#### **CABINET**

#### **20 DECEMBER 2024**

# REPORT OF THE PORTFOLIO HOLDER FOR ECONOMIC GROWTH, REGENERATION AND TOURISM

# A.7 <u>LEVELLING UP FUND and CAPITAL REGENERATION PROJECTS – PROGRESSING THE PROJECTS TO PRODUCTION OF TENDER INFORMATION</u>

#### **PART 1 – KEY INFORMATION**

#### **PURPOSE OF THE REPORT**

For Cabinet to consider the next steps for the Civic Quarter in Clacton-on-Sea (Levelling Up Fund, LUF) and Homes for Dovercourt scheme (Capital Regeneration Project, CRP) and to approve that funding remaining from the £2,148,421 allocated by Cabinet to these two projects, may be used to progress them to the pre-tender stage. The total sum is made up of £250,000 allocated by Cabinet in May 2023 and £1,898,421 in October 2023.

For Cabinet to consider signing up to the Essex County Council managed service solution for temporary worker services.

For Cabinet to note and endorse continued support for the Essex County Council led LUF and CRP projects: the Clacton Hub (LUF); the Kingsway Improvement Corridor (CRP); and Learning and Library schemes in Dovercourt (CRP), as Tendring District Council continues to operate as Accountable Body and overall programme manager for these projects funded by MHCLG.

#### **EXECUTIVE SUMMARY**

#### **Progress since the last report to Cabinet**

In October 2023 Cabinet committed to bring a further report back to progress delivery of the two TDC led projects within the overall programme, Carnarvon Terrace in Clacton and Homes for Dovercourt, once planning permission had been submitted. This report delivers against that commitment, to seek approval to develop technical designs to the level of detail required (specification) to go out to the market for procurement of main build-contracts.

#### The programme and projects

It was announced on 19 January 2023 that the Council's bid to Round Two of the Government's Levelling Up Fund (LUF) for Clacton Town Centre, the 'Clacton Civic Quarter', was successful and was awarded £19.960m. In addition, on 15 March 2023 it was announced that a £6.65m bid for projects in Dovercourt Town Centre was approved, under the Government's Capital Regeneration Scheme. The five schemes are comprised of the following:

## Levelling Up Fund, Clacton

- Carnarvon Terrace, delivered by TDC
- 2. Clacton Hub, delivered by ECC

#### Capital Regeneration Projects, Dovercourt

3. Homes in Dovercourt, delivered by TDC

- 4. Kingsway Improvements, delivered by ECC
- 5. Learning and Library Project, delivered by ECC

# **Progress to date**

## Project team

Consultant teams have been assembled and appointed across all LUF and CRP projects, including a range of disciplines from lead designers through to specialist surveyors and engineers, over an extended period since November 2023. A full list of consultants for both schemes is appended to this report and a high-level summary for each scheme included below.

## Design development

Designs for each project have been developed through extensive Councillor and public engagement, building on the legacy of the projects emerging initially from public consultation. This has included:

- 6. Portfolio Holder Working Group: the emerging designs have been subject to regular review and scrutiny by a working group of Cabinet members every two months.
- 7. Public engagement, summer 2024; and Developed designs public engagement, autumn 2024; including in person events, stakeholder meetings and online questionnaire.
- 8. Key outcomes from the above are summarised in relation to each project in the 'Outcome of Consultation and Engagement' section below.
- 9. Supportive feedback and comments have been received from consultation across the board prior to submission. Where concerns were raised, for instance in relation to how new homes proposed on Victoria Street in Dovercourt respond to neighbouring historic architecture, the design teams have revised the proposals in order to satisfy the comments, prior to submission.

#### Cost

Project costs continue to be regularly and carefully monitored throughout the project development, with the Council party to regular cost consultant input to the design team, incorporating mid-stage cost plans, sense checking with local market prices and external due diligence reviews of the cost plan prior to planning submission. The construction market has been volatile in recent years; therefore, contingency is allocated across each project accordingly to ensure sufficient allowance for further volatility and ensuring the projects come in on budget.

Similarly, work continues across teams within the Council to ensure that the buildings are financially sustainable once complete, with consideration of premises for commercial let and ongoing maintenance. Procurement for all TDC-led projects have, to date, come in at or under budget.

#### Approvals

Planning applications for the schemes are planned for submission as follows:

- 10. LUF Carnarvon Terrace: following decisions by the Portfolio Holder, the planning application will be submitted in December and is currently subject to validation prior to the determination period, scheduled for Planning Committee in March 2025.
- 11. CRP Victoria Street: following decisions by the Portfolio Holder, the planning application will be submitted in December and is currently subject to validation prior to the determination period, scheduled for Planning Committee in February 2025.
- 12. CRP Milton Road: following the Portfolio Holder's approval, the planning application was submitted in early November 2024 and is currently subject to determination, scheduled for Planning Committee in February 2025. The application is available to view online with reference **24/01716/FUL**.

#### Timeline

Timelines for each project are set out in summary below. Current timelines for completion of the two schemes extend to 2027 and discussions are ongoing with MHCLG regarding this matter.

Recent updates from liaison with civil servants suggest the potential for an extension to the current deadline for expenditure, which has included extending the available time periods for reporting within the Quarterly Monitoring & Evaluation return, which was submitted to MHCLG in November 2024. This is subject to confirmation by ministerial decision as part of the spending review.

A further Cabinet Report will be submitted in the near future to enter a main building contract, following the tender exercise on the projects, only in the instance that an extension is granted.

#### **Fundina**

Between March and October 2023, Cabinet agreed to allocate a total of £2,148,421 to commission a project team, fund TDC's capital delivery costs, and allow for design development to planning lodgement.

Due to the costs for the period to planning submission coming in under budget, it is proposed to utilise the remaining sum from this original allocation for the preparation of tender information, incorporating the appropriate pre-construction information including surveys, advisors and project design and delivery teams, to enable the schemes to be taken to market to procure a main contractor.

## **Projects Delivered by ECC**

13. Designs across the ECC projects have progressed in tandem with development on the TDC projects, including with public consultation held collaboratively during summer 2024 for the Carnarvon Terrace and Clacton Hub schemes. The current position of each project is summarised below, including next steps:

- Clacton Hub: planning application was submitted in December 2024, forecast for construction commencing in late 2025. Engagement is ongoing with the Clacton Local History Society Museum and plans are under development for the temporary relocation of the library during construction to minimise disruption to services;
- 2. Harwich Library: works are progressing on site, with the library successfully relocated to the Harwich Arts Centre in October 2024;
- 3. Kingsway Improvements: detailed designs are in place and proceeding to main contractor procurement, with construction forecast to commence in summer 2025.
- 14. Key risks to delivery include: delivery timescales; cost; third party approvals; and site conditions including existing building condition at Harwich Library.
- 15. Spend to date on ECC projects, to November 2024, is as follows:
  - 1. Clacton Hub:
    - 1. Spend to date: £181,237
    - Contractually committed: £324,981
  - 2. CRP Harwich Library and Kingsway Improvements:
    - 1. Spend to date: £721,284.79
    - 2. Contractually committed: £770,080

## **Next steps**

- 16. Cabinet has allocated £2,148,421 to commission the project team, and to progress the projects to planning submission and validation. This report recommends approving the spend of the remainder of those funds to develop the Carnarvon Terrace (LUF) and Homes for Dovercourt (CRP) schemes through to procurement for contractors, with acceptance of a tender and subsequently entering contract subject to a future Cabinet report.
- 17. The production of Tender Information will enable the project team incorporating officers and consultant teams, to develop the projects to the level of detail to enable a contractor to price the schemes for delivery, which will include:
  - 1. construction information including specification;
  - Social value requirements;
  - 3. pricing document and evaluation criteria;
  - 4. contract preliminaries and
  - 5. other contract particulars.
- 18. On completion of preparation, the Tender Information will enable the project team, working with the Essex Procurement Partnership, to go out to the market to procure a main contractor for the delivery of the schemes. This will include soft-market testing with potential tenderers; a tender period in line with statutory minimums for response periods and incorporating a formal clarification process; followed by a formal tender evaluation process led by the Essex Procurement Partnership including evaluating both price and quality of returns.

- 19. This report recommends entering a Pre-Contract Services Agreement (PCSA). PCSAs enable clients to employ contractors before the main build contract for construction, to enable contractor involvement in the design process. This approach brings a range of benefits including the potential to improve the buildability and cost-certainty of the designs, as well as creating a better integrated project team and reducing the likelihood of disputes, and is therefore considered best practice for projects of this nature. This arrangement does not commit the Council to any one contractor for the main build contract, the procurement of which will be subject to a formal competitive procurement process to ensure best value.
- 20. It is intended to return to Cabinet following the completion of the tender period and evaluation, to make a recommendation to award the contract with the contractor that is assessed to have submitted the most economically advantageous return, following evaluation against the criteria. This process does not bind the Council to any one tender.

