

Agenda



HYNDBURN

The place to be
an excellent council

Cabinet

Wednesday, 21 June 2023 at 3.00 pm,
QER, Scaitcliffe House, Ormerod Street, Accrington

Membership

Chair: Councillor Marlene Haworth (Leader of the Council)

Councillors Peter Britcliffe, Loraine Cox, Zak Khan, Sajid Mahmood, Kath Pratt, Steven Smithson and Mohammed Younis

S U P P L E M E N T A L A G E N D A

PART B: PORTFOLIO ITEMS

The following Item to be taken in Part B before Agenda Item 11.

Portfolio Holder for Levelling Up (Councillor Mohammed Younis)

13. Levelling Up Funding Update *(Pages 155 - 170)*

Report attached.



This page is intentionally left blank

REPORT TO:		Cabinet	
DATE:		21 June 2023	
PORTFOLIO:		Cllr Mohammed Younis – Levelling Up	
REPORT AUTHOR:		Steve Riley – Executive Director (Environment)	
TITLE OF REPORT:		Levelling Up Funding Update	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	Options	Not applicable	
KEY DECISION:	No	If yes, date of publication:	

1. Purpose of Report

- 1.1 To update Cabinet and members on the Council’s Levelling Up Funded (LUF) interventions and work on assembling the team required to deliver them.

2. Recommendations

- 2.1 That Cabinet note the LUF Update, including the outputs from the previous work stage and the plans for the upcoming work stage.

3. Reasons for Recommendations and Background

- 3.1 Cabinet has given its formal approval in support of the Stakeholder Board’s recommendations that the Council’s £23m LUF submission should focus around the following three principal interventions;

- Redevelopment to an area within the Indoor Market Hall and outdoor pavilions along Peel Street – the intervention known as Market Hall.
- Improvements and redevelopment to the properties of 43-59 Blackburn Road / 2-4 Church Street – the intervention known as Market Chambers.
- Improvements and redevelopment to the block 61-69 Blackburn Road – the intervention known as Burtons Chambers.

- 3.2 The last formal updates to Cabinet on the proposed Levelling Up Funded projects was in February, recommending accepting the LUF and LCC’s match funding and the following month in March, recommending the making of a CPO where it not be possible to secure the necessary acquisition/vacant possession by agreement for Burtons Chambers.

- 3.3 Due to the Council continuing to undertake some essential work on the project at a relatively small financial risk before any announcements were made, officers were in a position to finalise the appointment of the Programme Director within a week of formal notification the Council would receive funding. The Project Director will be using the

PRINCE2 Project Management methodology agreed for the project, and has prepared a Stage Plan/Report. The report is attached as Appendix A and explains the work streams that were progressed during the initial RIBA2 refresh/review stage and proposals for the next stage.

- 3.4 The Royal Institute of British Architects offer an industry standard plan approach which comprises of eight separate work stages that each address a required phase of a construction projects progression, from inception through to completion. Each RIBA work stage has clear tasks and outputs, which offer as both a process map and a management tool. This helps to ensure that work is carried out and completed to the high professional standard that is expected. Whilst an architect is not obligated to use this plan, it has become an unofficial industry standard.

RIBA2 Stage

- 3.5 The key findings from the outputs produced during the RIBA2 stage were:

