

**Report to: Executive Board - Monday 19th August 2002**

**Cornmarket Environmental Improvements Scheme -  
Major Project Appraisal (Variation) Under Financial Procedure Rule 2.7.2**

<p><b>Report of: Business Manager Built Environment Unit</b></p> <p><b>Report Authors: John Hill, Steve Smith</b>  <b>Tel No: 01865 252 241, 01865 252 770</b>  <b>E-mail: jhill@oxford.gov.uk</b>  <b>E-mail swsmith@oxford.gov.uk</b></p> <p><b>Lead Member</b>  <b>Responsible: Cllr. Cook</b></p> <p><b>Overview and Scrutiny Committee</b>  <b>Responsibility: Environment</b></p> <p><b>Key Decision: YES</b></p>	<p><b>WARDS AFFECTED</b>  Carfax</p>
<p><b>SUMMARY AND RECOMMENDATIONS</b></p> <p>Following the technical difficulties with the Cornmarket Environmental Improvement Scheme the County Council suspended the works in the highway in November 2001. The Executive Board considered on 22<sup>nd</sup> July 2002, three options put forward by the County Council's project consultants. County officers also put forward a fourth option, which was to reconsider using granite in the carriageway and to use an alternative material so enabling the works to be expedited in a shorter time frame. The Executive Board resolved to support the County resolutions in that option four be pursued. The Strategic Director with responsibility for the Built Environment was delegated powers to discuss with the County varying the Financial Contribution Agreement for consideration by the Executive Board.</p> <p>The Executive Board is ASKED to;</p> <ul style="list-style-type: none"> <li>ξ Decide which option (if any) under section 10 of this report should be pursued with the County Council.</li> <li>ξ Approve a variation to the Major Project Approval AND</li> <li>ξ Delegate authority to the Strategic Director to vary the City's Financial Contribution Agreement with the County Council.</li> </ul> <p>This report supports the Council's strategic aims of:</p>	

- ξ **improving the physical environment** by exploring the options available to continue with the proposal to increase use and enjoyment of the City Centre by implementing an environmental improvement scheme in Cornmarket Street to PRS standard to enhance Oxford's streetscape
- ξ **strengthening local communities** by working with the County Council to find a solution to enable the implementation of a scheme in Cornmarket Street that will improve facilities for visitors to Oxford to ensure that Oxford remains competitive and maintains its position as a leading international visitor destination
- ξ **sound management** by exploring a number of options and the financial implications of each so that a decision may be taken that seeks a balance between the achievement of the above aims and the financial position of the Authority.

## 1. Background

- 1.2 In September 2000 the Planning Committee endorsed the Public Realm Strategy<sup>1</sup> (PRS) prepared by Gillespies Environmental Consultants. This Strategy provided the framework for the environmental improvement scheme for Cornmarket which was to be delivered in partnership with the Oxfordshire County Council.
- 1.3 On 21<sup>st</sup> November 2000 a joint report<sup>2</sup> of the Director of Community Services and Director of Corporate Services was presented, to the Highways & Traffic Committee, the Planning Committee and the Strategy & Resources Committee, under Standing Order 39 (Major Project Appraisal Report). The report set out three options for Cornmarket Street with associated costs of each and also the levels of contribution the County were seeking from the City. Committees resolved to support the implementation of the full PRS scheme.
- 1.4 A financial contribution agreement<sup>3</sup> was entered into between the City and County Councils. Under the terms of the agreement the City Council agreed to contribute £1,855,000 (including fees) towards implementing a scheme in line with the PRS in Cornmarket Street. The County Council agreed to fund a scheme in Cornmarket Street, to the cost of a basic highway maintenance scheme, to a minimum sum of £425,000.
- 1.5 Some six weeks after commencement of the works in October 2001 pavement failures began to occur and works were suspended while the cause of the failure was investigated. Reasons for the failure are complex and it is not the intention of this report to explore this matter.
- 1.6 Issues around potential liability arising out of the failure are currently being discussed between the contracting parties. The City Council's financial involvement is through the Cornmarket Street Financial Contribution Agreement with the County, dated 16<sup>th</sup> May 2001. The City has not entered a

written contract with either the designers, the builders or the suppliers of the Granite. To date, the City has paid £652,800 and spent £21,600 on fees of the capped contribution of £1,855,000. The payments have been made in accordance with the schedule set out in the Financial Contribution Agreement. Any further contribution above the £652,800 is the subject of negotiation with the County.

