

Leicester  
City Council

WARDS AFFECTED: CASTLE

**ENVIRONMENT DEVELOPMENT & PLANNING  
SCRUTINY  
CABINET**

**23 November 2006**

**27 November 2006**

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## **CITY CENTRE IMPROVEMENTS**

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### **Report of the Corporate Director Regeneration and Culture**

#### **1. Purpose of Report**

- 1.1 This report updates Cabinet on the current position of the three projects delivering public realm improvements in the city centre, brings to their attention programming and funding issues, seeks approval to the release of capital programme moneys and proposes expenditure and funding programmes for future years (2008/09 – 2010/11).

#### **2. Summary**

- 2.1 There are currently three City Council projects (two active and one proposed) delivering public realm improvements in and around the city centre. These are:
- City Centre Development Project (CCDP) – to support and sustain the existing and proposed retail areas (active)
  - Cultural Quarter Infrastructure Project (CQIP) – to support the Cultural Quarter (active)
  - Leicester Regeneration Company (LRC) Public Realm Project – to support the LRC's intervention areas (proposed)
- 2.2 The three projects have obtained their funding from a variety of sources including City Council prudential borrowing and the Local Transport Plan (LTP).
- 2.3 For a number of reasons including reduced income from some sources (CCDP) and increased costs (CQIP), the two active projects have inadequate funding to fulfil their programmes in their planned timescales. In addition they have both identified increased scopes of works which would require additional funding over future years to deliver.
- 2.4 Decisions also need to be made about the priorities for the LRC Public Realm Project and the level of funding to be provided.

### 3 Recommendations

#### 3.1 Cabinet is recommended to:

1. Approve the release of outstanding capital programme moneys to fund the remainder of the City Centre Development Project
2. Approve the release of outstanding capital programme moneys to fund the remainder of the Cultural Quarter Infrastructure Project
3. Approve the reprofiling of the City Centre Development and the Cultural Quarter Infrastructure Projects over 2006/07 and 2007/08 to reflect revised costs and income
4. Authorise the Service Director to proceed with works on the Cultural Quarter to ensure completion of works prior to the Performing Arts Centre being launched.
5. Approve the proposed expenditure on the Leicester Regeneration Company Public Realm Project
6. Approve in principle the extension of the three projects to the period 2008/09 to 2010/11 and instruct officers to consult and prepare a list of proposed schemes and estimated costs to enable funding to be sought from the LTP, capital programme, LSEP and other sources
7. Approve in principle the need to allocate funding from the Capital Programme and the Local Transport Plan to the 3 projects in financial years 2008/09 to 2010/11.

### 4 Financial & Legal Implications

#### 4.1 *Financial Implications*

#### SUMMARY OF CURRENT AND PROPOSED CITY CENTRE EXPENDITURE

#### EXPENDITURE:

SCHEME	Current Programme Commitmen to 07/08	Future Commitments			Total
		08/09	09/10	10/11	
City Centre Development Programme	16.14	4.0	4.0	4.0	12.0
Cultural Quarter Infrastructure	5.52	2.0	2.0	2.0	6.0
LRC Public Realm	2.22	0.6	0.6	0.6	1.8
	<b>23.88</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>	<b>19.8</b>

## FUNDING :

	Current Funding	Future Funding required			Total
	07/08	08/09	09/10	10/11	Total
Local Transport Plan	6.84	2.0	2.0	2.0	6.0
City Council Capital Programme	7.24	2.5	2.5	2.5	7.5
EMDA	0.79				
LSEP	2.45	1.45	1.45	1.45	4.35
ERDF	1.36				
Liveability Fund	3.00				
Shires West Section 106 Agreement	1.27				
Other Section 106 Agreements	0.33	0.65	0.65	0.65	1.95
Prudential Borrowing	2.22				
Other					
	<b>23.88</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>	<b>19.8</b>

The above table shows a requirement of £7.5 million from the new Capital Programme (2008/09 – 2010/11) to fund the proposals detailed in this report. The other funding is indicative only (see paragraph 10.6). The new Capital Programme will be formulated and approved in 2007/08.