- To identify the potential for any 'enabling' works that may be able to be undertaken ahead of the main redevelopment works starting in 2024, ensuring works start as soon as possible, helping to mitigate programme risks given the extremely tight funding spend deadline.
- A review of the design for the Market Hall offering, identifying a model that is most likely to attract a strong operator interest by investigating an option to introduce complementary use/s, which encourage customers across a greater spread of the week (weekdays/earlier in the day) and from a wider demographic, could be explored.
- A review of the design for the Shared Workspace, identifying that the draft layout may have the potential to be more efficient. The design for additional floor space on the roof should be re-explored, as the extension indicated in the current design may not be the best way to achieve the required outputs. There is also a lack of infrastructure to generate green energy which if incorporated on the roof space would reduce the financial risk of operating the facility and finally that developing a parking strategy for the facility needs prioritising.
- Whilst the term of any contractual relationship has yet to be decided, there is a recommendation that the optimum contracting model for the Market Hall is likely to be a Lease, and for the Share Workspace a Management Agreement.
- Identification of the agents and legal advisors team that will be best placed to make recommendations on the procurement of these operators and which has been based on the consultant's recent experience with working on similar offerings for both private investors and other local authorities.
- A recommendation that whilst the previously adopted procurement strategy be maintained, in that its recommendation for frameworks are to be used, that the frameworks to be considered should be broadened from just SCAPE and NHS SBS to include, for example, North West Construction Hub. That for each works

procurement, a review should take place to ensure the most appropriate framework or Dynamic Purchasing System for that particular requirement is considered and where appropriate is selected.

- Reviewed the work undertaken for bid submission which identified design readiness and where further work is required to enable the project to progress to the next RIBA work stage.
- Reaffirming design proposals, which whilst will still be subject to input from an operator and/or planning requirements, will permit the costs consultants to provide a greater level of assurance the three interventions can still be delivered within the £23m budget envelope.

3.6 The report then summarises the plans for the upcoming stage, RIBA3 Design, Refresh and Remobilisation stage, including the team makeup that will be required to deliver it.

3.7 The Officer Project Group identified as required in the July 2022 Cabinet report, once funding was confirmed, has now been established. This group will be tasked with overseeing delivery which includes officers from a number of the Council's teams such as Financial Services, Internal Audit, and Legal Services etc.

3.8 **Property Acquisitions / Leaseholders**

Burtens Chambers

- Freehold interest in the building secured in February and received notification of the Competition of Registration from the Land Registry on 25 May.
- One leasehold tenant in process of signing new lease to relocate into one of the Council's premises along Broadway and will have vacated the building by the end of summer.
- The other leasehold tenant has appointed consultants to search for suitable alternative premises and to advise them on property relocation / disturbance costs and any other relevant costs involved in surrendering the lease.
- At its meeting in March 2023, Cabinet authorised the making of a CPO where sale by agreement cannot be achieved.

Market Chambers

- Five freehold and 18 leasehold interests have been identified within the building.
- Dialogue with three of the five freeholder's progressed sufficiently to achieve sale by agreement. The remaining two have now entered into a dialogue with the Council's property acquisition consultant CBRE.
- By the end of May, CBRE had also reached out to all leaseholds within the building, updating them on the Council's plans and how they could seek further information from CBRE.
- Cabinet being ask to consider authorising the making of a CPO where sale by agreement cannot be reached at its meeting in June 2023

The Market Hall

- The Market Hall is within the Council's ownership.
- All but three existing tenants have signed new lease agreements which expire on the 31 December 2023. Of those three, one has entered into a dialogue with CBRE to dissolve the company and surrender the lease. The other two tenants continue to have a dialogue with the Council to agree Heads of Terms for a new lease.
- A Decant Manager will have been appointed by the time of the Cabinet meeting to manage the smooth transition of decanting traders into temporary accommodation in time for the start of redevelopment works in 2024. Whilst the final cost of this decant work is unknown at the moment, there is a budget within the LUF funding to deliver this.

4. **Alternative Options Considered and Reasons for Rejection**

- 4.1 The report is just for noting as Cabinet has previously approved accepting the LUF funding/LCC match funding, adopting a procurement strategy and the appointment of a Project Director.

5. **Consultations**

- 5.1 Progress updates continue to be provided through the regular Leaders and MP meeting with the Chief Executive and the Council's Corporate Management Team.
- 5.2 An update from the Project Director was delivered to the Accrington Town Centre Stakeholder Board meeting on 8 June. A further update with the Market Traders has been arranged for 26 June and the Portfolio Holder and Project Director have been invited to the Special Scrutiny Committee meeting on 24 July.

