

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

Joint Report of the Executive Director Core Services
& the Executive Director Place
Cabinet, 9 February 2022

Public or Private: Public report with private appendix

(Local Government Act 1972 Schedule 12A Part 1 Paragraphs 3 and 7)

Glass Works and Town Centre Update

1. Purpose of report

- 1.1 To update members on the Glass Works scheme and the wider town centre public realm and related improvements.

2. Recommendations

It is recommended that:

- 2.1 **Cabinet notes the progress on the overall Glass Works scheme.**
- 2.2 **Cabinet notes the progress made in relation to the Glassworks leasing strategy.**
- 2.3 **Cabinet approves the revised budget envelope for the Glass Works scheme and the wider town centre redevelopment at a total capital cost of £210.6M, an increase of £0.6M, [noting that this increase will be contained within the total budget allocated to the scheme including resources set aside to operate the development on a day to day basis]**
- 2.4 **The Council's capital programme be updated accordingly in line with Financial Regulations.**

3. Introduction

- 3.1 In September 2018 (Cab 19.9.2018/14 refers) Council gave approval to proceed with the construction of the full Glass Works scheme. This included the completion of the Phase 1 construction, construction of the Phase 2 retail and leisure element, town centre public realm works and construction of the Market Gate Bridge.
- 3.2 The Glassworks development was officially opened to the public on 9th September 2021. This report provides a general update on the development since opening together with an update on the leasing strategy.

4. Current Position

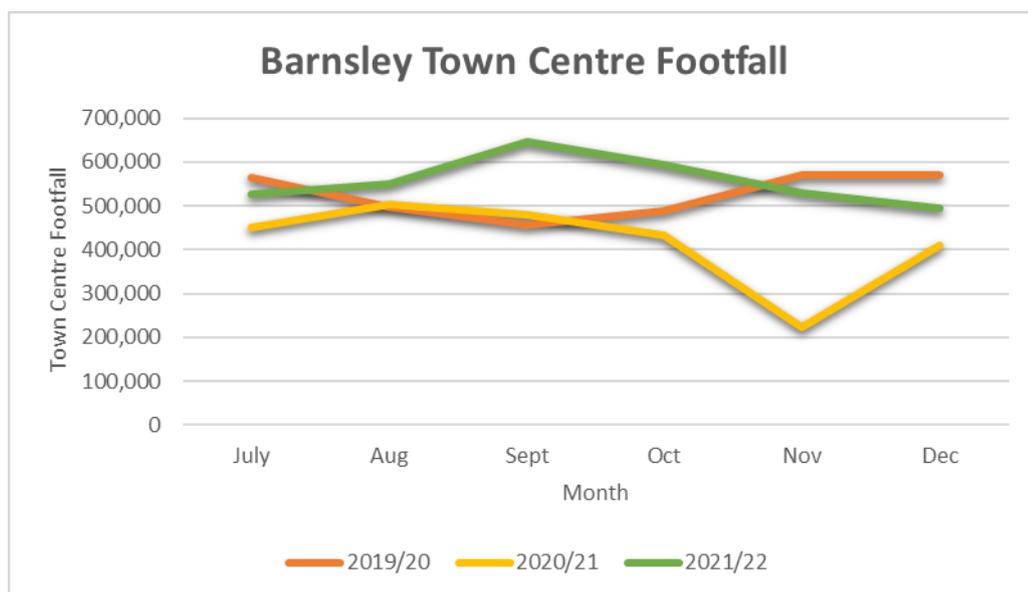
4.1 As mentioned the main Glassworks complex was officially opened to the public on the 9th September 2021.

