

Contract award for the construction phase of the Stockyard Redevelopment Project

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Lead Member/Relevant Portfolio Holder	Councillor Pip Allnatt , Leader of the Council

Corporate Priority:	Tourism and Town Centre regeneration and vitality
Relevant Ward Member(s):	Melton Egerton (Councillor Pip Allnatt and Councillor Mike Brown)
Date of consultation with Ward Member(s):	30 October 2024
Exempt Information:	No

1 Summary

- 1.1 MBC was awarded an allocation of Levelling Up Funding (LUF) as part of a joint bid with Rutland Council that was designed by Central Government to invest in infrastructure that improves everyday life across the UK, with the aim to support town centre and high street regeneration, local transport projects, and cultural and heritage assets.
- 1.2 MBC is investing their allocation of LUF Funding into the Stockyard site, to develop food and drink production focused buildings, with accompanying multi-functional events space and a formal car park to provide a properly demarcated primary use.
- 1.3 Cabinet has regularly overseen and monitored the preparation of the design for the Stockyard Project to ensure that it maximises the benefits of the scheme, operates in accordance with the LUF funding conditions and facilitates a complimentary, not competitive offer to the high street and town market area.
- 1.4 The project is now at a stage for MBC to enter into a contract with a construction partner to progress into RIBA Stage 5, which is the construction phase of the project.
- 1.5 This will enable the Council to meet its LUF funding requirement deadlines relating to the development of the Stockyard by the end of March 2026.

- 1.6 If this award of contract is approved and the scheme is awarded planning permission in due course, the Council will be able to move quickly to the construction phase in early 2025 to remain in line with the programme to claim the full allocation of LUF Funding.

2 Recommendations

That Cabinet:

- 2.1 **Delegates to the Director for Growth and Regeneration, in consultation with the Leader of the Council and the Director for Corporate Services, to award the Stockyard Redevelopment Project main contract works to GF Tomlinson for a contract sum of no more than £11,197,422.08, subject to planning permission being obtained**
- 2.2 **Enters into a JCT Design & Build 2016 Contract with GF Tomlinson as the construction partner for the Stockyard Redevelopment Project subject to planning permission being obtained.**

3 Reason for Recommendations

- 3.1 The approval to award the contract to GF Tomlinson as the principal contractor for the main contract works will provide a seamless transition from the design stages of the project to the construction phase, once planning permission has been achieved.
- 3.2 It has been programmed to start the construction phase in early 2025 and this approval will allow the project to progress to this stage in line with the programme and LUF Funding requirements.
- 3.3 This will avoid programme delay allowing the LUF Funding requirements to be met and the Council will be able to maximise the funding source available from Central Government.

4 Background

- 4.1 MBC are currently entered into a Pre-Construction Services Agreement (PCSA) with GF Tomlinson for the Stockyard Project. This allowed for a single point of contact for all design, programming and construction matters and the design responsibilities and associated risk were removed from the Council onto the contractor. The agreement was to progress the project design stages through RIBA Stages 2-4 including submission of the full planning application during RIBA Stage 3, which is currently under consideration by MBC Planning Department. The design team are also currently progressing through RIBA Stage 4, to produce the detailed designs for the scheme. This stage is due to complete in early December 2024 and at this time the Council will receive the tender price for the works, which will be reviewed in detail by the project quantity surveyor and the in-house project team prior to the contract sum being agreed. The contract sum is the total sum of money calculated in accordance with the Employer's Requirements and specifications for the execution of the work during the contract period.
- 4.2 The total LUF funding for the Stockyard Project is £13.1m. This is made up of the following:

	(£m)	(£m)	(£m)
LUF Funding Amounts	Grant	Match	Total
Stockyard Development	10.1	1.0	11.1
Trader Hall	2.0		2.0
Total	12.1	1.0	
		Total	13.1

There is a review currently being carried out in Central Government around the wider LUF Funding scheme, however, at present, the £13.1m of LUF Funding has been distributed into the Stockyard Project as follows:

	Design	Construction	Construction Contingency	Programme Management	MBC staff charge	Total
Stockyard	£850,000.00	£9,420,447.17	£192,254.02	£464,298.81	£173,000.00	£11,100,000.00
Trader Hall	£152,760.30	£1,776,974.91	£36,264.79	inc.	£34,000.00	£2,000,000.00
Total	£1,002,760.30	£11,197,422.08	£228,518.81	£464,298.81	£207,000.00	£13,100,000.00