## **Programme management**

- 21. The requirement remains for the technical skills, capital delivery capability and capacity to progress Carnarvon Terrace and Homes for Dovercourt Schemes, as well as overall programme management and the relationship with MHCLG for the three ECC led schemes.
- 22. A Capital Delivery Programme Manager has been recruited via an Agency since March 2023 and subsequently via Essex County Council's Managed Service Solution temporary and permanent worker framework, which ECC have opened for use to public sector agencies in the county through an arrangement with them. This agreement has been utilised on a trial basis and capped at a value of £50k, the duration of which is expected to come to an end in February 2025.
- 23. This report therefore includes a recommendation to enter into an agreement with ECC to use their framework following the trial period mentioned above, which will enable the Council to continue access to this framework, in the instance that this route is appraised to be the most suitable for filling this position moving forward. This will ensure that the Council complies with all relevant procurement legislation and demonstrating Value for Money requirements of the Council's internal Procurement Procedure Rules, whilst retaining the necessary skilled resource to continue effective management across the programme.
- 24. The framework offers a range of benefits for the Council including streamlined processes, reduced costs and increased transparency, both specifically to this programme and to the organisation as a whole, as other services will equally gain access to the framework. Further details are available in the background section.

## **RECOMMENDATION(S)**

#### It is recommended that Cabinet:

1. acknowledges and supports the progress made to date against the original project scope, and the positive outcome of consultation undertaken so far enabling the submission of planning applications for the schemes;

- 2. approves extending the scope of the £2,148,421 allocated by Cabinet to develop the Carnarvon Terrace (LUF) and Homes for Dovercourt (CRP) projects from planning lodgement through to completion of the main build contract tender process, with expenditure from this allocation to include professional services and capital delivery capacity within the Council;
- 3. agrees a delegation to the Corporate Director (Place and Economy), in consultation with the Council's Section 151 Officer, to continue to determine the mix of funding (from the Council's own approved contribution and the money made available by the Government) to support both the LUF Scheme in Clacton and the CRP Scheme in Dovercourt, within financial parameters previously agreed and until the next significant project milestones are reported to Cabinet;
- 4. approves, subject to due diligence being undertaken on the terms and conditions, the Council entering into an agreement with Essex County Council for use of the Managed Service Solution framework for the appointment of temporary and permanent workers;
- 5. subject to (d), delegates authority to the Chief Executive to undertake the due diligence, in consultation with the Monitoring and Section 151 Officers and sign the agreement;
- 6. subject to (b), delegates to the Director for Place and Economy the authority to procure and enter a Pre-Contract Services Agreement with a suitable main contractor, to increase buildability, reduce risk and deliver value for money on the schemes;
- 7. delegates to the Portfolio Holder for Economic Growth, Regeneration and Tourism to agree the final procurement route for the main build contracts and to agree the documentation required to commence procurement for the main build contracts for both Carnarvon Terrace (LUF) and Homes for Dovercourt (CRP); and
- 8. notes progress on the Essex County Council led LUF and CRP projects: the Clacton Hub (LUF); The Kingsway Improvement Corridor (CRP) and the Learning and Library schemes in Dovercourt (CRP), and reiterates the Council's continued support for the programme management of these schemes, as set out in previous Cabinet reports and in the Agreements with ECC.

## REASON(S) FOR THE RECOMMENDATION(S)

To ensure the momentum is maintained with the professional team to deliver the LUF and CRP projects to the next technical design development stages, to be able to go out to tender for construction.

Furthermore, the recommendations will ensure the Council is able to adequately oversee the projects and manage the subsequent risk effectively, by having the Capital Delivery capacity in place for capital projects within the Council.

#### **ALTERNATIVE OPTIONS CONSIDERED**

There are other options which have been considered:

**Stop the developments now**: Tendring District Council would not be able to deliver the schemes without this decision-making mechanism in place. Not delivering the bid would allow officer time to be focused on other projects and would reduce any financial or delivery risk to the Council from running major capital works. However, it would also lose the opportunity for substantial improvements in Clacton and Dovercourt with external funding.

**Finalise Procurement Route now**: This option risks tying the Council to a procurement route that may not be suitable and could escalate the final costs beyond the budget and also removes options for market engagement in design development.

**End the additional Council capacity for capital delivery**: This would reduce costs for the project in the short term, however given the overall circa 40M programme there is a significant risk to not having substantial expertise and experience to oversee the projects.

**Not enter the framework agreement**: This would prevent the Council from having access to an existing framework set up for use by local authorities in Essex for temporary and permanent workers

#### PART 2 – IMPLICATIONS OF THE DECISION

## **DELIVERING PRIORITIES**

#### **Corporate Priorities 2024/25**

- 1. Pride in our area and services to residents: by investing in improving Council-owned assets within Clacton-on-Sea and Dovercourt to demonstrate a commitment to these town centres and championing local partners to do the same;
- Championing our local environment: by improving existing assets and delivering from public consultation; the investment will also deliver sustainability measures across the sites, alongside new soft landscaping and biodiversity benefits;
- 3. Raising aspirations and creating opportunities: by providing additional employment space; and delivering social value commitments as part of consultant and contractor appointments throughout project delivery;
- Improve quality of life: by investing in delivering new social housing for the District and improving public spaces for residents of, and visitors to, two of the District's key town centres;
- 5. Promoting our heritage offer. by improving the contribution of key sites to the 'arrival' to each historic town centre, celebrating local heritage landmarks such as the Leading Lights through references within the designs;
- 6. Financial Sustainability and openness: by capitalising on external Government funding to deliver meaningful transformation for our residents; and ensuring value for money through a robust governance and scrutiny process as part of the design development.

## Highlight priorities 2024/5

- 1. Getting the basics right: A1 Extend a 'You said, we did' approach to all major services to the public across the Council: each project has its origins in substantial public engagement, such as that undertaken in developing the Dovercourt Masterplan Revisited. Further public engagement has continued in developing the projects to this point, with the draft designs presented, feedback from the public, and actions taken featured on the project pages on the Council's websites and at each event, providing a clear 'golden thread' of 'You said, we did' throughout each project development;
- 2. Supporting decent housing for residents: The projects will deliver additional affordable housing for residents as part of the Council's Housing Revenue Account, expanding access to housing within the district. Freehold of the new housing developments will be retained by the Council to mitigate against issues ongoing elsewhere with poor building maintenance by private landlords.
- 3. Promoting clean and tidy communities... encouraging everyone to take responsibility for keeping their area a pleasant place: Each project scope includes direct streetscape and condition improvements, delivering substantial improvements and thereby promoting similar care from Council partners within the district to maintain clean and tidy communities and take pride in our area.
- 4. We will celebrate business success, encourage cultural, tourism and economic growth: Each project targets delivering meaningful improvement to their areas, tackling issues in terms of condition and appearance, to encourage positive visitor experiences as well as pride in place. In addition, Carnarvon Terrace includes the provision of new mixed use spaces. The tenant strategy for these spaces is being developed to provide a 'civic' offer in line with the Love Clacton vision for this area, which will include new spaces for civic organisations including charitable and wellbeing initiatives, alongside spaces for enterprise and skills development.
  - This report directly relates to milestone B2 Implement Levelling Up Fund, Capital Regeneration Partnership Projects and High Street Accelerator Schemes, taking these through design and planning.
- 5. Tendring is ambitious and our residents will be supported to reach their potential and realise their opportunities: as above, Carnarvon Terrace will provide additional employment space with a target for uses providing skills development on site. Milton Road will also support the neighbouring High Street to continue Dovercourt town centre's local offer for employment and enterprise.
- 6. Our environment deserves protection: each project is targeting a high level of sustainability through a variety of design measures, prioritising 'passive' approaches to reduce energy consumption and carbon emissions, whilst maximising opportunities to enhance local nature and biodiversity. Therefore, whilst the proposals commenced prior to the Council's latest Climate Change Action Plan, they can be seen to be working in the spirit of the updated Plan.
- 7. Tough decisions will not be shied away from, but will be taken transparently, be well-informed, and informed from engagement with our residents: budgets across the projects continue to be carefully monitored, with regular Portfolio Holder and senior officer scrutiny, to ensure projects are delivered within budget and that investment made represents value for money.

