

Option A – Refurbishment for SC Only	£
Key Activity	
Refurbishment/adaptation based on 3,300m ²	£4,950,000
Contingency	£495,000
Professional Fees	£495,000
Total	£5,940,00
Cost/m ²	£1,800

Option B – Refurbishment based on existing footprint	£
Key Activity	
Refurbishment/adaptation based on 4,155m2	£6,232,500
Contingency	£623,250
Professional Fees	£623,250
Total	£7,479,000
Cost/m2	£1,800
Option C – Refurbishment and extension based on total target floor area of 5,544m2	£
Key Activity	
Refurbishment/adaptation based on 4,155m2	£6,232,500
New build area based on 1,389m2	£2,500,200
Contingency	£873,270
Professional Fees	£873,270
Total	£10,479,240
Cost/m2	£1,890

2.3.5 Options Appraisal Analysis

An analysis has been undertaken as part of the assessment as follows:

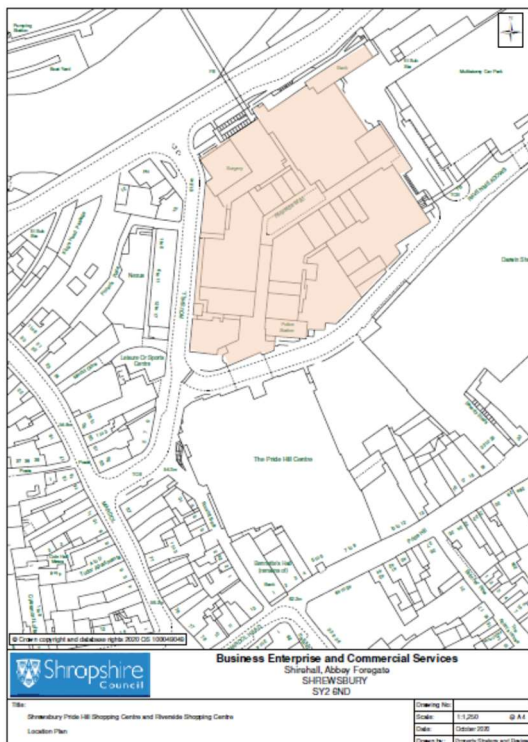
Category	Assessment	Criteria Met?	Score	Weighting	Total score	RAG
A	Costs					
	<p>Development costs as noted are expected to be low given the relatively new status of the building that is proposed. Alteration costs will be required in order to bring the building up to current standards and to be fit for the purpose intended.</p> <p>In terms of value – we understand that the Council own the building but there would be costs associated with obtaining vacant possession which may include sourcing of alternative accommodation for the University. Value is of course created by the presence of the university and this could potentially be lost and there could be reputational damage associated with serving notice on the University.</p>	In part	2	100%	2	
B	Deliverability					
	<p>Guildhall is a good quality/ recently constructed building which could be cost effectively adapted although it is not custom designed for SC or key partners. The extent of adaptable and re-configuration is not known at this time.</p> <p>It is within a good location adjacent to an area of redevelopment and regeneration.</p> <p>Occupation could be achieved within 3 years (subject to agreement and relocation of the University).</p> <p>There is abundant car parking immediately surrounding the site although the proximity of parking could encourage a continual reliance on cars and not public transport which is potentially at odds with the Council's longer-term plans.</p> <p>There is a risk that the Council may become embroiled in a work stream to re-locate the University in order to avoid reputational damage.</p>	Yes	4	100%	4	
C	Meeting space criteria					
	<p>The space could be easily and quickly adapted to suit some or all of the criteria albeit it is clear that it is not purpose built to fully address the current and future requirements.</p> <p>It will entail serving notice on the University and their relocation off-site.</p> <p>The Council have occupied this building previously and re-purposing it could be considered as a backward step.</p>	Yes	3	75%	2.25	
D	Lifecycle costs					
	As the opportunity is within a relatively new building, we assume at this stage, that maintenance costs are					

