

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Overview and Scrutiny Management Board
Cabinet

18th September 2008
1st October 2008

CITY CENTRE PROJECTS FUNDING AND PROGRAMMING

Report of the Corporate Director of Regeneration and Culture

1. PURPOSE OF REPORT

1.1 There is a sum of £2.211m of previously agreed but unallocated prudential borrowing available for public realm works in the City Centre. This report recommends how this funding should be used and sets out the current position of the City Centre Development Project (CCDP) and indicates how it will be completed.

2. SUMMARY

2.1 There is £2.235m of approved prudential borrowing for public realm schemes in the LRC Intervention areas of which £2.211m remains unallocated.

2.2 A choice of schemes in the City Centre in the Cultural Quarter (to include a "Walk of Fame"), in Granby Street to complete the link to the station and in the Lanes area to reinforce its role as a unique attraction in the City Centre could be funded from this source.

2.3 The City Centre Development Project has experienced additional costs which have been dealt with by reducing the scope and by value engineering on some schemes. There is a projected increase in costs of approximately £709,000 on a budget of £16.09m (approximately 4.4%).

2.4 It is proposed to meet these costs (and any other unforeseen costs arising before the completion of the projects) by using a proportion of the unallocated prudential borrowing.

2.5 The project is programmed for completion before the opening of Highcross and will have successfully provided high quality environments to ensure the continuing attraction of increasing numbers of visitors to the City Centre.

3. RECOMMENDATIONS

3.1 Cabinet is recommended to:

- a. Approve the use of the unallocated prudential borrowing to meet additional costs in existing City Centre projects and fund further schemes in the City Centre,
- b. Authorise the Director of Regeneration and Culture in discussion with the Lead Member for Highways and Transport to approve further schemes in the City Centre,

4. REPORT

4.1 There is £2.235m of approved prudential borrowing for public realm schemes in the LRC Intervention areas of which £2.211m remains unallocated.

4.2 The Lead Member for Highways and Transport has already approved schemes for footway improvements to Hotel Street/St Martin's and reinstating some lighting features in High Street as part of the works to prepare the City Centre for the opening of Highcross. This report proposes to use the remaining funding to undertake further works in the City Centre.

4.3 As the works undertaken as part of the both the City Centre Development and Cultural Quarter Projects draw to a close it is clear that there are further areas of the City Centre that require investment in their environment. Examples of these include the following:

- Rutland Street and links to the DMC (to include a Walk of Fame)
- Granby Street towards the rail station
- Parts of the Lanes area

but others may well be identified as the impact of Highcross and Curve become apparent.

4.4 Consideration would also be given as to how the schemes would support the LRC's Masterplan interventions in the City Centre.

Rutland Street and links to the DMC

4.5 Consideration has been given to a proposal to create a "Walk of Fame" in the Cultural Quarter where stars would be laid in the footway to celebrate those the City chooses to honour. This could be laid in the vicinity of Curve and DMC and assist in enhancing pedestrian links in the area.

Granby Street towards the rail station

4.6 Granby Street between Gallowtree Gate and Belvoir Street is being improved as part of CCDDP and a separate proposal is being undertaken to replace the subway under the Central Ring Road with a wide surface level crossing. The section of Granby Street between these two schemes, however, requires improvement to enhance the experience of visitors to the City Centre arriving by rail.

4.7 Combined with anticipated alterations and improvements to the station and the creation of the New Business Quarter this would help to create a high quality route from within the station to the City Centre which would also link to the Cultural Quarter.

Parts of the Lanes area

- 4.8 The Lanes area is a very important feature in the attraction of the City Centre as a retail destination, providing a unique attraction with many local shops and an intimate environment of narrow streets and arcades. Most of the streets within and around it have been reconstructed as part of CCDP. Cank Street and Silver Street have been reconstructed and will sit adjacent to reconstructed streets and suffer by comparison. In order for them to continue to thrive and function as important shopping streets in the area they require reconstruction to complement the other works in the area.

Other Options

- 4.9 The opening of Highcross and Curve will have a very significant impact on the City Centre. Some of these impacts may identify other parts of the City Centre where investment may be beneficial.

Design

- 4.10 Most of the work in both the CCDP and CQIP areas has involved the use of granite as a surfacing material and the provision of a concrete foundation to ensure sound construction and long life. Loseby Lane, however, was constructed in a much simpler and cheaper manner with blocks laid on sand and an asphalt carriageway. Although this will require more maintenance than streets constructed with concrete foundations it does provide more variety in terms of appearance of street surfaces in the City Centre.
- 4.11 It is proposed that for additional works in the City Centre alternative forms of construction and a wider range of materials are considered. For example this could mean the use of concrete paving slabs (with granite aggregate for a better appearance), or the use of blocks such as those recently laid in Loseby Lane. These could be laid on sand rather than on a concrete construction to significantly reduce capital cost, although they will require maintenance earlier than the more robust construction.
- 4.12 Decisions on the style and method of construction of the schemes will include consideration of the cost of future maintenance. This will include both physical maintenance of the construction itself and also cleansing implications. The current schemes with granite surfaces and concrete foundations will require minimal physical maintenance for the life of the schemes (up to 30 years), but will require regular cleaning to wash away dirt and remove chewing gum and severe stains (e.g. oil).
- 4.13 It is proposed that the Corporate Director of Regeneration and Culture in discussion with the Lead Member for Highways and Transport determine which schemes will be constructed.