Footfall

4.2 Since this time the town centre has experienced very positive footfall results with a general upward trajectory since scheme opening. Footfall for the Glass Works, inclusive of Markets is as follows:

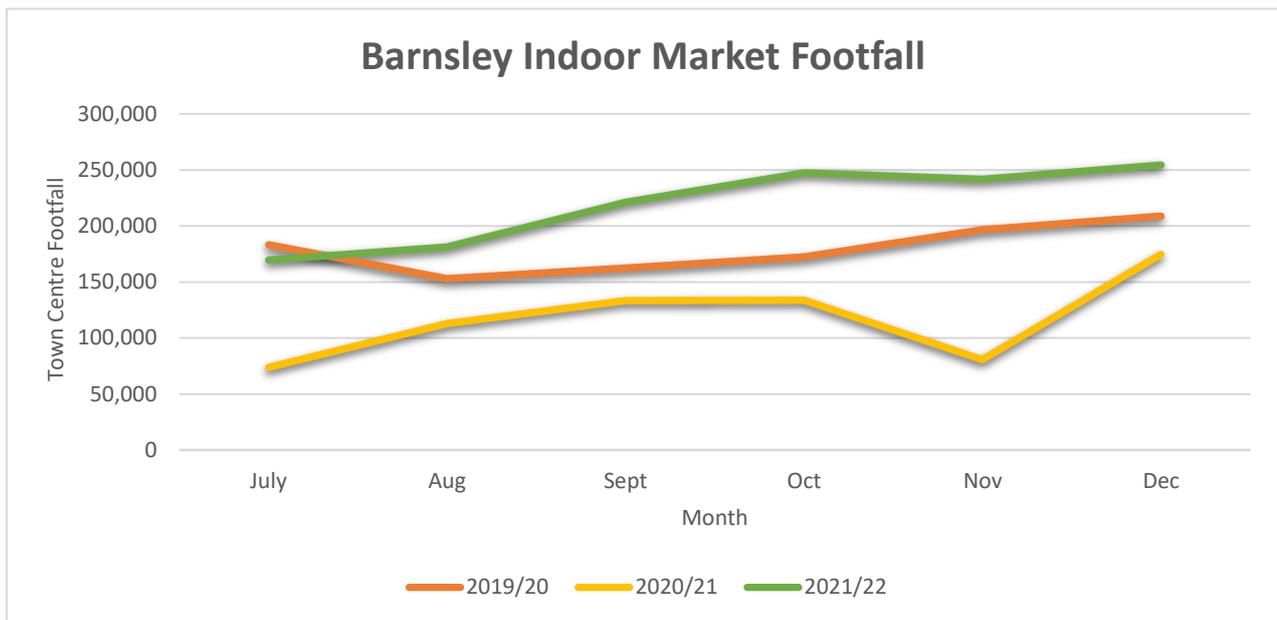
Month	Footfall Numbers
September 2021	397,421
October 2021	404,338
November 2021	396,589
December 2021	492,567
TOTAL	1,690,915

4.3 Footfall for the town centre is close to pre-2019 levels, which is bucking the wider trends across the country. Centre for Cities has reported that Barnsley is unusual to see footfall at this level and has regularly featured in the media as an exemplary town centre where safety has been paramount and people are engaging regularly with their town centre.



	July	Aug	Sept	Oct	Nov	Dec
2019/20	565,874	498,836	456,710	488,526	569,958	569,288
2020/21	450,662	503,579	480,666	433,770	222,462	410,200
2021/22	526,408	549,381	647,190	594,629	530,061	493,140

4.4 The table below and diagram shows the footfall for the Indoor Market over the last 3 years:



	July	Aug	Sept	Oct	Nov	Dec
2019/20	183,222	152,958	162,363	172,542	196,729	208,812
2020/21	73,751	112,921	133,442	133,700	80,625	174,650
2021/22	169,574	181,255	221,100	247,376	241,559	254,406

4.5 These numbers augur well for the future of the Glass Works, the Market, and the town centre.

Works Update

4.6 Whilst the major elements of the Glassworks Development have been completed, there remain a number of works ongoing.

Public Realm

4.7 The remaining elements of public realm works in Peel Square together with installation of the hostile vehicle mitigations in the town centre are expected to be completed in Spring 2022.

