

Report to the Cabinet

Meeting to be held on Thursday, 10 August 2017

Report of the Director of Corporate Commissioning

Part I

Electoral Division affected:
Burnley Central East

Burnley Town Centre Improvements

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Executive Summary

Lancashire County Council's Highways service is undertaking improvements to Burnley Town Centre which is a project jointly funded by the county council and Burnley Borough Council. A shortfall in funding has been identified and a further contribution of £325,000 from the county council is requested to complete the project which would be matched by a contribution of £325,000 from the borough council.

Recommendation

The Cabinet is recommended:

- (i) Subject to confirmation from Burnley Borough Council of their agreement to provide additional funding of £325,000 to the Burnley Town Centre Improvement project that an additional £325,000 is added to the 2015/16 Burnley Town Centre Improvements project to be funded from the capital programme.
- (ii) To approve that Burnley Borough Council's contribution of £325,000, once received, is added to the 2015/16 Burnley Town Centre Improvement project.

Background and Advice

Lancashire County Council's highways service is implementing major improvements to the main pedestrian shopping area in Burnley Town Centre, focussed on St James's Street. The scheme supports Burnley Borough Council's regeneration aspirations for the town and the improvement is entirely within the public highway.

Existing paved areas are being replaced with high quality natural stone and equipped with modern furniture. The scheme has been developed and implemented

working closely with officers from Burnley Borough Council (BBC) and is funded jointly and equally by the two Authorities through the terms of a formal funding agreement. Public consultation on the scheme took place in summer 2015. The works undertaken to date have been very well received.

A budget of £3.0M was approved by the Cabinet Member for Highways and Transport in March 2015 and following detailed design, the scheme estimate was increased to £3.296M. Additional funding of £0.296M was added from the capital programme to cover the additional scheme costs on 6th October 2016. Since this approval the forecast scheme cost has increased to £3.95M. The main reasons for this increase are as follows:

- Changes to the scope and design of the works from the original concept
- Unforeseen ground conditions requiring additional preparation works
- Additional works to the existing drainage system
- Additional service ducts for street lighting infrastructure
- Material cost increases
- Works being more complex than anticipated, requiring more resources to deliver to programme
- Temporary works to accommodate businesses
- Additional works required by utility companies.

Some measures have been considered and implemented to contain the overall scheme cost but significant reductions can now only be achieved by a major change to the specification of materials (for example, discontinuing the use of natural stone paving) and reducing the scope of the works. These options have been discussed with BBC and their preferred option is to deliver the scheme as currently planned. Any significant change would also not be in keeping with the scheme proposals which were subject to extensive public consultation

In view of BBC's position, and the importance of this work to the continued viability of Burnley town centre, it is proposed that subject to an equal contribution being made by BBC, additional funding of £325,000 be allocated to the scheme

Consultations

The divisional County Councillor for Burnley Central East has been consulted and has commented as follows:

"The collaboration of BBC and LCC to improve aspects of the town centre should be a cause for celebration as it reflects the public interest. As the County Councillor for the division I feel concerned about what appears to be opaque financial management. Updates by LCC from March 2017 brought unexpected news and indicated a further overspend that BBC are now being asked to pay half of. It is unfortunate this overall budget overspend was not referred to earlier by LCC. If, as it appears, they haven't managed the budget effectively, then that should be reflected in them taking responsibility for a greater share of the overspend costs. Expecting BBC to pick up half of the costs is not reasonable and I don't believe residents will see that as fair or logical.

I want to be able to reassure residents that the public money we spend in Burnley, is spent appropriately. I don't want them to feel we are having to pay for someone else's mistakes. This scenario must be avoided by a fairer solution to the unforeseen overspend. As we move forward and consider next steps, it's imperative we have greater transparency in this working relationship and this also means LCC take on the greater share of the overspend cost as an appropriate outcome of the project they have been tasked with managing financially.

I'm proud to be a County Councillor for Lancashire and I'm proud of the work the county council do across Lancashire and the history of collaboration with Burnley. I'm sure this matter can be resolved amicably through further discussion."

Implications:

This item has the following implications, as indicated:

Risk management

Completion of the scheme.

Not implementing the recommendation will mean that the scheme subject to public consultation in 2015 will not be wholly delivered. Works to Parker Lane would be omitted, and enhancements to other sections of the scheme would be scaled back.

Financial

It is proposed that the County Council's additional contribution of £325,000 is funded from the capital programme utilising unallocated monies from within the programme and added to the 2015/16 Burnley Town Centre Improvement project to be spent in 2017/18.

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A