

<b>Title of Report</b>	<b>MARLBOROUGH SQUARE PUBLIC REALM</b>	
<b>Presented by</b>	Councillor Richard Blunt Leader Of The Council	
<b>Background Papers</b>	<a href="#">Community Scrutiny Report – 9 February 2022</a>	<b>Public Report:</b> Yes
	Marlborough Square Design Presentation 3 February 2022  <a href="#">Confidential Marlborough Square Presentation.pdf</a>	<b>Key Decision:</b> Yes
<b>Financial Implications</b>	Adopting the recommendations set out in this paper will commit the council to up to £2,711,500 of capital expenditure.	
	Budget of £1,858,083 is currently allocated to the project through a mix of council capital resource and grant funding from LLEP.  If the project is to proceed, the council's capital investment will need to be increased by up to £853,417. It is recommended that the additional funding is found from the Coalville Regeneration Framework budget allocation in 2022/23.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	The project is to be delivered on Public Highway within the control of Leicestershire County Council. A Section 278 process has been followed by the district council in order to obtain permission for the works. The Formal S278 agreement will be signed before works commence.	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	The project is being managed within existing staffing resources supported by specialist consultants where necessary. Staff costs are within existing revenue budgets. Provision to meet Consultant costs has been included in the project budget outlined in the paper.	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	1) To present the summary business case for the Marlborough Square Public Realm project	

	<p>2) To report the outcome of the construction contract tender process.</p> <p>3) To identify other project costs that remain to be incurred.</p> <p>4) To seek approval to award the construction contract and take other actions necessary to implement the project (subject to the necessary capital funding being in place)</p> <p>5) To propose that Cabinet make a request to Council to release additional capital funding required for the project to proceed</p>
<b>Reason for Decision</b>	The decision on whether to enter into a contract of the size and nature set out in this paper is a matter for Cabinet.
<b>Recommendations</b>	<p><b>THAT CABINET:</b></p> <ol style="list-style-type: none"> <li><b>1. RECOMMEND TO COUNCIL, AT ITS MEETING ON 24 FEBRUARY 2022, THAT THE ADDITIONAL £853,417 REQUIRED TO IMPLEMENT THE MARLBOROUGH SQUARE PUBLIC REALM PROJECT BE FOUND FROM THE COALVILLE REGENERATION FRAMEWORK BUDGET LINE BEING PROPOSED IN THE 2022/23 COUNCIL BUDGET.</b></li> <li><b>2. SUBJECT TO APPROVAL BY COUNCIL ON 24 FEBRUARY 2022, BASED ON THE OUTCOME OF THE TENDER EXERCISE AND THE ESTIMATED OTHER PROJECT COSTS SET OUT IN THE REPORT, AGREE TO PROCEED TO AWARD THE CONSTRUCTION CONTRACT AND IMPLEMENT THE PROJECT.</b></li> <li><b>3. DELEGATES AUTHORITY TO THE STRATEGIC DIRECTOR (PLACE) TO:</b> <ol style="list-style-type: none"> <li><b>A) ENTER INTO THOSE HIGHWAYS AGREEMENTS NECESSARY TO DELIVER THE PUBLIC REALM PROJECT;</b></li> <li><b>B) AGREE THE TERMS OF THE CONSTRUCTION CONTRACT</b></li> <li><b>C) COMPLETE SUCH OTHER AGREEMENTS AS SHALL BE NECESSARY TO IMPLEMENT THE PROJECT WITHIN THE APPROVED BUDGET.</b></li> <li><b>D) SEEK TO NEGOTIATE A REDUCTION OR WAIVER OF THE HIGHWAYS AUTHORITY FEES AND COMMUTED LUMP SUM PROPOSED TO BE CHARGED BY LEICESTERSHIRE COUNTY COUNCIL</b></li> </ol> </li> </ol>

## **1.0 BACKGROUND**

- 1.1 Proposals to redevelop Marlborough Square as a predominantly pedestrian focused space emerged out of the Princes Foundation Regeneration Strategy for Coalville produced in 2009 and were then set out in more detail in the Four

Squares and Streets Investment Plan of 2010.

1.2 NWLDC subsequently made the project to redevelop Marlborough Square a Corporate Objective in 2018 and the following brief was drawn up:

- To reduce the vehicle domination of the square, reduce vehicle speeds and remove street clutter.
- To make the square more flexible for events.
- To create a square that is easier for pedestrians (shoppers) to move around.
- To create a better waiting area for public transport users.
- To introduce new hard landscaping and trees to improve the visual appeal of this part of the town centre.
- To increase the amount of turnover in parking spaces, to allow more shoppers per hour to park in the square and get to businesses within the square more easily.