Glassworks Bridge

4.8 The main contractor for the Glassworks Bridge has also been appointed and work is due to commence during the summer of 2022 with final completion expected in Summer 2023.

Additional Priority/Essential Works

4.9 Since the complex was opened, a number of additional essential works have been identified.

4.10 Firstly, a number of items are currently classed as urgent/priority including:

Phase 2

4.11 Following a full review of the units yet to be let there is a further requirement to undertake additional tenant enhancement works. An additional permanent power supply is also required in the Library at the Lightbox together with other minor essential works across the scheme. Finally, there is also a requirement to extend the DMO contract through to the end of March 2022.

Bridge

4.12 As a result of the further delay in completion of the Glassworks Bridge, there is a requirement to extend the security arrangements and road closures for Barnsley FC home games as instructed by South Yorkshire Police, together with ongoing maintenance for the temporary bridge.

Public Realm

4.13 The delayed completion of the bridge also results in a knock-on delay to completing the public realm works planned on Midland Street resulting in an extended prelim's programme.

Further Works

4.14 Following the opening of the Glassworks, it has become apparent that there are number of areas of work that, whilst not necessarily essential, do require completing to ensure the remaining elements of the scheme are completed on time and that the overall customer experience is enhanced.

4.15 Firstly, there is a requirement to employ an NEC3 project manager/contract administrator for the bridge contract together with a site supervisor. Combined, these two roles should ensure effective contract management and ensure the project comes in on programme and budget – due to complete in June 2023.

4.16 In addition, the current contract with the Council's leasing advisors Queensbury expired at the end of December. To ensure the scheme is let in line with the leasing strategy it is proposed to extend this contract through to the end of June 2022.

4.17 There is also a requirement to provide additional CCTV coverage on the Square, and in the GW car park and lifts together with the addition of further wayfinding and totem signage to improve navigation around the Glassworks for members of the public.

4.18 Finally, it is also proposed to relocate the Centre Management Team to the Ground Floor of the complex so that they are more accessible to Tenants, operatives and security and the Public. This will enable the team to be regularly in contact with customers and enhance the visitor experience.

4.19 The following works were also identified but are currently not classed as priority at this stage but may need to be addressed at a later date:

- Further signage within the Market Kitchen;
- Security mesh to the rotunda with the Multi Story Car Park.

Capital Contributions

4.20 In addition to the above, based on the recent lettings agreed and following further discussions with Queensbury, the current level of capital contributions set aside for the remaining units has been reviewed and it is recommended that this be increased accordingly.

4.21 It should be noted that this review / additional provision only considered the letting of current vacant units and does not consider any capital contributions that may be required should there be turnover with existing tenants. In particular, Members will recall that three of the units are currently being used on a temporary basis as cultural venues. Should a decision be made to cease this provision and let those units on a commercial basis, it is likely that additional capital contributions will be required.

4.22 In addition, the amount set aside for existing vacant units may not be sufficient, even though the current estimates have been verified by Queensbury.

Total Estimated Costs

4.23 The estimated cost of the above additional requirements totals £1.402M. However, following completion of the main construction contract, a full review of the current budgeted costs has been undertaken with underspends being identified to help address, in part, this additional cost. The financial implications section of the report provides an update on the total scheme budget and financing.