*Amin Girach – November 2006*

### 4.2 **Legal Implications**

There will be a need for legal advice to be sought regarding procurement and contractual arrangements and Legal Services is fully involved in these processes and will continue to be.

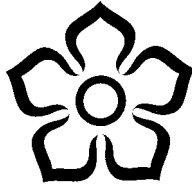
*Peter Nichols – November 2006*

## 5 **Report Author**

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## DECISION STATUS

<b>Key Decision</b>	Yes
<b>Reason</b>	Part of budget and policy framework
<b>Appeared in Forward Plan</b>	Yes
<b>Executive or Council Decision</b>	Executive (Cabinet)



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ED&P Scrutiny  
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## CITY CENTRE IMPROVEMENTS

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- 1.4 Decisions also need to be made about the priorities for the LRC Public Realm Project and the level of funding to be provided.

#### CITY CENTRE DEVELOPMENT PROJECT

##### 2. Background

- 2.1 At its meeting on 8<sup>th</sup> November 2004 Cabinet approved the proposed City Centre Development Project with a budget of £19.25m. This was subsequently increased to £19.39m because of an increase in the Capital Programme sum to allow for inflation.

- 2.2 At its 16<sup>th</sup> May 2005 meeting, Cabinet approved expenditure on preliminary design work for all the city centre schemes together with expenditure for the delivery of the schemes in Market Street, Hotel Street, St Martins, Loseby Lane forming part of the extension of New Walk totalling £1.74 million; and instructed the submission of further reports to provide more detail on the schemes and their programming and for approval of spend for the two years 2006/07 – 07/08.
- 2.3 At the 5<sup>th</sup> December 2005 meeting Cabinet approved the Public Realm Strategy and released funding to enable the commencement of construction of the Gallowtree Gate scheme.
- 2.4 Work on this project is programmed to be completed by summer 2008, prior to the opening of the extended Shires shopping centre (now to be named the Highcross Quarter).

### **3. Current Position**

- 3.1 Work began on the schemes in Gallowtree Gate and Horsefair Street (at its junction with Market Street) in January 2006. Unfortunately the granite delivered for the surfacing of these schemes (and for Halford Street, part of the Cultural Quarter Infrastructure Project) failed to meet the specification and had to be replaced. This resulted in temporary asphalt surfacing being used to avoid delays; replacement granite has now been received and is being laid in Gallowtree Gate. The surfacing work is programmed to be completed by mid-November with some street furniture still to be installed during nights in December. Surfacing on Horsefair Street will be undertaken when appropriate in 2007. All additional costs arising from the delay in delivery of acceptable granite have been borne by the supplier.
- 3.2 Work began on the scheme in Market Street in August 2006; this work will be suspended over Christmas (due to the moratorium) and is programmed for completion by April 2007. Hotel Street will be started early in 2007.
- 3.3 Work was to have begun on Loseby Lane in summer 2006, but it has been identified that there are a number of underground services that need to be lowered. This has resulted in the scheme being delayed until early 2007.
- 3.4 Over the next 2 years each of the three access points serving the market will be closed at different times as reconstruction works takes place on Hotel Street and Market Place Approach. To ensure that the market and the properties around Market Place can continue to be safely accessed three access points must continue be provided; this can only be achieved by allowing traffic to pass through Cheapside. Various options have been investigated for minimising damage by vehicles to the York Stone surfacing in Cheapside and it has been determined that the least worst option is to remove the affected area of York Stone and lay a temporary surface of asphalt; the York Stone would then be relaid at the end of the works. Other options were investigated including laying a temporary roadway

which while initially attractive was very expensive, complex to lay and maintain and would have created a barrier to pedestrians and especially disabled people; we reluctantly concluded, therefore, that removing and relaying the York Stone was the only realistic option

