



Ministry of Housing, Communities & Local Government

Ministry of Housing, Communities & Local

Government

2 Marsham Street
London
SW1P 4DF

www.gov.uk/mhclg

Date: 03 June 2021

Mel Barrett
Chief Executive
Nottingham City Council

Dear Mel,

Future High Streets Fund

I would like to thank you and your team for the work done in helping us to agree this project that will be delivered over the coming years, as part of the Future High Streets Fund (FHSF). I am pleased to write to you to confirm the arrangements for the payment of the FHSF by the Ministry of Housing, Communities and Local Government ('MHCLG') to Nottingham City Council ('the Council').

Further to the Secretary of State's letter of 26 December 2020, and our letter of 1 April 2021, confirming that you have been awarded **£12,523,981** for Nottingham City Centre, West End Point, a FHSF grant payment of £463,000 will be made around 8 June 2021. This funding was awarded under Section 31 of the Local Government Act 2003. A copy of the Section 31 Grant Determination for 2021/22 is attached to this letter, which includes the relevant grant conditions. Our expectation is that the Council will use the funds to deliver the projects as set out in the approved business case submitted to MHCLG.

We will look to make payments that correspond to your spend profile. As is the case with all central government funding, the funding for financial year 2022/23 onwards is subject to the outcome of the next Spending Review and assurances on project progress which will be borne out through the formal monitoring process. The allocations for each year, including the indicative allocations for financial years 2022/23 and 2023/24, are set out in the following table:

	2020-21	2021-22	2022-23	2023-24	Total £
			Indicative Only		
Capital £	0	463,000	4,514,005	7,546,976	12,523,981

We enclose with this letter a Memorandum of Understanding setting out the principles and practices that will apply to the working relationship between MHCLG and the Council. **This will need to be signed by a senior responsible officer on behalf of the Council.**

Councils are reminded that they are responsible for ensuring that expenditure is spent in accordance with all applicable legal requirements. This includes, for example, the UK's international and domestic subsidy control commitments from 1 January 2021 (as amended from time to time) and public procurement law (as amended from time to time).

Councils are also reminded of their responsibilities under the Public Sector Equality Duty as set out in Section 149 of the Equality Act 2010 and should have regard to these requirements when apportioning FHSF funding.

Throughout the delivery period we will liaise with you on a regular basis. From time to time this may include visits to and promotion of FHSF projects, in line with the communications and branding guidelines, to demonstrate the difference the project is making to the community. We will also expect 6-monthly reporting to enable us to monitor progress as set out in the Memorandum of Understanding, and in the monitoring & evaluation guidance.

We would like to thank you once again for your assistance and look forward to working with your Council to deliver a transformational Future High Streets Fund investment in Nottingham City Centre, West End Point.

Yours sincerely



Steven Greenwood
Deputy Director – Funding Delivery

Enc. Memorandum of Understanding 2021/22, Grant Determination 2021/22.

MEMORANDUM OF UNDERSTANDING

Between

Ministry of Housing, Communities and Local Government

-and-

Nottingham City Council

1. Purpose

- 1.1. This Memorandum of Understanding ('MOU') sets out the terms, principles and practices that will apply to the working relationship between the Ministry of Housing, Communities and Local Government ('MHCLG') and Nottingham City Council ('the Council')(collectively 'the Parties') regarding the administration and delivery of the Future High Streets Fund ('FHSF') proposal at Nottingham City Centre, West End Point. This MOU applies to the financial year ('FY') 2021/22.

2. Background

- 2.1. In December 2020, MHCLG announced the outcome of the FHSF competition. The Council were successful with their bid for Nottingham City Centre, West End Point.
- 2.2. This MOU covers the funding commitments from MHCLG and the communication expectations between the Parties.

3. Purpose of Funding

- 3.1. MHCLG considered the business case submitted by the Council for the FHSF proposal at Nottingham City Centre, West End Point and agreed to allocate funding up to **£12,523,981** across FY2021/22, FY2022/23 and FY2023/24. Funding from 2022/23 onwards will be subject to the outcome of the Spending Review. The indicative allocation for each year is set out in the following table:

Financial Year	Excluding Contingency (£)	Contingency (£)
2021/22	463,000	
2022/23 (indicative)	4,514,005	
2023/24 (indicative)	7,396,668	150,308
Sub-total	12,373,673	150,308
Total 2020/21 – 2023/24		12,523,981

3.2. The funding is provided to form part of the necessary capital investment required for delivery of the FHSF proposal at Nottingham City Centre, West End Point. MHCLG expects the Council to use the funding provided for the purposes outlined in the business case approved by MHCLG, and that evidence will be provided to demonstrate this. Should delivery not progress as agreed, MHCLG will review whether it is appropriate to grant the next tranche of funding and whether greater monitoring and oversight may be needed. Assurance on project progress shall be borne out through the formal monitoring process set out in Clause 7 of this MOU.

3.3. The business case approved by MHCLG sets out the details of the projects, including budget, spending profile, scope, key assumptions, outputs, timeline, key milestones, and risks. Together these project parameters set out what is expected by the Parties, and these are set out in the following table:

Funded Projects	Highway Infrastructure, Angel Row
Spending Profile	Annex A: Spend Profile
Project Outputs & Outcomes	The Council will deliver on the outcomes presented in the business case, but a final, more detailed set of project outputs and outcomes will be agreed following the baselining exercise.
Projected Timeline & Key Milestones	Annex B: Work Plan
Risk Management	Annex C: Risk Register

4. Financial Arrangements

4.1. The agreed funds will be issued to the Council as non-ringfenced grant payments under Section 31 of the Local Government Act 2003, for expenditure as agreed in the approved business case.