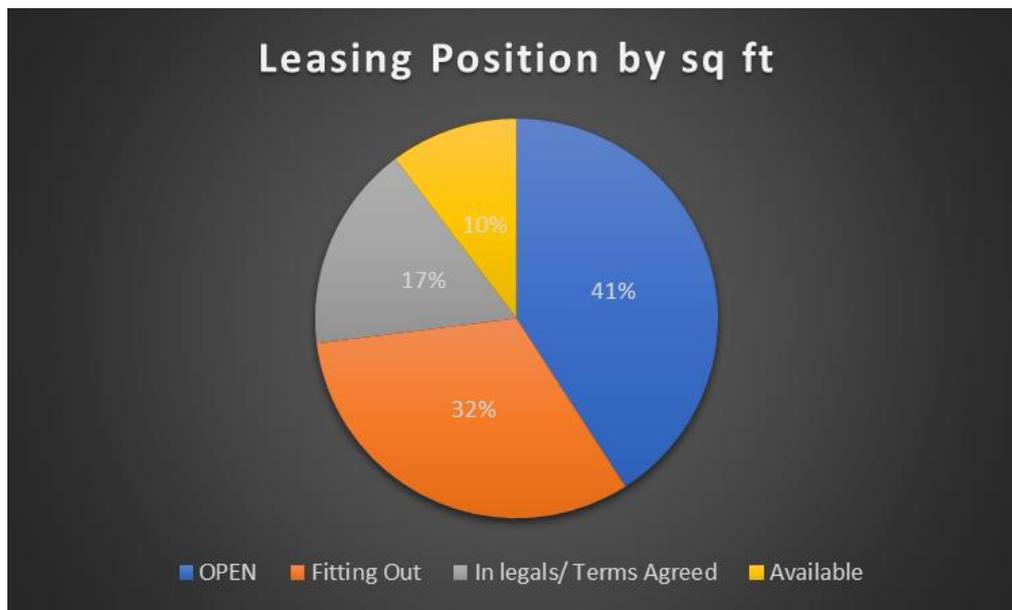
5. Leasing

5.1 The completed Glass Works scheme provides 269, 000 sq. ft of new retail and leisure space (excluding the space occupied by the Market and Market Kitchen). This new space is currently configured into 39 individual units although there is flexibility to change this by combining units or in certain locations dividing them to meet the needs of individual tenants who want to come into the scheme.

5.2 Progress continues to be made with the leasing of the scheme. Currently out of the 39 units, over half have been let. The current leasing position is laid out in the table and pie-chart below and looks very healthy.

	sq ft	%
OPEN	105,905	40.9%
Fitting Out	83,146	32.1%
In legals/ Terms Agreed	43,283	16.7%
Available	26,611	10.3%

It is important to note that, when all of the leases currently sitting with solicitors are completed, the scheme will be 90% let. Again, this significantly bucks the trend for schemes of this nature across the country, many of which have been badly hit by the impacts of the pandemic and is a resounding tribute to the work of the teams and our leasing agent in ensuring the scheme brings a fresh retail, leisure and hospitality offer to Barnsley



5.3 The follow units are currently open and trading:

- Lounges (The Falco Lounge)
- Superbowl
- Next incorp. Caffè Botanico
- Sports Direct/ USC
- TK Maxx
- JD sports
- Diechman
- Coffee Boy
- The Fragrance Shop
- Barnsley Discover
- Barnsley Gallery
- Barnsley Digital
- Library @ the Lightbox

5.4 The following units are fitting out and expected to be open during 2022:

- Black and White (spring 2022)
- River Island (Spring 2022)
- Nandos (spring 2022)
- Salt Rock (spring 2022)
- Cruise (formally Flannels – spring 2022)
- Fridays (spring 2022)
- The Foot Clinic (Spring 2022)
- NHS Cancer Research (summer 2022)

5.5 In addition to the above, advance negotiations are currently being held with a further seven tenants.

5.6 There are currently 11 units which are vacant. Targets and types of businesses have been identified for these units to ensure a dynamic tenant mix, and a refreshed marketing plan is in place to market these units, using the success of the scheme so far to promote the remaining units to let. We are now at a point where we are overseeing a successful scheme and will engage in an aggressive positive business to business marketing programme to continue to attract new tenants to the scheme.

5.7 In addition to the above local and regional operators are also being targeted. The current leasing material (online and offline) is being updated to reflect the current position with key messaging updated, demonstrating to potential businesses how successful the scheme has been in securing lettings.

6. Proposal and Justification.

6.1 The overall proposal is to complete the additional works identified within this report to ensure the Glassworks provides the best customer experience possible.

6.2 If these works are not completed there is a risk that the leasing strategy will not be fulfilled and could lead to further financial and legal implications for the Council. As a result, this is not recommended.