- 3.5 Work will commence on the southern end of Gallowtree Gate, including Market Place Approach and the junction with Granby Street in Spring 2007.
- 3.6 The Traffic Regulation Orders (TROs) to fully pedestrianise High Street, the Clock Tower, The Lanes area, Market Street and Hotel Street have been advertised. The objection period closes on 6<sup>th</sup> November and a verbal report will be made on any objections received.
- 3.7 Consultants have been appointed to design the schemes for the Clock Tower/High Street corridor (including Carts Lane and Cheapside) and for the Belvoir Street/Welford Place corridor, including a link to Newarke Street car park and King Street to connect with New Walk.
- 3.8 Construction of these schemes will be able to commence in spring 2007, but completion of the pedestrianisation TROs for the Clock Tower/High Street corridor and King Street will be required before construction of those elements can commence.

#### **4. Funding Issues**

- 4.1 Costs for the project overall continue to be broadly in line with the previous estimate of £19.39m. However, currently only £16.10m of works are programmed for completion by summer 2008, see table 1. This reduction in expenditure has arisen because of a number of factors:
  - The recognition that it was inappropriate to undertake some works at this time (see 4.2)
  - The difficulty in completing the original programme of works in the time available (see 4.3)
  - A shortfall in Section 106 income (other than that provided by the Shires) (see 4.4)
  - Demand on the LTP exceeding the funding available (see 4.5)
- 4.2 In light of the emerging plans for developments in the Market area it was felt inappropriate to reconstruct Market Place until those plans were further developed and a timescale identified. The nature of any developments in the area would probably alter the designs for the roads and major building works could have a severely damaging effect on any surfacing works already undertaken.
- 4.3 The programme originally proposed has in practice proved to be impossible to deliver in the timescale available. This is partly due simply to its size and partly due to practical traffic management issues which limit the number of streets that can be simultaneously closed in the city centre

because of loading and emergency access requirements. The following schemes do not now form part of the current programme:

- Granby Street (between Belvoir Street and Waterloo Way)
- Rutland Street (between Granby Street and Charles Street)
- Cank Street.

4.4 It had been hoped that developments would occur within the CCDP area that would enable £1.13m to be raised from Section 106 Agreements; such development has not occurred yet and, therefore, the income has not yet been raised. However, negotiations continue with a developer that may result in the effective contribution of approximately £1m to the project.

4.5 Despite receiving a relatively favourable LTP settlement from Central Government in 2005/06 insufficient funding was available to meet all demands on that funding. A total of £7.2m was sought from the LTP for CCDP over financial years 2005/06 to 2007/08; provision is currently to be £5.2m to 2008/09. This reasonably matches the work that it is now proposed forms the programme up until summer 2008.

4.6 The timetable for delivery of the £16m programme is extremely tight as the works must be finished before September 2008, when the Highcross Quarter (formerly the Shires) is programmed to open. There is a large programme of works to be completed from now to that date and even if replacement funding were to be provided now it is impractical to expand that programme in 2006/07 and 2007/08. However, design work could be commenced in 2007/08 for schemes to start construction in 2008/09.

4.7 The November 2004 Cabinet report identified that "in subsequent years additional funding will be required if all the measures in the City Centre Development Project are to be implemented". In addition to the schemes that will not be completed by 2008, a number of streets have already been identified as those that should be priorities for inclusion in any continuation of the project. These are:

Church Gate	Belgrave Gate
Silver Street	Market Place South
Charles Street	New Bond Street/East Bond Street
Highcross Street	St Nicholas Place
Guildhall Lane	

The links between car parks and other arrival points and the main destinations e.g. the main shopping areas, Cultural Quarter, business areas.