## **2. Objectives of this Major Project**

- 2.1 The objective of this project is to complete the detailed design and implementation of enhancement works for the whole of Cornmarket Street to Public Realm Strategy specifications, in conjunction with the County Council.
- 2.3 The Public Realm Strategy recommends high quality natural materials and workmanship, widened footways, new street furniture and flush kerbs to allow for unimpeded pedestrian flow, thus creating a simple, uncluttered pedestrian environment, that respects the character and appearance of the historic environment.
- 2.4 Due to the problems that have arisen in the implementation of the approved scheme a variation to the previously approved Major Project Approval is now sought through this report.
- 2.5 Details of the amended enhancement proposals are not yet available, but officers are currently discussing the options for a surface dressing on the carriageway. Any finished surface should respect and reinforce the historic integrity of the city centre as well as providing a surface that is practical for the purpose and pleasing to look at. It might be possible that a good sized area of surface dressing will be provided (possibly Albion Street car park) to give an idea of what to expect. The final choice of surface dressing would be subject to discussions on the finish and appearance with the City's Conservation Officer and the stakeholders group.
- 2.6 Once decisions have been taken about the level of the City Council's commitment, the County Council should be able to produce 'an amended detailed design' for the scheme.

## **3. Options**

- 3.1 The consultants, Landscape Design Associates (LDA), tabled for consideration three technical options which were considered by the Executive Board on 22<sup>nd</sup> July 2002. The three options comprised of taking up the cracked paving and relaying with new granite blocks. The principle variation between the three options was that different ways of supporting and fixing the blocks were proposed. It was also clear that the total cost to the County Council of choosing any of the options put forward was going to be significantly more than the original tendered works. The consultants were also recommending that trials would be necessary in order to prove the viability of the chosen option and it was unlikely that permanent works could recommence in Cornmarket Street before the summer of 2003.

- 3.2 Both the County Councils' Environment Scrutiny Committee and the City Councils' Overview and Scrutiny Committee for the Environment expressed their concern about the new projected cost of the scheme and the timescale. It was resolved by both committees to recommend to their respective Executive Boards to consider laying an asphalt material with granite chippings (or other surface treatment) instead of the previously approved stone paving blocks of granite.
- 3.3 Under the Financial Contribution Agreement, the County Council is required to notify the City Council where the situation arises that the County Council has to re-evaluate the cost of the scheme, and the full extent of the scheme cannot proceed because the overall cost exceeds the total agreed budget. The County Council is required to obtain the City Council's agreement to carry out a reduced scheme and to the amount of the City's contribution.
- 3.4 If the City Council chose to stay with the original agreement (i.e. no variation to cost or the specification), this is likely to lead to termination of the Financial Contribution Agreement with the County. Should Members wish to consider this further, the legal and financial implications of termination/abandonment would need to be investigated and reported to Council. If the Council chose not to enter into a new agreement the County could implement a 'standard' highway scheme probably involving concrete paving slabs and black tarmac. The scheme would involve no financial contribution from the City Council. However, costs would arise from termination, as stated in the Financial Contribution Agreement, and the City Council may have to bear a share of them. It is not possible at this stage to assess termination costs to this Council. Also, there would be a cost to the quality of the environment, which will potentially effect the commercial heart of the city centre in terms of attracting businesses and visitors.
- 3.5 When the City Council committees previously considered a major project appraisal report in November 2000, three options were put forward, together with three sub-options of the third option. They were:
- ξ Option A, design and implementation of a basic highway scheme by the County Council without the City Council's involvement. There would have been no cost implication to the Council.
  - ξ Option B, design and implementation of a scheme by the County Council to which the City would contribute the remaining £650,000 in the Planning Committee's capital budget for the central area, together with a £ 110,000 contribution received from the Boots development for transport measures. The City would thereby have some involvement in the scheme by working with the County Council.
  - ξ Option C, design and implementation of a scheme by the County Council to which the City would make a greater contribution than the funds identified in Option B. It was anticipated that:

- C1) a City contribution of £1,104,000 would aspire to Public Realm Strategy materials on the footways - but a lower quality of materials.
- C2) a City contribution of £1,542,000 would aspire to a full PRS quality standard on the footways but with a asphalt carriageway.
- C3) City contribution of £1,855,000 would aspire to a scheme achieving the full PRS standard recommended by Gillespies, which included a natural stone carriageway.