## **Economic Strategy 2020-24**

The Tendring Economic Strategy was updated in 2020. The Strategy uses evidence from the Office of National Statistics to demonstrate that there have been some important changes in the district's economy in recent years, which require a change in approach.

The successful Levelling Up application complements the following areas for Action set out in the Strategy:

- Supporting long term investment into local civil society, citizen engagement and participatory activities within Jaywick Sands and Clacton.
- Building the capacity of local civil society and third sector organisations to support the development of routes to employment in community businesses, social enterprise and alternative labour markets.
- Work with core Higher Education and Further Education partners (primarily the University of Essex and the Colchester Institute).
- Accommodate the business needs of a growing population by developing new flexible spaces for start-up and micro business growth.

## **Tendring District Council Local Plan 2013 - 2033**

Delivery of these projects will align with the following strategic objectives set out in Section 1 of the Local Plan, adopted on 26<sup>th</sup> January 2021:

- Providing sufficient new homes
- Fostering economic development

The Social Value Policy adopted by Full Council in November 2024 will be adhered to through the procurement of all contracts over £100,000 through this project.

## **OUTCOME OF CONSULTATION AND ENGAGEMENT**

#### Background to the programme

#### Clacton

The projects contained in the Clacton Civic Quarter bid align with the overarching vision and objectives of the 'Love Clacton' Vision 2030, which was developed through engagement and partnership with local businesses, the wider community and other partners and stakeholders through a series of meetings and workshops between 2018 and 2020.

#### Dovercourt

All of the projects proposed in the Dovercourt Town Centre bid are taken from Dovercourt Revisited (<u>link</u>). TDC commissioned this document in January 2018 as a means to update the previous masterplan (Dovercourt Rediscovered) from 2011. The production of Dovercourt Revisited included a public engagement exercise where members of the public were invited to comment on the masterplan, via exhibitions, which were held over two days. One of the key messages from the exercise was that the town's public realm needed to be upgraded: one of the most commonly cited responses to what attendees did not like about Dovercourt was the quality of the street scene (74%).

## Councillor engagement

In the report considered by Cabinet in June 2023, Cabinet also agreed to endorse the Portfolio Holder for Economic Growth, Regeneration and Tourism forming a Cross Party Levelling Up Working Party to receive project management updates at least four times a year on progress with the schemes, with particular attention to risk management for each individual project, budget and costings and delivery progress.

Further to the decision published on 28<sup>th</sup> September 2023, the Portfolio Holder Working Party has been consulted on designs throughout development for the schemes, including the final designs ahead of planning submission. Meeting dates have included:

- 1. 5<sup>th</sup> April 2024
- 2. 18<sup>th</sup> July 2024
- 3. 5<sup>th</sup> September 2024
- 4. 7<sup>th</sup> November 2024

Key comments that have shaped the proposals across the projects have included:

- 5. Selection of spatial options including the approach to site layout and landscaping approach;
- 6. Championing a high level of measures to support site safety including passive security measures:
- 7. Selection of appropriate material palettes so that the schemes set a high quality for future projects and complement the heritage of Clacton-on-Sea town centre;
- 8. Targeting high levels of sustainability to ensure low ongoing running costs and champion action from other Council partners in the district;

In addition, direct engagement has been carried out with Ward Councillors alongside public engagement periods.

#### **Public consultation**

The Council developed a Communications Engagement and Marketing (CEM) Plan in 2023 for the Clacton LUF and Dovercourt CRP schemes to guide its work on the projects. This has been developed through combined monthly CEM meetings with ECC as the delivery partner, and other key local stakeholders including the University of Essex and Community Voluntary Services Tendring (CVST), to ensure clarity in communications across the funding programmes.

Four public events have been held to inform the emerging designs, including: one per scheme during RIBA 1, selecting the design option for development; and one per scheme during RIBA Stage 2 prior to the finalisation of the planning application package. The events were in person, held on the weekend at venues close to the sites in question, and accompanied by online questionnaires to gather feedback. Key feedback included:

#### Clacton LUF

- 1. Distinct support for Option 3 for the masterplan, which has now been progressed to detailed concept design.
- 2. The primary objective of the project—to reduce antisocial behaviour on the current site—was appreciated by the attendees.

- 3. The introduction of new green public spaces and flexible-use civic units was particularly well received.
- 4. Support for biodiversity measures and habitat creation.
- 5. Support that the scheme as developed responds to earlier concerns around site safety.

#### **Dovercourt CRP**

- 6. Support for the introduction of further soft landscaping.
- 7. Support for new local housing, in particular to house local people.
- 8. Support for improving the local street scene.
- 9. Concern around matters outside of the project scope including empty shops.
- 10. Support for utilising one of the sites for parking.
- 11. Concern regarding how the external appearance complements neighbouring heritage setting and historic architecture.

## Pre-application planning advice

Two rounds of formal pre-application meetings have been held for each scheme with Tendring's Planning Teams, to gather iterative feedback on the emerging designs, in July and September 2024. Key feedback included:

#### Clacton LUF

- 12. Principle of scheme likely to be supported.
- 13. Scale and sense of place crucial to securing consent.
- 14. Recommended engagement with Secure by Design (see below).
- 15. Site should comply with 10% Biodiversity Net Gain and National Space Standards for the residential units.

## **Dovercourt CRP**

- 16. Proposed layouts have been reviewed against detailed Flood Risk appraisal to avoid habitable rooms within high risk areas.
- 17. The proposals for the Victoria St east site have been adjusted to mitigate impacts on the neighbouring amenity.
- 18. Proposals for amenity space to flats have been further developed with reference to conservation area.
- 19. Off-street parking provision has been introduced.

## Professional stakeholder engagement

Further pre-application liaison has included engaging with Essex Police Secure by Design Officer and Highways. Key feedback included:

- 20. Support for strengthening and enhancing sightlines through and into the site to support natural surveillance.
- 21. Local buy-in and support crucial for success of the scheme.
- 22. Support for provision of defensible space and passive security measures.
- 23. Recommendation to engage with Park Mark team to retain high level of certification.

LEGAL REQUIREMENTS (including legislation & constitutional powers)										
Is the recommendation a		If Yes, indicate which	Significant effect							
Key Decision	Yes	by which criteria it is a	on two or more							
(see the criteria stated		Key Decision	wards							
here)			Involves £100,000							
			expenditure/income							

	□ Is otherwise significant for the service budget
And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	8 <sup>th</sup> February 2024

## Framework agreement with ECC

ECC has established a Dynamic Purchasing System ("DPS") that allows it to quickly place job roles with external agency worker providers within set role rate bands and with set percentage mark-ups paid by ECC. This arrangement has the benefit of allowing access to providers through a route that is compliant with the Public Contracts Regulations 2015 (as amended) ("the PCR15"), is flexible to allow additional providers to the DPS on application and provides consistency and visibility of rates and mark-ups.

When establishing the DPS, ECC built in the flexibility to allow it to source placements for other local authorities (although those local authorities cannot directly access the DPS themselves).

The PCR 2015 provide for the use of framework agreements and dynamic purchasing systems to facilitate procurement, such as the one created by ECC. ECC and TDC each being a Contracting Authority for the purposes of the PCR 2015 (as amended) are entering into the arrangement in relation to the performance by each of them of certain public functions common to each of them. As such TDC and ECC are allowed this public to public cooperation without the need for a procurement process, so long as ECC are not acting in a commercial purpose and within the thresholds set out in the PCR 2015.

Further details are provided on the framework in Background Information.

#### **Funding from MHCLG**

Details in relation to the funding agreements are provided in earlier reports, in particular the report of October 2023.

The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:

It is essential that good project management principles and governance continue to be applied to these schemes, with particular attention to project scope and contract specifications, robust risk management and wider Board oversight and approvals following the Council's internal governance framework.

At the time of publication of the report, it was not possible to undertake due diligence on the ECC Framework, therefore a delegation is set out within the recommendations to cover the assessment required.

It is important that the newly adopted Social Value Policy, adopted by Full Council in November 2024 following Cabinet's recommendation, is followed through procurement activity for contracts exceeding £100,000.

#### FINANCE AND OTHER RESOURCE IMPLICATIONS

## **Total budgets**

The total overall LUF Programme Costs for the Carnarvon Terrace and the Clacton Hub are £30,743,015, and the three projects in Dovercourt CRP total £9,285,595.

The total for the schemes to be directly delivered by the Council is £19,743,739 for the Carnarvon Terrace LUF scheme and £3,798,751 for Homes in Dovercourt CRP scheme.

The total bid to the Levelling Up Fund was £19,958,224.

