

Public Report with Exempt Appendices  
Cabinet

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**Committee Name and Date of Committee Meeting**

Cabinet – 18 March 2024

**Report Title**

Capital Project Updates

**Is this a Key Decision and has it been included on the Forward Plan?**

Yes

**Strategic Director Approving Submission of the Report**

Paul Woodcock, Strategic Director of Regeneration and Environment

**Report Author(s)**

Lorna Vertigan, Head of Regeneration

**Ward(s) Affected**

Boston Castle

**Report Summary**

This report provides Cabinet with an update on the Templeborough Business Zone and Markets and Library Projects. The report provides updated costs and timeframes and confirms the scope of the projects.

**Recommendations**

That Cabinet:-

1. Approves the final cost plan for Templeborough Business Zone as shown in Appendix 1 (exempt).
2. Approves the final cost plan for the Markets and Library as shown in Appendix 4 (exempt).

**List of Appendices Included**

Appendix 1 Templeborough Cost Plan (Exempt)  
Appendix 2 Templeborough Equalities Impact Assessment  
Appendix 3 Templeborough Carbon Impact Assessment  
Appendix 4 Markets and Library Cost Plan (Exempt)  
Appendix 5 Markets and Library Equalities Impact Assessment  
Appendix 6 Markets and Library Carbon Impact Assessment

## **Background Papers**

[Town Deal & Levelling Up Fund: Update and Implementation – Report to Cabinet May 2022](#)

[Town Investment Plan](#)

[Place Based Investment Strategy](#)

[Cabinet - December 2023 – Rotherham Markets & Central Library](#)

## **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

None

## **Council Approval Required**

No

## **Exempt from the Press and Public**

Yes or No? If yes, use text below.

*An exemption is sought for Appendices 1 and 4 under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this appendix contains sensitive commercial information with regards to commercial agreements which could disadvantage the Council in any negotiations if the information were to be made public.*

*It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information as the parties' commercial interest could be prejudiced by disclosure of commercial information.*

## **Capital Project Updates**

### **1. Background**

- 1.1 In 2021 Rotherham Council was awarded £31.6m Town Deal funding, of which £6.9m was allocated to the creation of new managed workspaces, food and beverage units and improved public realm on the Magna Science and Adventure Centre site in Templeborough.
- 1.2 In 2020, the Council secured £12.6m from the Future High Streets Fund, with £8.9m towards the redevelopment of Rotherham Market and the construction of a new library with improved public realm.
- 1.3 In 2023 Rotherham was one of ten authorities invited to take part in a Pathfinder pilot which combined Future High Streets Fund, Town Deal and Levelling Up funds into one aggregated allocation of funding with a delivery date of March 2026. The pilot allows local assurance of the programme implementation including the ability to move funding between projects, within a £5m 'material change' threshold.
- 1.4 Procurement processes have been undertaken for the Templeborough project and a fully designed and costed scheme is now available. This report seeks to update on the costs, timeframes and scope.
- 1.5 In August 2023 Cabinet approved the enabling works for the Rotherham Markets and Library development and the contractor mobilised on site in September 2023. As the enabling works have progressed, the Council has been working with the contractor to finalise designs and costs for the main works. In December 2023 Cabinet approved a revised budget for the markets and Library development. The final costed scheme is now available and this report provides an update on the final contract price.

### **2. Key Issues**

#### **2.1 Templeborough Business Zone**

- 2.1.1 Rotherham's Town Investment Plan identifies the Templeborough corridor as a centre for economic growth and innovation. The original project as funded by Town Deal aimed to support the area in its growth potential, the sustainability of surrounding businesses and the Magna attraction itself by providing 7 managed workspace units, 2 drive up food and beverage units and to signpost Magna to Sheffield Road through improved public realm, connecting all to the new Tram/Train stop at the rear.
- 2.1.2 Previous exercises to value engineer the project have resulted in the removal of one managed workspace unit from the target, however the project costs remained in excess of the identified budget and an additional allocation was approved by Cabinet in September 2023.
- 2.1.3 Following the Stage 1 design phase (of a 2-stage design and build) in December 2023 final contract prices were made available by the preferred

contractor Henry Boot. These costs were in excess of the current budget and are detailed in Appendix 1 (exempt).

- 2.1.4 Additional funding is now sought to deliver the Templeborough Project with the South Yorkshire Mayoral Combined Authority (SYMCA) devolved Gainshare budget identified as the source, subject to the SYMCA's approval process.

## 2.2 **Rotherham Markets and Library**

- 2.2.1 The redevelopment of the Rotherham Markets Complex was identified as a key project in the adopted 2017 Rotherham Town Centre Masterplan. The project aims to introduce new, complementary uses and activities to the complex, such as the Central Library (including gallery and makers space), a food hub as well as enhancing the indoor and outdoor (covered) market. Bringing together the library, markets, food hall and gallery/makers spaces on one site will provide the potential to increase footfall and thereby support and sustain the future of the library service, the market and small independent retailers across the town centre.
- 2.2.2 A wide-ranging value engineering exercise has been undertaken to identify how the scope of the project can be delivered and quality maintained within the budget agreed by Cabinet in December 2023. Final contract prices have been made available by the contractor Henry Boot. These costs, together with fees and contingency exceed the budget agreed by Cabinet in December 2023. This is detailed in Appendix 4 (exempt).
- 2.2.3 It is proposed that the additional budget requirement will be met from the Council's capital contingency.