3. What the County Council are now proposing is option C2 - natural stone footway paving and kerbing and an asphalt carriageway but with the addition of a thin surface dressing finish over the asphalt. In November 2000 the total cost of this scheme was estimated to be £1,942,000 (not including a surface dressing) of which it was recommended that the City Council consider contributing £1,542,000. The difference in cost between providing a natural stone carriageway and an asphalt carriageway was £313,000 at that time.

#### 4. Costs

- 4.1 Discussions with the County Council have now taken place with respect to the new projected costs of a surface dressed carriageway. Their estimation of the difference in cost between a scheme with a granite carriageway and one with a surface dressing over asphalt is now £200,000. Their estimates also allow for revised costs arising out of the need to lower existing below ground services in order to install the new kerbs and 100mm thick York Stone paving flags. Under the terms of the existing agreement the County undertook to take on the risk associated with cost arising out of the problems with services. The County Council will need to substantiate the change in the difference in cost from £313,000 reported in November 2000 and the new figure of £200,000. Assuming that they can substantiate this, a revised City contribution based on this would be £1,655,000 - a saving of £200,000 to the City Council over that currently committed.
- 4.2 The County Council has estimated the cost of extending the scheme to Carfax Tower to be an additional £180,000. It would seem unreasonable to expect the County Council to find this figure from within the existing sums available to them.

## 5. Extent of the Scheme

There are four options that the City Council may like to consider, which are:

	One	Two	Three	Four
Proposal	Reduce the level of contribution. from £1,855M to £1.655M	Current level of contribution to remain at £1.855M.	Increase level of contribution above £1.855M to include Carfax.	The County provide a "standard" highway solution
City Contribution	£1.655M	£1.855M	£1.855M +up to £180K	£0 (although potential costs of termination)
Appearance	Asphalt carriageway with surface dressing	Asphalt carriageway with surface dressing	Asphalt carriageway with surface dressing	Asphalt carriageway & concrete flag footways
Extent	Extent of current scheme ( see County note below & separate County report)	Extent of current scheme ( see County note below & separate County report)	County would ask for additional contribution to include current scheme plus Carfax.	Will be determined by the County without City Participation.
Risk	Seek no risk for City.	Seek no risk for City.	Seek no risk for City.	City risk incurring costs.
Financial Contribution Agreement	City & County seek delegated authority to Directors to agree variation	City & County seek delegated authority to Directors to agree variation	City & County seek delegated authority to Directors to agree variation	City or County terminate the agreement.

### County Officers Note:

"Neither the County or the City have done anything wrong in connection with the scheme yet the unforeseen circumstances associated with the delivery of the City PRS resulted in a potential overspend. If the City reduces its present level of contribution the County would wish to reduce the current extent of the scheme. In the spirit of Partnership to deliver the scheme the County undertook on behalf of the City Council, the County is seeking to continue with the same level of financial support from the City."

## **6. Phasing**

The amount and phasing of the expenditure on the project is set out in the Financial Profiles included in Appendix 1. There is no financial profile for option four as, at present, it is not possible to identify the costs the City Council may have to incur if it pursues this option. Under the terms of the Financial Contribution Agreement there may be abortive costs. If members wish to pursue option four, officers would need to investigate further the legal and financial implications of terminating the agreement and report these at a further meeting of the Executive Board.

## **7. Timetable for the Project**

If the Executive Board approve the variation to the Major Project Report at this meeting, the County Officers consider that work could recommence early October 2002. There would be a break over Christmas and work would be completed by July 2003.

## **8. Staffing Consequences**

The Director of Community Services proposed to the meeting of Strategy and Resources Committee 31<sup>st</sup> October 2000 that the project could be managed through the County Council's Transport Development Division. It is proposed to continue with this arrangement. The Built Environment Business Unit would be responsible for liaising with the County during the course of the amended agreement and reporting progress to the Executive Board.

## **9. Risks**

The potential risks associated with the amended project will be similar to those stated in the original Major Project Appraisal. Under the existing agreement with the County Council, the City Councils total risk is capped at £83,000. It is not proposed that the City Council take on any new risk while varying the agreement. The risks are restated here in Appendix 2.