4.2. Payments to the Council will normally be made annually, towards the beginning of each financial year, as agreed between MHCLG and HM Treasury.

4.3. Annual amounts for each financial year will be agreed by the Parties in principle before the payment is made. MHCLG will advise the Council on the procedure for drawing down payments for any contingency costs incurred.

- 4.4. The Council will provide regular project, financial, and risk reporting to MHCLG, in such a format as MHCLG reasonably requires, demonstrating spend against the previous funding and that outputs and outcomes are being met, in line with the approved business case.
- 4.5. This information will be taken into consideration by MHCLG before subsequent annual payments to the Council are finalised and paid. MHCLG reserves the right to make appropriate adjustments to payments and may withhold payments where there are significant concerns over delivery.
- 4.6. If the Council needs to amend the annual spending profile, requiring a change to the indicative allocations in Clause 3.1, the Council will give notice to MHCLG by the last working day of November of the previous financial year.
- 4.7. Requests by the Council to amend an annual spending profile will be considered by MHCLG but approval will be subject to the availability of resources. There are no guarantees that such requests will be accommodated.

5. Duration and Review Point

- 5.1. This MOU covers the financial year 2021/22 and will be reviewed and amended to cover future years no later than February 2022.
- 5.2. This MOU will come into effect upon signature by the Parties and will remain in effect until it is terminated by either Party in accordance with the terms in Clause 10 of this MOU. It may be extended by the written agreement of the Parties.
- 5.3. Each year of the planned funding period will be covered by an MOU, including the extension of this MOU where the Parties agree to the extension.
- 5.4. Notwithstanding Clause 5.1 and 5.3 of this MOU, if an MOU is not in place by the end of financial year 2021/22, this MOU will continue to apply.

6. Branding and Communication

- 6.1. MHCLG will provide the Council with guidance on the Branding and Communication associated with FHSF projects. The Parties agree to adhere to the guidance and any updates subsequently released by MHCLG.

7. Monitoring and Evaluation

- 7.1. MHCLG will provide the Council with guidance on the Monitoring and Evaluation of FHSF projects.
- 7.2. MHCLG will provide grant funding subject to the Council hereby agreeing to full transparency open book working and a duty of good faith regarding all matters relating to the project, the Council, and this MOU.
- 7.3. The Council will collaborate with MHCLG over monitoring and evaluation requirements, which will involve reporting twice a year on inputs, activities and outputs, as well as spending and delivery milestones at a programme and

project level. This includes collecting accurate data and using the agreed metrics and methods as set out in the Monitoring and Evaluation guidance. MHCLG shall assist the Council where possible, and the Parties will work together to satisfy these requirements. MHCLG reserves the right to quality assure data and conduct site verifications.

7.4. The Council will endeavour to promptly share information at appropriate times as and when requested by MHCLG, including:

- Current funding that has been spent
- Planned expenditures
- Updates on key project milestones and risks
- Procurement and governance

7.5. The Council will not be required to lead data collection for the evaluation but is expected to assist MHCLG or external partners where required.

7.6. MHCLG reserves the right to publish relevant data and use it to inform public statements.

8. Changes to approved Business Case

8.1. The Council will notify MHCLG of any proposed changes to the approved business case. Wherever possible this notification will be provided in advance of changes.

8.2. The Council will require approval by MHCLG for any significant alterations to the project parameters, as set out in Clause 3.3.

8.3. MHCLG will provide details of the formal Change Procedure.

9. Compliance with MOU

9.1. The Parties to this MOU are responsible for ensuring that they have the necessary systems and appropriate resources in place within their respective organisations to comply fully with the requirements of this MOU.

10. Changes to the MOU

10.1. The arrangements under this MOU will be kept under review. Amendments to this MOU may only be made upon written agreement between the Parties.

11. Resolution of Disputes

11.1. Any dispute that may arise as to the interpretation or application of this MOU will be settled by consultation between the Parties.

12. Legal Enforcement

12.1. This MOU is not legally enforceable. It describes the understanding between both parties for the use of funding specified in Clause 3 of this agreement.

Signed on Behalf of the Council:

Name:

Date:

Signed on Behalf of MHCLG:

Name:

Date:

ANNEX A: SPEND PROFILE

ANNEX B: WORK PLAN

ANNEX C: RISK REGISTER

SPEND PROFILE: Revised business case

We want to know details about your revised capital ask from the fund. Please complete all four tables.

VAT: Only include VAT where it is not recoverable.

A. Revised capital ask: reconciling figures to clarifications exercise

Please complete all gold cells and put zero where it does not apply to your bid. Please enter numbers in full e.g. £50000 rather than £50.