## 3. **Options considered and recommended proposal**

### 3.1 ***Templeborough***

- 3.1.1 Option 1: A reduced scheme would see the omission of the food and beverage units from the scope. This option is thought to diminish the impact of the scheme on Pathfinder outputs, local facilities and the wider street scene, which is identified as one of the key 'gateways' into Rotherham and has therefore been dismissed. This option is not recommended.
- 3.1.2 Option 2: An alternative would see the Council not proceeding with the project. This would see the Council not achieving its Place Based Investment Strategy, Town Investment Plan or Pathfinder commitments and has therefore been dismissed. This option is not recommended.
- 3.1.3 Option 3: The recommended option is to create six managed workspace units, two F&B units and public realm and increase the budget in line with the cost plan at Appendix 1 (exempt).

## **3.2 Rotherham Markets and Library**

- 3.2.1 Option 1: A reduced scheme has been considered, and items for potential de-scoping have been identified and assessed as part of a comprehensive value engineering exercise. This option is not recommended as the removal of identified items would be significantly detrimental to the quality of the scheme and its intended outcomes.
- 3.2.3 Option 2: An alternative would see the Council not proceeding with the current project. This option is not recommended as it would see the Council not delivering a key component in the town centre regeneration plans, its Place Based Investment Strategy, Future High Street Fund and Pathfinder plans.
- 3.2.4 Option 3: The recommended option is to deliver the scheme as approved by Cabinet in December 2023, and increase the budget in line with the information at Appendix 4 (exempt).

## **4. Consultation on proposal**

- 4.1 The Town Deal Board retains oversight of all Pathfinder projects. Having been made aware of the increasing costs, the preferred option was confirmed at Board on 21<sup>st</sup> February 2024.
- 4.2 Extensive engagement and consultation with a wide range of stakeholders has been undertaken on the Markets and Library development project throughout the entire design period.

## **5. Timetable and Accountability for Implementing this Decision**

- 5.1 As specified in the May 2022 report to Cabinet, a Full Business Cases will be produced prior to contract signing and project implementation.
- 5.2 The Templeborough project must be completed by March 2026 in line with the Pathfinder Pilot.
- 5.3 The Council is now in receipt of contracted prices for the delivery of the Markets and Library Project and, subject to agreement of the recommendations in this report, the Council will instruct the main works contract.

## **6. Financial and Procurement Advice and Implications**

- 6.1 The project referred to in this report has been procured in compliance with the Public Contracts Regulations 2015 and the Council's own Financial and Procurement Procedure Rules.
- 6.2 The financial implications for the capital developments are outlined within Appendices 1 (exempt) and 4 (exempt) detailing the project cost updates and additional funding required.

## **7. Legal Advice and Implications**

7.1 There are no legal implications arising from the contents of this report.

## **8. Human Resources Advice and Implications**

8.1 There are no implications arising from this report.

## **9. Implications for Children and Young People and Vulnerable Adults**

9.1 There are not considered to be any direct implications.

## **10. Equalities and Human Rights Advice and Implications**

10.1 There are no known implications for any specific communities or groups, however the planning of construction activities will consider any impacts and ensure accessibility for all groups.

## **11. Implications for CO2 Emissions and Climate Change**

11.1 In the short-term construction phase the project is considered to negatively affect emission levels due to increased construction traffic and demolition, however once completed the project will replace old and inefficient buildings and improve public realm creating a long-term positive impact.

11.2 The Markets and Library development is expected to achieve a BREEAM rating range from Good/Very Good and is located on a site that is within walking distance of the bus interchange, tram train and railway station.

## **12. Implications for Partners**

12.1. Magna have been supportive of the Templeborough project since its development as part of the Town Investment Plan in 2021. The new workspace and F&B units will be let and managed by Magna, supporting their business plan and their sustainability.

## **13. Risks and Mitigation**

13.1 Timely signing of works contracts is essential to guard against further cost increases, particularly in the current volatile market. Although this approach to Cabinet mitigates risk by providing additional budget, further milestones must be achieved to enable the signing of a works contract and ensuring project delivery.

13.2 Funding Agreements for the Templeborough Business Zone are in negotiation with Magna and will require Board and Stakeholder support before the works contract can be signed. The contractor is aware of this timeline and has factored additional costs accordingly.

13.3 For the Markets and Library redevelopment, the Council and Henry Boot Construction Ltd (HBC) have agreed a NEC works contract for the enabling

works. The main works will follow a similar format. This sets out the terms on which the contract and associated construction works will be governed, including how payments can be drawn down by HBC following delivery works.

- 13.4 The proposed budget for the Markets and Library redevelopment has a contingency which is consistent with the level agreed at Cabinet in December 2023. This will need to be continually reviewed especially in the current volatile market and the complexities of the scheme.

**14. Accountable Officers**

Lorna Vertigan, Head of Regeneration

Simon Moss, Assistant Director: Planning, Regeneration & Transport

Approvals obtained on behalf of Statutory Officers: -

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Sharon Kemp	04/03/24
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	28/02/24
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	28/02/24

*Report Author:* **Error! Reference source not found.**

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