#### Project budgets

Clacton LUF

Project 1 Clacton Hub

Total request to LUF: £3,102,985

Match Funding Contribution provided by ECC: £7,896,291

Total Project Costs: £10,999,276

## **Project 2 Carnarvon Terrace**

Total grant funding secured: £17,665,239, incorporating:

Total request to LUF: £16,855,239.00 Brownfield Land Release Fund: £420,000

Electric Vehicle Fund: £390,000

Match Funding Contribution provided by TDC: £2,078,550

Total Project Costs: £19,743,739

#### Total overall LUF Programme Costs: £ 30,743,015

#### Dovercourt CRP

The total bid for the Dovercourt Town Centre Improvement Corridor was £6,652,251. This bid contained 3 component projects as follows:

#### **Project 1 Harwich Library**

Total request to CRP: £500,000

Match Funding Contribution provided by ECC: £666,844

Total Project Costs: £1,166,844

#### Project 2 Homes in Dovercourt:

Total request to CRP: £3,332,251

Match Funding Contribution provided by TDC: £466,500

Total Project Costs: £3,798,751

#### Project 3 Public Realm:

Total request to CRP: £2,820,000

Match Funding Contribution provided by ECC: £1,500,000

Total Project Costs: £4,320,000

## **Total Overall Dovercourt CRP Programme Costs: £9,285,595**

## **Match Funding Contribution**

The Match Funding Contributions identified above are comprised of the following, which includes grant funding previously received which has been reallocated to the Levelling Up Fund and Capital Regeneration Projects:

- 1. £250k comprising of two allocations made from the Business Investment and Growth Budget in 2019, originally allocated to Town Centre projects and Technical studies in support of major projects (and a bid to the Future High Streets Fund) and later reallocated to LUF by virement.
- 2. £150k grant funding originally received to support preparing a bid to the Future High Streets Fund, subjected to Cabinet decision in September 2019 and later reallocated to LUF by virement.
- 3. £2.06m allocated within the 2021/2 Budget by Cabinet to support the bid to the Government's 'Levelling Up Fund'.
- 4. £125k grant funding relating to Levelling Up Fund business case development in 2021/2.
- 5. £250k additional of match funding was allocated to the CRP Funded Homes for Dovercourt project further to revised approach providing housing at Victoria Street.

LUF Match Funding Contribution: £2,078,550 CRP Match Funding Contribution: £466,500 Total Match Funding Contribution: £2,545,050

The current approach is to prioritise expenditure of external grant funding due to the delivery risk attached to this funding; therefore, the match funding is not proposed for expenditure at this time. Internal TDC capacity in relation to the projects have to date been capitalised and funded by external grant funding.

#### **Progress to date**

- In March 2023 Cabinet agreed to allocate £250,000 to progress both these projects, and in October 2023 Cabinet agreed to draw down a further £1,898,421, totalling £2,148,421 available to commission a project team, fund TDC's capital delivery costs, and allow for the development of the pre-construction information including surveys, advisors and project design and delivery teams.
- Cabinet agreed in April 2024 (in its Finance Update Report) to delegate to officers the determination of the mix of funding from the Council's own approved contribution, and the money made available by the Government, to support both the LUF Scheme in Clacton and the CRP Scheme in Dovercourt. As a result, the Council can draw on Government grant and its own matched funding to progress the schemes up to the approved £2,148,421 limit.
- The Council has recruited consultant teams for the Carnarvon Terrace scheme and the Homes for Dovercourt scheme. The consultant teams are recruited through to the end of the programme as needed. However, the agreements are drafted in such a way that

they can be terminated at each stage of the design and construction process, the so called 'RIBA' stages. Contracts could be terminated when the initial Concept Design is produced in line with the requirements of the initial Project Brief (RIBA 2) and planning permission has been lodged, or when detailed design information and cost plans are completed (RIBA 3) and so on through the construction process. The benefit of this approach is that the Council only goes out once to procure the team, but is able to end contracts if funding or approvals are not secured through the process.

- The total committed to date through procurement of the project consultant team is £895,011, comprised of £620,209 for Carnarvon Terrace (LUF) and £274,802 for the Homes for Dovercourt (CRP). There are further surveys and consultants required to complete all the technical designs, so this figure is expected to rise.
- Grant payments are received from MHCLG on a six-monthly basis, and the delivery agreement with ECC establishes for them to invoice in line with TDC receiving grants from MHCLG.
- Expenditure prior to this report is summarised as follows:
  - £3,600: expended on procuring footfall data as part of the government's required monitoring and evaluation process for the bids;
  - £146,215: expended from the Brownfield Land Release Fund on the demolition of the former Carnarvon House building.

## **Current position**

- This report represents the completion of RIBA Stage 2 and Planning submission.
- The budgets allocated up to this point is summarised as follows:

			Total funding	£	2,148,421.00
		LUF	CRP	Со	mbined
Actual spend to date					
Consultant team	£	88,500	£ 32,000	£	120,500
TDC costs				£	308,000
	•		Total	£	428,500
	Total re	emaining (con	npletion of RIBA 2)	£	1,719,921
Allocation for expenditure throug	gh to completion i	RIBA 3			
Consultant team	£	399,086	£ 179,505	£	578,591
TDC costs	£	421,097	£ 99,437	£	520,534
	Total re	emaining (con	npletion of RIBA 3)	£	1,099,125

- As a result, there are sufficient funds remaining from the previously allocated budget of £2,148,421 to take the projects to the tender documentation stage, both with the consultant team, and with resources for the Council to manage the programme. Cabinet is only requested to extend the scope of the budgets already committed, to commit the spending of that money up to the tender documentation stage.

#### Financial risk

Large-scale projects bring with them a commensurate level of risk, with seemingly small percentage variances in costs, having the potential to produce a significant financial impact on a project and the Council. As such, projects at this scale require the sustained focus of the Council to mitigate the risk of inflation and potential cost over runs. The Council and its delivery partners will conduct further construction cost analysis and develop robust contingency plans. Regular cost monitoring and risk assessment throughout the project lifecycle will be vital to identifying potential inflationary risks and proactively managing them.

During this period cost control measures have included:

- 1. Updated benchmarking for budgetary purposes utilising contemporary industry standard sqm rates plus contingency;
- 2. Procurement and appointment of a suitably qualified and professionally registered Quantity Surveyor to provide regular cost updates during design development;
- 3. Regular cost monitoring and risk assessment;
- 4. Value engineering options identified within designs to mitigate cost increases;
- 5. Procurement of robust set of site investigations and surveys to mitigate construction risk;
- 6. Procurement and appointment of consultant team within budgets allowed.

## **Programme management**

There are no immediate financial implications presented by entering the framework with ECC, as the framework has no set up costs and percentages are only charged in the instance that roles are successfully contracted through the framework.

χ The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:

There are no further comments over and above those set out in the report.

## **USE OF RESOURCES AND VALUE FOR MONEY**

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;

Refer to Finance, Associated Risks and Mitigation.

B) Governance: how the body ensures that it makes informed decisions and properly manages its risks; and

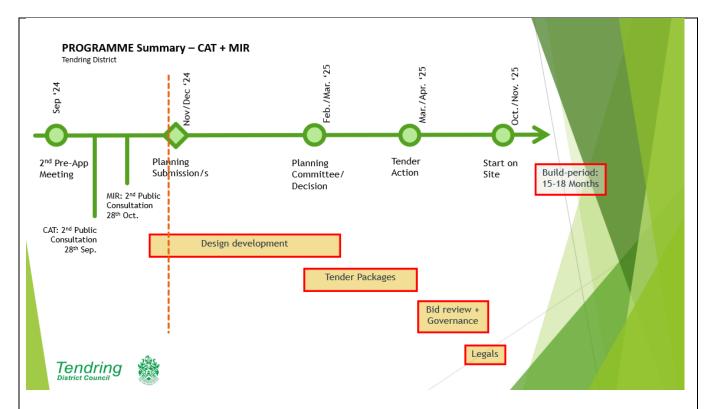
Refer to Associated Risks and Mitigation

C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

Refer to Executive Summary, Reasons for Recommendations, Delivery Priorities, Equality Implications, Social Value Considerations, Other Relevant Considerations and Implications

## **MILESTONES AND DELIVERY**

The current position of the project is summarised as follows, including a forward look to key future milestones:



Key milestones to take the respective projects beyond submission of planning applications are set out as follows:

- 1. Detailed Planning Application Lodged Q3 2024/5
- 2. RIBA Stage 3 (Spatial Coordination) design completed: Q4 2024/5
- 3. Stage 3 Cost Plan Q4 2024/5 (costed-design)
- 4. Planning Approval expected: Q4 2024/5
- 5. Tender Documentation and Employer's Requirements Produced: Q1/Q2 2025/6
- 6. Cabinet Approval to release Tender Information for Main Build Procurement: Q2 2025/6
- 7. Contract Sum Analysis: Q2 2025/6 (costed and benchmarked)

A current summary programme showing the stages completed to date and a forward look towards completion is appended to this report.