1.3 The project has presented many complex problems for officers to solve before tenders for the construction contract could be sought. Particular challenges worthy of note are:

- The project sits entirely on highways land and therefore requires a section 278 agreement with Leicestershire County Council to be in place before construction can begin. The Average time in which all the surveys and information needed for a S278 can be produced and approved is 12 to 18 months, but for many cases takes longer.
- There are a large number of properties surrounding Marlborough Square each with unique rights. We have had to engage on numerous occasions with each landowner to ensure that their rights wouldn't be impinged and the proposals objected to.
- Marlborough Square is used as an access and egress route by a wide range of vehicle types visiting properties on residential and commercial streets surrounding Marlborough Square. We have prove that each and every one of these vehicles can track around the proposed new layout at Marlborough Square.
- There have been technical issues with utility companies that have needed resolution before both designs could be completed and works tendered.
- Significant time has been invested into developing the palette of materials to be used to ensure quality, cost, availability and source factors are in accordance with objectives.
- Proposals have had to be developed alongside other projects were there are inter-relations e.g. Newmarket and proposals for redevelopment of Needhams Walk which are taking access from Belvoir Road.

1.4 The project has now progressed to a stage whereby it is appropriate for Cabinet to consider whether they wish to proceed to construction.

## **2.0 PROPOSALS**

- 2.1 Marlborough Square in Coalville currently comprises a gyratory, motor vehicle dominated highway arrangement with a vehicular route East to West on the southern side of the Square and West to East on the north side of the Square. Parts of Jackson Street and Belvoir Road complete the gyratory arrangements. The Central part of Marlborough Square has traditionally been used as car parking.
- 2.2 The Square is “built up” on all four surrounding sides with neighbouring uses including retailers, service sector businesses, childcare facilities, religious institutions and licensed establishments. It is worth noting that the council’s Newmarket fronts on to the south side of Marlborough Square and the Marlborough Centre Building, which the council has recently agreed to purchase, also fronts the square.
- 2.3 Through the Marlborough Square Public Realm Project it is proposed to remove gyratory traffic from the Square. Vehicles will only be permitted to drive through Marlborough Square on the southern side in a west to east direction (to carry on their journey via Belvoir Road). Vehicular access to Marlborough Square will be via Owen Street, as per current arrangements.
- 2.4 The north side of Marlborough Square will become a primarily pedestrian place (pedestrian zone) with vehicles only able to drive along this route between certain hours for the purpose of deliveries.
- 2.5 The central area of Marlborough Square (currently used for parking) will become a pedestrian only space, laid out with benches, lighting bollards, planters and other high quality street furniture. This space has also been designed to accommodate events, fayres and open air markets. The flexibility that has been designed into the space will allow it to be promoted as a place for open air dining (during good weather) served by the many eateries that currently exist around the square.
- 2.6 Other points to note in respect to the current design are as follows:
  - Free car parking previously provided in Marlborough Square has already been relocated to Margaret Street and James Street Car Parks
  - Disabled parking spaces, taxi Ranks and Bus Stands have been retained within the new layout arrangements.
  - Surface treatments are proposed to be high quality and hard-wearing granite setts and flags including across significant parts of the driven highway proposed on the southern side of the square.
- 2.7 Plans showing the proposed works are shown in appendix 1 and were presented to members of the council representing Coalville wards via a design presentation held on 3 February 2022.

### **3.0 ANTICIPATED BENEFITS**

3.1 Delivery of the Marlborough Square project is anticipated to bring the following benefits to Coalville:

- Establish Marlborough Square as a pedestrian dominated space, which is an attractive and safe place for shopping, informal gathering and events.
- Creates an area which projects quality and a positive aesthetic such that it becomes an area which locals are proud of, providing the same kind of public realm experience that can be found in more prosperous towns.
- Increased retail footfall as a result of greater willingness to shop in places that feel safe and attractive.
- Increased range of retailers as a result of a greater willingness by new retailers to “give it a try” in locations which are attractive and popular.
- Reduced vehicular movements through concentration of car parking in strategic locations (fewer movements associated with hunting for car parking).
- Greater willingness by others to invest in the built fabric of Coalville.

### **4.0 PROCUREMENT**

4.1 A suitably approved contractor with the necessary permits and experience to deliver public realm works on the highway, has been sought via the Procure Partnerships Framework. This involved initially approaching the seven contractors on the framework, to determine whether they were interested in bidding. Two positive responses were received and these two contractors were then approached to formally tender via a two stage approach.

