

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

**COMMUNITY SCRUTINY COMMITTEE – THURSDAY, 11
SEPTEMBER 2025**



Title of Report	MARLBOROUGH SQUARE PROJECT REVIEW	
Presented by	Paul Wheatley Head of Property and Regeneration	
Background Papers	<u>Minutes of Community Scrutiny 9 February 2022</u> <u>Marlborough Square Public Realm Cabinet 15 February 2022</u> <u>Marlborough Square Public Realm Tender Price Update Cabinet 27 June 2023</u>	Public Report: Yes
Financial Implications	The financial costs set out in this report are provisional. Once the final costs are determined, a further report will be made to Cabinet or Council as appropriate to ensure that the capital programme is updated accordingly, in compliance with the Council's Constitution.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	The paper references that legal responsibility for Marlborough Square as a public highway won't revert fully to Leicestershire County Council until 12 months after certification that construction defects have been rectified.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no additional staffing implications arising from this paper.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	This paper provides a post-delivery assessment of the Marlborough Square public realm project including financial summary, review of outcomes, assessment of quality and timescales.	
Recommendations	THAT COMMUNITY SCRUTINY COMMITTEE: 1) CONSIDERS AND PROVIDES COMMENTS ON THE MARLBOROUGH SQUARE PROJECT REVIEW (INCLUDING THE PROVISIONAL FINANCIAL OUTTURN) FOR CONSIDERATION BY CABINET AS PART OF THE PROJECT CLOSURE PROCESS.	

1.0 BACKGROUND

- 1.1 This paper presents a review of the Marlborough Square Project which was presented to Community Scrutiny Committee and Cabinet in February 2022. The scope of the paper relates to the implementation of the infrastructure project which has delivered new public realm at Marlborough Square. The paper does not consider the operation of the outdoor market from the square nor the utilisation of the square to accommodate town events.

2.0 PROJECT DELIVERY STATUS

- 2.1 Physical implementation of the Marlborough Square public realm project (carrying out of construction works) began in late 2023 and was concluded (Substantial Completion of works) in August 2024. The project then entered a 12 month “defects period” during which Leicestershire County Council (LCC) as Highway Authority was required to inspect the site and provide a statement of defects. The statement of defects has recently been received and passed on to the Council's contractor for remedy (under the original contract provisions).
- 2.2 Once the Council's contractor has addressed all remedial items, the LCC Highway Inspector will reinspect. Subject to all matters then being in order, the Highway Authority will issue a certificate placing the scheme “on maintenance” for 12 months. During the period “on maintenance” North West Leicestershire District Council (NWLDC) will remain responsible for bearing the costs of maintaining the square. At the end of the 12 months the square will then revert to LCC to maintain as public highway.
- 2.3 Given the above situation, whilst NWLDC's role in delivering the works has ended, the Council remains responsible for maintaining the Square for at least a further 12 months and is not yet able to declare its role in the project as fully complete.

3.0 SCOPE OF REVIEW

- 3.1 Whilst the Council's role in the construction of Marlborough Square cannot yet be described as fully complete, it is noted that Community Scrutiny Committee wishes to review the results of the project. It is most appropriate to do this by reference back to the original project brief (Business Plan) which was considered by Community Scrutiny Committee and adopted by Cabinet in 2022. It is proposed that the review be undertaken by reference to the following questions:
 - Has the project achieved its stated outcomes?
 - Have the quality standards set for the project been achieved?
 - Was the project delivered in time or were there delays that could have been avoided?
 - Has the project been delivered in accordance with agreed budget?

4.0 THE APPROVED MARLBOROUGH SQUARE PROJECT BRIEF

4.1 The meeting of Community Scrutiny on 9 February 2022, received a report which reaffirmed the Marlborough Square Public Realm Project brief (business plan) and establish the desired benefits of the scheme (outcomes). Scrutiny Committee's comments on the brief were reported to Cabinet on 15 February 2022 and taken into consideration when deciding to proceed with project implementation.

4.2 The project brief presented to Scrutiny sought a physical solution which would:

- Reduce the vehicle domination of the square, reduce vehicle speeds and remove street clutter.
- Make the square more flexible for events.
- Create a square that is easier for pedestrians (shoppers) to move around.
- Create a better waiting area for public transport users.
- Introduce new hard landscaping and trees to improve the visual appeal of this part of the town centre.
- 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.

4.3 Key features of the proposed scheme were described as follows (text copied from 2022 report):

- 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.
- 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.
- 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

4.4 The desired benefits of the scheme (**outcomes**) were agreed as follows:

- Establish Marlborough Square as a pedestrian dominated space, which is an attractive and safe place for shopping, informal gathering and events.
- Create 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.
- Increase retail footfall as a result of greater willingness to shop in places that feel safe and attractive.

