

Crawley Borough Council

Report to Overview and Scrutiny Commission 6 July 2015

3

Report to Cabinet 8 July 2015

Broadfield Barton Environmental Improvements

Report of the Head of Partnership Services and Portfolio Holder for Community Engagement. (DC&PS/012)

1. Purpose

- 1.1 Cabinet is asked to consider and approve a request for additional project funding in order to fully fund planned environmental improvement works on the Broadfield Barton.

2. Recommendations

- 2.1 To the Overview and Scrutiny Commission:

That the Commission consider the report and decide what comments, if any, it wishes to submit to the Cabinet.

- 2.2 To the Cabinet

- 2.2 The Cabinet is recommended to:

Approve the allocation of a £50,000 from useable capital receipts to ensure the Broadfield Barton Environmental Improvement project is fully funded.

3. Reasons for the Recommendations

- 3.1 The overall budget for the Broadfield Barton Environmental Improvement Project is £522,000. This was made up of £369,000 from Crawley Borough Council, £68,000 from the Safer Crawley Partnership, and £85,000 from Broadfield Barton stakeholders, including £20,000 from Morrisons.
- 3.2 In January 2015 Morrisons, a major retailer on the Broadfield Barton and a key stakeholder announced that it would be closing its store and would review whether it would proceed with its £20,000 contribution towards the Broadfield Barton Environmental Improvements.
- 3.3 In April 2015 Morrisons confirmed that, despite its continuing role as landlord for other contributing retailers (Iceland and Superdrug) it was withdrawing its contribution for the project.

- 3.4 This decision has caused a shortfall in scheme budget which prevented works commencing in April 2015 as planned. In turn this has resulted in a necessary review of scheme costs including renegotiation with contractors because the supplier quotes previously obtained have expired.
- 3.5 The withdrawal of Morrisons and the increase in costs effectively means there are currently insufficient budget allocations for construction contingencies and for recovery of project fees.
- 3.6 To proceed with the preferred scheme it is therefore necessary to request an additional £30,000 to cover the projected cost increase resulting from this delay as well as the £20,000 resultant from Morrison's withdrawal.
- 3.7 Allowing for manufacture of the aluminium canopies, the next available window for their installation will be autumn 2015 with the paving works to follow in the spring 2016.

4. Background

- 4.1 Broadfield Barton Neighbourhood Centre comprises a small shopping precinct, a car park, a community centre, library and a play area. With the exception of the car park which is owned by the Council, the land and buildings at Broadfield Barton are owned by the Broadfield Barton Management Company.
- 4.2 Following extensive community consultation, the Council agreed in 2012 to provide funding for the environmental improvement of The Barton.
- 4.3 The works proposed included the repaving of the precinct surface, replacement of the existing canopies, replacement of the under canopy lighting, painting of the existing canopy columns, improvements to the CCTV system and the introduction of a Community Hub within the Library.
- 4.4 The estimated budget for these works at the beginning of the project was £369,000, plus an additional contribution from external stakeholders of £85,000 equating to £454,000 in total.
- 4.5 The Community Hub, as part of Broadfield Library was completed in summer 2013 and has provided a local base and access point for community services since then.
- 4.6 The Environmental Improvements project began in 2012, with initial consultation with Stakeholders about what should be included in the scheme and negotiation with the retailers on the Barton.
- 4.7 Crawley Borough Council and its partners have been committed to improving the Broadfield Barton for local residents. It has long been recognised that the current design of the Barton contributes to both perceived and actual anti-social behaviour, and fear of crime in and around the Barton is relatively high.
- 4.8 The preferred scheme for the Broadfield Barton Management Company and the retailers required additional financial contribution from them to fully fund the works. Negotiations began with the stakeholders and £85,000 was secured.
- 4.9 At the time that agreement was reached on the preferred scheme, project costs were re-estimated and the projected costs of the project rose to £522,000. In July 2014,

CBC agreed a further contribution of £68,000, to bring the £454,000 budget in line with the re-estimated project costs of £522,000

- 4.10 Site works were due to commence in early 2015, but were postponed with the announcement from Morrisons and until it could be confirmed that the full project budget was available.

5 Description of Issue to be resolved

- 5.1 The Broadfield Barton Environmental Improvements Project is currently on hold following the withdrawal of Morrisons' offer of £20,000 funding. This follows their announcement of their intention to close the Morrisons Store on the Barton.
- 5.2 The delay in commencing the project has meant that renegotiation with contractors has been necessary resulting in £30,000 additional costs.
- 5.3 It is therefore necessary to request additional funding of £50,000 in order to fully fund the project to the agreed specification.

6 Information & Analysis Supporting Recommendation

- 6.1 In February 2015 a meeting was chaired by the Portfolio Holder for Community Engagement, with ward members for Broadfield North and Broadfield South. At the meeting a full briefing on the current status of the project was given, although at this stage Morrisons had not yet confirmed their intention to withdraw their offer of financial support, this was later confirmed in April 2015.
- 6.2 Options to mitigate the potential loss of funding were considered however seeking the additional contributions from the Borough Council were seen as the most pragmatic means of guaranteeing the scheme could progress in a timely fashion. Specifically, the options considered were:
- (i) Pursuing an increase in other private sector contributions. This was discounted because the challenges in securing the existing contributions had delayed the project and there was a likelihood that seeking further private sector contributions would create additional delays adding further cost to the scheme.
 - (ii) The option of cancelling the project was considered. This was discounted as improvements to the Barton featured significantly as a priority for residents from the community consultation.
 - (iii) Reducing the scheme to fit the available budget: This was discounted because other retailer stakeholders had indicated that their own contributions (£65,000) were conditional on their preferred design scheme being delivered.
- 6.3 Members acknowledged that, should Morrisons withdraw their contribution, it would be necessary to seek additional funding of £50,000 through Cabinet, in order to meet the project shortfall, and recognised that subject to Cabinet agreement, this would mean a delay in the project.

7 Implications

- 7.1 If the additional funding is not approved, there would be insufficient funds to allocate an appropriate construction contingency and the recovery of project fees would not be achieved.

8 Background Papers

Financial update for Cabinet- July 2014 where the virement of £68,000 from the Environmental Improvements budget was noted.

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