- 4.3 As a result, the contract sum for the construction works will not exceed the sum of £11,197,422.08. It has been agreed to redistribute the LUF funding that was originally allocated for the Melton Theatre Project, to the redevelopment of the Trader Hall building, which is located inside the wider Stockyard site and was originally planned for phase two of the project. The design of the Trader Hall redevelopment is progressing at pace to catch up with the rest of the stockyard redevelopment, ensure efficiencies in the timescales of planning and delivery. With the Trader Hall redevelopment being brought into the scope of Phase 1 of the Stockyard Development Project the scope of works has increased and although this has added time to the overall programme, the drawdown of the LUF Funding is still expected to be within the timeframes of funding terms and conditions.

5 Main Considerations

5.1 Procurement Process & Contract Award

- 5.1.1 Once the contract sum has been reviewed and the final sum is agreed, the award of the main contract works will be made to GF Tomlinson as a direct award via the Pagabo public sector procurement frameworks company. The option that will be taken is the refit and refurbishment framework.
- 5.1.2 The project team have taken advice from the Council's procurement partner, Welland Procurement, to ensure the supplier has been procured in compliance with the contract procedure rules, and all necessary due diligence has been carried out by the Council Officer.
- 5.1.3 Pagabo's added value to the project comes in two forms. Firstly, transparent procurement of publicly procured projects and assurance of complacency for the same. Secondly, use of their subsidiary company Loop, which comes at no extra cost. Loop is a software that forecasts, monitors and evaluates the social value impact of the scheme through the whole-life cycle of a project.
- 5.1.4 Other benefits of using the Pagabo framework compared to an open market procurement process are as follows:
- Speed** - The use of the Framework as an alternative to the Find a Tender Service (FTS) which is a platform to publish information on public sector contract opportunities for example, has reduced the Procurement Programme by circa 4 months given that there is no need to carry out a full Selection Questionnaire Process. This also allows the Council to meet the LUF agreement funding deadlines.
 - Cost** - A more streamlined procurement process through the Pagabo Framework means reduced associated procurement resource costs. Over Head & Profit (OH&P) rates on the Pagabo Framework cannot be exceeded and having the maximum OH&P rate from GF Tomlinson at the outset of the process demonstrates that Value For Money is assured. The OH&P rates put forward by GF Tomlinson are much more

competitive via the Framework as they are based on millions of pounds worth of work rather than just a single project in isolation. With the Find a Tender Service (FTS) there is no limit on what OH&P rates a contractor can bid at, and therefore VFM could be limited.

- c) **Risk** - The use of the Pagabo Framework, with a tried and tested pool of contractors primed to start to work on projects procured under said Framework, means that the Council have ultimately appointed a Construction Partner who has a proven track record, to be capable of delivering the project successfully as well as being financially sustainable and credible.

5.2 **JCT Design & Build 2016 Contract**

5.2.1 To effect this award MBC will enter into a JCT Design & Build 2016 Contract with GF Tomlinson. The project team have been in consultation with the external legal team at Trowers & Hamblins. To further protect the Council, contract amendments to the JCT Design & Build 2016 Contract have been drafted in favour of the Council by the external legal team and these are currently under review by GF Tomlinson.

5.2.2 JCT (Joint Contracts Tribunal) contracts are widely used in the UK construction industry and will offer several benefits for the Council. These contracts are standardised, which provides consistency and clarity for all parties involved in the Stockyard project. The primary benefits for the Council in using the JCT Design & Build 2016 Contract for this award is as follows:

a) **Standardisation and Familiarity**

- i) It is well-established and widely recognised in the UK construction industry. This means that most construction professionals, contractors, and legal advisors are familiar with the terms and structure.
- ii) Using a standardised contract reduces the time and cost associated with drafting a bespoke contract and provides a common framework that is well-understood by all parties involved.

b) **Clarity and Transparency**

- i) It will clearly outline the rights, responsibilities, and obligations of each party, reducing misunderstandings and potential conflicts.
- ii) The contract will specify important details, such as payment terms, project timelines, and procedures for dealing with delays, variations, and defects. This transparency will help the Council to understand what to expect throughout the project.