	<p>relatively low and that backlog issues are minimal. This will need to be confirmed in due course.</p> <p>However, costs should be expected, and lifecycle design cannot be designed in in order to minimise/ manage future costs</p>	Yes	3	25%	0.75	
E	Commercial opportunities					
	Due to the timescale involved we expect there to be limited opportunities for commercial development in short term (over next 3 years)	No	1	75%	0.75	
F	Sustainability					
	<p>The reuse of the Guildhall from a sustainability point of view appears to be strong. As the building has been recently constructed, there is a great opportunity to adapt what is already there without having to remove a large amount of material. There will be efficient systems installed within the building which will be adaptable for new use</p> <p>Limited demolition and removal of existing interiors will limit the amount of waste created</p> <p>Increase in proposed occupancy levels and performance requirements impacting on measures required to achieve higher building regulations performance levels – Where the building was originally designed to accommodate a set number of occupants, a new higher number may have detrimental effect on building performance levels.</p>	Yes	3	100%	3	
G	Alignment with Big Town Plan					
	<p>Moving the University from Guildhall does not align with aspirations of the Big Town Plan and could be classed as a backward step.</p> <p>The Guildhall has been occupied by the University Centre Shrewsbury, part of the University of Chester, since 2015 and we understand have no current plans to relocate. This could have a significant impact on plans for the wider Town Centre and reputational damage to the Council.</p>	No	2	50%	1	
Overall weighted score and risk RAG rating					13.75	

2.4 OPTION FOUR – Riverside Shopping Centre

2.4.1 Background and Context

The Riverside Shopping Centre is located to the north of the Town Centre backing on to the River Severn. The existing floor space is approximately 8,355 square metres (89,930 square feet). It is anticipated that the whole Riverside site will be demolished, but as yet any proposal for its future is unknown.



Location Plan
Entrance to Riverside Shopping centre



2.4.2 Indicative Proposal

The Riverside Shopping Centre is close to the end of its useful life and the proposal is that it will be demolished in its entirety and redeveloped. The existing buildings are no longer fit for purpose and significant investment is required. Due to the extensive demolition and clearance required, existing tenants and businesses will need to be relocated [redacted]

Details of any proposal are as yet unknown, but the central location of this site would provide plenty of opportunities for commercial development which aligns with the aspirations of the Big Town Plan. However, the extensive new build required is unlikely to work within Council time frame and the scope of work needs longer term consideration and possibly funding options.

2.4.3 Programme

In the absence of any details for this proposal a high-level timeline, based upon our knowledge of the site and of the status of discussions with key stakeholders, the following timetable is considered appropriate at this stage and is based on demolition and new build construction of a new civic centre only:

Key Activity	Timetable
Landowner/tenant negotiations	January – December 2021
Design and pre-planning	January 2021 – January 2022
Planning application and procurement	January 2021 – July 2022
Demolition and Construction Work	August 2022 – September 2025
Occupy	October 2025

2.4.4 Cost Assessment

At the time of writing Arcadis have not had the benefit of any plans or survey information and therefore our cost advice is based upon high-level assumptions of the site. Indicative costs are based on a range of BCIS benchmarked cost indices for comparable development projects. The costs do not constitute an assessment of the actual likely development costs for this scheme but are provided in order to allow for a cost comparison of the site against the other options. The high-level costs for are:

Key Activity	£
Demolition (pro-rata overall area)	£850,000
New Build based on 5,544m ²	£11,642,400
Contingency	£1,249,240
Professional Fees	£1,249,240
Total	£14,990,880
Cost/m ²	£2,704

2.4.5 Options Appraisal Analysis

An analysis has been undertaken as part of the assessment as follows:

Category	Assessment	Criteria Met?	Score	Weighting	Total score	RAG
A	Costs					
	<p>Development costs as noted are expected to be high given the location, site abnormalities and the complete demolition of existing buildings.</p> <p>Land value may be competitive given the challenging constraints and as the development will be phased it is likely that SC could benefit longer term as land values increase.</p>	In part	2	100%	2	
B	Deliverability					
	<p>A large site capable of delivering large scale development aligned with other key redevelopment opportunities in the immediate area.</p> <p>The re-development will require extensive demolition and re-engineering of the site.</p> <p>The proposals for the site and the timeline for new construction are unknown, but it is highly unlikely that this could be delivered in a time that would work with the Council's programme.</p>	No	1	100%	1	
C	Meeting space criteria					
	<p>As the site will require complete demolition and new build development it can be designed fully to meet the required criteria.</p> <p>In its current form it is unsuitable and does not meet the criteria – this analysis extends refurbishment / reuse of the existing buildings.</p>	Yes	5	75%	3.75	
D	Lifecycle costs					
	As the development would be new build, we assume that the lifecycle cost would be designed in and thus future costs can be minimised.	Yes	5	25%	1.25	
E	Commercial opportunities					
	Due to the timescale involved we expect there to be limited opportunities for commercial development in short term (over next 3 years).	No	1	75%	0.75	
F	Sustainability					