6. **Implications**

Financial implications (including any future financial commitments for the Council)	<p>Notification of LUF funding approval was received in January 2023 and the Council has now received the signed MoU from DLUHC which confirms the £20m funding.</p> <p>The first payment in the sum of £3.8m was received by the Council on the 25 May. This figure was based on the submitted funding bid spend profile, which anticipated funding being award in Autumn 2022. Due to this delay, it is significantly higher than actual spend to date, providing for a positive cash flow, although a number of property acquisitions are in line to be completed over the summer period.</p> <p>Moving forward, funding will continue to be paid to the Council in July and January each financial year, (3 months in arrears and 3</p>
--	---

	<p>months in advance) based on the submitted bid spend profile.</p> <p>Whilst the full report on the updated cost estimated is not due until after the week of the Cabinet meeting, the cost consultants have not made council officers aware of any serious concerns during the meetings to progress this work.</p> <p>Further cost reviews/updates will be undertaken at the time of submitting a formal planning application and again prior to the tender exercise for the main construction works. This allows for regular budget checks and other than unforeseen issues, where estimated costs exceed the budget, designs/works to be amended to hopefully bring costs back in line with the budget envelope.</p>
<p>Legal and human rights implications</p>	<p>The LUF funded projects are still being supported by the Council's appointed legal advisors Womble Bond Dicking and property acquisition consultants CBRE.</p> <p>The Council's Executive Director (Legal and Democratic Services) is providing support to the Project Director with regards to terms and conditions for consultant contracts and/or agreements to be entered into by the Council.</p> <p>There are no human rights implications for this report.</p>
<p>Assessment of risk</p>	<p>The Levelling Up fund spending timescales are extremely tight with funding criteria requiring spending to be completed by 31 March 2025. Whilst there is a suggestion in the funding guidance spending may be permitted within the financial year 2025/26, this is only in exceptional circumstances and at the sole discretion of the funding body, DLUHC.</p> <p>There is a risk of not delivering the interventions within the LUF timescales given the extremely tight timescales. Work is being undertaken to re-schedule some of the project works earlier or in parallel, aiming to</p>

	mitigate this risk. However this remains a key risk to the project and will do until completion.
Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	N/A for this update report.

**7. Local Government (Access to Information) Act 1985:
List of Background Papers**

7.1 Appointment of an external consultant report to Cabinet
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2609&Ver=4>

Levelling Up Funding Bid update report to Cabinet
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2611&Ver=4>

Town Centre Investment Plan and Levelling Up Funding bid update report to full Council
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=130&MId=2603&Ver=4>

General Revenue Budget, Council Tax and Capital Programme 2022/23
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2616&Ver=4>

Levelling Up update to Cabinet
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2695&Ver=4>

Authorisation for making of CPO for Burtons Chambers
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2701&Ver=4>

LUF/UKSPF PROGRAMME UPDATE

STAGE PLAN – RIBA3, ENABLING AND OPERATOR PROCUREMENT



Stage Plan – Mobilisation & RIBA2 Refresh

What was completed during the previous stage?

Workstream	Outputs
Operator Model & Procurement	<ul style="list-style-type: none"> ✓ LUF compliant operating model proposal informed by market feedback ✓ Operator Procurement Strategy
Communications	<ul style="list-style-type: none"> ✓ Communication plan ✓ Toolkit of key materials
Design Readiness	<ul style="list-style-type: none"> ✓ RIBA2 refresh
Social Value & Benefits	<ul style="list-style-type: none"> ○ Social Value action plan ○ Toolkit
Project Controls	<ul style="list-style-type: none"> ○ Project Execution Plan (programme, budget) ✓ Stage Plan for next stage
Team Assembly	<ul style="list-style-type: none"> ✓ Team assembly plan ✓ Team procurement and management tracker

Stage Plan – Mobilisation & RIBA2 Refresh

What was completed during the previous stage?