- Increase 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.
- Reduce 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.

5.0 DELIVERY OF OUTCOMES

- 5.1 The regeneration of Coalville is an incremental process guided by the Coalville Regeneration Framework document. The Framework lists the proposed physical interventions (projects). It is recognised that whilst each project can be completed “stand alone”, regeneration of a town is an incremental process, and the regeneration benefits multiply as additional projects are delivered.
- 5.2 In respect to Marlborough Square, the project is designed to work alongside other identified projects such as the redevelopment of the Marlborough Centre, reuse of the former Coop Department Store, shop front improvements and the creation of Newmarket. Whilst some of these projects have been completed, others remain in development. It would be inappropriate to therefore expect that all the benefits (outcomes) of the Marlborough Square project would have been realised so soon after practical completion (the square has only been open for a year) and with many of the supporting projects still to be delivered.
- 5.3 Referring to the desired project outcomes set out in the original business case the following assessment has been formed.

Desired Outcome	Outcome Achieved (yes, no, partially)	Commentary
Establish Marlborough Square as a pedestrian dominated space, which is an attractive and safe place for shopping, informal gathering and events.	Yes	The central area of Marlborough Square is pedestrian only and a Traffic Regulation Order prohibits vehicles from using the northern access drive during certain hours of the day. Further enhancements to physically enforce compliance with the law are being pursued with LCC Highways.
Create 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.	Yes	The aesthetic of the square is comparable to that found in more prosperous towns. There have been no negative comments about the quality of the surfacing or street furniture.
Increased retail footfall as a result of greater willingness to shop in places that feel safe and attractive	Partially	The current economic climate for the average household is challenging with limited spare money available for most families. Internet based shopping also continues to provide an increasingly broad alternative to the high street

		offer. Despite this, visual observation would suggest that footfall in the town at times is good, particularly when there are other events or attractions ongoing.
Increase 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.	Partially	Evidence gathered indicates that the number of void retail premises in the town remain low when set against appropriate comparators. Visual survey would indicate that new retail and leisure operations are being opened in the town. It should be recognised however that a “nice public realm” will never be the deciding factor in whether a trader / operator decides to open in a particular location. Other factors such as premises availability and cost will be of greater influence.
Reduce vehicular movements through concentration of car parking in strategic locations (fewer movements associated with hunting for car parking).	Yes	Whilst there are still some drivers who choose to disobey the Traffic Regulation Orders in place at Marlborough Square, generally the very short stay spaces seem to work well with none of the surrounding retailers raising concerns about parking availability. It is probable that some of the other car parking initiatives implemented in the town such as consistent parking charges and better signage to the primary shopper car parks play a part in ensuring that motorists quickly find a convenient parking space. Traffic levels within the square appear lower than pre-Covid and there are definitely fewer large vehicles observed within the square.
Greater willingness by others to invest in the built fabric of Coalville.	Yes	The Marlborough Square project is understood to have led owners and occupiers to develop plans for investment at Metrostores, Regal Bingo Hall and the Methodist Church.

6.0 QUALITY

- 6.1 The Marlborough Square project business plan contained statements that set out the desired quality that was sought for Marlborough Square. The following statements were considered to “set the bar”:
- “a pedestrian only space, laid out with benches, lighting, bollards, planters and other high quality street furniture”
 - “Create 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”
- 6.2 Throughout the project, design solutions were presented to a wide range of members. Sample panels were built and material selections agreed by Members sitting on the Project Group.
- 6.3 The materials selected and used at Marlborough Square predominantly comprise natural stone, timber, and Corten steel. The space is considered by Officers to be of a much higher aesthetic standard and have a visual distinction when compared to surrounding highways and other public spaces such as Memorial Square.
- 6.4 It is considered that the Council’s quality aspirations for Marlborough Square have been achieved.

7.0 TIMESCALE

- 7.1 A review of past scrutiny and cabinet reports has identified that at no point was a timescale for project delivery formally agreed.
- 7.2 This reluctance to set a timescale was likely in recognition of the criticality of the Section 278 agreement to the project plan and an understanding that NWLDC had no control over the speed with which the application for this approval would be approved (by LCC). Notwithstanding the above it is considered that a high-level project plan could have been developed containing a number of “gateways” and where the timescale for progress from one gateway to another was known, this information could have been included. This would have allowed Members much greater understanding of critical project stages such as design and construction, as well as highlighting those stages of the project where progress was outside of NWLDC control and timescales unknown.
- 7.3 As a “lesson learnt” from the Marlborough square project it is proposed that in future, complicated multi-year projects have high level project plans developed which set out a series of “gateways” for the project. Where timescales between gateway stages are known they should be set out. Where timescales between gateways can’t be determined (for example due to external consent processes), this should be clearly recorded and examined during post project review.