## **10. Recommendations**

The Executive Board is ASKED to choose one of the options summarised as follows:

**OPTION 1 - reduce the City Contribution in line with the difference in cost between granite paved and asphalt carriageway.**

<b>Issue</b>	<b>Proposal</b>	<b>Reasoning</b>
Level of contribution	£1.655M	County have calculated that the new dressed tarmac carriageway can be delivered for £200k less than the full granite option. In order to speed up decision making and avoid major new estimating exercise, the £200k reduction has been applied to the earlier agreed contribution level of £1.855M
Appearance	Carriageway with chippings or top layer surface dressing	Some visual indicators of the likely appearance will be presented to the Executive Board. However the final agreement to the specification will be given by the City's Conservation Officer based on PRS principles, known experience and within reasonable cost constraints specified by the County.
Extent	Extent of Current scheme ( see separate County report)	It is not reasonable to expect the extension at Carfax end to be undertaken within the proposed contribution level because it is estimated to cost an additional £180k . If the City agree to a £1.655M contribution the County may have to seek a further reduction in the scheme ( see separate County report).
Risk	City does not take any risks under the variation to the agreement	The City's liability was capped at £83k in the agreement. This has been utilised with consequential minor amendments to such things as volume of street furniture. The City cannot expose any more money to risks arising out of the Cornmarket project
Financial Contribution Agreement	City and County seek delegated Authority to Directors to agree variation.	Clauses covering the scheme details, extent, finances, risk, payment mechanisms etc. will need to be varied. This will require input from both Legal sections and work cannot be concluded for this Executive Board report.

**OPTION 2 - retain the existing level of contribution**

<b>Issue</b>	<b>Proposal</b>	<b>Reasoning</b>
Level of contribution	£1.855M	To recognise the increases in construction costs.
Appearance	Carriageway with chippings or top layer surface dressing	Some visual indicators of the likely appearance will be presented to the Executive Board. However the final agreement to the specification will be given by the City's Conservation Officer based on PRS principles, known experience and within reasonable cost constraints specified by the County..
Extent	Extent of Current scheme.	Through no fault of the County the anticipated construction costs for the scheme ( without the design/workmanship liability) have significantly increased since the SO39 project approval of November 2000.
Risk	City does not take any risks under the variation to the agreement	The City's liability was capped at £83k in the agreement. This has been utilised with consequential minor amendments to such things as volume of street furniture. The City cannot expose any more money to risks arising out of the Cornmarket project
Financial Contribution Agreement	City and County seek delegated Authority to Directors to agree variation.	Clauses covering the scheme details, extent, finances, risk, payment mechanisms etc will need to be varied. This will require input from both Legal sections and work cannot be concluded for this Executive Board report.

**OPTION 3 - Increase the level of contribution in order to include Carfax.**



<b>Issue</b>	<b>Proposal</b>	<b>Reasoning</b>
Level of contribution	Likely to be in excess of £1.855M.	County have calculated that the extension to Carfax would cost an additional £180k.
Appearance	Carriageway with chippings or top layer surface dressing	Some visual indicators of the likely appearance will be presented to the Executive Board. However the final agreement to the specification will be given by the City's Conservation Officer based on PRS principles, known experience and within reasonable cost constraints specified by the County.
Extent	Extent of Current scheme plus Carfax	It is not reasonable to expect the extension at Carfax end to be undertaken within the proposed contribution level because it is estimated to cost an additional £180k.
Risk	Seek no risk for City.	The City's liability was capped at £83k in the agreement. This has been utilised with consequential minor amendments to such things as volume of street furniture. The risk associated with this option would need to be agreed with the County.
Financial Contribution Agreement	City and County seek delegated Authority to Directors to agree variation.	Clauses covering the scheme details, extent, finances, risk, payment mechanisms etc. will need to be varied. This will require input from both Legal sections and work cannot be concluded for this Executive Board report.

#### **OPTION 4 - City or County withdraw from the Partnership**

<b>Issue</b>	<b>Proposal</b>	<b>Reasoning</b>
Level of contribution	County provide "standard" highway solution.	No City funds would be made available (although potential costs of termination).
Appearance	Asphalt carriageway, existing channels and concrete paving flags	No City funds provided for enhancements.
Extent	Will be determined by the County Council	Public Realm Strategy would not be followed and the City would forgo any formal influence over the final appearance of Cornmarket.
Risk	City may have to share termination costs with the County.	Costs would arise from termination and the City may have to bear a share of them.
Financial Contribution Agreement	City and County terminate the existing agreement.	Unable to agree a variation to the existing Financial Agreement with the County. Would need to investigate further the legal and financial implications of terminating / aborting the project and to report these at a future meeting of the Executive Board.