c) **Risk Allocation**

- i) It is designed with balanced risk allocation in mind, ensuring that each party takes responsibility for aspects of the project they can control. For instance, under the JCT Design & Build Contract, the contractor assumes responsibility for both design and construction, transferring significant risks away from the Council.
- ii) This contract will include provisions for handling potential risks like delays, changes in scope, and defects. This will help the Council to manage and mitigate risks more effectively.

d) Clear Dispute Resolution Mechanisms

- i) It will include established procedures for dispute resolution, such as adjudication and arbitration. This provides a clear path for resolving issues quickly and cost-effectively if disputes arise.
- ii) The presence of defined dispute resolution methods can also reduce the likelihood of disputes escalating, as both parties have a mutual understanding of the process for addressing conflicts.

e) Payment Security and Cash Flow Management

- i) It will outline specific payment terms and schedules, which will help the Council to manage cash flow predictably. These terms include the timing of interim payments, final payments, and retention provisions.
- ii) The contract will include mechanisms to ensure fair payment practices, such as the requirement for contractors to provide regular payment applications and for clients to issue payment certificates, creating transparency and accountability around payments.

f) Defined Quality and Standards

- i) It will include quality control provisions that require the contractor to meet specified standards. This includes adhering to design requirements, complying with building regulations, and ensuring that work is performed to an acceptable standard.
- ii) If work is found to be defective, this JCT contract will outline the contractor's responsibility for rectifying issues at no additional cost to the client, providing assurance that quality standards will be maintained.

g) Control over Changes and Variations

- i) It will include a structured process for managing changes to the project scope or design, known as variations. This allows the client to make changes during the project while maintaining control over costs and timelines.
- ii) The contract will outline how variations will be valued and provides a mechanism for agreeing on the impact of changes, reducing the risk of unexpected costs and project delays.

h) Time Management and Liquidated Damages

- i) It will include specific provisions for project timelines, including start dates, completion dates, and milestones. If the contractor fails to meet the agreed timeline, the contract often allows the client to claim liquidated damages to cover costs associated with the delay.
- ii) These provisions encourage the contractor to adhere to the project schedule and will provide recourse for the Council if delays occur.

i) Established Contract Administration and Certification

- i) It will designate a contract administrator who oversees the project, certifies payments, and ensures that the work meets the specified requirements. This will provide an extra layer of oversight for the Council.

- ii) The contract will also include provisions for issuing completion certificates, allowing the Council team to formally certify that work is complete and meets the agreed-upon standards.

j) Insurance Provisions

- i) It will outline specific insurance requirements for both the client and the contractor, providing protection against common risks associated with construction projects, such as property damage, injury, and third-party liability.
- ii) These requirements ensure that both parties have appropriate coverage, which protects the Council from unforeseen financial liabilities related to the project.

k) Efficient Project Close-Out

- i) It will provide a structured process for project close-out, including provisions for practical completion, snagging, defects liability, and final payment. This process helps ensure that the project is completed to the Council's satisfaction and that any outstanding issues are resolved before the final payment is made.
- ii) This clear close-out procedure will provide assurance for the Council, as they can ensure all contractual obligations are met before fully concluding the Stockyard Redevelopment Project.

5.2.3 By using a JCT contract, the Council will benefit from a clear, balanced, and well-recognised construction contract, which helps to streamline the construction process, manages risks, and provide clear mechanisms for addressing issues as they arise.

5.3 Management of the Construction Programme

5.3.1 The Council project team will coordinate various tasks, resources, and stakeholders to ensure the Stockyard Project is completed on time, within budget, and to the required quality standards. We will focus on the following key aspects and best practices for effective management of the Stockyard construction programme:

a) Define Clear Objectives and Scope

- i) **Set Specific Goals within the programme:** The project team will outline the overall objectives of the Stockyard project, such as project deadlines, budget limits, safety standards, and quality benchmarks at the beginning.
- ii) **Scope of Work:** We will detail each component of the project, including the work to be done, timelines, and quality expectations. This serves as a reference and can be monitored throughout the construction phase of the project.
- iii) **Stakeholder Alignment:** We will ensure that all stakeholders (Council members & colleagues, contractors, the design team and their engineers) have a shared understanding of the project goals to be achieved in the programme.

b) Develop a Comprehensive Project Plan

- i) **Scheduling:** The project manager will create a timeline with key milestones, task sequences, and critical paths. Specialist planning software will be used to manage these schedules.
- ii) **Resource Allocation:** The contractor will be monitored on their planning for resources such as labour, materials, and equipment. This includes estimating

quantities and scheduling deliveries to align with project phases and also to fit in with causing minimum disruption to the local community.

