



## CABINET – 30TH JULY 2013

**SUBJECT: NEWBRIDGE REGENERATION - FUNDING TO COMPLETE PHYSICAL REGENERATION SCHEME**

**REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE**

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### 1. PURPOSE OF REPORT

- 1.1 To report on the allocation of funding from the Council's identified departmental Reserves towards the completion of the Newbridge Regeneration Programme, which had to be approved as the works had reached a critical point.

### 2. SUMMARY

- 2.1 A significant investment package has been put together for the delivery of a major regeneration programme for Newbridge Town Centre. The scheme comprises a landmark pedestrian footbridge (the "Calzaghe Bridge"), major enhancements to the town's High Street and public realm and the restoration of the town's nationally important, historic cultural/community buildings, the Newbridge Institute and Memorial Hall (the "Memo").
- 2.2 The Calzaghe Bridge opened in 2009. Stage 1 of the Public Realm Enhancement Scheme, comprising of improvement works to the town's High Street and main feeder and side roads, is at Practical Completion stage. Stage 2, which includes enhancement works around the "Memo" buildings and the town's Conservation Area, is due to commence July 2013. The refurbishment of the Grade II Listed Institute is largely complete with work due to start on the Grade II\* Memo building in summer 2013. Current figures indicate a capital-funding shortfall of £160,000 in respect of the regeneration programme.

### 3. LINKS TO STRATEGY

- 3.1 The Council agreed a five-year regeneration programme entitled "People, Businesses and Places". The proposals within the strategy are based on a number of regeneration principles, one of which is "Strengthening Town Centres".

### 4. THE REPORT

- 4.1 The Council's Urban Renewal Team is managing the overall regeneration programme budget of £12.6 million (Capital & Revenue) and is Client Project Manager for the Public Realm works. The "Memo" restoration is being delivered through a joint partnership arrangement with the Urban Renewal Team and the Celynyn Collieries Institute and Memorial Hall Ltd.
- 4.2 The financial summary detailed below shows the capital budget allocation for the three elements of the regeneration programme, with the anticipated final out-turn figures. As shown, the estimated funding shortfall for the Town Centre Enhancement Scheme (Phase 1.1 of the Regeneration Programme) is £224,800. However, project officers have identified an under-spend within the total capital programme budget of £64,800, which leaves an overall funding deficit of £160,000. There are no revenue issues anticipated on this project.

**NEWBRIDGE REGENERATION PROGRAMME – Financial Profile**  
**CAPITAL COSTS**

<b>Project Phase</b>	<b>Budget Allocation</b>	<b>Expected Final Out-turn</b>	<b>Budget Remaining</b>
Phase 1 – Calzaghe SuperBridge	£3,847,540.00	£3,782,740.00	£64,800.00
Phase 1.1 Town Centre Enhancements & Artworks	£2,550,354.00	£2,775,154.00	<b>(£224,800.00)</b>
Phase 2 Restoration of the Memorial Hall & Institute	£5,192,455.00	£5,192,455.00	£0.00
<b>TOTAL</b>	<b>£11,590,349.00</b>	<b>£11,750,349.00</b>	<b>(£160,000.00)</b>

- 4.3 The current projected final out-turn figures for the Town Centre Enhancements Scheme indicated an over-spend on this phase of the Regeneration Programme (as shown in the above table) and can be attributed to two main factors; Contractors Compensation Events (C.E’s) and Design & Management Fees.
- 4.4 The Town Centre Enhancement Scheme is being managed utilising the NEC Contract Option B. Under the terms of this contract, the appointed contractor is entitled to submit Compensation Events (C.E’s) for any element of work that differs from the original tender specification. This is standard in contracts of this type.
- 4.5 Newbridge town centre is a highly challenging works environment due to its narrow High Street and the large volume of traffic that passes through the town daily. Traffic management arrangements are also logistically challenging due to the lack of a suitable diversionary route for bus operators and larger vehicles. These practical constraints faced by the site team meant a constant review of the programme to accommodate these local factors.
- 4.6 The total costs of the Compensation Events (C.E’s) to date are £330,000 - approx 21% of the original tendered contract sum. The majority of these are “unforeseen”, i.e. events that had to be resolved as construction works progressed but could not have been foreseen prior to commencement of work on site (summary show below).

<b>Summary of Compensation Events</b>	<b>Amount</b>
Work Instruction Change	£52,000
Unforeseen works	£250,000
Project Manager WI Change	£28,000

- 4.7 The logistical difficulties outlined above required a greater input from the appointed design engineers and site supervisors and resulted in an increase in design & management fees. The project has also incurred higher than estimated charges from Utility Companies in relation to the location & diversion of their underground statutory apparatus.
- 4.8 Additional investment of capital funding of £160,000 (an approx **1.27% uplift** in relation to the total programme budget) was required to allow the Council to deliver the full scope of this ambitious regeneration programme that is truly a “once in generation” opportunity for the town and its communities.

**5. EQUALITIES IMPLICATIONS**

- 5.1 An Equalities Impact Assessment screening has been completed in accordance with the Council’s Strategic Equality Plan.

5.2 The non-delivery of the full public realm enhancement works would negate the potential positive impact the scheme will have on various groups or individuals.

## **6. FINANCIAL IMPLICATIONS**

6.1 The total sum required to finish the regeneration programme is £160,000. It is intended to finance this from departmental reserves.

## **7. PERSONNEL IMPLICATIONS**

7.1 There are no personnel implications.

## **8. CONSULTATIONS**

8.1. Internal consultations have been carried out with the consultees list outlined at the end of the report. All responses received have been reflected in the report.

## **9. RECOMMENDATIONS**

9.1 Cabinet approve that £160K of Departmental Revenue Reserves can be used to fund the scheme.

## **10. REASONS FOR THE RECOMMENDATIONS**

10.1. The additional funding will allow officers to complete the public realm scheme to a quality befitting the heritage / cultural hub for the town, and extend the benefits provided by the regeneration works throughout the remainder of the town centre.

## **11. STATUTORY POWER**

11.1 Local Government Acts 1972 and 2000.

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