4.8 These could be funded by seeking further allocations from the LTP, the City Council's capital programme and LSEP, and continuing to look for contributions via Section 106 Agreements. Given current experience and the likely availability of funding it is proposed that a programme of approximately £4m per annum be established. Annual funding for 2008/09 to 2010/11 should then be sought as follows:

Capital programme	£1.5m
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LTP	£1.5m
LSEP	£0.75m
S106	£0.25m
<b>Total</b>	<b>£4.0m</b>

4.9 The following tables identify the proposed revised programme and other alterations:

Table 1

EXPENDITURE FORECAST:

<b>Public realm and pedestrian routes</b>	<b>05/06</b>	<b>06/07</b>	<b>07/08</b>	<b>08/09</b>	<b>Total</b>
High Street / Clock Tower		0.39	2.94	0.42	<b>3.75</b>
Gallowtree Gate and Market PI Approach	0.49	0.80	1.23		<b>2.52</b>
Granby Street		0.45	0.14		<b>0.59</b>
Newarke St/Welford Rd junction, Market St, Hotel St, St Martins, Loseby Lane	0.18	1.80	1.14		<b>3.12</b>
Belvoir Street		0.12	1.03		<b>1.15</b>
Other costs <sup>(1)</sup>	0.25	0.52	0.17		<b>0.94</b>
<b>Total</b>	<b>0.92</b>	<b>4.08</b>	<b>6.65</b>	<b>0.42</b>	<b>12.07</b>
<b>Other measures</b>					
Bus corridor		0.48	0.47	2.08	<b>3.03</b>
Wayfinding <sup>(2)</sup>		0.05	0.35	0.10	<b>0.50</b>
Landscaping <sup>(3)</sup>			0.30		<b>0.30</b>
PPZ		0.08	0.12		<b>0.20</b>
<b>Total</b>		<b>0.61</b>	<b>1.24</b>	<b>2.18</b>	<b>4.03</b>
<b>Total Expenditure</b>	<b>0.92</b>	<b>4.69</b>	<b>7.89</b>	<b>2.60</b>	<b>16.10</b>

Table 2

FUNDING SOURCES:

<b>Income</b>	<b>05/06</b>	<b>06/07</b>	<b>07/08</b>	<b>08/09</b>	<b>Total</b>
Local Transport Plan		1.50	1.82	1.90	<b>5.22</b>
LSEP committed	0.60	1.00	0.85		<b>2.45</b>
LSEP/emda additional	0.32				<b>0.34</b>
City Council Capital Programme now		2.19	4.65		<b>6.84</b>
Shires West Section 106 Contribution			0.57	0.70	<b>1.27</b>
Other Section 106 Agreements					<b>0.00</b>
<b>Total</b>	<b>0.92</b>	<b>4.69</b>	<b>7.89</b>	<b>2.60</b>	<b>16.10</b>

Notes

1. Other costs include project management and assurance, legal fees and promotional activities.



2. The estimated cost of providing wayfinding (signing, mapping etc.) has been reduced from the original £1m.
3. The budget set aside for landscaping has been reduced from the original £0.5m
4. No separate funding provision is now made for improved facilities for disabled access or cycling as this is now provided through the individual schemes.
5. No funding provision is made for improvements to car parks (or allocation from car parking income) as works have already been carried out.

4.10 Schemes now proposed to be constructed in an extension to the project after the opening of Highcross Quarter in 2008 are shown in table 3.

Table 3

<b>Public realm and pedestrian routes</b>	<b>08/09</b>	<b>09/10</b>	<b>10/11</b>	<b>10/11+</b>	<b>Total</b>
Market Place	1.20				<b>1.20</b>
Granby Street	1.40				<b>1.40</b>
Cank Street	0.65				<b>0.65</b>
Rutland Street		0.35			<b>0.35</b>
<b>Total Expenditure</b>	<b>3.25</b>	<b>0.35</b>	<b>0.00</b>	<b>0.00</b>	<b>3.60</b>
<b>Other potential schemes identified</b>	<b>08/09</b>	<b>09/10</b>	<b>10/11</b>	<b>10/11+</b>	
Church Gate		1.00			<b>1.00</b>
Belgrave Gate		1.40			<b>1.40</b>
Car park links	0.50	0.50	0.50	1.50	<b>3.00</b>
New Bond Street/East Bond Street			0.70		<b>0.70</b>
Highcross Street		0.75			<b>0.75</b>
Silver Street			0.60		<b>0.60</b>
Charles Street			1.75	2.55	<b>4.30</b>
Guildhall Lane				0.75	<b>0.75</b>
St Nicholas Place				0.70	<b>0.70</b>
Market Place South				0.65	<b>0.65</b>
Fees	0.25	0.25	0.25		<b>0.75</b>
<b>Total Expenditure</b>	<b>0.75</b>	<b>3.90</b>	<b>3.80</b>	<b>6.15</b>	<b>14.60</b>
<b>Grand Total</b>	<b>4.00</b>	<b>4.25</b>	<b>3.80</b>	<b>6.15</b>	<b>18.20</b>