Table 1: Reconciliation

Description	Amount	Notes
FHSF ask per clarifications exercise	£ 18,118,225.00	This should be the same amount noted in the spreadsheet you previously submitted
<i>Adjustments</i>		
If relevant, add newly secured co-funding (20/21 and beyond)		[Please upload any evidence to the relevant section on the online form]
If relevant, remove FHSF ask associated with eliminated projects	£ 7,641,983.00	All of the FHSF ask associated with the eliminated Chapel Bar Scale-up Space project is removed here. Some is then added back in to remaining projects below.
If relevant, remove the reduced amount from your FHSF ask associated with scaled back projects.[E.g. if for a £10m scheme, you are now scaling this back to £6m, then insert the amount reduced here i.e. £4m in this example.]		No schemes are scaled back. We intend to complete the infrastructure project as per the clarifications bid (unchanged) and replace matching funding with additional FHSF for the Angel Row scheme which is unchanged in its scope.
If relevant, add "other costs" being charged to the Fund.	£ 2,047,739.00	Additional FHSF moved from eliminated Chapel Bar project to Angel Row project
If relevant remove "other costs" previously charged to the fund. Please ensure no double-counting with amounts in cells B18 and B19.		N/A
Revised capital request from FHSF	£ 12,523,981.00	

Your revised FHSF Capital Ask is acceptable.

B. Overview

Please complete all gold cells and put zero where it does not apply to your bid. Please enter numbers in full e.g. £50000 rather than £50k.

Table 2: Summary

	2015/16 (25 Nov 2015 onwards only)	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Beyond 23/24	TOTAL
Historic co-funding - public sector											£ -
Historic cofunding - private sector											£ -
Committed co-funding - public sector						£ 650,000.00	£ 67,359.00	£ -			£ 717,359.00
Committed co-funding - private sector											£ -
Total revised capital request from FHSF						£ 463,000.00	£ 4,514,005.00	£ 7,546,976.00			£ 12,523,981.00
Total	£ -	£ -	£ -	£ -	£ -	£ 1,113,000.00	£ 4,581,364.00	£ 7,546,976.00	£ -		£ 13,241,340.00

Your revised EHSE Capital Total as per Table 1 equals your revised Total Capital Request as per Table 2

C. Discrete elements of capital bid

1a. How many schemes are you delivering through your revised FHSF bid?

1b. For each scheme within your revised bid, please show the breakdown of spend requested from FHSF only (i.e. excluding any co-funding)

Table 3: Total revised capital request by scheme

Your revised FHSF Capital Total as per Table 2 equals your revised Total Capital Request as per Table 3.

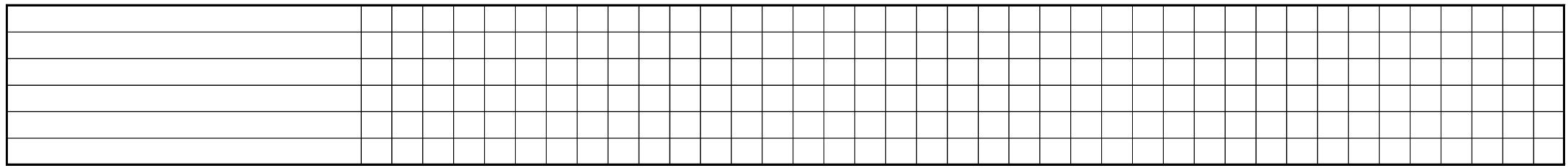
2. Please provide revised capital expenditure sought from the fund (i.e. excluding co-funding) categorised by the following investment categories as specified in our guidance.

Table 4: Total capital request by investment category

FHSF investment theme	2020/21	2021/22	2022/23	2023/24	TOTAL
Investment in physical infrastructure					£ -
Acquisition and assembly of land including to support new housing, workspaces and public realm					£ -
Improvements to transport access, traffic flow and circulation in the area	£ 413,000.00	£ 4,214,005.00	£ 3,574,647.00	£ 8,201,652.00	
Supporting change of use including (where appropriate) housing delivery and densification	£ 50,000.00	£ 300,000.00	£ 2,387,084.00	£ 2,737,084.00	
Supporting adaptation of the high street in response to changing technology	£ -	£ -	£ 1,173,035.00	£ 1,173,035.00	
Surface-level ("beautification") projects that only make a difference to the appearance, rather than the use, of the area			£ 412,210.00	£ 412,210.00	
Revised FHSF capital total:	£ 463,000.00	£ 4,514,005.00	£ 7,546,976.00	£ 12,532,093.00	

Your revised beautification Total in Table 4 is acceptable.

Your revised EHSF Investment Theme Capital Total in Table 4 equals your revised EHSF Capital Total in Table 3.



				£ 3,475,119.00	
				#REF!	

Future High Streets Fund - Infrastructure Project Plan

	Calendar Year	2021							
		Q1			Q2			Q3	
		J	F	M	A	M	J	J	A
Funding approved by end March 2021									
Design	Apr-21	Mar-22							
Site investigation stats designs	Sep-21	Mar-22							
Stat Diversions	Apr-22	Sep-22							
Areas D, G, Mount Street Junction	Jun-22	Sep-22							
Area C, Park Row Junction	Oct-22	Jan-23							
Areas A, B, Upper Parliament Street Junction	Dec-22	Jul-23							
Area F Mount Street	Jul-23	Sep-23							
Area E Chapel Bar	Sep-23	Feb-24							
Snagging final Accounts	Feb-24	Mar-24							