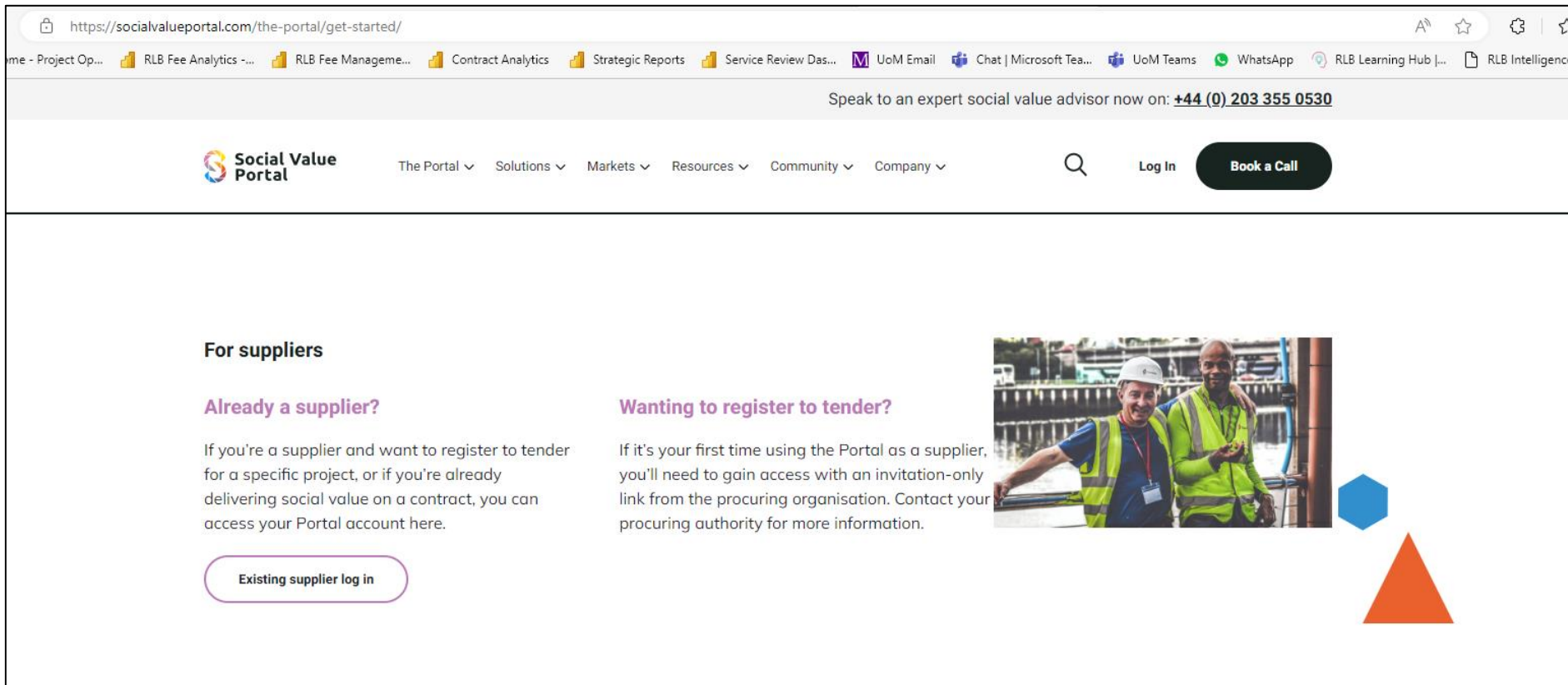
- Identification of the potential for **'enabling' works** that may be able to take place ahead of the main works starting, ensuring works start as soon as possible and helping to mitigate programme risks.
- Review of the **design for Market Hall**, identifying that to create a model that is most likely to attract a strong operator investigating an option to introduce complementary uses, which encourage visitors across a greater spread of the week (weekdays/earlier in the day) and from a wider demographic, could be explored.
- Review of the **design the Shared Workspace**, identifying that the layout may have the potential to be more efficient, and that the design of the roof space should be re-explored, as the extent of the extension indicated in the current design may not be the best way to achieve the brief, and that development of a clear parking strategy needs prioritising.
- Recommendation that the optimum contracting model for the Market Hall is likely to be a **lease**, and for the Share Workspace a **management agreement**.
- Identification of the **operator procurement team** that may be best placed to advise on procurement of these operators (agents and legal advisors).
- Recommendation that the previously adopted **procurement strategy** be updated and that while its recommendation that frameworks are used remains appropriate, the frameworks to be used should be broadened from just SCAPE and NHS SBS and that for each procurement exercise, a review is undertaken to ensure the most appropriate framework or Dynamic Purchasing System for that particular work requirement is selected.

