

# **EAST DEVON DISTRICT COUNCIL OFFICE ACCOMMODATION PROJECT**

Project Report No 36, Rev -  
Period between 1 – 30 April 2017

VOLUME 1

ISSUED UNDER PART B



## Document Issue Sheet

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SJP, JW, Strata

## **VOLUME 1**

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## 1.0 Executive Summary

- 1.1 This formal Project Progress Report identifies Project issues and progress generally during the period 1 – 30 April 2017.
- 1.2 During this period, the following key issues have occurred;
  - The Cabinet Report to identify, discuss and review the several opportunities for Heathpark continues has been prepared and submitted to the 5 April 2017 Cabinet Meeting. The Report includes Grant Thornton updating and rerunning their Financial Model that was originally provided for the March 2015 Cabinet Report. The updated model incorporates agreed construction costs, actual design information and updated energy cost predictions. Cabinet Members approved the advised Recommendations.
  - This Cabinet Report was subsequently considered by a joint Scrutiny, O&A, Governance Committees Meeting on 18 April 2017, with Members voting to confirm the Recommendations.
  - On 26 April 2017 at the Full Council Meeting, Members considered the Cabinet Report and confirmed their agreement of the Recommendations.
  - Liaison has commenced with Interserve for the Contractor to reaffirm his cost and programme for Heathpark
  - Interserve have continued their contract works for the Refurbishment of Exmouth Town Hall. These works remain on Programme. The Contractor has advised no accidents on site have occurred.
  - EDDC Rev & Bens and Housing continue to provide services to Members of the Public from their temporary new accommodation within the former CAB Offices
  - We are advised by PegasusLife Ltd that they are preparing their appeal against the Planning Application Refusal of 6 December 2016. The deadline for their submission of an appeal is 9 June 2017.
- 1.3 The Project and Facilities Manager has confirmed the following for the period between 1 – 30 April 2017
  - Suppliers contacted and advised of forthcoming Mini Competition.
  - Preparation for ETC Working Party meetings and draft HoT's to be put forward as start of negotiation process with tenants.
  - FF&E documentation submitted for review by DCC and Legal Team

- 1.4 Strata have provided separate Executive Programme Summary Reports for both Exmouth and Heathpark. Key dates for completion are for Exmouth Town Hall – 31 August 2017 and for Heathpark – 30 November 2018. These documents are discussed in Chapter 4 and included within Volume 2 of this Report.
- 1.5 These latest reports continue to confirm the deliverable dates for Exmouth and Heathpark will be achieved in advance of the occupation dates.
- 1.6 The overall Project Budget, as defined at the Council meeting on 26 April 2017, is £ 10,586,000. All relevant expenditure, including accruals, to 30 April 2017 totals £ 2,147,848. Consequently, there remains a budget balance of £8,438,152. A copy of the Interim Cost Report is included in Volume 2 of this Report.
- 1.7 Risk Reviews have continued to be regularly carried out. A Risk Workshop was held on 16 March 2017. The Risk Register Analysis has been updated accordingly and Rev AL (Rev 0) dated 20 March, confirms 79 Open Risks (previously 58), comprising of;
  - 14 Red Risks (previously 15),
  - 42 Orange Risks (43)
  - 23 Blue Risks (22).
- 1.8 No new risks have been identified during the period since the last revision. One existing risk were closed in the period.
- 1.9 The Project Programme has not been updated this month pending programme advice from Interserve for Heathpark. An extract from the draft programme identifying exclusively the accelerated delivery of Exmouth Town Hall is included within Volume 2 of this Report.
- 1.10 A summary of the key dates can be found within Chapter 6.
- 1.11 Pre-arranged and ad hoc meetings between Officers, Members and External Consultants have continued during the period.

## 2.0 Particulars of Progress and Key Project Issues

### 2.1 Exmouth Town Hall Refurbishment

2.2 The Cabinet Report to identify, discuss and review the several opportunities for Heathpark has been prepared and submitted. The report includes Grant Thornton updating and rerunning their Financial Model that was originally provided for the March 2015 Cabinet Report. The updated model incorporates agreed construction costs, actual design information and updated energy cost predictions. The report also identifies compelling financial betterment reasons why the relocation provides better value of the Council. During the Cabinet Meeting on 5 April 2017, a representative from Grant Thornton was in attendance to respond to questions.

2.3 Within the Cabinet Report the following Recommendations are advised;

- i. “Option 1, as detailed in the report, is adopted and that the Council proceeds with the construction of a new HQ building at Honiton Heathpark, and
- ii. The Deputy Chief Executive – Development, Regeneration and Partnerships is delegated authority, in consultation with the Office Accommodation Executive Group, to commence works and deliver the new HQ building.
- iii. A budget is agreed of £8,692,000 to provide a new HQ building at Honiton Heathpark, which when added to the approved Exmouth Town Hall refurbishment budget of £1,669,000 gives a total gross budget of £10,361,000.
- iv. If Cabinet agrees that it wishes to relocate to a new HQ in Honiton then Cabinet is asked whether it wishes to recommend approval of a further sum of £225,000 to fund the addition of a direct access road to the new HQ building past the East Devon Business Centre This is a more direct approach to the building rather than bringing traffic through the Heathpark business park south of the building and does not affect the conclusions in this report in relation to viability and ranking of options for the sale of the Knowle site.”