Assumptions

Design and project management carried out in house

Construction carried out in house using Thomas Bow with procured sub contractors

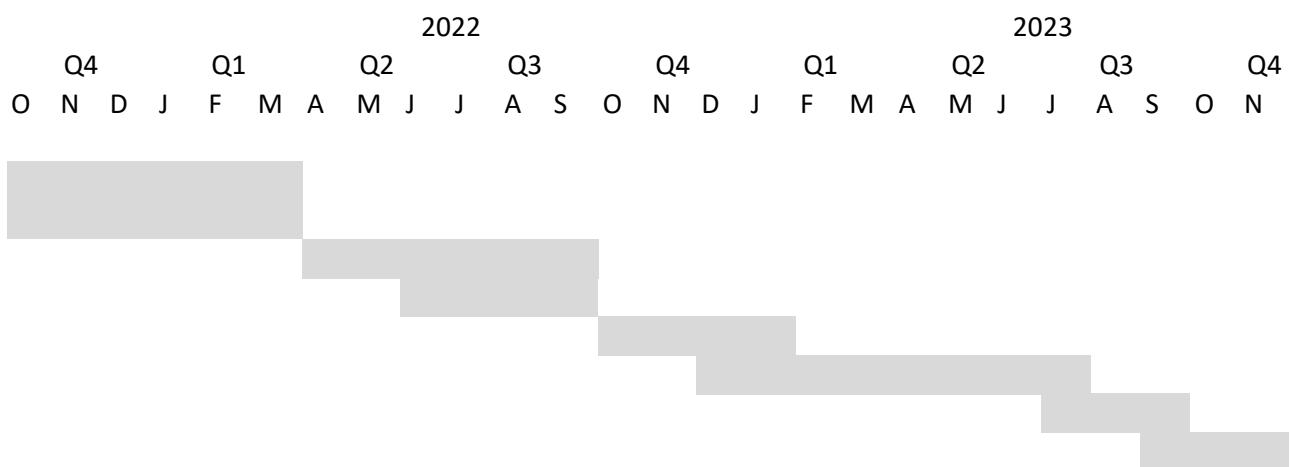
Funding Source	Financial Year	2020/21		2021	
		£0	£413	£0	£413
FHSF					
Co-funding TCF2					
Total		£0	£413		