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| <ol style="list-style-type: none"> <li>1. THIS REPORT HAS BEEN SEEN AND APPROVED BY:</li> <li>2. Isobel Garner - Strategic Director</li> <li>3. Cllr Colin Cook - Economic Development and Planning portfolio holder</li> </ol> |
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## Appendix 2

### LEGAL ISSUES

#### Powers:

1. Counsel's advice has been sought on this Council's powers to contribute to the funding of environmental improvements to certain streets in the centre of Oxford, which follow on from the Central Area measures implemented on 1<sup>st</sup> June 1999.
2. The Council is the local planning authority, it also exercises certain highway agency functions on behalf of the County Council, in addition it has a number of powers in its own, powers to carry out works in relation to certain highways. It is anticipated that the main powers will be:-

#### Highways Powers

##### Section 274 Highways Act 1980

3. This empowers the Council to contribute towards any expenses incurred or to be incurred by the Highway Authority, if the expenditure will be of benefit to the Council's area.
4. If funding for this particular scheme has/will be obtained by the County Council this Council may not contribute towards it. It is understood that the County Council will fund a basic highway scheme will not fund, has no funding for and will not proceed with the enhanced scheme that the City Council wishes to see implemented, unless it is paid for by the City Council. Written confirmation of this and of the level of contribution it proposes to make is awaited from the County Council Any decision on the City Council's contribution must be subject. to 'this being received.
5. Any works required for the maintenance and improvement of the highways in Cornmarket Street will be covered by Section 274.

##### Section 11 5B Highways Act 1980

6. Section 11 5B empowers the Council to carry out works 'to certain highways and to place objects or structures on, in or over such a highway for the purpose, among other things, of enhancing the amenity of the area or its immediate surroundings. This power is only available in respect certain types of highway. The powers would be available for Cornmarket Street.

## **Planning Powers**

### Section 306 Town and Country Planning Act 1990,

7. The City Council would be entitled to contribute towards any expense incurred by the County Council in connection with any development required in the interests of the proper planning of the area of the City Council. This will include works of maintenance or improvement outside the boundaries of the highway, works of enhanced improvement within the boundaries of the highway, which go beyond what is required for the improvement of the highway and any environmental enhancements which are not improvements to highways. The Director of Community Services considers "the proper planning of the area" of the Council to include the co-ordination of enhancement works through a strategy for the improvement of the public realm.

## **Reasonableness**

8. In deciding whether or not to contribute to the environmental enhancements to be carried out by the County Council as highway authority, the City Council must be satisfied
  - (i) that the contribution is reasonable. This will include consideration of:-
    - the reasons why the Council considers it appropriate to contribute to the County Council's expenditure on the scheme (see Appendix 2, paragraph 9).
    - whether the proposed contribution is as low as is reasonably achievable, if the scheme is to progress (see options A - C, paragraphs 9-11 and Appendix 1).
    - whether the level of contribution proposed is proportionate to the benefits to the residents of the City Who finance its activities including other claims on its available funding and the need to carry out the core functions of the Council (Appendix 2, paragraph 9).
  - (ii) that the County Council's expenditure on the scheme to 'which the City is being asked to contribute will benefit the City Council's area.
9. The City must consider why it wishes to contribute to an enhanced scheme. The Director of Community Services considers the following factors to be important considerations in this decision:
  - (a) The County Council have advised that:-The County Council will

fund a basic highway scheme consisting of, the replacing of paving and resurfacing the carriageway. The County Council does not have the funding for and will not pay for the enhanced scheme the City Council wants to see implemented. The County Council will implement an environmental enhancement scheme to PRS standards if the City Council is prepared to contribute the difference between the basic highway scheme the County Council is prepared to fund and the enhanced scheme the City Council wants to see implemented; for the following reasons explained in the following paragraphs

