

Appendix C – Getting Building Fund Project Background Information

Name of Project	Tindal Square Chelmsford
Responsible Upper Tier Local Authority	Essex County Council
Delivery Organisation	Chelmsford City Council
Getting Building Fund value	Original GBF funding allocation: £750,000 Additional GBF funding allocation (awarded November 2022): £331,819 Additional GBF funding allocation (to be considered at this meeting): £118,181 Total GBF funding allocation: £1,200,000
Project Description	<p>The project will create a new civic public square of over 3,000sqm that provides a destination space for arts, events and celebrations outside the Shire Hall.</p> <p>The scheme will create a public space where pedestrians will have priority, cyclists will be able to move through the space between identified gateway points giving care to more vulnerable users.</p> <p>Replacement of all existing surfacing with quality/robust new paving, including a radial design pattern extending from the Shire Hall. Existing street clutter to be removed and replaced with other co-ordinated street furniture, wayfinding signage and tree planting. DDA compliant and improved pedestrian access for all to the Shire Hall.</p> <p>Provision of comfortable public seating and co-ordinated and well managed seating area for tables and chairs potential to enable food and beverage businesses to expand their offer on the High Street.</p> <p>The scheme removes motorised traffic from this part of the City Centre (except for High Street service vehicles), reducing carbon emissions and improving air quality, whilst introducing a shared pedestrian space with a key cycle connection route through the space.</p>
Need for Intervention	City Centres and High Streets are under pressure, amplified now by the COVID-19 pandemic. They need public intervention to recover during a recession and at a time when online retail is increasing. The closure of some key High Street players in recent years and online shopping competition means that key destinations need to be able to offer not only an environment that encourages business investment, but also create a sense of place of high quality that encourages customers to want to be there and stay there for longer periods of time. One way of doing this is investing in the urban fabric of a town or city centre, creating environments that lend themselves to events, eating out, spaces to dwell in and simply enjoy being in a centre.
Reasons for seeking additional GBF funding	<p>Delivery of the project commenced onsite on 9th January 2022.</p> <p>At the time of tender RPI inflation was 3.9% and CPI inflation 2.5% and the COVID-19 pandemic was still in an active and uncertain phase.</p>

	<p>Since construction started there have been a variety of pressures on the project, which at this stage of the build are estimated to add a further £0.45m over and above the scheme contingency budget.</p> <p>The reasons for these cost increases are multiple, complex and interrelated, but many are a result of a combination of inflation, Brexit and COVID-19, which in combination have added in delay and additional project costs.</p> <p>A full breakdown of the additional costs incurred is set out in the application for additional GBF funding and includes:</p> <ul style="list-style-type: none"> • Rising inflation rates impacting on fuel prices, site compound costs and materials. • Impacts of Brexit including delays in receiving specialist materials from EU countries and workforce depletion. • Impacts of COVID-19 including delays due to worldwide materials supplies and the fourth wave of COVID-19 in January 2022 which required provision of additional measures to protect the workforce.
Project benefits	<ul style="list-style-type: none"> • Jobs – Indirectly supporting retail and food and beverage jobs in the centre by encouraging visits, increased footfall, events space and longer dwell time. • Footfall – As part of a wider improvement across the City Centre and linked to the retail development at Bond Street, the public realm programme will support increased footfall in the city centre, creating a quality environment where visitors will be likely to stay longer and support the retail and leisure offer of the City Centre. • New investment – creation of 4 new restaurants/shops in the Shire Hall building, creating an estimated 100 new jobs. • Construction jobs during build – 50 jobs supported for a 6 month period. • Creation of a new space for events – the City's first Festival of Arts and Culture in 2018 generated an economic impact of £1.1m supporting 16 FTE jobs. The project will add a further City Centre space for similar events in the coming years. • Reduction in motorised traffic and from this part of the City Centre, lowering carbon emissions and improving air quality. • Retaining a key link in the City Centre's cycle network to encourage increased cycling in the city centre. <p>Essex County Council have confirmed that the forecast project benefits remain unchanged from the original Business Case submission.</p>
Additionality offered by the additional GBF funding	<p>In advance of the Accountability Board meeting in November 2022, Chelmsford City Council committed to bridging the funding gap on the Tindal Square project through provision of an additional financial contribution of £118,181. Provision of this funding would have ensured that the full project scope, as per the approved Business Case, could be delivered safeguarding the forecast project benefits and delivering maximum benefit to the City Centre.</p>

	The provision of additional GBF funding will allow the release of the funding committed by the funding committed by Chelmsford City Council, ensuring that this funding can be invested in alternative projects which will allow wider benefits to be realised in Chelmsford.		
Financial Information			
	Funding Source	Funding Package (November 2022) £m	Updated Funding Package £m
	Getting Building Fund	1.082	1.200
	Community Infrastructure Levy	2.243	2.243
	S106 Contributions	0.685	0.685
	Chelmsford City Council Capital Programme	0.278	0.160
	Total	4.288	4.288
Risks to project delivery	<p>The project is progressing on site but the increased cost impacts are placing pressure on the need for the de-scoping of scheme elements.</p> <p>Remaining risks include statutory undertakers delivering the required diversions, availability of labour and lead in times for remaining key materials and supplies.</p>		
Delivery programme	<p>It was expected that the majority of the project would be completed in advance of Christmas 2022, with the remaining works required to cease over the Christmas period so as not to impact on the City Centre during the busy period. Due to the poor weather experienced in the lead-up to Christmas, progress has been slower than hoped.</p> <p>It has been confirmed that the construction programme is due to complete in early 2023, and therefore the additional GBF funding will be spent in full by 31 March 2023 in accordance with the current expectations of Government.</p>		
Outcome of ITE Review	The project has sought to apply Value for Money Exemption 1. The ITE has confirmed that the project meets the requirements of this exemption.		
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.		
Link to Project webpage	Tindal Square, Chelmsford - The South East Local Enterprise Partnership (southeastlep.com)		