City Centre Development Project

- 4.14 The City Centre Development Project was approved by Cabinet in November 2004 and has been on site for over 2½ years, work having started on site in January 2006 in Gallowtree Gate. The reconstruction of Gallowtree Gate, Market Street, Hotel Street (part) and Loseby Lane has now been completed; a large area of the City Centre around High Street and The Lanes area has been pedestrianised with buses diverted through Church Gate and Belgrave Gate; and construction is approaching completion in High Street, East Gates, Clock Tower, Carts Lane, Cheapside, Belvoir Street, Hotel

Street (remainder), St Martin's, parts of Millstone Lane and Horsefair Street, the Market Place Approach area and part of Granby Street.

- 4.15 It was reported to Cabinet in February 2007 that works had proved more costly than originally anticipated and that there had been a shortfall in income due to developments resulting in Section 106 contributions to the project not occurring and a reduced contribution from the LTP. When the budgets for each scheme were approved in March 2007 specific designs for those schemes not already under construction were not available, and the figures contained within the report were the best estimates available. Detailed design work, ensuring that the high quality standards already established were maintained, was then carried out and the costs of these schemes in many cases have been higher than was estimated. This was particularly the case with High Street and Market Place Approach/Granby Street. Consideration was given to removing some elements of the schemes to reduce costs, and costs have been held down wherever possible, but the bulk of the cost is the very strong construction methods used, although these will minimise on-going maintenance.
- 4.16 Additional costs have been experienced on the High Street scheme because of issues which have only become apparent after construction had begun and which could not have reasonably been anticipated. The two most significant of these are that the highway drainage in the road needed complete replacement and concrete residue from the formation remaining from tramlines was discovered and had to be removed. The total additional cost of dealing with these issues is £408,000.
- 4.17 In order to try and contain the cost of the project within the existing budget (£16.09m) opportunities to widen the scope of materials and construction methods have been taken throughout the project and value engineering exercises undertaken. As a result the following actions have been agreed with the Lead Member:
- An alternative scope scheme has been implemented on Loseby Lane comprising resurfacing in red asphalt and blocks laid on sand – this has resulted in a considerable saving, particularly as it has avoided the need to lower the very shallow underground services
 - Alternative scope scheme being implemented on Belvoir Street comprising replacement of street furniture, and limited resurfacing in matching materials – this will result in a considerable saving and match the improvements to its current and future anticipated usage
 - Alterations to the scope of the works to Horsefair Street/Millstone Lane – this will vary the surface materials to be used and reduce the amount of concrete foundation to be constructed resulting in significant savings
- 4.18 This leaves the project with additional costs of approximately £709,000. This is the current best estimate and the actual amount will depend on events between now and the end of the construction period. There is the potential for an increase if unanticipated problems arise, and a sum of £143,000 is identified as being necessary to cover potential risks; but there is also the prospect for savings from unspent contingencies and further efficiencies within the contracts.

- 4.19 At the completion of this project this autumn when Highcross opens visitors to the City will enjoy not only the new development itself but will also find a large pedestrianised area covering most of the main shopping area with access for loading permitted only between 5am and 11am (9am on Saturdays). Within this largely traffic free area they will be able to move between the indoor shopping centres and other main shopping attractions e.g. Gallowtree Gate, the Lanes, Humberstone Gate, the Market and Market Street over new high quality public realm with smooth surfaces which will require little future maintenance, with seating, feature lighting and many new trees.
- 4.20 This will mean that existing and new visitors to the City Centre will find an environment which will ensure they will want to return and will compete with regional and national shopping centres.

5. FINANCIAL and LEGAL IMPLICATIONS

5.1 *Financial Implications*

- 5.1.1 The Table below summarises the recommended use of the prudential borrowing approved for use in the LRC Intervention areas in May 2005. The remaining available prudential borrowing is £2.211 million.

	<u>£000's</u>
Forecast additional costs on CCDP	709
Sum available for further schemes	<u>1,359</u>
	2,068
Contingency	<u>143</u>
Total Remaining Prudential Borrowing	<u><u>2,211</u></u>

- 5.1.2 There remains uncertainty over the total additional costs in CCDP. However, the contingency of £143k is still available to cover any further cost increases.

Martin Judson, Head of Resources, x7390

6.1 *Legal Implications*

- 6.1.1 This report is solely concerned with financial matters and therefore there are no direct legal implications.

Anthony Cross, Head of Litigation, x6362.

7. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	Yes	All the measures proposed will be implemented so as to ensure that the city centre is accessible and available to all.

Policy	Yes	The measures contained within this report are in line with existing policies to protect and promote the city centre.
Sustainable and Environmental	Yes	The proposals in this paper will help to ensure the future sustainability of the City.
Crime and Disorder	Yes	The Projects will help to ensure the delivery of a safe and crime free city centre.
Human Rights Act	No	
Elderly/People on Low Income	No	None specific but see Equal Opportunities implications above.

8. RISK ASSESSMENT MATRIX

	Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
1	Costs increase due to further unforeseen events	M	M	Undertake value engineering; identify alternative solutions; utilise additional funding
2	Contractor unable to deliver in timescale	M	H	Reprogramme to minimise adverse effects; accept additional costs

L – Low L – Low
M – Medium M – Medium
H - High H - High

9. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

Report to Cabinet – City Centre Improvements – 8th November 2004

Report To Cabinet – Capital Programme 2005/06 – 2007/08

Regeneration & Culture - Additional Information – 16th May 2005

Report to Cabinet – City Centre Improvements: Current Programme – 19th February 2007

10. CONSULTATIONS

10.1 Public consultation has been undertaken on the schemes.

Internal consultation has taken place including with highway maintenance and cleansing.

11. REPORT AUTHOR

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Key Decision	Yes
Reason	Capital Expenditure over £1m
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)

