

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 12 JANUARY 2016

Title of report	BUILDING CONFIDENCE IN COALVILLE- PROJECT UPDATE
Key Decision	a) Financial Yes b) Community Yes
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Purpose of report	To provide Cabinet with an update on the Coalville Project. To obtain Cabinet approval for creation of a Coalville Project reserve and re-allocation of underspent reserves. To obtain Cabinet's authority to continue to progress the Coalville Project.
Reason for Decision	To seek Cabinet approval to re-assign underspent reserves into a Coalville Project reserve.
Council Priorities	Value for Money Business and Jobs Homes and Communities Green Footprints Challenge
Implications:	
Financial/Staff	Included within the report
Link to relevant CAT	None
Risk Management	Included within the report
Equalities Impact Screening	Not applicable
Human Rights	None

Transformational Government	Working with other public and private partners to deliver a better deal for Coalville and maximising investment to build confidence in the town and community.
Comments of Head of Paid Service	The report is satisfactory.
Comments of Section 151 Officer	The report is satisfactory.
Comments of Monitoring Officer	The report is satisfactory.
Consultees	None
Background papers	Building Confidence in Coalville report to Cabinet on 22 September 2015
Recommendations	<p>THAT CABINET:</p> <ol style="list-style-type: none"> 1. NOTES THE ESTABLISHMENT OF INTERNAL PROJECT GOVERNANCE; 2. NOTES THE PROGRESS OF SPECIALIST ADVISORS TO DELIVER THE FEASIBILITY STAGE OF PHASE 1 OF COALVILLE PROJECT; 3. NOTES THE PROCUREMENT OF SPECIALIST ADVISORS TO CONDUCT AN OPTIONS APPRAISAL FOR THE LEISURE AND CULTURE OFFER OF THE DISTRICT; AND 4. APPROVES THE CREATION OF A COALVILLE PROJECT RESERVE AND RE-ASSIGNMENT OF UNDERSPENT RESERVES

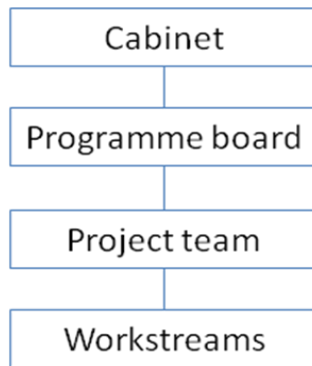
1.0 BACKGROUND

- 1.1 Following the May 2015 election, the Leader set out the regeneration of Coalville as one of the Council's priorities, and gave responsibility for delivery to the Chief Executive. The Authority already had a number of Coalville-based projects underway including: collaboration with EMH to develop the former Pick and Shovel site on Memorial Square, now known as Royal Oak Court, providing 14 new affordable homes; the Coalville shop front improvement scheme, for businesses on High Street and Hotel Street; improvements to Coalville Market and the car park area which backs onto the Belvoir Centre.
- 1.2 On 22 September 2015 Cabinet agreed to progress with the Building Confidence in Coalville project as outlined in that report (the "Coalville Project") and to access the Scape Major Works framework in order to procure specialist advisors to commence the feasibility stage of potential works on Stenson Square (referred to as Phase 1 of the Coalville Project).

- 1.3 Cabinet agreed to receive quarterly update reports seeking approval to progress to the next stage of the Coalville Project.
- 1.4 This report sets out progress since the last report including governance arrangements, stakeholder engagement and financial arrangements.

2.0 PROJECT GOVERNANCE

- 2.1 Recognising the importance and high profile nature of the Coalville Project specific internal governance arrangements have been established.
- 2.2 A Programme Board comprising a senior responsible officer (SRO – Chief Executive), programme assurance (Head of Legal and Support Services), financial governance (Section 151 officer, Head of Finance, until appointment of an Interim Director of Resources) and a director (Director of Housing) reviews progress on the entire project monthly, reporting to Cabinet on a quarterly basis. This is the first of such reports.
- 2.3 The Project Team meets weekly and includes the programme manager (Interim Head of Economic Development), and officers responsible for delivery of supporting workstreams.