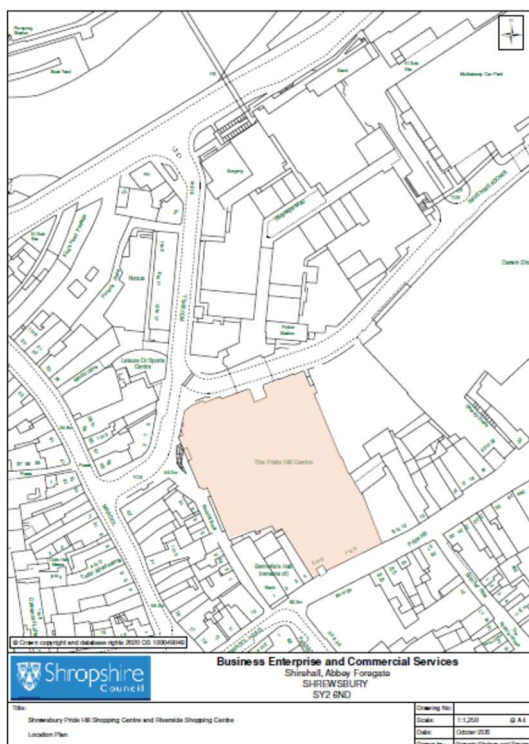
	<p>A new build provides an opportunity to target a strong basis for a high rating for BREEAM, with early planning and design, a project could set a strong target to aim for.</p> <p>A new build project provides the opportunity to deliver a scheme which, as a minimum, complies with national and local requirements for low and zero carbon.</p> <p>Focus on renewable energy for future resilience and independence from global fossil fuel supply and price – ground source/air source/geothermal/wind/PV/Solar thermal</p> <p>As a new build, the project could aim to reduce potable water demand through the efficient use of water and wastewater.</p> <p>The site is well located close to the station and would reduce the need for private car use.</p> <p>However, demolition of the existing site will generate large amounts of waste and will need to be carefully considered during the demolition process. Due to the existing nature of the site, there may be contamination which would impact on the reusability of the materials.</p>	Yes	3	100%	3	
G	Alignment with Big Town Plan					
	<p>Redevelopment of this site could act as a catalyst for further regeneration in this location and aligns with the aspirations of the Big Town Plan.</p> <p>Large site with potential in an area of growth and land value could be attractive given location.</p>	Yes	4	50%	2	
Overall weighted score and risk RAG rating					13.75	

2.5 OPTION FIVE – Pride Hill Shopping Centre

2.5.1 Background and Context

The Pride Hill Shopping Centre is accessed directly from the pedestrianised shopping area in Shrewsbury town centre on Pride Hill. It is joined to the Riverside Shopping Centre and the Darwin Shopping Centre via a pedestrian walkway and Raven Meadows, and its existing floor space is approximately 9,785 square metres (105,300 square feet). The redevelopment of the Pride Hill Shopping Centre would provide a commercial hub/focus for the Town which could help shape any redevelopment of the Riverside Shopping Centre and act as a catalyst for a greater mix of planning uses and occupiers which will support the longer term sustainability of the shopping centre.

Given the decline in high street retail sales, exacerbated and accelerated by the COVID-19 pandemic, it is reasonable at this time to conclude that a new focus for the shopping centre will be required in order to provide a financial return to the Council rather than be a financial burden. It would also help to bolster the covered retail offer within the Darwin Centre and provide a better focus to the town centre.



Location Plan

Entrance to Pride Hill Shopping Centre



2.5.2 Indicative Proposal

The proposal for the Pride Hill Shopping Centre is to strip the existing building to its shell and core structural frame and redevelop it for multi-purpose use. A scheme such as this would maximise the potential of the existing site with no dependence on any other developments.

The central location of this site provides opportunities for commercial development and aligns with the aspirations of the Big Town Plan. It will provide a commercial hub/focus for the Town which could help shape any redevelopment of the Riverside Shopping Centre and could act as a catalyst for greater mix of planning uses and occupiers which will support the longer term sustainability of the shopping centre.

We understand that feasibility work is well underway to consider the change of use of the shopping centre, [redacted] This work vastly reduces the potential lead-in time to deliver this proposal.