## **CULTURAL QUARTER**

### **5. Background**

- 5.1 Cabinet approved the Cultural Quarter Infrastructure Programme in November 2001 as part of the Cultural Quarter developments within the St George's area of Leicester.
- 5.2 Following this approval, funding was sought and Leicester was successful in securing Liveability funding from the Office of the Deputy Prime Minister (ODPM) and European Regional Development Fund (ERDF) in 2004. Following the success of securing this finance the project commenced in April 2004. The funding was allocated to develop and implement

infrastructure works and activities within the Cultural Quarter area and to link it to adjacent areas.

5.3 Work on this project is focused on being completed for the opening of the Performing Arts Centre, which is programmed for spring 2008. The infrastructure works identified were for the following streets, working to a total budget of £4,590,000 in 2004:

- The Square outside the Performing Arts Centre (PAC)
- Halford Street (entire length)
- Rutland Street (Charles Street to PAC Square)
- The junctions of Charles Street with Halford Street and Rutland Street
- Vestry Street
- St George Street
- Humberstone Gate East
- Other schemes related to residential developments to be identified

5.4 In 2004, funding was compiled from the following funding sources:

LCC	£400,000
ERDF	£960,000
Liveability	£3,000,000
S106 Contribution	£230,000
<b>Total</b>	<b>£4,590,000</b>

## 6. Current Position

6.1 Work began on the project in Halford Street, between Charles Street and Gallowtree Gate in February 2006. Unfortunately Halford Street was affected by the same faulty granite order as outlined in section 3.1 for the City Centre Development Project.

6.2 Mechanisms have been put into place to ensure wrong delivery is avoided in future and granite has started to be delivered and laid. However, the area of China where the granite is quarried has been hit by typhoons which has affected the delivery of the goods because of problems with transport linkages. All the granite has been ordered and is scheduled to arrive by Christmas; works have, therefore, been suspended until after Christmas and are programmed for completion within 8 weeks of commencement in early January 2007.

6.3 Works have also commenced on the Charles Street junctions near Rutland Street and Halford Street. These works are progressing well and scheduled to be concluded by June 2007. However, the team are currently looking at options on bringing this end date forward.

6.4 As part of the overall design for the next stage of works Vestry Street, Rutland Street and the Square outside the Performing Arts Centre are scheduled to commence once the Charles Street junctions are concluded

in 2007. These works will be completed in conjunction with the opening of the new Performing Arts Centre.

6.5 The next phase of works proposed is being tendered to ensure compliance with funding regulations. However, with these works there are a number of risks involved, these being:

- Long duration between appointing a contractor and starting on-site
- Detailed design Safety audit is not complete
- Traffic Regulation Orders, including the authority to contract road humps is not complete
- Service diversion / alteration costs are unknown and likely to be extensive

6.6 In other circumstances a contract would not be let until all aspects of the above are resolved, however to ensure the ERDF funding of £1.36 million is not lost, the tender documents need to be completed by end of December 2006. Prior to sign up of the successful application, the Service Director will need to ascertain the risks involved in the going out to tender which have been outlined by the Head of Transport Development.

6.7 Concept drawings have been undertaken for St George Street and Humberstone Gate East but have been delayed until further funding is identified as outlined in section 7.