## **ASSOCIATED RISKS AND MITIGATION**

Risk registers have been produced as follows;

- 1. an overarching risk register highlighting the 'top ten' risks across both LUF and CRP programmes, which is shown below:
- 2. ECC manage their project's individual risks.

#### **Current 'top ten' risks for the Programme:**

	Risk	Mitigation	Owner
1	Cost escalation	Close monitoring and active	TDC &
	Caused by design, inflation or programme prolongation	engagement; due diligence completed of cost plans to date	Employer's advisor
2	Programme delays	Timely governance and processes,	TDC &
	Delivery later than anticipated	including timely remedial action	Employer's
	due to governance, design team, tendering and/or market	and/or reprocurement	advisor
	conditions		
3	Resourcing	Recruitment and engagement;	TDC &
	Team and capacity issue for	sufficient skilled resource to be	ECC
	TDC and external partners for projects and programme	recruited/procured in good time	
4	Design development	Monitoring and project management	TDC &
	Robust tender information		Consultant
	required; risk of incomplete		team
5	design for tender Third party approvals	Early engagement and robust pre-	TDC &
	Delays at third parties could	application liaison completed prior to	Planning
	result in delays to approvals and	planning submission; positive	consultant
	clearances	feedback received prior to submission	
6	Ground conditions	Site investigations under	TDC &
	Unknown site conditions could	commission and enabling works	Consultant
	cause delivery issues	proposed to derisk main build	team
7	Construction risk	contract during detail design period	TDC 0
7	Construction risk  Multiple risks associated with	Monitoring and market engagement, ongoing soft market testing with	TDC & Consultant
	materials, labour, logistics, etc.	Essex Procurement Partnership	team
8	Contracts	Design and package management	TDC &
	Risk of poor quality bids and or		Employer's
	extra costs resulting from scope		advisor
9	gap Stakeholder management	Engagement and monitoring;	TDC &
	Risk to approvals resulting from	ongoing liaison including responding	Planning
	ineffective comms and	to concerns proactively prior to	consultant
40	engagement	planning submission	TDO
10	Funding withdrawa while the	Engagement and monitoring with	TDC & ECC
	Funding withdrawn while the project is underway/part built	MHCLG, confirmation on programme extension awaited	
	p. 5,000 io arraor way/part bant	programmo oftonoion attaitou	

For Cabinet to be aware, an overall programme risk is that the ECC elements of the programme, remain subject to ECC's own internal approvals process.

Project risks are constantly monitored through a systematic and ongoing process of risk identification, assessment, mitigation and monitoring. The risk register is a rolling item at the Programme Board, as regular communication and reporting on the status of risks to all project team members, stakeholders and sponsors is essential to effective delivery.

#### **EQUALITY IMPLICATIONS**

Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when the Council makes decisions it must have regard to the need to:

- 1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
- 2. Advance equality of opportunity between people who share a protected characteristic and those who do not:
- 3. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

EQIAs have been developed for both bids and are intended to be living documents which are updated throughout the scheme. A fuller description can be found in the Cabinet report dated 23 June 2023.

## **SOCIAL VALUE CONSIDERATIONS**

The procured consultant teams are bound by their contract with TDC to deliver measurable Social Value Enhancements through this procurement. Some of the offers included in those contracts include:

- 1. Offer of short term work placements
- 2. Help with CVs
- 3. Presentations at career days
- 4. Volunteering days for their staff
- 5. Educating users on energy usage
- 6. Helping food banks.

These procurements took place before the social value policy was agreed by the Council, with the specific list of social value requirements, and so were proposed by the consultants themselves. Going forward, the procurement activity will comply with the newly adopted Policy and the agreed Theme, Outcomes and Measures against the Council's Corporate Plan and priorities.

More widely the Levelling Up Fund and Capital Regeneration Projects will deliver social value to Clacton and Dovercourt, as a result of the regeneration benefits of transforming sites across the town centres, renewing public services, and providing new social housing and carparking.

## IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO by 2050

The plans for Carnarvon Terrace and Homes for Dovercourt include 'Passive Principles' low energy building design approach for the projects, in order to achieve better construction quality, protection against fuel poverty, improved comfort and wellbeing, closing of the gap between predictions and actual performance, lower repair and maintenance costs.

Tendring's Low Energy Design Strategy is looking to:

- 1. Adopt a 'Passive Principles' low energy design approach across all sites;
- 2. Set a contractual energy performance target within Tendring's Employers Requirements;

- 3. Incorporate renewable energy where possible;
- 4. Plan a well-coordinated handover, aftercare and maintenance strategy and a 'soft landings' protocol.

Across the LUF and CRP schemes, the detailed design proposals submitted for planning approval achieve a high level of sustainability through the following measures:

- 1. A high level of energy performance of the built fabric, including Future Homes Standard and Passivhaus-equivalent levels of design performance; to reduce costs, reduce energy wastage and improve residents' health & wellbeing.
- **2. Landscape-led approach** delivering substantial gains in ecology, biodiversity and habitat creation.
- **3. Local energy generation** in the form of solar PV to be installed to the car park structure.
- **4. Fossil fuel free development** with no new natural gas installations on site utilising highly efficient ASHP in place of gas boilers.
- 5. **Sustainable drainage** including landscaping and mitigation measures to reduce risk of localised flooding and impacts on existing infrastructure.
- **6. Conscious of embodied carbon** with material palettes considered for sustainability, emissions and local procurement.
- 7. **Supporting low carbon and active travel** through provision of EV charging and cycling infrastructure, and improving pedestrian links within the towns.
- 8. **Setting a high level of aspiration** with the Council-led scheme well placed to encourage other partners within the District to match the level of sustainability achieved within the designs.
- 9. **Low consumption fixtures and fittings** including LED lighting and low-flow sanitaryware to reduce energy and water consumption on site.
- Communal areas of the housing will be powered by renewable-only electricity as part
  of the council's commitment to move to renewable only suppliers as part of reducing our
  Scope 2 emissions.
- **11. Enabling responsible waste management** with generous refuse storage supporting residents to recycle as much waste as possible.
- **12.** Measures to manage flood risk, in particular on the Dovercourt sites, through sustainable urban drainage and considered design of the housing to respond to heightened flood risk resulting from a changing climate.

In recognition of the above, the Carnarvon Terrace scheme is subject to a BREEAM assessment, targeting an 'Excellent' rating.

A similar approach is being taken for the ECC schemes, with particular measures including:

- 1. Passive measures such as external shading, window orientation and cross-ventilation to prevent overheating.
- 2. Maximising natural daylight to minimise reliance on artificial lighting to reduce energy consumption.
- 3. Natural Ventilation systems will be used in classrooms and communal spaces. The Library, offices and meeting rooms will be ventilated via air handling units.
- 4. Air Source Heat Pumps will be a requirement and feasibility work under consideration for the inclusion of Solar panels as well.

## OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

#### **Crime and Disorder** Both projects include the provision of additional community services and improved visual amenity, which will contribute to the reduction of crime through increased natural surveillance. Rationalised access points to the car park will also provide this and will ensure people feel safer walking through the space in the evening, especially women, who can feel particularly vulnerable. The Carnarvon House site was an existing crime hotspot in Clacton, and redeveloping this site aim to decrease crime directly. ECC Designing Out Crime officers have been engaged as part of the design development process to ensure that the proposals utilise best practice and deliver a sense of security across the sites. summary engagement of included for each project within the relevant planning application documentation, design key measures include: 1. for controlled Allowing access to some areas of the sites, such as the rear of Carnarvon Terrace. enabling these to be closed outside of operational hours; 2. Considered specification of landscaping to reduce risk of ASB: 3. Engagement with specialist feed input to into development of the parking structure to ensure adequate security systems and lighting.

**Health Inequalities** 

Both projects contain schemes which will have a positive impact on health inequalities including access to housing, education, jobs, and public services.

The completion of both projects will result in the provision of housing in two of the most deprived areas in the District, in areas which have demand on the housing register. TDC's Draft Housing Strategy 2019-2024 shows that 415 households (26%) on the housing register have a physical or mental health condition made worse by their housing, which this provision would move to address.