- iii) Budget Monitoring: The construction phase will be broken down to show a detailed budget, breaking it down by labour, materials, equipment, and client contingency funds for unforeseen costs.

c) Risk Management

- i) Identify Risks: We will list potential risks (e.g., weather delays, labour shortages, material price fluctuations, ground conditions) and assess their likelihood and impact.
- ii) Develop Mitigation Strategies: The team will plan how to mitigate each risk and create contingency plans. For example, ensure the contractor has alternative suppliers in case of material shortages.
- iii) Monitor Risks: Risks will be reviewed regularly throughout the project and adjust plans as needed.

d) Implement Effective Communication

- i) Regular Meetings: Official contract monthly site progress meetings will be scheduled with the project team, GF Tomlinson, and other relevant stakeholders to discuss progress, risks, issues, and upcoming tasks.
- ii) Develop a Communication Plan: The project team will outline how information will flow between parties, what channels to use, and the frequency of updates.
- iii) Documentation: The project team will keep detailed records of all communications, decisions, and changes. This can be useful for project tracking and resolving disputes should they arise.

e) Quality Control and Assurance

- i) Set Quality Standards: Clear quality criteria will be identified and agreed and ensure that these are understood by all team members at GF Tomlinson.
- ii) Regular Inspections: We will schedule routine inspections at key project stages to confirm that work meets quality standards and regulatory requirements. Weekly site visits will be carried out by the project manager accompanied by a Clerk of Works.
- iii) Continuous Improvement: The project team will address any quality issues immediately and implement lessons learned to improve processes.

f) Monitor and Control Progress

- i) Track Project Progress: The team will compare actual progress with the project plan to identify deviations. This can include reviewing tasks completed, budget usage, and resource utilisation.
- ii) Adjust Schedules as Needed: If delays do occur, we will look to adjust schedules and propose resource allocations to keep the project on track. This may involve working with GF Tomlinson and proposing the reallocation of labour or rescheduling of certain tasks.
- iii) Use Technology for Tracking: Project management software will be used to monitor progress in real time, generate reports, and communicate updates to Council members and colleagues.

g) Health, Safety, and Environmental Management

- i) **Safety Planning:** A Construction Phase Health & Safety Plan (CPHSP) will be issued to the Council from GF Tomlinson to outline their approach to a safe working environment. They will also be required to evidence their safe working practices and carry out training to ensure compliance with health & safety standards.
- ii) **Environmental Considerations:** The Council will insist on measures to reduce environmental impact, such as proper waste disposal and minimising pollution throughout the construction phase of the project.
- iii) **Regular Safety Audits:** GF Tomlinson will be required to sign up to an official site audit scheme, such as the Considerate Constructors Scheme. This will allow safety inspections and risk assessments to prevent accidents and ensure a safe work environment.

h) Cost Management

- i) **Budget Tracking:** The project manager will monitor costs regularly and compare them to the budget. We will address and report on any variances immediately to avoid cost overruns.
- ii) **Cost Forecasting:** Through the client team quantity surveyor, we will update cost forecasts based on project progress. This will help us to predict final project costs and make any adjustments in good time if needed.
- iii) **Change Control:** The project manager will manage change requests carefully, as they can affect both schedule and budget. The project team will evaluate their impact and get sign off before approving them.

i) Closeout and Handover

- i) **Final Inspections and Testing:** The project team will conduct final inspections and tests to confirm that the project meets the specified requirements and quality standards.
- ii) **Documentation and Handover:** We will ensure a full and detailed compilation of all hand over project documentation, including as-built drawings, operation manuals, safety folders, building user guides and warranties.
- iii) **Lessons Learned:** The project team will conduct a post-project review to discuss lessons learned, which can improve future projects for the Council.

5.3.2 Effective management of the construction programme will be about thorough planning, proactive management, and continuous monitoring and the above steps will be followed, along with the efficient use of the right tools and practices to significantly enhance the success of the construction phase for the Stockyard project.