4.2 Stage one of the tender process Undertaken in Autumn 2021 involved the two contractors submitting details of their preliminary costs, overheads and required profit. Both contractors were also interviewed and asked a number of questions on quality of workmanship, customer care and their green credentials. An evaluation matrix was completed, scored for both cost and quality and led to the selection of a preferred contractor.

4.3 At the end of the first stage tender in Mid December 2021 the preferred contractor was then asked to submit a full price for the works based on the specification, standard details of construction and materials schedule provided by the project team. This price was communicated by the preferred contractor on 2 February.

4.4 The full price required by the preferred contractor to undertake the specified works was included in the papers presented to Community Scrutiny Committee on 9 February.

4.5 Commentary on the final tender price received and the reason for variance from past cost estimates is attached at appendix 2.

## 5.0 FINANCE

5.1 The remaining budget allocation for delivery of the Marlborough Square Public Realm project set out in the council's capital programme is £1,607,562. In addition to this there is a further £250,521 of grant support for the project from Leicester and Leicestershire Enterprise Partnership (LLEP) to be claimed. The total funding currently available to complete the project is therefore £1,858,083.

5.2 Anticipated remaining project expenditure is

<b>Expenditure Item</b>	<b>Amount</b>
Fees (Supervision, Legal, QS)	£55,000
Permits, Connections and Utilities	£25,000
Construction	£2,265,000
Equipment	£40,000
Commuted Sums	£50,000
LCC Inspection	£226,500
Contingency	£50,000
<b>Total</b>	<b>£2,711,500</b>

5.3 As shown in the table above, the projected scheme cost (post tender) is currently £2,711,500 which is £853,417 more than the funding currently committed (remaining council capital allocation plus LLEP grant).

5.4 Through negotiation with the County Council around inspection fees and commuted sums it is hoped that the projected cost can be further reduced by up to £275,000 however this cannot be guaranteed at the current time.

5.5 Assuming no reduction is agreed with LCC then the additional funding required to allow the scheme to proceed is £853,417. This additional funding can be made available by transferring budget from the Coalville Regeneration Framework, which is already included within the proposed capital programme for 2022/23 with £1.5 million of capital funding available.

5.6 Investment in Marlborough Square Public Realm will allow the Council to generate rent from 36 outdoor market stalls, with a projected income of around £71,300 pa. The table below summarises the financial case for the development as a whole compared to the do nothing option. It shows that this market stall rental income is expected to cover the additional costs of running the outdoor market, and the capital costs and generate a small additional revenue to the Council of £10,600 per annum. Whilst this is lower than the return the Council could expect to receive from investing the capital costs, it shows that the project remains financially viable, despite the higher budgeted capital costs.

### Estimated Annual Revenue Position

Do nothing option	Marlborough Square Proposal
£	£

<b>Total Runnings costs</b>	<b>0</b>	<b>10,000</b>
<i>Allowance for incidental running costs</i>	<i>0</i>	<i>10,000</i>
<b>Total Income</b>	<b>12,175</b>	<b>71,300</b>
<i>Market stalls</i>		<i>71,300</i>
<i>Treasury income</i>	<i>12,175</i>	
<b>Capital Financing Costs</b>	<b>0</b>	<b>50,700</b>
<i>Minimum Revenue Provision</i>		<i>50,700</i>
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<b>Net Revenue income</b>	<b>12,175</b>	<b>10,600</b>
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<b>Five year Capital Position</b>		
	£	£
Capital Costs	0	2,435,000
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<b>Net Capital Cost</b>		<b>- 2,435,000</b>
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5.7 This assessment is based on an assumed average occupancy of 88% and daily market rental rates of £14.75 per stall per market day. There is also a prudent allowance of £10,000 for additional cash costs that the Council may incur in running the market, such as electricity costs and additional cleaning costs. With a projected net income of £10,600, there is some tolerance for these figures to move and the project still be considered financially viable. If occupancy fell to 75% then the project, or expected additional running costs doubled, the project would still break even and be considered financially viable.

## 6.0 LIABILITIES

6.1 As a result of converting Marlborough Square from carriageway to pedestrian dominated public realm, maintenance costs are likely to increase. Physical maintenance will need to be undertaken to a higher standard (in order to prevent slips trips and falls) whilst the cost of repairs are likely to be greater due to the type of surfacing material that has been selected and the comparative difficulty of laying (Tarmac is relatively cheap and easy to repair compared to granite setts). An enhanced cleaning regime will also be required to keep the public realm looking attractive and there will be new costs arising from maintaining the planting areas (irrigation, pruning and restocking) and the operation of the LED feature lighting scheme (electricity charges).