## 7. Funding Issues

7.1 Following a financial assessment of works required and building on the knowledge gained through the development of the first phase of this scheme (Halford Street – Phase 1a), it has been recognised that in order to carry out the full scope of the project total funding of £8.538m will be required, £3.948m more than is currently available.

7.2 The increased costs have arisen from the work undertaken as part of the CCDP. This resulted in the adoption of a Public Realm Strategy (see 2.3 above) which applies to the whole city centre and which requires the use of higher quality, more expensive material than had been originally anticipated. It also resulted in the identification of the need to use a significantly stronger construction method than previously used to minimise future maintenance costs.

7.3 The costs for each of the schemes currently proposed are detailed below:

<b>Street</b>	<b>Current Cost</b>
Halford Street Phase 1	400,000
Charles Street Junctions	900,000
Halford Street / Rutland Street & Square	1,495,000
Vestry Street	280,000
Halford Street Eastern	515,000

Section	
Humberstone Gate East	1,630,000
Shop Front Scheme	50,000
Rutland Street North	96,000
St George Street	662,000
Colton Street	287,000
Sundry Public Realm	833,000
<b>Sub Total</b>	<b>£7,148,000</b>
Professional Fees	1,095,000
Other Costs	95,000
Contingency	200,000
<b>Total</b>	<b>£8,538,000</b>

7.4 An additional £430,787 has already been identified and secured from public realm art improvement schemes and the East Midlands Development Agency. A further £400,300 has been identified as potential additional funding from the European Regional Development Funding, which together with the original funding of £4,590,000 gives a total income of £5,521,000 leaving £3,017,000 to be found.

7.5 Based on the existing funding available and scheduled the following schemes can be delivered. These schemes are key as the funding is linked to the opening of the Performing Arts Centre and works to these streets will need to have been carried out before this opening.

<b>Street</b>	<b>Current Cost</b>
Halford Street Phase 1	400,000
Charles Street Junctions	900,000
Vestry Street	280,000
Halford Street / Rutland Street / Square	1,495,000
Halford Street Eastern Section	480,000
Humberstone Gate Shop Front Scheme	50,000
Sundry Public Realm	633,000
Fees & Contingency	1,390,000
<b>Total</b>	<b>5,521,000</b>

7.6 The schemes not included in this programme are:

<b>Street</b>	<b>Current Cost</b>
Humberstone Gate East	1,630,000
Rutland Street North	96,000
St George Street	662,000
Colton Street	287,000
Sundry Public Realm	255,000
Fees	351,000
<b>Total</b>	<b>3,281,000</b>

7.7 The cost estimates shown above will need to be revisited, in particular the Humberstone Gate East proposal as this currently assumes reconstruction of only half of the street.

7.8 These schemes are important to the continuing development and success of the Cultural Quarter and the regeneration of the city centre as a whole for the following reasons;

- Humberstone Gate East – this street is a key entry into the city centre, will provide a high quality open space and links the Cultural Quarter with the New Community; aspirational ideas for inward investment exist as part of Phase 3 of this project with sizeable contributions from Section 106 agreements.
- Rutland Street north is the link between the PAC and Humberstone Gate East and is also the site of residential developments. This link will also take into account proposed works for Humberstone Gate East.
- St George Street will compliment the extensive refurbishment of the Leicester Mercury building and the redevelopment of the former Police Station and begin to provide a route from the train station to the Cultural Quarter
- Colton Street is now an almost exclusively residential street which requires reconstruction to an appropriate standard
- Sundry Fees – As part of the funding packages previously identified specialist commissions have been identified for support for unique pieces of culture / art.
- Fees - A large percentage of the fees has already been incurred through the production of the concept designs, however some costs will need to be provided to cover these, costing approximately £351,000