RIBA3, Enabling and Operator Procurement

What are we focussing on for this stage?

Workstream	Progress
RIBA3 Design	The design will be progressed to RIBA Stage 3
Planning Application	Pre-app advice will be taken, and the planning and listed building consent applications required will be submitted
Enabling Works	Opportunities for enabling works will be identified and the works will be progressed
Operator Procurement	Procurement of operators for both the Market Hall, and the Shared Workspace will progress
Land Assembly and Vacant Possession	Work will continue to progress land assembly, including assisting current tenants to prepare and move. A key element of this work will be creating a plan for the market traders to have an alternative home while works take place in the hall.

Who will need to be involved?



The screenshot shows a web browser window with the URL <https://socialvalueportal.com/the-portal/get-started/>. The browser's address bar and tabs are visible at the top. Below the browser window, a banner reads "Speak to an expert social value advisor now on: **+44 (0) 203 355 0530**". The main navigation bar includes the "Social Value Portal" logo, a search icon, and a "Book a Call" button. The page content is divided into two columns under the heading "For suppliers". The left column, titled "Already a supplier?", contains a paragraph about logging in and a button labeled "Existing supplier log in". The right column, titled "Wanting to register to tender?", contains a paragraph about registration and a photograph of two construction workers in high-visibility vests and hard hats. To the right of the photograph are a blue hexagon and an orange triangle.

Who will need to be involved?

Procurement Bill [HL]

AS AMENDED IN PUBLIC BILL COMMITTEE

CONTENTS

PART 1
KEY DEFINITIONS

- 1 Procurement and covered procurement
- 2 Contracting authorities
- 3 Public contracts
- 4 Valuation of contracts
- 5 Mixed procurement above and below threshold
- 6 Utilities contracts
- 7 Defence and security contracts
- 8 Concession contracts
- 9 Light touch contracts
- 10 Mixed procurement special regime contracts

PART 2
PRINCIPLES AND OBJECTIVES

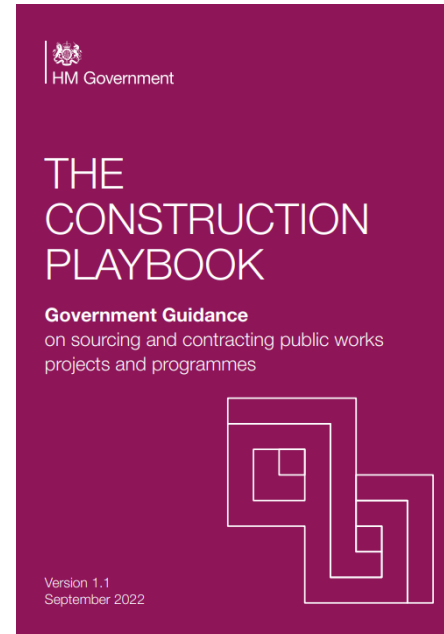
- 11 Covered procurement only in accordance with this Act
- 12 Covered procurement objectives
- 13 The national procurement policy statement
- 14 The Wales procurement policy statement