8.0 FINANCIAL PERFORMANCE

- 8.1 The estimated cost to deliver the Marlborough Square public realm project was reported to Community Scrutiny Committee in February 2022 as £2,711,500. This was a pre-tender estimated cost based on published rates.
- 8.2 The figure was updated in a report to Cabinet on 27 June 2023 when the Section 278 had been agreed and the project put out to tender. The notified estimated cost to complete the project at that date was £2,834,982. It was noted in the report that this figure would be plus LCC Highways Inspection and Commuted Sum figures. The Inspection costs and commuted sum were still in negotiation at that time with an expectation that they wouldn't be fully known until works neared completion.
- 8.3 The Project currently sits at a position of practical completion with retention sums due to be released once defects works are complete. Final fee accounts remain to be settled. Additionally, as stated earlier in this report, NWLDC will remain liable for any repairs to the surface of the Square for a further twelve months following LCC certification of defect rectification.
- 8.4 Invoices from LCC for Inspection and Commuted sums remain to be received but are expected before the square reverts to LCC as publicly maintainable highway. The sums involved have now been agreed and total £177,219
- 8.5 At present, taking into account sums that remain to be paid (as described above) we anticipate a project final outturn of expenditure at £3,421,906.
- 8.6 The following table sets out the estimated and actual figures for comparison.

	Figures Reported to Cabinet in June 2023 £	Provisional Outturn Figures £
Fees*	208,310	378,726
Works*	2,503,076	2,715,000
Other (inc. Utility Company Costs)*	35,471	59,146
Contingency on works*	97,125	0
Sub Total	2,843,982	3,152,872
Inspection And Commuted Sums To LCC	Unknown at the time but stated in 2022 business case as £276,500 based on LCC rate card.	177,219
Sub Total include Commuted Sums	3,120,482	3,330,091
Initial Surveys	91,814	91,814
Total	3,212,296	3,421,906

- 8.7 As stated above the paper to Cabinet in June 2023 reported the estimated cost to complete the Marlborough Square project. This figure was made up of the sums marked (*) above and totals £2,834,982. This figure did not include expenditure previously incurred on surveys nor the potential Inspection and commuted sum figures. The commuted sum will be considered for budget approval following confirmation of the final outturn figure, as highlighted in the report to Cabinet in June 2023, with the

costs to be met from the Coalville Regeneration Projects capital programme. Both of these elements have been included in the table above in order to allow for a full comparison of estimated costs against actuals / expected outturn figures.

- 8.8 The cost to deliver the Marlborough Square project will likely outturn at £308,890 more than reported to Cabinet in June 2023. This is an overspend of 11%. The final outturn figure will be reported to Cabinet as part of the project close down process with approval of any budgetary actions necessary to close the project sought at that time. The supplementary expenses will be covered by the capital programme budget allocated to the Coalville Regeneration Projects.
- 8.9 Looking in detail at the construction costs increases these can be attributed to the following work variations instructed during the contract:
- additional drainage including a positive drainage system for the utility boxes provided within the square and additional gulleys to intercept observed run off from Belvoir Road.
 - unexpected structural works to cap the cellars of buildings surrounding Marlborough Square and extending under the footways.
 - introduction of additional paving (in lieu of tarmac) to the northern service drive at the junction with Belvoir Road (Monkey Walk corner)
 - extra resurfacing on Jackson Street – A decision was taken for aesthetic reasons to fully resurface both carriageways of Jackson Street (from the junction with Owen Street to just short of Margaret Street Junction) rather than carry out patch repairs where the Marlborough Square works abut Jackson Street.
 - Enhanced street furniture – particularly the inclusion of an irrigation system and interpretive panels within the planters.
 - Fees for additional permits (e.g. to place private equipment within the highway) and for utility connections and equipment (e.g. feeder pillar).
- 8.10 It should also be noted that project fees have increased above the original estimate. This reflects the difficulties of working in the public highway and the need to meet the information and liaison requirements of both the Highways Authority and the utility companies, in particular.
- 8.11 In analysing the financial performance of the Marlborough Square project, it is recognised that more consistent reporting of costs against standardised cost headings would assist members in understanding how costs have changed as the project matures.
- 8.12 It is also recognised that contingency sums were not updated as the project matured and moved through the decision-making process. Initial cost estimates included an industry standard 5% contingency on the project as a whole, but as shown at paragraph 8.6 this had been eroded to only 3.9% of the anticipated cost of works by June 2023 when final approval to award the contract was given by Cabinet. This is an example of what is known in the construction industry as “optimism bias” whereby because so many of the projects costs have been firmed up by the receipt of quotes or tenders those responsible for both recommending and setting the project budget become overly optimistic that there won’t be any cost variances as the works are implemented.
- 8.13 Many larger local authorities (particularly those undertaking highways and engineering schemes) apply not only a contingency to their project estimates but also an (optimism allowance). The principle behind an optimism allowance is that those responsible for a