7.9 It is proposed that these schemes are programmed for construction in the three financial years following the opening of the PAC i.e. 2008/09 to 2010/11. With the extensive developments which are taking place in the area (including more residential schemes and the Digital Media Centre) additional public realm works will also be very desirable over this period (and subsequently). Approximately a further £3m is likely to be required for these works. It is proposed, therefore, that £2m per annum towards public realm works in the Cultural Quarter should be sought as follows:

Capital programme	£0.6m
LTP	£0.5m
LSEP	£0.5m
S106	£0.4m
<b>Total</b>	<b>£2.0m</b>

## **PRUDENTIAL BORROWING IN SUPPORT OF LEICESTER REGENERATION COMPANY'S INTERVENTIONS**

### **8. Background**

8.1 Cabinet previously approved prudential borrowing of £3.9m to contribute to public realm works in the Leicester Regeneration Company's (LRC) intervention areas. Cabinet subsequently approved using £1m of this as additional funding for the PAC and £0.68m for works to Humberstone Gate (East). Some £0.735m was also identified for public realm works associated with the LRC's intervention areas.

### **9. Current Position**

9.1 The LRC have submitted a business case for funding by prudential borrowing in the intervention areas. Taking into account the £0.735m for public realm works the priorities for use of the City Council funding should be in the Abbey Meadows, New Business Quarter and Waterside areas, and specifically for the following measures

Abbey Meadows	IT cabling for the Science Park	£0.35m
New Business Quarter		£1.00m
Waterside Blackfriars Open Space		£0.40m
<b>Total</b>		<b>£1.75m</b>

9.2 Humberstone Gate East would remain a priority but primarily in relation to the Cultural Quarter, where it has been included above.

### **10. New Growth Point Schemes**

10.1 On 24<sup>th</sup> October the Minister for Housing and Planning announced in Leicester that some £5.485m (mostly capital) would be made available to the 3 cities (Leicester, Derby and Nottingham) in 2007/08, of which £1.5m capital would be granted to Leicester. At the moment this capital sum is available for support to the LRC interventions at:

- Abbey Meadows infrastructure
- New Community (Wharf Street)

## **PROPOSED FUTURE PROGRAMME**

### **11. Funding Requirements**

11.1 In light of the reduced income, increased costs, the potential difficulties of completing the original programme in the limited time now available and the other areas of the city centre needing to be reconstructed it is proposed that the City Centre Development Project and Cultural Quarter Infrastructure Project be extended, at least initially to the financial years 2008/09 to 2010/11.

- 11.2 CCDP requires £3.6m to complete the original programme and a further £8.4m would enable investment of approximately £4m each year over the three year period 2008/09 – 2010/11 in the additional streets as set out in Table 3 above. Further investment in subsequent financial years would also be required.
- 11.3 The Cultural Quarter Infrastructure Project requires £3.281m to complete its original programme; a further £3m would enable other public realm works to be completed in the area, consolidating its regeneration; this equates to expenditure of £2m each year over the three year period 2008/09 – 2010/11.
- 11.4 The LRC public realm project requires £1.8m (excluding Humberstone Gate East which is now included in the CQIP project) for its programme of works. Additional schemes may be identified as priorities as developments in the intervention areas proceeds. This equates to £0.6m each year over the three year period 2008/09 – 2010/11.
- 11.5 In total this amounts to £19.8m required to undertake these programmes over financial years 2008/09 to 2010/11. This would be sought from the LTP, LSEP, S106 Agreements, prudential borrowing and any other sources that became available.

	CCDP	CQI	LRC	Annual Total	3 year Total
Capital programme	£1.5m	£0.6m	£0.4m	£2.5m	£7.5m
LTP	£1.5m	£0.5m		£2.0m	£6.0m
LSEP	£0.75m	£0.5m	£0.2m	£1.45m	£4.35m
S106	£0.25m	£0.4m		£0.65m	£1.95m
<b>Total</b>	<b>£4.0m</b>	<b>£2.0m</b>	<b>£0.6m</b>	<b>£6.6m</b>	<b>£19.8m</b>

- 11.6 None of these sources of funding are agreed or committed. While the allocation of Capital Programme and LTP funds are at members' discretion, the decision on future use of these funds will have to take into account the overall amounts which are available, and other demands on the funding. Any contribution from LSEP will have to be the subject of a bid, and Section 106 contributions can only be sought from relevant developments when they take place.
- 11.7 If members approve the principle of this investment then officers propose to carry out a study and consultation to draw up a preferred programme of works for CCDP and for the CQI as well as cost estimates for the

schemes. They would also seek to identify in more detail the allocation of funds to deliver the programmes.

