

## CABINET – 7TH MAY 2020

### Addendum to Item 6

#### ITEM 6 BEDFORD SQUARE GATEWAY PROJECT - INFORMAL PRE-DECISION SCRUTINY

##### Purpose of Report

To note the individual comments and observations of members of the Scrutiny Commission in relation to the Bedford Square Gateway Project report to Cabinet.

##### Informal Pre-decision Scrutiny - Process

The Scrutiny Commission meeting scheduled for 5th May 2020 was cancelled due to the Covid-19 pandemic. The Commission had selected two items for pre-decision scrutiny which were programmed for Cabinet to consider, and therefore an informal process to enable 'out of meeting' pre-decision scrutiny was established:

- Members of the Scrutiny Commission received an email on 15th April 2020 outlining the items available for pre-decision scrutiny for the Cabinet meeting on 7th May 2020. This was part of the usual pre-decision scrutiny process. The Bedford Square Gateway Project was selected for pre-decision scrutiny.
- Members were informed when the Cabinet agenda was published on the 24th April 2020 and were asked to review the 'Bedford Square Gateway Project' on the Council's website.
- Members were asked to submit any questions or comments on the report concerned to Democratic Services by the end of 29th April 2020 through email.
- Comments and questions were passed to the relevant Officers and Lead Member and responses were requested by the end of 1st May 2020.

Due to the informal 'out of meeting' pre-scrutiny process, the comments and questions received cannot be considered the collective view of the Commission as there was no discussion in a meeting setting. The informal process established was essentially a practical way for the pre-scrutiny process to continue during the Pandemic, and enabled Members to highlight observations for the Cabinet's attention.

##### Bedford Square Gateway Project – Comments Received and Responses Provided

##### Councillor Draycott

First this proposal is out of date due to the time it has taken to get to this stage; 12th April 2018. Even at that time on-line shopping was booming and Loughborough town centre was suffering with so many shops closed and closing despite the best efforts

of CBC. Fast forward to current time of Covid-19 and town centres will not be as we knew them and a fresh look at this whole scheme is needed. Also, the future cannot be predicted and this project if agreed has the potential to stall with no certainty of delivery.

Lead Member and Officer response:

*The proposals were first mooted in 2016 and have been brought forward through the 2018 Town Centre Masterplan and the Corporate Plan. They are to improve the public realm of the Bedford Square, Devonshire Square and Wards End part of the Loughborough Town Centre to reduce traffic and enhance the environment for pedestrians, shoppers and cyclists. The proposals are intended to help support the town centre as a vital and vibrant place for socialising, holding events as well as shopping and they have been prepared in recognition of the changing role of town centres. The project is being managed by a Project Board and whilst the future cannot be predicted, risks have been identified and are being managed. The proposed investment in this project will contribute to the economic recovery of the town centre supporting and encouraging businesses in the post Covid-19 era and will provide confidence to other investors.*

Councillor Draycott

Next the reason for the long delay in this project coming forward has been because even at the start LCC told us they could not fund it. Therefore, a president will be set if CBC takes on the County Councils role by funding this scheme it means that in future more capital will be spent on what is still LCC responsibilities. In addition, taking now a commuted sum from LCC now means the maintenance of this area for 50 years will fall on CBC.

Lead Member and Officer response:

*The County Council has been supporting schemes for many years but does not have a statutory responsibility to do so. In July 2018 it withdrew its support for project management of feasibility and design works for this type of scheme and the procurement of highway contractors. The start of the project was therefore delayed by approximately 6 months while support from specialist highways and landscape design consultants was procured to fill this gap and agreement was reached with the County Highway Authority on how they could maintain an advisory role and ensure highways standards were met.*

*The commuted maintenance sum is a one-off payment intended to cover the maintenance of the works over its reasonable design life, usually around 50 years. After which time it is assumed the public realm assets will need replacing, rather than maintaining, which is a County Highways responsibility, not the Borough Council's. There will be no on-going costs to the Council's budget.*

Councillor Draycott

The proposed costs £2,195,428.00 is almost £1M more than Full Council agreed at its Budget meeting Feb 2020.

Spending all this money on this out of date scheme will mean the Housing Development Company, agreed also by Councillors to be set up will remain a non-priority by the Cabinet. More social and affordable housing is needed in the Borough that is more of a priority than this scheme.

Lead Member and Officer response:

*The Bedford Square Gateway project was added as a priority in the Corporate Plan 2016-20. Officers obtained an estimate of £780k for its build costs from the County Council in 2016 and sought to assemble a funding package. An update of those estimates in 2019 saw the project build costs rise to around £1m. The council committed £390k from capital reserves with the expectation match funding would be sought for the balance. £130k was secured from the LLEP Pooled Business Rate Fund to give a combined budget of £520k and, in 2019/20 a further £390k of Business Rates Retention Pilot funding was confirmed giving a combined budget of £910k. Following the withdrawal of the county council resources, further detailed design works were carried out by the Borough Council's consultants in 2019/20. This work estimated overall project costs significantly higher than previously estimated once consultancy, procurement and legal costs were taken into account in addition to the build costs. In February 2020 the Council agreed additional funding of £1m over the next two financial years to top up funds already secured in the Capital Plan and match to provide an overall committed budget of £1.91m. This is £285k less than the current project estimate and so the report clarifies that further match funding will be sought or the scheme will be delivered in priority phases to the budget available.*

Councillor Draycott

The contentious issue of loss of parking spaces remains.

Lead Member and Officer response:

*There are 65 existing parking bays during non-market days and 55 during market days. The proposals are to reduce the number of parking bays to 55 at all times. This reduction was informed by parking studies carried out by consultants and has been the subject of consultation with traders and the public. While there have been one or two traders that would prefer an increase in on street parking the general consensus is that the proposal provides a good balance between parking and the objective to improve the street scape and public realm for all.*

Councillor Bolton

I'm concerned that the cost of the project has increased from £1.3m to around £2.1 million in the cabinet papers. This is an increase of 800k at a time when the Council has serious financial issues.

Lead Member and Officer response:

*Officers obtained an estimate of £780k for its build costs from the County Council in 2016 and sought to assemble a funding package. An update of those estimates in 2019 saw the project build costs rise to around £1m. Following the withdrawal of the county council resources, further detailed design works were carried out by the Borough Council's consultants in 2019/20. This work estimated overall project costs significantly higher than previously estimated once consultancy, procurement and legal costs were taken into account in addition to the build costs. In February 2020 the Council agreed additional funding of £1m over the next two financial years to top up funds already secured in the Capital Plan and match to provide an overall committed budget of £1.91m. This is £285k less than the current project estimate and so the report clarifies that further match funding will be sought or the scheme will be delivered in priority phases to the budget available.*

#### Policy Justification and Previous Decisions

Scrutiny Commission Procedure Rule 11.12 sets out the procedure by which a report of a Scrutiny Committee should be considered by Cabinet. However, on this occasion, an informal pre-decision scrutiny process has taken place and the Cabinet is simply asked, in considering this matter, to note the individual comments set out and the responses given.

#### Report Implications

The following implications have been identified for this report.

##### *Financial Implications*

There are no further financial implications associated with the comments set out.

##### *Risk Management*

There are no specific risks associated with the comments set out.

Background Papers:           None

Officer to Contact:           Sally Watson  
Democratic Services Officer  
(01509) 634969  
[sally.watson@charnwood.gov.uk](mailto:sally.watson@charnwood.gov.uk)