project will always be over-optimistic about the price that a project can be delivered for because until the project is complete, they do not know all the problems they will encounter, and they only have historic cost information to work with. As the project becomes more mature (e.g. designs are finalised and consultants fee quotes are received) costs should become more certain and the optimism allowance can be reduced until at the point of contract award only a small optimism allowance remains scaled according to the number of remaining live risks on the project's risk register. Typically, on a scheme that involves large amounts of civil engineering optimism allowances might start at 40% at project concept and be reduced to around 10% at the point where construction works start. Adopting this type of approach might help ensure that for future projects final outturn is closer to the initial estimated figure.

9.0 CONCLUSION

- 9.1 The Marlborough Square Project has now been physically complete for almost 12 months, and operation of the square is transitioning towards business-as-usual. A number of legal progresses remain to be completed before full responsibility for the square reverts to Leicestershire County Highways and these are described more fully in section 2 of this paper.
- 9.2 Public perception of the success or otherwise of the square is difficult to quantify, with diverse comments being received. It is fair to state that the project has cost more to deliver than anticipated and delivery has taken longer than many members and residents hoped. The quality of the final product, however, is arguably higher than for any other public space in the town. This reflects mitigation of risk, in that the investment being made was always seen as one which should have a life of tens of years and that the risk of quality not meeting expectations would be impossible to respond to post delivery.
- 9.3 The project has delivered or begun to deliver its desired outcomes and is making a significant contribution towards the overall regeneration plan for Coalville (Coalville Regeneration Framework). An assessment of the project against the desired outcomes set out in the project business plan is provided in section 5 of this report.
- 9.4 Members may also wish to note that a post project review has already been undertaken with the support of the Internal Audit Function to ensure that lessons that can be learnt from the Marlborough Square project can be capture and incorporated into other ongoing regeneration projects.
- 9.5 The following summarises the lessons to be learnt from the Marlborough Square project.
 - The project business plan as approved by Cabinet should be captured as a Project Initiation Document (PiD) and maintained as a reference document throughout the life of the project, for use by both officers and members. This recommendation is now being met in respect of all new and ongoing regeneration projects.
 - The outline project delivery process including clear stages / phases and an indicative timeline should be developed at the start of a project. Where there are stages in the project delivery process that are outside of the control of this Council (e.g. in the case of Marlborough Square the S278 approval process), these should be clearly flagged and the implications understood by linking to the risk register.

- The Council's senior management structure should review their processes to improve the information being captured and the frequency with which Regeneration projects are being reviewed and provided with guidance. This has now been undertaken with the establishment of the Regeneration Framework Steering Group to oversee all regeneration projects.
- The use of a project decision log would assist in the auditing of decisions that impact upon delivery cost. Decision logs are now a standard requirement for all council projects.
- A consistent approach to cost forecasting and reporting should be adopted throughout the life of a project to ease the identification of change as the project develops.
- A costed risk register for all aspects of the project (not just the construction phase) should be developed and linked to an optimism allowance in the project budget.
- Each project should have a support group of officers representing disciplines such as Legal, Audit, Procurement and Finance who can provide specialist advice to the designated project manager throughout the life of the project. This recommendation has already been addressed through the formation of Project Groups for all Regeneration schemes.

Policies and other considerations, as appropriate	
Council Priorities	<p>Insert relevant Council Priorities:</p> <ul style="list-style-type: none"> - Planning and Regeneration
Policy Considerations	<p>Coalville Regeneration Framework Council Financial Regulations</p>
Safeguarding	None
Equalities/Diversity	None
Customer Impact	Marlborough Square is now available to the residents of Coalville and the wider district as an area of public realm.
Economic and Social Impact	Contributes towards the delivery of the Coalville Regeneration Framework.
Environment, Climate Change and Zero Carbon	Contributes to the Zero Carbon agenda for the district by promoting the use of materials with long life span or renewable, avoidance of materials based on fossil fuels. Use of low energy lighting. Creating a place that is an attractive destination for walking and cycling.
Consultation/Community/Tenant Engagement	Marlborough Square was a named project within the Council's previous delivery plan. It is also referenced in the current Coalville Regeneration Framework, both of which have been the subject of public consultation. Public engagement on the specifics of the Marlborough Square project were undertaken prior to works commencing.
Risks	The delivery of a large capital project involves multiple risks. Risks related to the Marlborough Square project were known and managed. For future projects however it is intended to improve this process by applying a costed risk approach.
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