## 12. Financial, Legal And Other Implications

### 12.1 *Financial Implications*

#### SUMMARY OF CURRENT AND PROPOSED CITY CENTRE EXPENDITURE

##### EXPENDITURE:

SCHEME	Current Programme Commitment to 07/08	Future Commitments			Total
		08/09	09/10	10/11	
City Centre Development Programme	16.14	4.0	4.0	4.0	12.0
Cultural Quarter Infrastructure	5.52	2.0	2.0	2.0	6.0
LRC Public Realm	2.22	0.6	0.6	0.6	1.8
	<b>23.88</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>	<b>19.8</b>

##### FUNDING :

	Current Funding 07/08	Future Funding required			Total
		08/09	09/10	10/11	
Local Transport Plan	6.84	2.0	2.0	2.0	6.0
City Council Capital Programme	7.24	2.5	2.5	2.5	7.5
EMDA	0.79				
LSEP	2.45	1.45	1.45	1.45	4.35
ERDF	1.36				
Liveability Fund	3.00				
Shires West Section 106 Agreement	1.27				
Other Section 106 Agreements	0.33	0.65	0.65	0.65	1.95
Prudential Borrowing	2.22				
Other					
	<b>23.88</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>	<b>19.8</b>

The above table shows a requirement of £7.5 million from the new Capital Programme (2008/09 – 2010/11) to fund the proposals detailed in this report. The other funding is indicative only (see paragraph 10.6). The new Capital Programme will be formulated and approved in 2007/08.

*Amin Girach – November 2006*

### 12.2 *Legal Implications*

There will be a need for legal advice to be sought regarding procurement and contractual arrangements and Legal Services is fully involved in these processes and will continue to be.

*Peter Nichols – November 2006*



### 12.3 Other Implications

OTHER IMPLICATIONS	YES/NO	PARAGRAPH REFERENCES WITHIN SUPPORTING PAPERS
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 three Projects will help to ensure the delivery of a safe and crime free city centre.
Human Rights Act	No	
Older People on Low Income	No	None specific but see Equal Opportunities implications above.

### 13. Risk Assessment Matrix

	Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/or appropriate)
1	TRO's not delivered on time	M	H	Restructure programme to ensure continued delivery
2	Contractor unable to deliver in timescale	L	H	Seek additional contractors, accept additional costs
3	Future funding less than anticipated in report	M	M	Seek alternative sources of funding, defer part of programme
4	Costs exceed estimates	M	M	Undertake value engineering, defer part of programme, seek additional funding
5	Costs exceed estimates	M	M	Undertake value engineering, defer part of programme, seek alternative sources of funding
6	Internal staff resources inadequate	M	H	Engage external consultants using capital funds
7	Delays caused by weather	M	L	Allow for delays in programmes

8	Delays caused by problems with Statutory Undertakers plant	H	M	Allow time in programmes for resolving problems
		L - Low M - Medium H - High	L - Low M - Medium H - High	

#### 14. Background Papers – Local Government Act 1972

- Report to Cabinet 8<sup>th</sup> November 2004 “City Centre Improvements”
- Report to Cabinet 16<sup>th</sup> May 2005 “Capital Programme 2005/06 – 2007/08  
Regeneration & Culture Additional Information”
- Report to Cabinet 5<sup>th</sup> December 2005 “ City Centre Improvements”

#### 15. Consultations

Public consultation has been undertaken on the schemes.  
Internal consultation has taken place including with highway maintenance and cleansing.

#### 16. Report Author

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