- (b) Oxford is an historic City protected by conservation orders and, needs to be preserved and enhanced
- (c) Oxford is an important centre for tourism and provides substantial educational and retail facilities, all of which generate employment, investment and income. Therefore its appearance and accessibility are significant
- (d) Investment in City Centre infrastructure and streetscapes will increase its attractiveness to tourists, shoppers and 'other' visitors, and result in increased spend, to the benefit of the city's economy.
- (e) The scheme will make a significant contribution to improving the accessibility of the City Centre and its retail core, widening, the customer base for retail and catering/leisure businesses. Improving accessibility and attractiveness will also generate positive publicity, increasing the City's attractiveness as a visitor destination. Again, this' will in turn secure and enhance the City Centre's key economic role in the region, and benefit residents through the usual multipliers.
- (f) Cornmarket is the most high-profile street in the City - not the prettiest or most historic, but the key to visitor movements, linking the historic areas to the retail sector. In particular, it is the largest and most significant retail destination for residents, whose quality of life will be enhanced by improving its accessibility and attractiveness.
- (g) Oxford's City Centre is renowned the world over as the 'City of the Dreaming Spires'. Its reputation is founded on a long academic past and visually rich architecture and townscape. Cornmarket is in the bustling heart of the region with a social and economic importance far greater than the size of the City would indicate.
- (h) Creating a quality environment, in the City Centre, attracts business and investment, reinforcing civic pride and sense of place.

- (i) PPG6, Town Centres and Retail Development seeks to help sustain city centres, such as Oxford. A key requirement for success will be the provision of a high quality pedestrian environment to complement the diverse retail, recreational and tourist attractions in city centres.
- (j) Future physical measures introduced by the OTS. should achieve a standard of design quality commensurate with the City's status and embrace the aims and aspirations of the Public Realm Strategy.
- (k) The Oxford Local Plan recognises the importance of a high quality pedestrian environment.

“People’s satisfaction with the City Centre, whatever their purpose in coming, will be strongly influenced by the comfort of their experience as a pedestrian, especially in the main shopping streets where pedestrian flows are greatest. ‘This’ will directly affect the ability ,of Oxford to hold its place as the foremost shopping and business centre of the area”.

- (l) The Council's objectives in planning for the City Centre are:
- (i) to conserve and enhance the unique architectural and historic heritage for the benefits of residents and visitors alike;
  - (ii) to maintain and enable the continued development of the City Centre as the foremost shopping, leisure and entertainment centre in Oxfordshire;
  - (iii) to maintain the City Centre as the main employment centre for the City and surrounding area and in particular to sustain the activities of Oxford University;
  - (iv) to create an attractive, interesting and comfortable environment throughout the Centre;
  - (v) to encourage the continuation of a wide mix of activities in the Centre (including living accommodation);
  - (vi) to reduce vehicular and pedestrian congestion and conflicts, while at the same time maintaining accessibility for residents, users and visitors.
- (m) The image and identity of Oxford has been protected by planning policies that respect its status as a County Town, helping to preserve the character of Oxford as the 'City of the Dreaming Spires' within a green setting
- (n) The urban pattern of Oxford has intrinsic value as a mostly intact historic development form which has proved to be robust, capable of adapting to changing uses and permeable to pedestrians. The public realm strategy should complement this established pattern and maximise its pedestrian permeability.
- (o) Oxford has one of the finest collections of architecture in Europe. The public realm strategy should enhance the setting of this heritage and highlight key buildings with lighting.
- (p) Oxford does not consist of a series of discrete spaces; each space merges into the other, and the eye is continually led on a 'wanton kind of chase'. A picturesque sequence of views and vistas bind the City Centre together about the original 'four forks'. The Environmental Enhancement should help unify the public realm in a way that enhances the visual linkage between buildings and spaces.

- (q) Environmental Enhancement should retain elements that contribute to the City's visual richness and re-establish the long established pattern of using visually appropriate natural materials.
  - (r) Oxford City Centre functions ,as a place where people can, meet, shop and entertain themselves. It is one of the more commercially attractive centres in the UK. As such it has to provide the type and quality, of environment that encourages people to pause and enjoy the range of facilities it offers. The estimated retail turnover of the City Centre in 1998 was' £350 million. It is essential,' if Oxford is to compete on a level playing field with nearby centres, that Oxford provides shoppers, tourists and businesses with a built environment that reflects the value of that annual income stream.
  - (s) It is an important centre for theatre, cinema and music. This, combined with a large young population, leads to a high level of activity at night.
  - (t) Tourism contributes to the city's economic and social life. The city draws about 5 million visitors each year, minimise the harmful effects of tourism and maximise the quality of visitor experience and economic benefits.
  - (u) A high quality public realm is vital to make the City Centre an attractive place in which to shop and recreate and support the economic and social functions of the City Centre, particularly in the face of competition from other centres and 'out-of-town' complexes.
  - (v) -Enhancement will make the public realm more accessible to all.
10. To summarise, the Director of Community Services considers the scheme will improve the environment of the City Centre for the benefit of all who shop, work, visit or invest there.