Through investment in libraries and skills provision, both projects also aim to increase access to training and employment, through structured courses and access to IT systems.

Both projects also include mixed use space with flexible access for public sector partners. This provides opportunities for joined up working between organisations, which can improve and simply access to services for residents.

The Clacton Hub also includes space for the University of Essex to establish a presence. The different aspects of the University offer will result in the collection of data and insights on coastal communities, which will benefit wider health and wellbeing decision making. There will also be skills and training opportunities for residents.

#### Area or Ward affected

Clacton Civic Quarter: Pier Ward, when delivery begins

Dovercourt Town Centre Improvement Corridor: Harwich & Kingsway Ward, when delivery begins

#### **PART 3 – SUPPORTING INFORMATION**

## **BACKGROUND**

The Council's Corporate Plan is committed to developing vibrant town centres and public spaces to be proud of, building and managing its own homes and offering joined up public services for the benefit of our residents and businesses. To this end, the Council published the 'Love Clacton' Plan in 2020 and 'Dovercourt Revisited' in 2019 that outline proposals for town centre regeneration.

## **Funding bids**

The Council submitted two applications in August 2022 to Round Two of the Levelling Up Fund: £19,958,224 for the Clacton Civic Quarter, and £6,652,251 for Dovercourt Town Centre, as the projects that best fit these Government funding opportunities from the Love Clacton and Dovercourt Revisited proposals.

Both bids were developed jointly with Essex County Council, who allocated resource to develop the bids, own land and buildings within three of the projects, and has committed £8m of matched funding to the delivery of both bids.

#### Clacton LUF

The Clacton Civic Quarter bid requested £19,958,224 for two projects.

1. Carnarvon Terrace is proposed to be 28 new homes in three blocks built along Carnarvon Road: one block of 11 social homes and two blocks for sale. The ground floor of each block will provide new offices or shops. The Council will remodel the carpark and install up to 30 EV chargers. A covered market of 'maker spaces' will be built.

The 'maker spaces' will provide space for emerging local businesses and a new retail offer for the town centre, which will increase daytime activity and complement existing shops. The improvements to the carpark, including new electric car charging points will be a draw that further supports visitors to the town centre and the seafront. The provision of 28 flats, 11 of which will be affordable / social housing, seek to address the lack of affordable housing provision in the area. Within the district, the biggest demand for affordable housing is for 1 or 2 bedroom properties in Clacton.

2. Clacton Hub will redevelop the existing ECC library site to make provision for a new library and Adult Community Learning centre, with additional flexible space including proposals to bring the University of Essex to Clacton for the first time.

The University of Essex will be part of a new skills and education hub in Clacton, setting up base in the town to create a Centre for Coastal Communities. The exciting new site will provide access to a range of new learning opportunities for local people, while retaining important community elements, including the local Museum.

The Clacton LUF plans are based on many years of preparation. The successful Round Two Levelling Up Fund Bid is based on an unsuccessful Round One bid, which itself is based on a 2020 Future High Streets Fund bid, that whilst not it did not win funding, did provide the underlying vision, project development and consultation for the successful Clacton LUF bid. Government told the Council it had been successful on 19 January 2023. Cabinet agreed on

17 March 2023 to accept the £19,958,224 awarded to the Council and to authorise the S151 Officer to sign the associated MOU in consultation with the Corporate Director Place & Economy and Portfolio Holder for Business and Economic Growth.

# Dovercourt CRP

Government notified the Council in January 2023 that its Dovercourt Town Centre Improvement Corridor bid was unsuccessful for LUF, but on 15 March 2023 Government announced the bid was successful in a sister fund, 'Capital Regeneration Projects' (CRP).

The funding from Government comprises:

- 1. Kingsway improvements: A major investment into the appearance of Dovercourt Town Centre to improve the visitor experience and support local businesses.
- 2. Learning and library project: The Adult Community Learning skills centre will return to Dovercourt town within a refurbished library, increasing the opportunities for residents to benefit from courses locally.
- 3. Homes in Dovercourt: Demolish an out-of-date multi-storey carpark at Milton Road and build nine new, well-built social homes.

In accordance with previous Cabinet decisions, the Council and the Government have signed the respective MoUs for both the LUF and CRP schemes. These MoUs denotes an agreement to proceed, and that the allocation of funding to the Council has passed the Government's subsidy control tests.

Further detail in addition to the Executive Summary is set out as follows:

## **Project progress**

#### LUF

- 2. <u>Team:</u> Key consultants for the Carnarvon Terrace scheme are set out below, with a full list appended to this report:
  - 1. Lead consultant, Employers Advisor and QS: Pellings LLP
  - 2. Architect and Lead Designer: Conran & Partners Ltd
  - 3. Planning Consultant: BeFirst
  - 4. Structural and Civil Engineering: calfordseaden
  - 5. Mechanical and Electrical Engineering: calfordseaden
  - 6. Landscape Architect: WWA
  - 7. Principal Designer under Construction, Design and Management Regulations 2015: calfordseaden
- 3. <u>Design development</u>: key developments are summarised as follows:
- 1. the site layout was defined through Councillor and public consultation;
- 2. General arrangements for each of the buildings have been developed through close liaison with relevant teams within the Council including Housing and Assets;
- 3. External character and appearance have been developed through close engagement with the Leader, Portfolio Holder and cross party working group, to develop a scheme that complements the local area and sets a high standard for future development;
- 4. Design development is available on the project page <u>here</u>, including the emerging designs presented at public consultation events and the outcomes from public consultation.
- Cost: the project continues to be on budget with no immediate concerns in terms of value engineering actions needed;
- 6. <u>Timeline</u>: forecast future milestones are summarised as follows against financial year quarters:
  - 1. Secure planning permission: Q4 2024/5

- 2. Main construction contract procurement: Q1 Q3 2025/6
- 3. Construction: Q4 2025/6 Q2 2027/8
- Phased handover: Q1 Q2 2027/8

#### **CRP**

- 7. <u>Team:</u> Key consultants for the Carnarvon Terrace scheme are set out below, with a full list appended to this report:
  - 1. Lead consultant, Employers Advisor and QS: Pellings LLP
  - 2. Architect and Lead Designer: Pellings LLP
  - 3. Planning Consultant: BeFirst
  - 4. Structural and Civil Engineering: Canham Consulting
  - 5. Mechanical and Electrical Engineering: calfordseaden
  - 6. Landscape Architect: Davis Landscape Architecture
  - Principal Designer under Construction, Design and Management Regulations 2015: Pellings LLP
- 8. <u>Design development:</u> key developments are summarised as follows:
- 9. On 7 February 2024 the Council submitted a change request to allow the Council to relocate the housing element of the scheme from Milton Road Carpark site to the two derelict sites at Victoria Street, Dovercourt, in response to public engagement that showed greater support for retaining parking provision to support the town centre and High Street at the Milton Road location. Cabinet agreed the acquisition of these sites on 17 June 2022, and the Council completed the acquisition on 8 February 2024;
- 10. Options on approaches to what features to prioritise on the Milton Road site were subject to public consultation, with no clear winner between landscaping and decorative railings to the site perimeter. As a result, the final scheme includes a combination of both, with the decorative railings reference local heritage, developed in collaboration with local stakeholders including the Harwich Society.
- 11. Public consultation on Victoria Street highlighted concerns in terms of parking provision. In response to this and early cost plans indicating likely build cost, the decision was taken by senior officers in consultation with the Portfolio Holder to reduce the scheme to deliver only the apartment block, with the second site providing amenity space and residents parking. This revision was met with public support in the second round of public consultation in autumn 2024.
- 12. Public consultation also highlighted a concern with the appearance of the apartment block and a strong desire to see the visual appearance echo local heritage; the design team reviewed the designs to maximise references to the local historic architecture and material palette which received positive feedback from Councillors in the cross party working group;
- 13. Design development is available on the project page <a href="here">here</a>, including the emerging designs presented at public consultation events and the outcomes from public consultation.
- 14. <u>Cost</u>: cost plans have indicated that the designs risked exceeding the allocated budget for the scheme in autumn 2024, which has now been successfully mitigated through a

reduction to the scheme revising the second site from townhouses to parking and amenity, which has also received a positive response in public consultation as set out above.