PART 3
AWARD OF PUBLIC CONTRACTS AND PROCEDURES

CHAPTER 1
PRELIMINARY STEPS

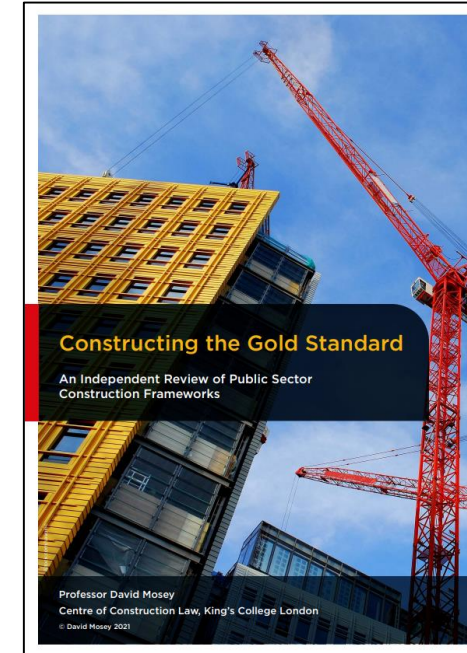
- 15 Planned procurement notices
- 16 Preliminary market engagement
- 17 Preliminary market engagement notices
- 18 Duty to consider lots

Bill 249 58/3



Contains 14 key policy reforms aimed at transforming how we assess, procure and deliver public works projects and programmes.

[Link to the Construction Playbook](#)



An independent review on frameworks role in delivering the Construction Playbook and how they support 'better, safer, faster and greener'

[Link to Constructing the Gold Standard](#)






Will reform the UK's public procurement regime, making it quicker, simpler, more transparent and better able to meet the UK's needs while remaining compliant with our international obligations.

[Link to the Procurement Bill](#)

Page 166

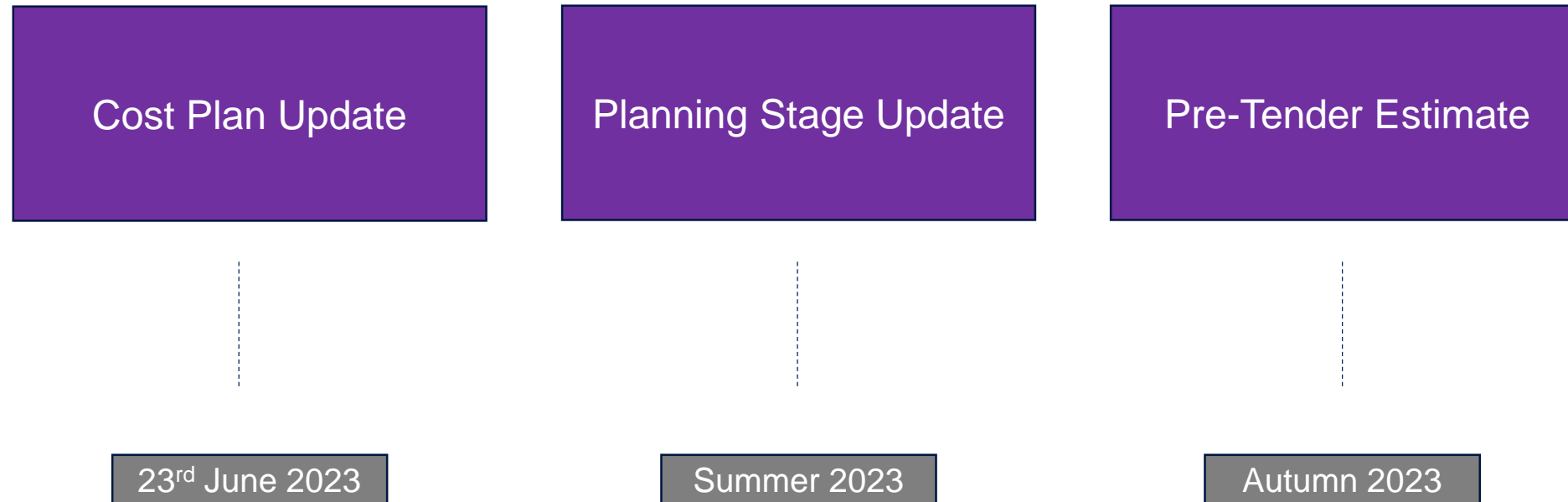
Who will need to be involved?