Original TCF2 match

Additional FHSF award

Reduced TCF2 match

apportioned as %



1/22	2022/23	2023/24
£,000	£4,214,005	£3,986,857
	£46,944	£70,415

£,000

£4,331,364

£3,986,857

2024

D J F M A M J J A S O N D
Q1 Q2 Q3 Q4



Risk Log

Risk Ref	Project Title	Project Value (select from list)	Internal / External (select from list)	Risk Category (select from list)	The Event	Risk Description	Risk Impact	Risk Owner	Assessment Date (dd/mm/yy)	Opening Likelihood	Opening Impact	Opening Rating	Target Likelihood	Target Impact	Target Rating	Management Approach (select from list)	Action Taken / Proposed (state expected timescales if outstanding)	Review Frequency (select from list)	Next Review (dd/mm/yy)	RMAP Ref	Status (select from list)
R_001	FHSF Angel Row Creative Cooperative	£1m - £5m	Internal	Project	Angel Row premises are not made available for the proposed scheme	More commercial use favoured by senior leadership due to current/future economic conditions e.g Grade A Office, Resi	The high profile, high street venue identified for this new community facility would not be available and a new location would have to be identified. This would cause delays and increased costs	NCC		2	4	8	2	2	4	Treat	Maintain close liaison with property colleagues to understand market conditions. Engage with market agents to identify alternative space. Maintain existing buy in from NCC Leadership Team. Maintain links with local agents to have up to date market knowledge. Interdependent projects with opportunities for space e.g. WEP	Monthly			
R_002			Internal	Construction	Neighbouring site is not successfully marketed	Weak market conditions result in failure to successfully market neighbouring site. Angel Row building not redeveloped as part of Dev Agreement.	If the neighbouring site is not marketed and developed within the given timescales then we will be unable to refurbish and fit out the Angel Row building as per our ambitions.	NCC		2	4	8	2	2	4	Treat	Marketing led to submission of several bids and preferred bidder selected. HOT prepared.	Monthly			
R_003			External	Construction	Delays/Issues in the construction industry due to current market (C19)	Other developments in the city may experience significant delays which would have a knock on effect and mean there are delays in relocating the city library to Broadmarsh	The Angel Row bulding would not be vacated as per the project timescales delaying the project			3	3					Tolerate	Work closely with property colleagues to understand market conditions. Engage with market agents to identify alternative space. Maintain buy in from NCC Leadership Team. Maintain links with local agents to have up to date market knowledge. NB cells protected therefore data cannot be entered. Opening rating 9. Target Likelihood 1. Target Impact 1. Target Rating 2.	Monthly			
R_004			External	Operational	Installation of Inflexible/incompatable use of Technology	Experiential Immersive Technology is not able to be upgraded and lack of effective training package for staff and users. The venue is unable to provide a high quality and continuously changing offer	The public facing immersive attraction fails to sustain visitor levels and is unable to generate revenue and footfall	NCC		3	3	9	2	2	4	Treat	Continue to work closely with the tech provider and ensure that revenue costs are sufficient to cover regular maintenance, upgrades and pilots for new tech. Ensure training package offered to staff and coop members	Annually			
R_005			Internal	Operational	Void office/studio space	Lack of take-up/demand of new creative space and model. New product unsuitable for market (in particular unknown market post C19)	Lack of demand and take up would mean prolonged void periods and loss of revenue generation to support the venue	NCC/Management Agent		3	3	9	2	2	4	Treat	Work closely with partners inc. Universities, OTS, CQ and Studios to produce the space that is needed in the Nottingham market. Engage with the creative industries communities during the design and construction of the venue. Continue to liaise with property agents and consultants to market the venue	Monthly			
R_011			External	Operational	Location of venue not close to train station and transport hubs	Poor demand of conference facilities due to city centre location	Distance from Train Station could result in other venues being favoured for conference and meeting events resulting in low demand for this space	NCC/Management Agent		3	3	9	1	3	3	Treat	Ensure that marketing and identification of transport links is maximised. Highlight niche benefits of the venue over alternatives e.g cube and gallery. Celebrate the city centre location, high profile venue	Monthly			
R_011			External	Project	Change in Nottingham market due to current conditions leading to long term impact on economy	The uses proposed for the building are no longer the most appropriate use of the asset	Ambitions for new attraction and creative hub would not be realised	NCC		3	4	12	2	2	4	Tolerate	Options appraisal has identified alternative uses for the building inc. high spec resi, PRS or grade A office space				
R_013			Internal	Financial	Tendered cost of works exceeds expectation	Once the contractor has been procured for the works the tendered costs may be higher than estimated due to market/inflation/material costs increasing	If tendered costs increase, there will not be sufficient funding available in the budget to deliver the full proposed scheme. This will affect the scale/quality/spec of the final scheme delivered	NCC		3	3	9	2	2	4	Treat	If changing market conditions lead to increased material/works costs then the scheme may need to be reviewed/redesigned/value engineered. Or it does not proceed or an alternative use is identified. D&B contract for main works to reduce risk.	Monthly			
R_014			Internal	Financial	Unforeseen elements exceed budget	External factors/unforeseen market conditions/events may take place that incurs additional costs	If costs increase, there will not be sufficient funding available to deliver the scheme and therefore the financial liability will fall to the council	NCC		3	3	9	2	2	4	Treat	A contingency allowance has been factored into the scheme budget	Monthly			
R_015			External	Commercial	The obligation to refurbish a historic building (retained Angel Row) may deter some developers from bidding for the wider scheme	Developers may be deterred from bidding for the scheme due to the obligations for the Angel Row proposals or result in a bid significantly below expectation	This could impact on match funding available for the shell and core element of the scheme	NCC		2	3	6	2	2	4	Treat	Site has been effectively marketed resulting in several bids and a preferred bidder selected.				
R_016			External	Operational	Spec of final Creative Coop building is not suitable for preferred creative use	The spec of the shell and core needs to support the fit out for the preferred use otherwise additional costs will fall to the council and ultimately, if the overall spec is not suitable it will not attract the target creative industries tenants.	Agreeing the specification will require specialist input from M&E experts and building surveyors which could be at an additional cost to the Council and potentially delay completion.	NCC		3	3	9	2	2	4	Treat	The fit out should be future proofed to allow for alternative use if the proposed Creative Type use is not successful. Engagement with potential management partners through soft market testing and preferred management partners at design stage to ensure spec is fit for purpose.	Monthly			
R_018			Internal	Commercial	Site transfer is delayed.	Legal transfer of site may take longer than anticipated following main works to site.	This could impact on the time available to complete the works and claim funding.	NCC		3	4	12	2	2	4	Treat	Ongoing engagement with Property Colleagues and successful bidders to expedite transfer of building.	Monthly			
R_019			Internal	Commercial	No interest from potential management partners	Specification of bulding is not attractive to management partners.	Range of outputs and activities is not delivered. Potential financial impact on the Council.	NCC		3	3	9	1	3	3	Treat	Ongoing dialogue with a range of potential partners is taking place. Soft market testing to take place early in the programme to ensure specification is attractive. Successful bidders to be engaged in the design process.	Monthly			
R_020			External	Financial	MHCLG reduce or withdraw funding in future years	Insufficient funding to undertake/complete the project.	Financial impact on the Council.	NCC		1	5	5	1	1	1	Tolerate	Ongoing dialogue with MHCLG. Regular reporting and adherence to MOU.	Half Yearly			
R_021										L	I		L	I							
R_022										L	I		L	I							
R_023										L	I		L	I							
R_024										L	I		L	I							
R_025										L	I		L	I							
R_026										L	I		L	I							
R_027										L	I		L	I							
R_028										L	I		L	I							
R_029										L	I		L	I							
R_030										L	I		L	I							
R_031										L	I		L	I							
R_032										L	I		L	I							
R_033										L	I		L	I							
R_034										L	I		L	I							
R_035										L	I		L	I							
R_036										L	I		L	I							
R_037										L	I		L	I							
R_038										L	I		L	I							
R_039										L	I		L	I							
R_040										L	I		L	I							
R_041										L	I		L	I							
R_042										L	I		L	I							
R_043										L	I		L	I							
R_044										L	I		L	I							
R_045										L	I		L	I							
R_046										L	I		L	I							
R_047										L	I		L	I							
R_048										L	I		L	I							