2.4 Cabinet Members approved these Recommendations.

2.5 Subsequently the Cabinet Report was considered by a joint meeting of Scrutiny, O&A, Governance committees on 18 April 2017. Again, a representative from Grant Thornton was in attendance to respond to questions. Members of this Joint Meeting voted to confirm the Recommendations.

- 2.6 At Full Council on 26 April 2017, Members considered and discussed the Cabinet Report referencing both the Cabinet and Joint Committee Meeting debates. At the conclusion, Members confirmed their agreement of the Recommendations.
- 2.7 Immediately after Council's decision the RM contacted Interserve to arrange meetings so that the Heathpark Contract Sum and Programme could be discussed and agreed. The first of these meetings has been arranged for 5 May 2017, this being the first date when relevant Members of Interserve's Team were available
- 2.8 It is confirmed that the firm fixed price, previously agreed for Heathpark allowed for commencement on site by March 2017. In the event, commencement could not be achieved by that date because an unconditional contract could not be agreed with Pegasus as a result of their Planning Application being refused. With Council now agreeing that finance of the project will be raised elsewhere initially, it is now expected a start on site could be achieved by June 2017. The approved update of the Project Budget includes an allowance for the Contractor to extend the firm fixed price in consideration of the anticipated delayed commencement of some three months.
- 2.9 Progress of the refurbishment works at Exmouth Town Hall remain on programme. The Contractor has confirmed within their Site Progress Report Nr 3 and during the Site Progress Meeting of 3 May 2017 that the Refurbishment works at Exmouth Town Hall (ETH) are on programme. It is understood that ICL are comparing progress against the target programme completion date before any consideration of the four weeks "shared float" period. A copy of the Contractors Report is included within Volume 2.
- 2.10 A review by the Relocation Manager (RM) identifies that some elements of the works, particularly on the ground floor and roof are in delay whilst others, especially on the second floor, are in advance. Overall the RM considers the site progress to be slightly behind the target completion date of 25 August 2017, although this is not believed to be a significant risk that will necessarily cause the Contract Practical Completion date of 25 September 2017 to be delayed.
- 2.11 Works carried out during the period include
- Slower than anticipated installation of plant on the roof because of some of the associated elements being on extended delivery.
  - Stud partition works on the second floor, including boarding one side to enable services to be installed.
  - Making good of existing walls and ceilings on second and first floors together with the associated staircases.

- On the first floor M&E containment and pipework installation has progressed satisfactorily.
- To the ground floor M&E installation works have been undertaken at high level, with distribution to the floors above.
- Inlet ducts have been installed to the meter room pending connection to trenches being provided for WPD and BT.

- 2.12 No reportable or other accidents have been advised during the period.
- 2.13 ICL’s internal H&S advisor has not identified any significant issues.
- 2.14 EDDC’s CoW has been regularly attending site, as well as providing a summary report. He has not identified any significant issues.
- 2.15 EDDC Housing and Rev & Bens, who are occupying the former CAB Offices, have not reported any significant issues during the period.
- 2.16 Town CCTV are also understood to be continuing to function normally, without any significant issue.
- 2.17 It, is also confirmed that a Contract Administration Tracker for works at ETH is being maintained by the RM. The following is a short summary of the Contract Administration carried out to date.;

Contractors Compensation Event Notification	4 Nr.
Contractors Early Warning Notices	5 Nr.
Employers Formal Quotation Requests	9.nr
Employers Notification of Compensation Event	12 Nr.
Employers Project Managers Communication	11 Nr.
Employers Acceptance / comment re submitted drawings and associated information	79 Nr.

- 2.18 The third valuation for the works was reviewed on 3 May and subsequently certified for payment on 5 May 2017.
- 2.19 Contract documents in respect of Exmouth Town Hall were executed on 26 April 2017 and a copy has now been returned to Interserve Construction Ltd.
- 2.20 To mitigate / manage risk, EDDC have retained the services of asbestos specialist Environmental Services on a call off basis so that any suspicious materials can be quickly investigated should the need arise. It is noted that materials of an unknown nature are often revealed during refurbishment works of an older building.

- 2.21 In this respect, the Contractor has found some suspicious materials to a roof flue enclosure on the roof which may incorporate acms. Environmental Services have been instructed to attend site and analyse the materials of concern. No delays to the Project are anticipated
- 2.22 Pending receipt of further detailed programme advice from ICL, both EDDC and CCTV had been made aware that they will incur some disruption during the Works. This will include loss of heating (for which ICL have provided electric heaters) and electrical outages (which will also affect internet connections). The contractor has been asked to provide reasonable notice when any planned works that could cause disruption is due to occur. The P&FM is liaising with the parties in this respect.
- 2.23 We are advised by PegasusLife Ltd that they are preparing their appeal against the Planning Application Refusal of 6 December 2016. The deadline for their submission of an appeal is 9 June 2017.
- 2.24 Liaison with the TA Team has continued with members visiting and reporting on site and associated matters.
- 2.25 Copies of the TA Teams Individual Reports are included within Volume 2 of this Progress Report.