7. Financial implications

7.1 The current capital cost of the Glassworks stands at £209.9M, as agreed by Cabinet in June 21.

7.2 As highlighted in Section 4 above several additional cost pressures have since materialized; the table below provides a breakdown of these pressures and associated costs.

Priority /Essential works	Amount	Rationale for this being a priority
Phase 2		
EV charging points, travel plan and planning application amendment	£22,000	To fulfil a planning requirement.
Permanent power supply to the library	£21,000	Accommodate night working due to location.
Servicing strategy	£43,000	Cheapside traffic management whilst basement was out of commission.
Tenant enhancements	£150,000	Review of remaining TE Budgets.
DMO fees	£77,000	Due to contract extensions of T&T and Queensbury
Phase 2 Total	£313,000	
Bridge		
Barnsley Football Club temp bridge security and SYP road closures	£140,000	Due to a delay to bridge construction start date.
Additional 12 months temp bridge maintenance and cleaning	£85,000	Due to a delay to bridge construction start date.
Mining artwork storage and potential BAPA increases	£13,000	Due to a delay to bridge construction start date.
Bridge Total	£238,000	
Public Realm Total	£68,000	Due to a delay to bridge construction start date.
Total Priority / Essential works	£619,000	
Additional Requirements		
		Rationale for this being a priority
Extension of T&T/Queensbury contract	£68,000	Extending leasing support / cost management to the end of June.
NEC3 PM / contract administrator and site supervisor role	£200,000	A requirement of the bridge contract to have both roles in place due to it being a NEC3 contract.
Tree guards	£44,000	Prevention of additional maintenance.
Additional CCTV	£38,000	Integration with the GW CCTV control system, and installation of CCTV within the carpark lifts.
Security shutter for staircase	£5,000	A priority for security purposes to prevent unauthorised access to service areas.
Additional wayfinding and totem signage	£56,500	The scheme currently has no wayfinding around the perimeter of the Glass Works development.
Relocation of Centre Management team	£50,000	Make the Centre Management Team more accessible to tenants and the public.
Internal Fees	£89,000	Professional fees payable to Barnsley Property Services for works due to be completed.
Library	£5,000	Additional power supply to library.
Total Additional works	£550,500	
Capital Contributions	£233,000	Additional requirement following a review of vacant units.
OVERALL TOTAL	£1,402,500	

7.3 A detailed review of existing capital resources allocated to the scheme has revealed an underspend totalling £0.736M which can be used to contribute to the increased costs identified above.

7.4 The balance (£0.667M) will be funded from a reduction in the running costs of the Glassworks development during 2021/22 due to the 6 month delay in opening (originally planned to open in May 2021).

7.5 This additional cost can therefore be funded from existing resources allocated to the scheme and does not require any additional approvals at this stage.

7.6 Full financial implications are shown in Appendix A.

8. Legal implications

8.1 There are several legal implications in relation to the report. Specifically, specialist legal support is required to conclude legal agreements with operators who are wanting to come into the Glass works scheme.

8.2 Legal support will also be required to continue the negotiations with Network Rail in relation to the new Market Gate bridge.

8.3 To date Gowlings have been used to provide legal advice for the scheme but this contract has now ceased, with legal advice now being provide in-house. Specialist legal advice will be procured for larger national businesses using the Council's legal framework, but in-house services will be used wherever possible.

9 Employee implications

9.1 No direct implications are contained within the report; however, project management resources are required across all the elements of the Glass Works project.

9.2 Further employee implications may arise as the town centre asset management service develops.

10. Communications implications

10.1 There are communication implications from the report. Dedicated communication resource is in place within the Council to support the delivery of the Glass Works and the wider town centre.

10.2 Specifically there is the need to develop an integrated communication and marketing plan for the next opening phase of the Glass works scheme.

11. Consultations

11.1 Consultations have previously taken place with elected members via all-member briefing and tour of the Glass Works project.