## **Appendix 3**

### **PRELIMINARY PROJECT RISKS ASSESSMENT (November 2000)**

#### **Technical**

Services and construction details of Cornmarket may not be as anticipated which could put up capital works cost.

Constraints on working e.g. retailers, night time working may not have been adequately priced for

Fluctuations in the pricing of PRS materials could effect capital costs.

NB These risks will rest with the County Council as it will be letting the contract

#### **Potential delays to draft timetable**

Failure of Executive Board to reach decisions in this committee cycle

Lack of resources

Technical problems on site

Design consultants under perform

Cohesion. of joint working between City & County and all of the project elements to make the jigsaw work

Procurement processes

End result: failure to get anything significant on the ground prior to 2003

#### **Legal**

Possible legal challenge: to City's decision to contribute

#### **Project Management**



City possibly less able to influence design effectively

City unable to influence programme

City less able to control PR

OTSWP unable to deal with issues effectively

### **Funding**

Estimated fees and costs may be inaccurate

QS prices may be significantly out

Performance of County/City/Contractor means programme slippage equating to extra costs.

County's final decision to fund reneged on in March

### **County**

Agreement of County Members to include Cornmarket Scheme

Central Government settlement in December

Continuing commitment by County Council's Transport Development Division.

Lack of resources/ will for PRS

### **Political**

Overturning of any decisions that have been reached on the way forward by both City and County.

PR/Bad Press

## Background Papers:

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- <sup>1</sup> Oxford Public Realm Strategy, prepared by Gillespies for Oxford City Council.
  - <sup>2</sup> City Centre Environment Enhancement, Major Project Report under Standing Order 39
  - <sup>3</sup> Financial Contribution Agreement dated 16<sup>th</sup> May 2001, Ref. 331/15/4/2

**FINANCIAL PROFILE - Cornmarket Environmental Improvements Scheme (F1193)**  
**Option 1 - asphalt carriageway with surface dressing & reduced extent of scheme**

**(A) Expenditure pattern compared to Provision in Capital Programme**

	2001/02	2002/03	2003/04	Total
	£ 000's	£ 000's	£ 000's	£ 000's
EXPENDITURE FOR WHICH APPROVAL SOUGHT	674.4	217.6	763.1	1,655.0
PROVISION IN CAPITAL PROGRAMME	674.4	1,180.6	0.0	1,855.0
PROVISION REQUIRED IN CAPITAL PROGRAMME	0.0	-963.1	763.1	-200.0

**(B) Subjective Analysis of Expenditure**

	2001/02	2002/03	2003/04	Total
	£ 000's	£ 000's	£ 000's	£ 000's
ESTIMATED PER THIS REPORT				
CONTRIBUTION TO WORKS FEES	652.8	200.0	757.2	1,610.0
	21.6	17.6	5.9	45.0
	674.4	217.6	763.1	1,655.0
LAND / PROPERTY	0.0	0.0	0.0	0.0
TOTAL GROSS COSTS	674.4	217.6	763.1	1,655.0
*Comparison with figure in block (A) above				

**(C) On going Revenue Costs**

REVENUE COSTS	2001/02	2002/03	2003/04	Full year cost
	£ 000's	£ 000's	£ 000's	£ 000's
EMPLOYEE	0.0	0.0	0.0	0.0
RUNNING EXPENSES	0.0	0.0	0.0	0.0
CAPITAL FINANCING COSTS (£110,000 developer contribution)	22.6	53.9	123.6	123.6
NET ADDITIONAL COSTS TO COUNCIL	22.6	53.9	123.6	123.6

**Notes**

- (1) Assumes full extent of scheme with asphalt carriageway and surface dressing can only be carried out with previously agreed contribution from the City.
- (2) Assumes expenditure to date will contribute towards the implementation of the proposed revised scheme.
- (3) Contribution to County in line with Financial Contribution Agreement
- (4) Financial Contribution Agreement assumes £45,000 retained by City for fees. 75% of remaining fees likely to be spent in 2002/03.