6.2 The square will remain public highway and therefore physical repair of the hard surfaces will rest with Leicestershire County Council as part of their

Highway function. LCC have indicated that they will require a commuted sum from the district council to cover the additional maintenance costs associated with non-standard surfacing. Negotiation of the exact sum to be paid to LCC remains to be concluded. A line item has been included in the project budget based on LCC's initial estimate.

- 6.3 Some maintenance costs will also fall on NWLDC. The costs of replacing street furniture such as bins, benches bollards and planters will fall to the district council along with any of the infrastructure necessary to support the outdoor market. Offices have sought to minimise the future cost and inconvenience of these maintenance obligations by ensure that a small stock of spare street furniture is bought and held in stores at the initial implementation phase.
- 6.4 The following additional revenue costs associated with operating the square as public realm will fall on NWLDC:
- Street Cleansing including waste bin emptying
  - Erecting / dismantling outdoor market stalls
  - Power for feature lighting scheme
  - Irrigation of planting areas
  - Pruning and restocking planting areas.
  - Redecoration of street furniture
- 6.5 Operation of the square will be by the Community Services Department. Funding to cover the associated costs has been included in their future years budget projections

## **7.0 TIMETABLE**

- 7.1 As part of their tender submission Preferred Contractor's have submitted a provisional programme for the works, which projects a commencement on site ten weeks after contract award (roughly early May) with the work anticipated to take thirty two weeks (completed roughly the end of November). This timetable is based on an expectation that the contract is awarded by the end of February 2022. The appointed contractor will issue a more accurate programme once the contract has been awarded
- 7.2 Road space booking (TTRO) has already been submitted LCC to secure the opportunity to carry out the works during the desired window, certain that there wont be any conflicting roadworks underway at the same time. Whilst the anticipated construction period is 32 weeks a longer period of road space booking has been made (following discussion with LCC Highways) to allow for any unforeseen delays.
- 7.3 Members are asked to note that the programme identified by the preferred contractor is their best estimate. They have flagged with us that material delivery (granite from quarries in Europe) and delays due to Covid Pandemic impacts on labour availability may result in the need to amend the programme.

## 8.0 SCRUTINY COMMENTS

8.1 Community Scrutiny Committee considered the Marlborough Square Public Realm Project business case on 9 February. Minutes from that meeting weren't available in time to include in this report before the printing deadline and so will be provided by way of a Supplementary Paper.

## 9.0 CONCLUSION

9.1 The Marlborough Square Public Realm project has been faced by a significant number of external obstacles but has now been progressed to a position where a tendered price to deliver the scheme has been received.

9.2 The project as shown on the appended drawings will deliver the original objectives as set out and agreed by members when first embarking on the project. The project will also deliver a fully equipped open air market facility which will deliver a new source of income for the council.

9.3 The costs that need to be incurred to deliver the project are higher than the remaining capital budget allocation available, however the investment appraisal produced by the Finance Department show that the returns from the project justify the increased investment required.

9.4 The additional budget needed to deliver the scheme can be made available from within the 2022/23 council budget which is due to be approved on 24 February.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	<ul style="list-style-type: none"><li>- Supporting Coalville to be a more vibrant, family-friendly town</li><li>- Support for businesses and helping people into local jobs</li><li>- Developing a clean and green district</li><li>- Our communities are safe, healthy and connected</li></ul>
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	The Public Realm solution shown has been designed to accommodate all user groups and has been the subject of engagement with user groups
Customer Impact:	The project will make a positive improvement to residents and visitors experience of Coalville
Economic and Social Impact:	The project is expected to increase confidence and pride in an important part of the town centre
Environment and Climate Change:	The project aims to improve the Coalville town centre environment. The materials selected are naturally occurring and have a very long life. The contractor proposed to be appointed has demonstrated their commitment to reducing their carbon footprint and minimising construction

	waste.
Consultation/Community Engagement:	The project has been the subject of significant publicity and repeated public engagement.
Risks:	<p>Financial failure of contractor – appropriate checks of the contractors financial standing have been undertaken by the council's Finance Department.</p> <p>Unexpected physical obstacle to delivery of works – extensive due diligence has been undertaken. The contractor is very experienced at delivering public realm projects. We retain a contingency sum within the project budget.</p> <p>Covid Delays – The contractor has been asked to develop contingencies.</p>
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