5.4 Contractor Performance

5.4.1 GF Tomlinson will have their performance measured and monitored during the construction phase of the project. This will be carried out using agreed Key Performance Indicators (KPIs), Construction KPIs are useful metrics to measure the performance and success of the construction phase of the project. These KPIs will help in assessing various aspects of the project throughout the construction lifecycle. By effectively implementing and monitoring these KPIs, it will help the MBC project manager to ensure the construction phase is completed efficiently, safely, on time, on budget and to the required

quality standards. The following KPI's for the Stockyard Project will be measured and monitored on a three-month cycle throughout the construction phase of the project.

- a) **Safety** – These KPIs are crucial metrics used to measure and manage the safety performance of the Stockyard construction site. These KPIs help in identifying potential hazards, preventing accidents, and ensuring a safe working environment for all employees and visitors, along with the existing tenants and users of the wider site. Safety KPIs will include the following subcategories:
 - i) Actively Demonstrates Leadership
 - ii) Accident & Incident authentic reporting
 - iii) Personal Responsibility - "Want to" vs. "Have to"
 - iv) Planning for Incident and Injury Free Performance
 - v) Accident Frequency Rate
- b) **Compliance – Quality Management System** - Compliance with a Quality Management System (QMS) is essential for ensuring the Stockyard project will meet regulatory standards, client requirements, and industry best practices. KPIs for QMS compliance help measure the effectiveness of the quality management processes of the principal contractor and identify areas for improvement. Compliance – Quality Management System KPIs will include the following subcategories:
 - i) Drawings & Documentation
 - ii) Use of Systems / Procedures
 - iii) Awareness/understanding of Quality ethos
- c) **Compliance – Sustainability** - Sustainability KPIs are critical for measuring and managing the environmental, social, and economic impacts of the Stockyard project. These KPIs will help the Council ensure they are meeting sustainability goals as outlined in the Council Climate Change Strategy and regulatory requirements, as well as contributing positively to the community and environment. Compliance – Sustainability KPIs will include the following subcategories:
 - i) On Site Environmental Performance
 - ii) Waste Management
 - iii) Carbon Emissions
- d) **Delivery – Quality** – Quality KPIs are essential metrics used to evaluate the effectiveness, efficiency, and reliability of the delivery processes for the Stockyard project. These KPIs help ensure that project deliverables meet the required quality standards of the Council and are completed on time and within budget. Delivery – Quality KPIs will include the following subcategories:
 - i) Quality Compliance
 - ii) Quality of Workmanship
 - iii) Customer Service / Focus
 - iv) Quality Control & Management
- e) **Delivery – Planning & Programme** - Effective planning and programming will be crucial for the successful delivery of the Stockyard project. KPIs for planning and

program management help monitor the progress, efficiency, and effectiveness of project scheduling and execution by the appointed principal contractor. Delivery – Planning & Programme KPIs will include the following subcategories:

- i) Planning & Deliverables
 - ii) Milestones & Programme Reporting
 - iii) Project Progress Reporting
- f) **Delivery – Cost & Commercial** - Cost and commercial KPIs are essential for monitoring and controlling financial performance of the Stockyard project and ensuring that the project is delivered within budget and goes on to generate the expected financial returns. Delivery – Cost & Commercial KPIs will include the following subcategories:
- i) Approach & Attitude
 - ii) Cost & Progress Reporting
 - iii) Number of weeks following PC to settle final account
- g) **Delivery – Management** – Management KPIs are essential for evaluating the efficiency, effectiveness, and overall performance of contractor project management processes in the Stockyard project. These KPIs help ensure the project will be delivered on time, within budget, and to the required quality standards. Delivery – Management KPIs will include the following subcategories:
- i) Resources Allocation
 - ii) Support Structure
 - iii) Competence of Contract Team & Supervision
- h) **Delivery – Supply Chain Management** - Effective Supply Chain Management (SCM) is critical for the timely and cost-effective delivery of the Stockyard project. Supply Chain Management KPIs help track and evaluate the performance of the principal contractor for procurement, supplier relationships, logistics, and inventory management. Delivery – Supply Chain Management KPIs will include the following subcategories:
- i) Management of Suppliers
 - ii) Management of Orders
 - iii) Performance Monitoring

5.5 Social Value

5.5.1 GF Tomlinson will also be assessed for their social value contribution outside of the physical construction element of the project. It will include a range of benefits that contribute to the wellbeing of local communities, the local environment and the local economy including contributing directly to the growth of local sub-contractors who will be invited to be part of their supply chain to deliver the project. This will be measured throughout the construction phase of the project using agreed metrics and it will be monitored on the Pagabo Framework’s specialist online social value portal, ‘Loop’.