Project Team	Operator Procurement	Other Consultants	Operators	Contractor/s
 <p>SCOPE The design and project services required to deliver the project e.g., Commercial Managers, Contract Administration, Project Managers, Architects, Engineers, Technical Specialists, and surveys</p> <p>ESTIMATED VALUE ££ - above thresholds</p> <p>PROCUREMENT START Spring 2023</p> <p>LIKELY ROUTE Appointment via a Framework Agreement (G10), likely NHS SBS and/or approved Procurement Strategy</p> <p>PROCUREMENT LEAD Programme Director / Project Team</p>	 <p>SCOPE The legal and consultancy services required to procure operators for Market Hall and Burton Chambers eg agents, lawyers, procurement advisors</p> <p>ESTIMATED VALUE ££ - above thresholds</p> <p>PROCUREMENT START Spring 2023</p> <p>LIKELY ROUTE Appointment of Multi-Disciplinary Team via a Framework Agreement (G10)</p> <p>PROCUREMENT LEAD Programme Director</p>	 <p>SCOPE Any other services not part of the first two teams e.g. The Programme Director. These should be minimal.</p> <p>ESTIMATED VALUE Varies – some may be below threshold others may be above threshold</p> <p>PROCUREMENT START Will vary</p> <p>LIKELY ROUTE Framework Agreement (G10) if possible or quote/tender (G5-G8 or G12)</p> <p>PROCUREMENT LEAD Programme Director (or SRO where Programme Director conflicted)</p>	 <p>SCOPE The operation and potentially fit out of Market Hall and Burton Chambers</p> <p>ESTIMATED VALUE ££ - above thresholds</p> <p>PROCUREMENT START Spring 2023</p> <p>LIKELY ROUTE Tender following one of the mechanisms available above threshold (G12) or a property transaction</p> <p>PROCUREMENT LEAD Operator Procurement Team</p>	 <p>SCOPE The works to refurbish the buildings</p> <p>ESTIMATED VALUE ££ - above thresholds</p> <p>PROCUREMENT START Enabling – Spring 23 Main Works - Autumn 2023</p> <p>LIKELY ROUTE Appointment of Contractor/s via a Framework Agreement (G10)</p> <p>PROCUREMENT LEAD Project Team</p>

Road Map

Key Dates



STRUCTURE

Governance

COUNCIL

CABINET

PORTFOLIO HOLDER

LUF BOARD

ASSURANCE

SPECIAL OVERVIEW
AND SCRUTINY
COMMITTEE

Senior Supplier

Funder Mtgs

Principals Meeting

SRO

STRATEGIC
DIRECTORS
GROUP

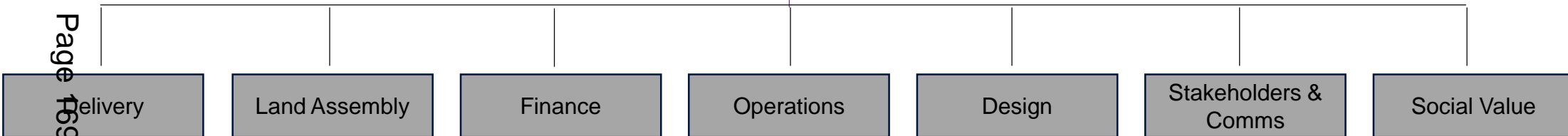
Senior User

Town Centre
Stakeholder Group

CHIP

AUDIT

Page 169



This page is intentionally left blank