11.2 Consultation has taken place with representatives of the Service Director Finance [S151 Officer] regarding the financial implications and risk management issues.

11.3 Consultations have taken place with representatives of the Executive Director Core Services regarding the legal implications of the agreements to lease with operators within the Glass Works scheme.

12. The Corporate Plan and the Council's Performance Management Framework

12.1 This proposal supports the Corporate Plan objectives of creating a 'thriving and vibrant economy' and creating 'strong and resilient communities'. We will achieve this through delivering the following outcomes as part of the wider Better Barnsley scheme:

- Develop a vibrant Town Centre
- Create more and better jobs and good business growth
- Strengthen our visitor economy
- Protecting the Borough for future generations

13. Tackling health inequalities

13.1 There is a clear link to several public health issues because of the development.

13.2 The design of the new Market gate bridge has several health implications. These include promoting active travel and consideration has been given to the safety and security of people using the bridge.

13.3 In addition, options are currently being considered to make the new Public Square a smoke free zone like the Pal's Centenary Square at the Town Hall.

14. Climate Change & Sustainable Energy Act 2006

14.1 The Glass Works scheme aspires to respond positively to local and national sustainability requirements. Sustainability is embedded throughout the scheme and includes all aspects of sustainability including social and economic sustainability as well as environmental sustainability.

15. Risk management issues

15.1 There are several individual risk registers for the Glass Works scheme. These include registers covering all strategic, management and operational risks relating to Phases Two and Three of the scheme, as well as risks relating to ongoing centre management.

15.2 Appendix 2 to this report shows the current risks register for the full development. This captures issues across the project and shows there are challenges in several areas. Members need to be aware of the challenges relating to the leasing of the scheme. Arguably this is the greatest individual risk/ issue impacting the scheme.

15.3 Whilst no significant financial risk remains over the construction costs of the Glassworks, there remains a risk to the ongoing running costs and income receipts. The Council's MTFs currently fully mitigates this risk although this may need to be reviewed in the future because of the wider financial pressures faced by the Council.

16. Health, safety, and emergency resilience issues

- 16.1 All health and safety matters in respect to the development will be addressed as part of the obligations placed upon the main works contractors.
- 16.2 The Council's health, safety and emergency resilience team undertake regular inspections of the site.
- 16.3 More importantly, our town centre is having a really positive health and wellbeing impacts for our residents and citizens. Managed very safely, it provides a welcoming inclusive space for citizens of all ages – it is age-friendly, young people-friendly and older-people friendly. Our town centre offer spaces for people to meet, connect and socialise and having a town centre that people feel proud of builds civic pride and a strong sense of place.

17. Compatibility with the European Convention on Human Rights

- 17.1 No issues arising from this report.

18. Promoting equality, diversity, and social inclusion

- 18.1 The Glass Works delivery team have worked closely with the Equality and Diversity Team. It is understood that anyone with disabilities can face all kinds of challenges using the town centre. The project team will incorporate feedback from consultation sessions with disability groups.
- 18.2 Engaging with disabled people in our consultative process demonstrates the commitment to and valuing of the disabled visitor/customer/user. As well as gaining insight into the more universal access issues, involving disabled people will bring more site-specific knowledge to the auditing process.

19. Reduction of crime and disorder

- 19.1 The Council is collaborating with the Police to address anti-social behavior across the town centre. Good, safe design principles within the Glass Works scheme will help and assist this work going forward.
- 19.2 Specifically South Yorkshire Police have advised on the requirement to close the temporary bridge and road closures around the development on match days.
- 19.3 A continued police presence in the Glass Works will be considered in the design of the town centre asset management service.

20. Conservation of biodiversity

- 20.1 Biodiversity issues are being addressed in the planning and design process.

21. Glossary

- 21.1 Not used.

22. List of appendices

Appendix A – Financial Appendix

Appendix B – Glassworks Risk Register (Exempt)

23. Background papers

Officer Contact: Neil Copley/Kathy McArdle

Date: 26th January 2022