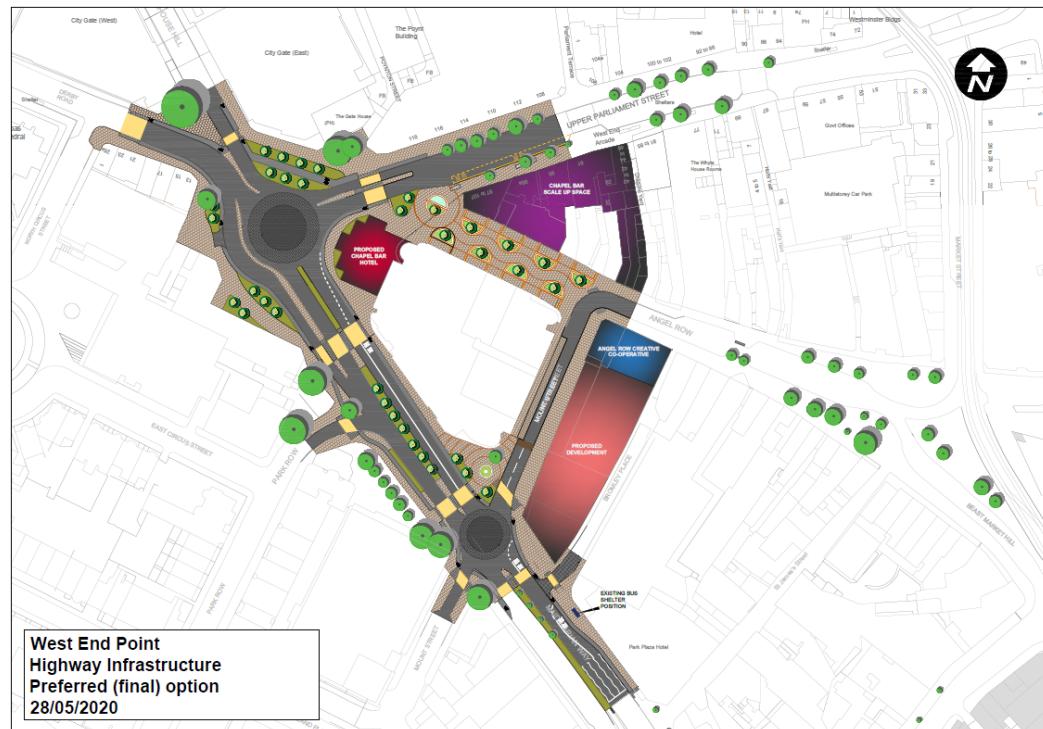



 Nottingham
City Council

Risk Log		Risk Register																			
Risk Ref	Project Title	Project Value (select from list)	Internal / External	Risk Category (select from list)	The Event	Risk Description	Risk Impact	Risk Owner	Assessment Date (dd/mm/yy)	Opening Likelihood	Opening Impact	Opening Rating	Target Likelihood	Target Impact	Target Rating	Management Approach (select from list)	Action Taken / Proposed (state expected timescales if outstanding)	Review Frequency (select from list)	Next Review (dd/mm/yy)	RMAP Ref	Status (select from list)
R_001	FHSF Infrastructure	£5m - £10m	Internal	Project	Development Costs underestimated	Underestimation results in costs exceeding available budget	Implementation of the scheme would not be affected without revisions.	NCC		2	4	8	2	2	4	Treat	Development costs have been informed by internal Transport Engineers experienced in delivering highway works and public realm	Monthly			
R_002			External	Project	Appraisal methodology flawed	The Webtag appraisal methodology contained errors	Could result in negative impact on transport network.	NCC		2	4	8	2	2	4	Treat	This element of the scheme will not progress however the incorporated cycle network being funded by the Transforming cities fund will go ahead in isolation. It is likely that any successful FHSF funding will be allocated to the other schemes at Angel Row and Chapel Bar	Monthly			
R_003			External	Project	Political /senior leadership support for the proposed infrastructure scheme changes	Political appetite for the scheme changes - this could be caused by unforeseen impact of the need for alternative transport methods post C19 or change of council priorities	This could result in scheme not achieving internal approvals and therefore not proceeding or being altered.	NCC		3	3		2	2		Treat	Full consultation will be carried out and buy in from internal leadership sought before the funding is accepted. An iterative design process will result in an agreed scheme to proceed	Quarterly			
R_004			External	Project	Proposals not supported by stakeholders and public	If the proposals are not supported then this cause significant objections from key city stakeholders and public - this could in turn affect the political support for the scheme	This could result in scheme not achieving internal approvals and therefore not proceeding or being altered.	NCC		3	3	9	2	2	4	Treat	Full consultation will be carried out with all key stakeholders and public. The proposals intend to make access and traffic flow more effective and efficient for both traffic and pedestrians so full scheme needs to be communicated effectively to the public	Monthly			
R_005			Internal	Operational	Scheme has a detrimental impact on wider city transport network	Changes made to this key route through the city could have significant impact/knock on the wider city's infrastructure	This could result in delays, increased travel times, busier routes elsewhere in the city.	NCC		2	3	6	2	2	4	Treat	Full transport modelling and webtag data has been run and collected for the developed proposal with no significant detrimental impact generated as a result	Quarterly			
R_006			Internal	Operational	Ability for current network capacity to support proposals - operational	The proposals need to fit within the wider city network and not sit in isolation to achieve the bid objectives for the WEP location of the city	If this scheme is delivered in isolation then it could lead to delays, increased travel times, busier routes elsewhere in the city	NCC		2	2	4	2	1	2	Treat	Full transport modelling and webtag data has been run and collected for the developed proposal with no significant detrimental impact generated as a result	Quarterly			
R_007			Internal	Operational	Ability for current network capacity to support proposals - construction/implementation	The construction works required to implement the scheme could have short/mid term impact on the city network	Short term congestion on the city's network	NCC		3	3	9	1	3	3	Treat	Transport and major projects teams to develop transport contingency/traffic management plans prior to works start on site.	Quarterly			
R_008			Internal	Reputation	Proposals not supported by Bus operators	The scheme may have implications for bus operators and may lead to reputational risk for partnership working going forwards if full scheme consultation not carried out	Objections being raised by bus operators which could impact on internal approvals and operational partnerships	NCC		2	4	8	1	3	3	Treat	Full consultation will be carried out with all key stakeholders and public. The proposals intend to make access and traffic flow more effective and efficient for both traffic and pedestrians so full scheme needs to be communicated effectively to the public	Quarterly			
R_009			Internal	Construction	Agreement of Statutory Undertakers and associated diversion costs			NCC		2	3	6	1	3	3	Treat	Initial trial holes and excellent relations with stats should minimise the risk of this. A contingency may be developed as the detailed design progresses.				