**FINANCIAL PROFILE - Cornmarket Environmental Improvements Scheme (F1193)**  
**Option 2 - asphalt carriageway with surface dressing - no reduction in extent**

**(A) Expenditure pattern compared to Provision in Capital Programme**

	2001/02	2002/03	2003/04	Total
	£ 000's	£ 000's	£ 000's	£ 000's
EXPENDITURE FOR WHICH APPROVAL SOUGHT	674.4	217.6	963.1	1,855.0
PROVISION IN CAPITAL PROGRAMME	674.4	1,180.6	0.0	1,855.0
PROVISION REQUIRED IN CAPITAL PROGRAMME	0.0	-963.1	963.1	0.0

**(B) Subjective Analysis of Expenditure**

	2001/02	2002/03	2003/04	Total
	£ 000's	£ 000's	£ 000's	£ 000's
ESTIMATED PER THIS REPORT				
CONTRIBUTION TO WORKS FEES	652.8	200.0	957.2	1,810.0
	21.6	17.6	5.9	45.0
	674.4	217.6	963.1	1,855.0
LAND / PROPERTY	0.0	0.0	0.0	0.0
TOTAL GROSS COSTS	674.4	217.6	963.1	1,855.0
*Comparison with figure in block (A) above				

**(C) On going Revenue Costs**

REVENUE COSTS	2001/02	2002/03	2003/04	Full year cost
	£ 000's	£ 000's	£ 000's	£ 000's
EMPLOYEE	0.0	0.0	0.0	0.0
RUNNING EXPENSES	0.0	0.0	0.0	0.0
CAPITAL FINANCING COSTS (£110,000 developer contribution)	22.6	53.9	139.6	139.6
NET ADDITIONAL COSTS TO COUNCIL	22.6	53.9	139.6	139.6

**Notes**

- (1) Assumes full extent of scheme with asphalt carriageway and surface dressing can only be carried out with previously agreed contribution from the City.
- (2) Assumes expenditure to date will contribute towards the implementation of the proposed revised scheme.
- (3) Contribution to County in line with Financial Contribution Agreement
- (4) Financial Contribution Agreement assumes £45,000 retained by City for fees. 75% of remaining fees likely to be spent in 2002/03.

**FINANCIAL PROFILE - Cornmarket Environmental Improvements Scheme (F1193)****Option 3 - asphalt carriageway with surface dressing to include Carfax****(A) Expenditure pattern compared to Provision in Capital Programme**

	2001/02	2002/03	2003/04	Total
	£ 000's	£ 000's	£ 000's	£ 000's
EXPENDITURE FOR WHICH APPROVAL SOUGHT	674.4	217.6	1,143.1	2,035.0
PROVISION IN CAPITAL PROGRAMME	674.4	1,180.6	0.0	1,855.0
PROVISION REQUIRED IN CAPITAL PROGRAMME	0.0	-963.1	1,143.1	180.0

**(B) Subjective Analysis of Expenditure**

	2001/02	2002/03	2003/04	Total
	£ 000's	£ 000's	£ 000's	£ 000's
ESTIMATED PER THIS REPORT				
CONTRIBUTION TO WORKS FEES	652.8	200.0	1,137.2	1,990.0
	21.6	17.6	5.9	45.0
	674.4	217.6	1,143.1	2,035.0
LAND / PROPERTY	0.0	0.0	0.0	0.0
TOTAL GROSS COSTS	674.4	217.6	1,143.1	2,035.0
*Comparison with figure in block (A) above				

**(C) On going Revenue Costs**

REVENUE COSTS	2001/02	2002/03	2003/04	Full year cost
	£ 000's	£ 000's	£ 000's	£ 000's
EMPLOYEE	0.0	0.0	0.0	0.0
RUNNING EXPENSES	0.0	0.0	0.0	0.0
CAPITAL FINANCING COSTS (£110,000 developer contribution)	22.6	53.9	154.0	154.0
NET ADDITIONAL COSTS TO COUNCIL	22.6	53.9	154.0	154.0

**Notes**

- (1) Assumes full extent of scheme with asphalt carriageway and surface dressing can only be carried out with previously agreed contribution from the City. The inclusion of Carfax is estimated to cost an additional £180,000.
- (2) Assumes expenditure to date will contribute towards the implementation of the proposed revised scheme.
- (3) Contribution to County in line with Financial Contribution Agreement
- (4) Financial Contribution Agreement assumes £45,000 retained by City for fees. 75% of remaining fees likely to be spent in 2002/03.