- 2.4 Phase one of the project is working towards a decision gateway in April 2016 when it will review progress on workstreams currently underway and make decisions on the future shape of the project, including consideration of risks associated with each element of the project.

3.0 WORKSTREAMS

- 3.1 A number of workstreams are already underway as follows (with key deliverables noted), in no particular order:

	Workstream	Deliverables
3.1.1	Strategic design and plan	<ul style="list-style-type: none"> • Strategic blueprint for Coalville (the “Four Squares” regeneration plan) • Design, plan and options for development • Strategic growth plan (infrastructure) for Coalville, working with Leicestershire County Council

3.1.2	Finance	<ul style="list-style-type: none"> Financial model, options, evaluation (see 5.0 Financial Implications section below)
3.1.3	Property and land regeneration	<ul style="list-style-type: none"> Feasibility study for use and design of Council Offices and potential development of London Road car park Consideration of future use of Cropston Drive Bardon Grange <p>(See sections 3.2 and 3.3 below)</p>
3.1.4	Service and business integration	<ul style="list-style-type: none"> Decision re proposal for DWP moving into council offices Service design options for NWLDC
3.1.5	Leisure and culture	<ul style="list-style-type: none"> Options appraisal for the strategic assessment of the leisure and culture offer for the district and Coalville (see sections 3.4.to 3.7 below)
3.1.6	Affordable housing	<ul style="list-style-type: none"> Affordable Housing Plan agreed Options for development of more affordable housing
3.1.7	Business and retail regeneration	<ul style="list-style-type: none"> Coalville shop front improvement scheme Business engagement Car parking strategy
3.1.8	Heritage	<ul style="list-style-type: none"> Plan for delivery of a heritage-led access, education and community development project
3.1.9	Stakeholder engagement	<ul style="list-style-type: none"> Active engagement with all key stakeholder groups
3.1.10	Communications and marketing	<ul style="list-style-type: none"> Communication activity aligned with all other workstreams

Phase 1 – Council Offices and Stenson Square

- 3.2 Cabinet will recall that on 22 September 2015, it gave approval for the Authority to engage specialist advisors via the Scape Major Works Framework, in order to produce a feasibility study looking at options for future use and development of the Council Offices and the London Road Car Park. Urban Delivery and rg+p have undertaken this work, via the Scape framework contract lead, Willmott Dixon. Related costs to date total £15,363. Urban Delivery are contributing the demand analysis, rg+p are providing design options and Willmott Dixon, as main contractor, are providing due diligence on cost estimates.
- 3.3 Urban Delivery and rg+p presented their draft report and recommendations to the Chief Executive and Officers on 11 December 2015. The options identified will require further exploration and due diligence in order to create final options ahead of a recommendation being made to Cabinet after the decision gateway in April 2016. It is currently estimated that further costs in the region of £50-60,000 will be incurred in refining the options. Cabinet will recall that the support of Willmott Dixon to the feasibility stage is provided without charge and these are costs of the subcontractors rg+p and Urban Delivery.

Leisure and Cultural Offer

- 3.4 The Authority is considering the leisure and cultural offer in Coalville, including the current delivery model and our health and fitness facilities, as well as the broader leisure offer across the district. The Authority is the last district in Leicestershire managing its own leisure facilities in house, but with rising customer satisfaction scores and growing memberships at the Coalville and Ashby sites.
- 3.5 Via the Scape Asset Management and Design services framework, the Authority is engaging a consultant to conduct an options appraisal for the leisure and culture offer, via the lead contractor Faithful + Gould. As with the Scape Major Works framework, the Asset Management and Design services framework is a viable procurement route, being both compliant with the Authority's Contract Procedure Rules and the Public Contracts Regulations 2015. The Authority, with the support of Faithful + Gould, has selected The Sports Consultancy to provide this work. Cabinet should note that the Authority's contractual relationship is with Faithful + Gould, the sole supplier under the Scape framework.
- 3.6 The consultant has been briefed to consider the current offer and produce a feasibility study of future delivery models and leisure provision, including supporting information for their recommended options. It is anticipated the final report of this work will be available in March 2016, to be considered alongside the recommendations for Phase 1 of the Coalville Project.
- 3.7 The costs of this assessment are anticipated to be in the region of £48,000.