- 15. <u>Timeline</u>: forecast future milestones are summarised as follows against financial year quarters:
  - 1. Secure planning permission: Q4 2024/5
  - 2. Main construction contract procurement: Q4 2024/6 Q3 2025/6
  - 3. Construction: Q3 2025/6 Q4 2026/7
  - 4. Phased handover: Q4 2026/7

## **Programme management**

- 16. In the light of the decision of Cabinet in October 2023 to manage the TDC schemes through a Capital Delivery Programme Manager, the Council entered into an agreement with ECC to provide the services of the Capital Delivery Manager from 6 December 2024 to 28 February 2025, funded via the budget allocated to the Project Delivery Unit by Cabinet in July 2024. A decision was published to this effect on 26<sup>th</sup> July 2024.
- 17. Essex County Council (ECC) has established a Dynamic Purchasing System ("DPS") that allows efficient placement of job roles with external agency work providers. The DPS operates within predefined role rate bands and includes percentage mark-ups paid by ECC.
- 18. The DPS system is available for use by all local authorities within Essex, and is already in use by many authorities in the region. The system is compliant with the Council's contract procedure rules and meets the current PCR15 regulations.
- 19. The framework includes 250 agencies and includes a partnership with Matric SCM, who will engage the temporary worker, manage the timesheet, payroll and billing, and invoice the Council directly. The DPS operates as 'pay as you go', with costs only applying in the instance that roles are successfully recruited through the framework, and no set up costs.
- 20. This arrangement offers several advantages including:
  - 1. Compliance with the Public Contracts Regulations 2015 (PCR15):
  - 2. flexibility for additional providers to join the DPS upon application;
  - 3. consistent and transparent rates and mark-ups, subject to market testing and reduced rates subject to specialism, improving cost-effectiveness;
  - consistency in administrative processes including potential reduction in administrative burden by reducing timesheet and invoice processing across multiple agencies;
  - 5. cost savings offered by substantial reduction in percentage charge attached to pay rates, which can be as high as 12-30% for agencies, compared with 2.5-12.5% on the ECC framework, depending on duration;
  - 6. the framework's managed solution offers savings for converting temporary to permanent staff, with no fee payable if the temporary worker is recruited to a permanent position through a formal recruitment exercise;

7. a more streamlined process for using agency staff, with easier tracking and monitoring of expenses, usage and performance, offering improved transparency.

## **Delivery approach**

- 21. The June 2023 Cabinet report set out that the Council is the responsible authority for both the LUF and CRP projects and programme manages the overall schemes, reporting to the officer-led Delivery Programme Board, and on to the member-led Regeneration Board, and ultimately to MHCLG and Government. Both Boards have joint membership from the Council and ECC.
- 22. The report proposed that 'the Council (TDC) will commission the two projects where it owns the land and runs services, which are Carnarvon Terrace (Clacton LUF), and Homes for Dovercourt (Dovercourt CRP).'
- 23. In October 2023 following a review of this delivery method, it was proposed that the Council (TDC) should manage these two projects directly. It needed strong leadership, experience and technical skills in programme and construction project management. It was agreed to deliver the projects with the oversight of a Capital Delivery Programme Manager.
- 24. The Council has contracted with 12 consultants for the whole period to completion, with break clauses at each RIBA stage, including Planning lodgement. [See annex with consultant list].
- 25. The projects now require authority to use these contracts to progress to the tender stage, when we will seek authority again from Cabinet to progress to go out to tender for the main contract.
- 26. A Pre-Contract Services Agreement is proposed as part of the next design stage, to secure early contractor involvement in the design process. Early appointment of the contractor under a Pre-Construction Services Agreement can allow them to:
  - 1. Contribute to the design process.
  - 2. Advise on the buildability, sequencing, and risk of the construction works.
  - 3. Advise on the packaging of the works for sub-contractors and suppliers (and the risks of interfaces between packages).
  - 4. Advise on the selection of specialist contractors.
  - 5. Help develop the cost plan and construction programme.
  - 6. Help develop the method of construction.
  - 7. Obtain prices for work packages from sub-contractors or suppliers on an open book basis.
  - 8. Prepare a site layout plan for the construction stage showing temporary facilities.
  - 9. Draft the preliminaries for specialist and trade contractor bid documents.
  - 10. Assist with any planning application on matters concerning the build phase, such as; waste disposal proposals, construction traffic movements, tree preservation protection, etc.

## Projects delivered by ECC

- 27. The May 2024 Cabinet was informed that the Council entered into agreements with ECC, which allow ECC to commission and deliver the three projects where ECC own the land and run services, which are Clacton Hub (Clacton LUF), and Harwich Library and Kingsway Improvements (Dovercourt CRP).
- 28. The final terms and conditions of the funding agreements were approved on 22 January 2024 funding agreement was sealed on 20 February 2024 by TDC, mirroring the respective Memorandums of Understanding TDC have entered into with MHCLG.

## PREVIOUS RELEVANT DECISIONS

- 21 May 2021; Cabinet: Levelling Up Fund Proposed Bid for Clacton Town Centre (7077)
- 18 June 2021; Executive Decision: Levelling Up Fund Clacton Town Centre (Submission of bid) (7354)
- 25 June 2021; Cabinet: Annual Capital and Treasury Strategy (7284)
- 17 September 2021; Cabinet: Outturn 2020/21 and Proposed Allocation of General Fund Variance (7753)
- 25 February 2022; Cabinet: Corporate priorities (8491)
- 13 April 2022; Executive Decision: Procurement Exercise To Secure A Levelling Up Bid Consultant (8864)
- 10 May 2022; Executive Decision: Levelling Up Fund: Procurement of Consultants (9041)
- 17 June 2022; Cabinet: Levelling Up Fund Bid Submissions (9261)
- 17 June 2022; Cabinet: B.1 Terms for the Acquisition of Property and Land in Victoria Street, Harwich (9269)
- 28 June 2022; Executive Decision: Levelling Up Fund Bid Submissions (9332)
- 17 March 2023; Cabinet: Grant approval and budget allocation (1985)
- 27 March 2023; Executive Decision: Clacton Civic Quarter LUF MoU Acceptance (10998)
- 31 March 2023; Executive Decision: Allocation of LUF Capacity Fund to secure resources required (11088)
- 23 June 2023; Executive Decision: Exemption From Call-In: Signing of Dovercourt CRP MoU (11538)
- 28 July 2023; Executive Decision: Procurement of interim capital programme manager (LUF/CRP Projects) (11641)
- 31 July 2023; Executive Decision: Capacity for Delivering Levelling Up Projects (11642)
- 30 August 2023; Executive Decision: Levelling Up Fund and Capital Regeneration Projects: Procurement of site surveys (11719)
- 26 September 2023; Executive Decision: Levelling Up Fund / Capital Regeneration Projects PH Working Party - Appointment thereof (11829)
- 6 October 2023; Cabinet: Levelling Up Fund and Capital Regeneration Projects -Progressing the Projects to Planning Permission (11879)
- 10 November 2023; Cabinet: Financial Performance Report 2023/24 (11983)

- 20 November 2023; Executive Decision: Change of Membership: LUF / CRP PH Working Party (12009)
- 21 November 2023; Executive Decision: Change of Membership: LUF / CRP PH Working Party (12013)
- 2 January 2024; Executive Decision: Approval of Heads of Terms of funding agreements between TDC and ECC for LUF/CRP (12108)
- 31 January 2024; Executive Decision: Allocation of Levelling Up Capacity Funding for a fixed term project manager post (12184)
- 8 February 2024; Executive Decision: Completion of land acquisition at Victoria Street, Dovercourt (12198)
- 27 March 2024; Executive Decision: Appointment of Architect for LUF / CRP (12317)
- 27 March 2024; Executive Decision: Appointment of Employer's Agent and Quantity Surveyor for LUF / CRP (12318)
- 27 March 2024; Executive Decision: Appointment of Rights of Light consultant for LUF / CRP (12315)
- 8 April 2024; Executive Decision: Appointment of Acoustic Consultant for LUF / CRP (12329)
- 19 April 2024; Cabinet: Financial Performance Report (2023/4) (12366)
- 22 April 2024; Executive Decision: Appointment of Structural Engineers for LUF / CRP (12375)
- 24 April 2024; Executive Decision: Appointment of Planning Consultants for LUF / CRP (12380)
- 30 April 2024; Executive Decision: Appointment of Landscape Architect for LUF / CRP (12393)
- 24 May 2024; Cabinet: Update on LUF / CRP (<u>12439</u>)
- 24 May 2024; Executive Decision: Appointment of Ecology Services for LUF / CRP (12465)
- 7 June 2024; Executive Decision: Operational issues relating to clearance of the sites at Milton Road and Victoria Street (12489)
- 2 August 2024; Executive Decision: Appointment of Flood Risk Assessments and Unexploded Ordnance Surveys (<u>12668</u>)
- 8 August 2024; Executive Decision: Appointment of Transport Consultant (12677)
- 8 August 2024; Executive Decision: Appointment of Heritage and Parking Stress Consultant (12678)
- November 2024; Executive Decision: Planning Submission for the CRP Funded project at Milton Road Car Park, Dovercourt (12962)
- December 2024; Executive Decision: Planning Submission for the LUF Funded project at Carnarvon Terrace, Clacton-on-Sea (13060)
- December 2024; Executive Decision: Planning Submission for the CRP Funded project at Victoria Street, Dovercourt (<u>link</u>)