R_010			External	Financial	Following further design, anticipated cost of works exceed available funding	Current estimated costs may increase as a result of further development/design following wider consultation with partners/stakeholders	If costs increase, there will not be sufficient funding available to deliver the scheme and therefore the financial liability will fall to the council	NCC		3	3	9	1	3	3	Treat	Works cost estimations have been provided by Engineers based on up to date tendered rates. We have ensured that for the current proposed design the costs are robust. Otherwise the scheme will need to be redesigned and value engineered.	Quarterly			
R_011			External	Financial	Tendered cost of works exceeds expectation	Once the contractor has been procured for the works the tendered costs may be higher than estimated due to market/inflation/material costs increasing	If tendered costs increase, there will not be sufficient funding available in the budget to deliver the full proposed scheme. This will affect the scale/quality of the final scheme delivered	NCC		3	2	6	1	3	3	Treat	Further design will be an iterative process where amendments to scope or materials can be adjusted to suit the allocated budget. In house delivery should avoid any issues with risk pricing from external tenders.	Quarterly			
R_012			External	Financial	Unforeseen elements exceed budget	External factors/unforeseen market conditions/events may take place that incurs additional costs	If costs increase, there will not be sufficient funding available to deliver the scheme and therefore the financial liability will fall to the council	NCC		3	3	9	2	2	4	Treat	Initial trial holes and excellent relations with stats should minimise the risk of this. A contingency may be developed as the detailed design progresses.	Quarterly			
R_012			Internal	Commercial	Future maintenance costs	NCC unable to maintain new infrastructure	Deterioration and poor quality of infrastructure and public realm.	NCC		2	3	6	2	2	4	Treat	The proposed scheme uses the same materials/specification as all major city centre schemes, but an analysis of lifetime costings will form part of the design service.	Quarterly			
R_013			External	Commercial	Failure to spend funding by March 2024	Programme changes mean that all FHSF is not spent by funding deadline	Potential for clawback of grant and inability to complete.	NCC		2	4	8	2	2	4	Treat	The programme has been developed by internal Transport Engineers experienced in delivering highway works and public realm schemes across the City Centre. The lengthy initial design period may be reduced allowing additional delivery time.	Monthly			
R_014			External	Financial	MHCLG reduce or withdraw funding in future years.	Insufficient funding to undertake/complete the project.	Financial impact on the Council	NCC		1	5	5	1	1	1	Tolerate	Ongoing dialogue with MHCLG. Regular reporting and adherence to MOU.	Half Yearly			
R_015										L	I		L	I							
R_016										L	I		L	I							
R_017										L	I		L	I							
R_018										L	I		L	I							
R_019										L	I		L	I							
R_020										L	I		L	I							
R_021										L	I		L	I							
R_022										L	I		L	I							
R_023										L	I		L	I							
R_024										L	I		L	I							
R_025										L	I		L	I							
R_026										L	I		L	I							
R_027										L	I		L	I							
R_028										L	I		L	I							
R_029										L	I		L	I							
R_030										L	I		L	I							
R_031										L	I		L	I							
R_032										L	I		L	I							
R_033										L	I		L	I							
R_034										L	I		L	I							
R_035										L	I		L	I							
R_036										L	I		L	I							
R_037										L	I		L	I							
R_038										L	I		L	I							
R_039										L	I		L	I							
R_040										L	I		L	I							
R_041										L	I		L	I							
R_042										L	I		L	I							
R_043										L	I		L	I							
R_044										L	I		L	I							
R_045										L	I		L	I							
R_046										L	I		L	I							
R_047										L	I		L	I							
R_048										L	I		L	I							
R_049										L	I		L	I							
R_050										L	I		L	I							

FUTURE HIGH STREETS FUND - HIGHWAY INFRASTRUCTURE PROJECT SUMMARY BUSINESS CASE

Preferred Scheme



The preferred scheme as submitted is shown above and will:

Redevelop major transport infrastructure to the northern part of Maid Marian Way with new informal roundels at the junctions with Mount Street and Upper Parliament Street/Derby Road. This will:

- remove the pedestrian severance of Maid Marian Way and Upper Parliament Street, enhancing pedestrian connectivity on key desire lines from the city centre towards Derby Road, the Theatre District and Nottingham Castle;
- facilitate improvements to public transport and visiting coach movements;
- allow for better alignment and upgrades to the city centre cycle network;
- create a potential development parcel which could accommodate a 2,090 sqm hotel extension, and;
- enhance the quality of place in the Chapel Bar pedestrian area.