4.0 STAKEHOLDER ENGAGEMENT

- 4.1 Earlier reports have highlighted the Authority's belief that building confidence in Coalville requires a collaborative effort from a wide range of stakeholders in the town's community (businesses, local people, local organisations) as well as transformation of the town's physical centre.
- 4.2 Our stakeholder engagement approach is founded on a message of 'collective responsibility'.
- 4.3 Engagement is underway with groups including: Members (those representing wards within the Coalville Project geography), staff, a women's business network, businesses, and the wider community. Each group is being asked to contribute ideas, critique the Authority's emerging plans and take responsibility for what it can positively contribute to the future of Coalville. Wherever possible, existing meetings and groups are being used.
- 4.4 The Authority is also actively engaging with many individuals with a stake in the future of Coalville, often concluding with an invitation to join one of the key stakeholder engagement meetings, which plan to meet 3 or 4 times per year.

5.0 FINANCIAL IMPLICATIONS

- 5.1 A supporting financial plan will be developed for each of the workstreams outlined above ready for consideration at the decision gateway in April 2016, or earlier if necessary.
- 5.2 In addition, there is an overarching workstream (mentioned above) which will develop the financial model for the whole of the Coalville Project. This model is likely to include, but may not be limited to, identification and application of revenue funding, revenue underspends, capital receipts and identification of external grant funding. The September report to Cabinet also mentioned the possibility of 'internal borrowing' against the Council's reserves on a temporary basis pending the sale of assets. All feasible options will be explored in order to maximise the financial resources available to the project.
- 5.3 Finance and other resources to support the Coalville Project are expected to be identified through a range of means. A guiding principle, though, is that all Council services are expected to identify and utilise existing capital and revenue budgets in support of the goals of the Coalville Project. Alternative sources of funding are expected to include:
- capital reserves identified from a recent review of reserves
 - the availability of underspendings from the 2014/15 closure of accounts and the 2015/16 forecast underspending
 - possible funding from asset disposals and third party contributions
 - an analysis of any known / planned spending commitments provided by the responsible project/procuring managers
 - Options identified through adoption of non-traditional or innovative schemes
- 5.4 The project cannot proceed until the Council is happy that the business case demonstrates a satisfactory ongoing revenue position and that adequate returns are achieved from the reserves invested and sale of its assets.
- 5.5 In order to complete all of the pre-decision work outlined in this report Cabinet is being requested to redirect resources it has previously allocated to other expenditure budgets. These are summarised in the table below.

Reallocation of budget allocations for pre-decision expenditure on the proposals for the Building Confidence in Coalville project.

Budget	Source of Funding	Approval Given	Amount £000
Heritage Lottery Fund Match Funding	General Fund Reserve	Cabinet 29 July 2014 Provisional Outturn 2013/14	35
Urban Area Highway Verge Improvements	Value For Money Reserve	Cabinet 29 July 2014 Provisional Outturn 2013/14	12.5

Updating Key Strategies	Value For Money Reserve	Cabinet 10 February 2015 General Fund Revenue Budget 2015/16	26
Expand Wi-Fi in Key Towns	Value For Money Fund	Cabinet 10 February 2015 General Fund Revenue Budget 2015/16	50
Total			123.5

- 5.6 At its meeting on 22 September 2015 the Cabinet approved the transfer of £600k from the General Fund Reserve to a Special Projects Reserve. This report recommends that these resources now be used to establish a reserve to contribute to the costs of the proposed Building Confidence in Coalville project.