5.5.2 Loop will also conduct a regional check of local social value initiatives that can be targeted and incorporated into the Stockyard project as well as allowing the Council to target their

own identified social value sectors, such as farming and agricultural sectors, makers and creators and local trades companies and start-up businesses.

6 Options Considered

- 6.1 Do nothing – The terms and conditions of the wider LUF funding state the funding must be spent by the end of March 2026. If we do not award the contract as proposed, the Council would lose the entire LUF funding for this project.
- 6.2 Procure an alternative contractor through a full market open tender procurement process. This is not considered a viable option, because an open tender procurement process would delay the programme by an estimated 6-8 months, which would take the end date 6-8 months past the funding deadline of 26th March 2026. There would also be increased design time to the programme due to the re design required from a new contractor who was not involved in the RIBA Stages 2-4 design stages, which would risk increasing the contract sum above the approved budget.
- 6.3 Procure an alternative contractor through a mini competition tender procurement process using an appropriate construction framework. This is not considered a viable option, because a mini competition tender procurement process would delay the programme by an estimated 6 months, which would take the end date 6 months past the funding deadline of 26th March 2026. There would also be increased design time to the programme due to the re design required from a new contractor who was not involved in the RIBA Stages 2-4 design stages, which would risk increasing the contract sum above the approved budget.
- 6.4 It was considered to bring forward some early works from the main construction programme, so a start on site date could have been achieved prior to Christmas 2024. This was not considered a viable option after receiving the costs for the early works which highlighted an additional cost of £150k to carry out these works outside of the main contract. There was also no added benefit or reduction to the main construction programme if the early works were to be brought forward and taken out of the main construction contract.

7 Consultation

- 7.1 The project team have taken advice from the Council's procurement partner, Welland Procurement, to ensure the supplier has been procured in compliance with the contract procedure rules, and all necessary due diligence has been carried out by the Council Officer.
- 7.2 The project team have been in consultation with the external legal team at Trowers & Hamlins to draft the JCT Design & Build 2026 Contract and the contract amendments that accompany the contract.
- 7.3 The project team has been in consultation with the Council's insurance partner Zurich to take advice on insurance implications for the construction phase of the project along with the operational phase of the site.
- 7.4 The project team has been in regular consultation with MBC Communications Department to ensure an effective communications strategy is in place for the project.
- 7.5 The project team has been in regular consultation with MBC Legal Department regarding any legal matters associated with the project.

- 7.6 The project team has been in regular contact with MBC Finance Department for project budget control, spend and forecasted expenditure for the project, along with all associated insurance matters.
- 7.7 The project team has been in regular contact with MBC Assets Management Team for all lease and current partner related items for the Stockyard site.

8 Next Steps – Implementation and Communication

- 8.1 Planning Decision programmed for November 2024 Planning Committee date.
- 8.2 RIBA Stage 4 Detailed Design Stage due to complete December 2024.
- 8.3 Contractor tender submission price due December 2024.
- 8.4 Internal tender price review to complete January 2025.
- 8.5 JCT Design & Build Contract award and signing March 2025.
- 8.6 Construction start on site due March/April 2025.
- 8.7 LUF funding drawdown deadline relating to the development of the Stockyard site is 26th March 2026.
- 8.8 Construction completion date due May 2026.

9 Financial Implications

- 9.1 On completion of RIBA Stage 4 Design Development, GF Tomlinson will issue MBC with a tender price for the main contract works. This will be reviewed in detail by the project quantity surveyor prior to the contract sum being agreed between MBC and GF Tomlinson.
- 9.2 This is being funded through the LUF programme and is considered eligible expenditure against which we can claim back the costs. Invoices will be retained for costs incurred which will be submitted to Rutland County Council as the Accountable body for the programme to draw down against these expenses. This will be done on a half yearly basis (3 months retrospectively and 3 months forward based upon planned expenditure for that period).
- 9.3 The total LUF funding for the Stockyard Project is £12,100,000, with £1,000,000 of match funding from MBC. The contract sum for the construction works will not exceed the sum of £11,197,422.08. In addition to this, MBC will keep back £228,518.81 as a client contingency that will not be part of the contract sum and will not be visible to the contractor. The remaining allocated LUF funding will be used for existing and future design fees, programme management costs and internal MBC staff charges as outlined in the above table.
- 9.4 MBC will drawdown the LUF funding allocation up to the LUF funding deadline of 26th March 2026 to ensure that the Council has received the full allocation of LUF funding in line with the funding requirements. The £1m of match funding will be held back and used to complete the remaining elements of the construction phase of the project up to practical completion in April/ May 2026.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