Funding

The costs for the preferred scheme are estimated as follows:

Preferred Scheme Estimate (as reduced)	
Construction Works	£7,670,628
Statutory Diversions	£150,000
Trial Holes	£20,000
Fees	£1,150,594
Total	£8,991,222

The final FHSF offer received on is £8,613,862. In order to achieve the estimated costs, match funding of £377,359 is required from TCF2, enabling a reduction from the original TCF2 allocation (£860,000).

Infrastructure Funding Source	
Future High Streets Fund	£8,613,862,
TCF2	£377,359
Total	£8,991,221

Programme

The draft programme anticipates further design development, refinement and testing during 21/22, with 95% of spend in years 22/23 (50%) and 23/24 (45%). All FHSF has to be spent by end March 2024.

Spend Profile (FHSF only)			
2021-22	2022-23	2023-24	Total
£ 413,000.00	£ 4,214,005.00	£ 3,986,857.00	£ 8,613,862.00

This should allow design to feed into, and be further informed by, the City Centre Inner Ring Road strategy that is currently in development. It is hoped that this may lead to further improvements to the scheme; there may be potential to reduce some traffic movements through Angel Row.

Outputs and Outcomes for FHSF

The expected outcomes associated with the Highway Infrastructure project are as follows:

1. Delivery of major transport infrastructure changes in line with the preferred option;
2. Enhanced pedestrian connectivity to Derby Road, Theatre District and Castle;
3. Improvements to public transport and visiting coach movements;
4. Better alignment and upgrades to the city centre cycle network;
5. Creation of a potential development parcel to accommodate a hotel extension, and;
6. Enhanced quality of place in the Chapel Bar pedestrian area.

Monitoring and Evaluation for the whole FHSF project (including Angel Row Creative Co-operative) will include monitoring simple outputs such as: Project start / spend / progress; Staff and financial resources allocated to the project; Changes to footfall.

In addition specific project outputs for the Highway Infrastructure will include:

Total length of new cycle ways
Total length of new pedestrian paths
Total length of newly built roads
Total length of pedestrian paths improved
Total length of resurfaced/improved road
Total length of roads converted to cycling or pedestrian ways
No. of alternative fuel charging/re-fuelling points
No. of new or improved car parking spaces
Amount of public realm improved
Amount of existing parks/greenspace/outdoor improved
Amount of new parks/greenspace/outdoor space

We may agree to monitor outcomes such as information on changes to traffic flows, travel times, public transport use, and air quality.

Key Risks

Throughout the design development of the preferred scheme there has been a conflict between aspirations for reduced carriageway widths, pedestrian priority and un-signalled crossings on the one hand, and concerns over traffic flows and, in particular, restrictions which will have a detrimental impact on public transport and travel times.

Any design revisions and associated stakeholder consultation will need to resolve this in order to achieve the FHSF anticipated outcomes, and the programme includes a lengthy further design period to allow for further iterations, refinement and testing.

The key risks submitted to FHSF are shown below and are all considered to be low.

Risk	Mitigation/comments
Development Costs underestimated	Development costs have been informed by internal Transport Engineers experienced in delivering highway works and public realm schemes across the City Centre.
Appraisal methodology flawed	Methodology selected is based on MHCLG guidance and covers the entire development process including establishment of tenants. Includes appropriate sensitivity testing, optimism bias, displacement and deadweight. Appraisal undertaken by independent experts.
Political/public/stakeholder consensus on proposals	Full consultation will be carried out with internal leadership, all key stakeholders and public during the design period in accordance with normal practice. The proposals intend to make access and traffic flow more effective and efficient for both traffic and pedestrians.
Capacity of highway network – implementation and operation	The Systra modelling has demonstrated that the scheme will have a positive impact on the highway network. In house delivery of major highway works has been ably demonstrated.
Further design or tenders exceed budget	Further design will be an iterative process where amendments to scope or materials can be adjusted to suit the allocated budget. In house delivery should avoid any issues with risk pricing from external tenders.
Stat diversions or unforeseen elements	Initial trial holes and excellent relations with stats should minimise the risk of this. A contingency may be developed as the detailed design progresses.
Future maintenance costs	The proposed scheme uses the same materials/specification as all major city centre schemes, but an analysis of lifetime costings will form part of the design service.
Failure to spend funding by March 2024	The programme has been developed by internal Transport Engineers experienced in delivering highway works and public realm schemes across the City Centre. The lengthy initial design period may be reduced allowing additional delivery time.

Project Management.

The FHSF Highway Infrastructure project team will be led by the Head of Traffic as the S.R.O. with project management from Major Projects.

Regen will act as liaison with FHSF to ensure required outputs are delivered.

Project Team currently includes:

Traffic and Safety	Paul Boulton
Major Projects	Paul Horn, Rachel Jones
Highway Design	Ben Biddulph, Gavin Card
Transport Strategy	James Ashton
Traffic and Transport	Keith Morgan
Heritage/Urban Design	Nigel Turpin
Regeneration	Nick Hibberd, Alan Parker

Finance

Tom Straw

The FHSF Steering Group has wider responsibility for both FHS Funded projects: Highway Infrastructure and Angel Row Creative Co-operative. The steering group meets on a monthly basis and currently includes:

Business Growth	Robert Dixon
Regeneration	Mark Lowe, Nick Hibberd
Traffic and Safety	Paul Boulton
Property Services	Pippa Hall
Transport Strategy	Chris Carter, James Ashton
Finance	Thomas Straw

It is proposed that Paul Seddon is added to the steering group.