#### **BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

- Tendring Economic Strategy 2020-4, Regeneris (link)
- Dovercourt Masterplan Revisited 2019 (link)
- Levelling Up Fund Round 2: Prospectus (link)

- 1 September 2019; Cabinet Report: Agreeing funding of £250k to the Future High Streets Fund (link)
- 2 21 May 2021: Cabinet Report (link)
- 3 18 June 2021: Levelling Up Fund Application Form (link)
- 4 25 June 2021: Cabinet Agenda Pack (link)
- 5 17 September 2021: Cabinet Report (link)
- 6 25 February 2022: Cabinet Agenda Pack (link)
- 7 17 June 2022: Cabinet Report (link)
- 8 17 March 2023: Cabinet Agenda Pack (link)
- 9 23 June 2023: Cabinet Report (link)
- 10 September 2023; Financial End of Year Report: Combining budgets (link)
- 11 6 October 2023: Cabinet Report (link)
- 12 10 November 2023: Cabinet Report (link)
- 13 19 April 2024: Cabinet Report (link)
- 14 24 May 2024: Cabinet Report (link)

## **APPENDICES**

**Appendix 1:** Budget summary

Appendix 2: List of consultants

**Appendix 3:** Summary programme

REPORT CONTACT OFFICER(S)									
Name	Lee Heley								
Job Title	Corporate Director – Place and Economy								
Email/Telephone	Iheley@tendringdc.gov.uk 01255 68 6006								
Name	Emma Twine								
Job Title	Project Manager								
Email/Telephone	etwine@tendringdc.gov.uk 01255 686398								

# **A7 Appendix 1:** Budget summary

	28/11/2024														
	LUF/CRP		Capital programm	e	2024-202	2024-2025									
	Project Code	Site	Address	Postcode	Site Area [sq.m.]		LUF/CRP Budget [£]	%	TDC/ECC Allocation [£]		Total Project Budget [£]	Summary	Programme End	Projected End	Land Owner
1		Carnarvon Terrace	Carnarvon Rd, Clacton- on-Sea	CO15 6QF	7,600.00	11,822.00	17,665,239	89.47	2,078,500	10.53	19,743,739	To deliver 28 new homes along with replacement car parking and approx 1400 sq.m. flexible commercial use	Mar. 2025	Jun-26	TDC
2	MIR	Milton Road *	Harwich	CO12 3EQ, CO12 3AR, CO12 3AS	900.00	455.00	3,332,251	87.72	466,500	12.28		8 new-build town houses for social rent & replacement car parking	Mar. 2026	Mar-26	TDC
3	HAR	Town Centre Urban Realm*	Kingsway, Dovercourt, Harwich	CO12 3AG	TBC	-	2,820,000	65.28	1,500,000	34.72		Improvements from the railway station, across the high street and up Kingway Road	Mar. 2026	Q2-2026	ECC
4	HAL	Harwich Library*	Upper Kingsway, Dovercourt, Harwich	CO12 3JT	1,350.00	TBC	500,000	42.85	666,844	57.15		Refurbishment of the library and add a mezzanine space. Flexible uses	Mar. 2026	Q2-2025	ECC
5	CLA	Clacton Library	Station Road, Clacton- on-Sea	CO15 1SF	5,032.00	632.9	3,102,985	28.21	7,896,291	71.79	, ,	To redevelop the ECC library and provide replacement library, adult learning flexible use space, etc.	Mar. 2025	Q2-2026	ECC
	Totals		1		•		27,420,475		12,608,135		40,028,610				

# **A7 Appendix 2:** List of consultants

# 101 CAT Carnarvon Terrace

Consultant
Pellings
Conran
WWA
calfordseaden
calfordseaden
calfordseaden
Be First
dBA
calfordseaden
RoL
Canham
B∣ Suffolk
ADP Consulting

## 102 MIR Milton Road & Victoria Street

102 WIII WIIILOTT NOAU & VICLO	nia Street
Role	Consultant
Employers Agent + PQS	Pellings
Architect	Pellings
Landscape Arch	Davis LA
Structural & Civil Engineer	Canham
MEPH Engineer	calfordseaden
Principal Designer	Pellings
Planning Consultant	Be First
PCSA [Main Contractor]	
Building Control	
Acoustic	Pace
Ecologist/Environment	
Fire Engg	calfordseaden
Interior Designer	
Party Wall	
Rights of Light	RoL
Traffic/Transport	Canham
Public Consultation	
Waste Management	
Heritage Consultant	B∣ Suffolk

## **A7 Appendix 3:** Programme summary

	LUF/	Levelling Up Fund Projects																																																
	CRP	Programme v5	2023 20									20	24						2025										2026												2027									
			C	23		Q4		Q1				Q2			Q3		Q4			Q1		Q2			Q3		Q4		Q1			Q2		Q3			Q4		Q1			Q2		Q3		(3				
	Code	Site	Α	S	0	N	D	J	F	М	Α	М	J	J	Α	S	0	N [	)	l F	М	Α	M J	J	Α	S	0 1	N D	J	F	M A	M	J	J	Α	S (	0 1	N D	J	F	М	A I	M .	J J	Α	S	O N	D		
1	CAT	Carnarvon Terrace	0	0	0	0	R	R	R	R	R	R	1	1	1	2	2	2 R	<b>\( )</b> :	3 3	3(	4	4 4	1 R	4x	4x	4x 4	x R	<b>♦</b> 5	5	5 5	5 5	5	5	5	5 :	5 5	5 5	5	5	5	5	5	<b>5</b> ∳6	6	6	7 7			
2	MIR	Milton Road	0	0	0	1	R	R	R	R	R	R	1	1	1	2	2	2 R	<b>\( )</b> :	3 3	3	4	4 4	1 R	4x	4x	R 🔷	5 5	5	5	5 5	5 5	5	5	5	5 :	5 5	5 5	5	5	5	6	6	7 7	7					
3	HAR	Dovercourt Kingsway Upgrade	0	1	2	2	R	2	2	3	3	3	3	R	4	4	4	4 4	4 4	x 4x	4x	4x	4x R	R	•	5	5	5 5	5	5	5 5	5 5	5	5	5	5 !	<b>5</b> ∳6	5 6	7	7	7									
4	HAL	Harwich Library	0	1	2	2	R	2	3	3	3	R	4	4x	₹	<b>•</b> 4	4x 4	1x :	5 5	5 5	5	5	5 5	5 5	<b>•</b> 6	7	7	7																						
5	CLA	Clacton Library	0	0	0	0	R	R	R	R	1	1	2	2	2	2	2 F		3 3	3 3	3	R	R 🅠	1 4	4	4	4	4 R	5	5	5 5	5 5	5	5	5	5	5 5	5 5	5	5	5	5	5	<b>5</b> ∳6	7	7	7			

RIBA	0	Strategic Definition
Workstages	1	Brief Finalised
_	2	Concept Design
	$\Diamond$	Planning Submission
	3	Spatial Coordination
	•	Planning Determination
	4	Technical Design + Tender D
	4x	Bid and review
	•	Build Contract Let
	5	Construction
	•	Practical Completion
	6	Handover
	7	In-Use
		Review, Consultation and
	R	Governance

#### **Programme Notes:**

- 1 Approvals and sign-offs will occur in a timely fashion
- 2 External and internal stakeholders support the schemes
- 3 Costs have been managed to fit the budget
- 4 No abnormals are found below ground before or during the build phase `
- 5 Handover period allows for post-completion snagging + certification
- 6 In-Use period allows for initial user feedback and resolutions to any issues
- 7 TDC Exit implies commercial exit from the scheme
- 8 Defects and Liabilities period will be 24 months from Practical Completion
- 9 Design is progressed at Planning risk for the sake of maintaining programme
- 10 Design & Build type-contract is deployed, where the Main Contractor takes on detail-design responsibility
- 11 Public realm follows highways gateways rather than RIBA stages please refer to the full programme for details on consultation, etc.
- 12 Public Realm continues into 2026/27 but grant funding will be defrayed by March 2026.
- 13 Harwich Library does not require planning as no external works but will need building control