- 10.1 The Council may enter contracts to discharge its functions under section 111 of the Local Government Act 1972 (the 1972 Act) and section 1 of the Local Government (Contracts) Act 1997. The 1972 Act requires the Council to make Standing Orders regulating how it enters contracts. In addition to complying with all relevant UK and retained EU legislation every contract entered on behalf of the Council must also comply with the Council's Contract Procedure Rules and Financial Regulations.
- 10.2 Funding for this work is from the Levelling Up Fund and therefore any expenditure must comply with any legal and/or contractual requirements pursuant to which that funding has been allocated.
- 10.3 The construction contract that will be used for this award is the JCT Design & Build 2016 Contract. External legal support has been provided by Trowers & Hamlins for the drafting of the JCT Design & Build 2016 Contract and the contract amendments that will be included. The Council's in-house Legal Team will however, continue to work with the Project Team to ensure that all necessary internal governance requirements are met and liaise in relation to instructing external lawyers.

Legal Implications reviewed by: Monitoring Officer.

11 Equality and Safeguarding Implications

- 11.1 There are no direct equality and safeguarding implications as a result of the award of this contract.
- 11.2 The design and operation of the Stockyard will be subject to extensive equality and safeguarding considerations to ensure that the space is accessible for everyone and safety is built into the design and the way that the space is used.

12 Data Protection Implications (Mandatory)

- 12.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no risks to the rights and freedoms of natural persons arising directly from this report.

13 Community Safety Implications

- 13.1 There are no community safety implications as a result of the award of this contract, but community safety will need to be considered as part of the operational running of the Stockyard.

14 Environmental and Climate Change Implications

- 14.1 The Construction Environmental Management Plan (CEMP) has been prepared on behalf of Melton Borough Council by GF Tomlinson in relation to the proposed redevelopment of the Stockyard site.
- 14.2 It has been developed by GF Tomlinson, who will be the Main Contractor to avoid, minimize or mitigate any construction effects on the environment and the surrounding community during the planned construction works at Melton Mowbray Stockyard Market.
- 14.3 The purpose of the adopted CEMP is to:
- a) Identify the site compound.
 - b) Identify the types of vehicles to be used on site.
 - c) Forecast the anticipated number of vehicles on site per week/month.

- d) Identify parking provision for site operatives and visitors.
- e) Identify access arrangements and parking provision for the loading and unloading of plant.
- f) Identify areas for use for the storage of both plant and materials for the project duration.

14.4 This CEMP is a live document and will be updated before commencing works on site, and regularly reviewed/ updated during the construction phase of the project.

15 Other Implications (where significant)

15.1 Internal procurement advice has been provided for this award. The supplier has been procured in compliance with the contract procedure rules, and all necessary due diligence has been carried out by Council Officers. The award will be issued as a direct award through the Pagabo Refit and Refurbishment Framework.

15.2 No HR implications are identified as a result of this paper.

16 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	Government withdraws the LUF Funding allocated for this project.	Low	Catastrophic	Amber
2	Programme delays due to a delay in planning approval.	Low	Critical	Amber
3	Planning committee rejects planning application altogether.	Low	Critical	Amber

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant				
	3 Low			2, 3	1
	2 Very Low				
	1 Almost impossible				

Risk No	Mitigation
1	Set up regular communication with central government to ensure the Council is well informed on decisions around LUF Funding.
2	Ensure statutory consultee comments are responded to in a timely manner and with all required and detailed information required. Ensure regular communication with planning case officer to ensure the project team is informed early of information required to satisfy statutory consultee comments.
3	Ensure planning application submitted is robust and complete with all statutory consultees replied to and satisfied for the planning committee to make an informed decision with all relevant information provided.

17 Background Papers

17.1 There are no background papers to attach with this report.

18 Appendices

18.1 There are no appendices for this report.