We understand that initial space planning has been undertaken and that based on this analysis it is likely that the footprint, once re-modelled could accommodate a library, SC accommodation and commercial space for public sector partners, including [redacted].

However, for the purpose of this report and for comparison of the likely development costs of each option we have only assessed the costs of this option based on the two following scenarios:

Option A – Partial refurbishment for office use by SC and Partners.

Option B – Partial refurbishment for SC only.

2.5.3 Programme

In the absence of details for this proposal a high-level timeline, based upon our knowledge of the site and of the status of discussions with key stakeholders, the following timetable is considered appropriate at this stage:

Key Activity	Timetable
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

2.5.4 Cost Assessment

At the time of writing Arcadis have not had the benefit of plans or survey information and therefore our cost advice is based upon high-level assumptions of the site. Indicative costs are based on a range of BCIS benchmarked cost indices for comparable development projects. The costs do not constitute an assessment of the actual likely development costs for this scheme but are provided in order to allow for a cost comparison of the site against the other options. The high-level costs for each option set out above are as follows.

Option A – Partial refurbishment for office use by SC and Partners	£
Key Activity	
New Build based on 5,544m2	£9,979,200
Contingency	£1,496,880
Professional Fees	£997,920
Total	£12,474,000
Cost/m2	£2,250

Option B – Partial refurbishment for office use by SC only	£
Key Activity	
New Build based on 3,300m2	£5,940,000
Contingency	£891,000
Professional Fees	£594,000
Total	£7,425,000
Cost/m2	£2,250

2.5.5 Options Appraisal Analysis

An analysis has been undertaken as part of the assessment as follows:

Category	Assessment	Criteria Met?	Score	Weighting	Total score	RAG
A	Costs					
	<p>Development costs as noted are expected to be significant albeit retaining the shell and core will potentially make the option cost effective.</p> <p>Repurposing the building could prove excellent value for money in retaining and repurposing a Council asset and potentially adding value to it and the wider town centre offer.</p> <p>Feasibility work is well progressed, and we understand that no significant abnormal costs are likely.</p>	Yes	5	100%	5	
B	Deliverability					
	<p>The site is in a constrained location adjacent public areas and service roads, however, given the proposal to strip out rather than demolish it is anticipated that any disruption can be managed and will not have an impact on deliverability.</p> <p>No dependence on any other developments other than the re-location of existing tenants (if required) and this can be relatively easy to cater for within the Darwin Centre.</p> <p>Based upon our estimated timetable the new development could be ready for occupation in autumn 2023 which aligns with the Council's preferred programme.</p>	Yes	5	100%	5	
C	Meeting space criteria					
	<p>The proposal maximises the potential of existing site and provides a commercial hub/focus for the Town which could help shape any redevelopment of the Riverside Shopping Centre (could act as a catalyst for greater mix of planning uses and occupiers which will support the longer term sustainability of the shopping centre).</p> <p>The shell and core will allow for a relatively straightforward fit-out project (to institutional standards) and phased occupation of the building.</p> <p>It is also envisaged that it will cater well for longer term flexibility, especially if good linkages are made with the Riverside development which will allow for additional expansion space if necessary.</p>	Yes	5	75%	3.75	
D	Lifecycle costs					

	<p>As the development would be new build, we assume that the lifecycle cost would be designed in and thus future costs can be minimised.</p> <p>The site is owned by the Council and there are issues that are being addressed within the current work on site.</p>	Yes	5	25%	1.25	
E	Commercial opportunities					
	<p>We expect there to be excellent opportunities for commercial development in short term (over next 3 years).</p> <p>This option is supported by stakeholders.</p>	Yes	5	75%	3.75	
F	Sustainability					
	<p>The repurposing of the existing building can present challenges as there are site constraints which will limit what can be done on the site. However, by stripping back to shell and core, there are measures which can be embedded into the design at an early stage. These include:</p> <ul style="list-style-type: none"> • Energy efficient lighting and controls • Management systems and controls • Energy efficient building services <p>There are more expensive measures that will require more detailed investigation to establish the suitability of the building. These measures could include:</p> <ul style="list-style-type: none"> • Replacing roof with more sustainable/efficient structure • Installing Photovoltaic Cells for energy generation Insulation – is should be possible to internally insulate the building. • Operable Windows or new glazing systems – The costs of installing new glazing to make the building more thermally efficient. <p>Through retaining the core of the existing building, it can be beneficial by reducing the waste generated. The production of associated waste can be prevented whilst conserving the embodied carbon of the building. The reuse of building façade and structures will obviously limit the amount materials going to landfill.</p>	Yes	4	100%	4	
G	Alignment with Big Town Plan					
	<p>Redevelopment of this site could act as a catalyst for further regeneration in this location and aligns with the ambitions of the Big Town Plan.</p> <p>Large site with potential in an area of growth and longer-term value could be attractive given location.</p>	Yes	5	50%	2.5	
Overall weighted score and risk RAG rating					25.25	

3. Conclusions and Recommendations

3.1 Conclusion

Based upon assessment work of the options using the criteria presented above the options are ranked as follows:

Ranking	Option	Score	Risk Rating
1	Pride Hill shopping centre	25.25	
2	Guildhall	13.75	
3	Riverside shopping centre	13.75	
4	Private sector building – option 1	11.75	
5	Private sector building – option 2	6	

Whilst there is an aspiration to deliver all of the opportunities set out within the brief, it is clear that it is essential that the preferred option delivers a civic centre by 2023. It is also clear that the options offer a wide variety of opportunities and challenges and a very different outlook in terms of capital expenditure and commercial opportunity. In order to summarise the relative costs and opportunities of each scheme we have summarised as follows:

Site option	Area (m2)	Total	Adding value to existing SC asset	Income generation	Reduces cost of asset	Ranking by Capital Cost
Private sector building – option 1	Total Cost/m2	£12,575,040 £2,268	X	✓	X	7
Private sector building – option 2	Total Cost/m2	£6,562,500 £2,625	X	X	X	2
Guildhall (based on refurbishing for SC only)	Total Cost/m2	£5,940,000 £1,800	X	X	✓	1
Guildhall (based on existing footprint)	Total Cost/m2	£7,479,000 £1,800	X	X	✓	4
Guildhall (extended to include partners)	Total Cost/m2	£10,479,240 £1,890	X	X	✓	5
Riverside shopping centre	Total Cost/m2	£14,990,880 £2,704	✓	✓	✓	8
Pride Hill shopping centre (with partners)	Total Cost/m2	£12,474,000 £2,250	✓	✓	✓	6
Pride Hill shopping centre (without partners)	Total Cost/m2	£7,425,000 £2,250	✓	✓	✓	3

3.2 Recommendations

We recommend that the following options are discounted as they scored lowest in our assessment. Whilst they have merit it is highly unlikely that these sites are deliverable by 2023:

- Riverside shopping centre
- Private sector building – option 1
- Private sector building – option 2

We recommend at this stage that the following options are shortlisted for further analysis and consideration:

- Pride Hill shopping centre
- Guildhall

In our opinion there are a number of considerations to be debated for each option as follows:

Pride Hill shopping centre - whilst the Council has only recently acquired the centre it is clear that longer term, the current cost burden needs to be addressed. It is unlikely that the UK will see a return to the historic levels of high street shopping and thus an alternative use needs to be identified. The building can fully accommodate the Council and partners [redacted]. This will provide a higher rental income for the Council against which to pay-back any loan secured for the additional capital costs. Further assessment of this is required.

Whilst this option has a higher capital cost, it represents a better commercial opportunity, which could also act as a catalyst for additional commercial opportunity within the remaining areas of the building. This option would utilise 5,544m² of the existing 9,785m² of accommodation (based on the existing footprint). It aligns well with the Big Town plan and brings into beneficial use a failing asset.

Guildhall – whilst the building is currently occupied by the University, SC do not receive an income from it. In which case income will not be lost should the Council elect to serve notice on the University. However, there is an opportunity longer-term for the Council to be able to charge a rent to the University or obtain an alternative commercial letting.

Whilst this option is favourable in terms of capital cost, compared with the Pride Hill option, it is not purpose designed or built for the requirements of the Council and, at 4,155m², it is not large enough to accommodate all of the requirements of the Council and its partners.

It also provides little commercial opportunity and does not align as well with the Big Town Plan. There is also a risk of reputational damage to the Council by serving notice on the University. The position with the University needs to be clarified.

Arcadis LLP

Corner Block
2 Cornwall Street
Birmingham
B3 2DX
United Kingdom
T: +44 (0)121 503 2700

[arcadis.com](https://www.arcadis.com)