### **3.0 Facilities Management – Project Activities and Key Issues.**

- 3.1 The Project and Facilities Manager has confirmed that the following project activities were completed:
- On-going review of FF&E specification, including detailed review of architectural drawings to cross reference location of radiators, trucking, drops in relation to the proposed location of FF&E.
  - All companies from both Frameworks have been contacted personally and advised of the forthcoming ProContract mini competition opportunity.
  - Overwhelmingly positive response (albeit they had not seen the specification) – but all welcomed the opportunity to provide prices and further details.
  - Commencement of mini competition prep ahead of go-live w/c. 15<sup>th</sup> May 2017
  - Ad hoc site visits to ETH to review incident concerning CCTV's telecommunication.
  - Preparation for ETC negotiations to return to Town Hall.
- 3.2 **FF&E - Office Furniture Procurement**
- 3.3 Modifications have been made to Product Specification based on feedback from suppliers and architect relating desk locations. These are fixed, and have been since Stage 4 sign-off, but there are a few additional columns, steels and pillars that are a slightly different to the FF&E plan that need to be included to support the suppliers when providing prices and product options.
- 3.4 Ongoing work with architect and M&E designers to support co-ordination of the FF&E layout with M&E drawings. These will be issued to the furniture suppliers as part of the mini competition process and need to be as accurate as possible at the time of publication.
- 3.5 Initial discussions with DCC Procurement Team that will be supporting EDDC during the mini competition process. Meeting with DCC is planned for 4<sup>th</sup> May.
- 3.6 All documentation issued to EDDC's legal review and sign-off.
- 3.7 ProContract have reported an issue with loading suppliers which has been flagged by the DCC team. This means all supplier will need to be manually loaded onto to the Supplier section of the portal, rather than just automatically uploaded by association with the chosen Frameworks. This has delayed the commencement of the upload process, but should still be looking at a go-live date of w/c 15<sup>th</sup> May.
- 3.8 Given the timescales of availability for DCC and the issues with ProContract, we are looking to be ready to issue mini competition w/c 15<sup>th</sup> May with a return date of 9<sup>th</sup> June.

- 3.9 There are 27 eligible suppliers across both frameworks that will be up-loaded onto the system ahead of the mini competition process. 26 from KCS, and 1 from ESPO. It is not expected that all companies will wish to submit a price, but they have all been given the opportunity as is the requirement of KCS if we are wanting to use the Framework.
- 3.10 Some of the companies appointed onto the Framework are very niche and will only be able to supply a small amount of products required by EDDC, and it is these firms that are likely not to want to supply.
- 3.11 All companies will be asked to acknowledge receipt of the mini competition and formally confirm whether they will be providing a response.
- 3.12 The number of Lots has reduced and this will allow for better co-ordination across different ranges of products to ensure any suited products can be matching and co-ordinated.
- 3.13 **Exmouth – EDDC Staff**
- 3.14 Regular contact with EDDC staff based in Exmouth. Issues with waste bins used by neighbouring companies who had previously been granted permission to use the Town Hall Car Park have been resolved.
- 3.15 **Town CCTV**
- 3.16 Regular email, telephone and site visit liaison contact with different members of the volunteer team to support them during refurbishment.
- 3.17 **Manstone & Knowle Depot**
- 3.18 No further actions are planned on this site (relating to the relocation project) until a decision has been made on Heathpark.
- 3.19 **P& FM Programme**
- 3.20 No changes to the programme since last revisions as all activities are within project tolerances.
- 3.21
- 3.22 **Regular Monthly meetings & updates:**
- Site meetings with Site manager and liaison with EDDC staff and Tenants.
  - Assist with maintaining Risk Register
  - Attendance at Monthly update meetings with Officer Working Group and Executive Board.
  - Weekly reviews with Relocation Team (KJ/SP/RC).
  - Presentation to SMT as required.

### 3.23 **Anticipated actions in the following months:**

#### 3.24 **Generally**

- Permission to Tender signed-off issued.
- Go live with FF&E Mini Competition.
- Respond to queries and clarification questions ahead of suppliers' submissions.
- Identify known Exmouth Movers (subject to outcome of consultation process) and plot locations on floor plans to allow future use of Knowle to be reviewed.
- Share data with Strata to commence IT allocation ahead of move
- Commence mini competition/quick quote for removal companies
- Final review of storage so individual storage internal layouts can be agreed and signed off ahead of ETH orders being placed post tender.
- Commence draft move timetable plan to be issued to Relocation team & SMT
- Finalisation of individual staff needs (height adjustable desks, etc.) ahead of orders being placed for ETH.
- Review of Heathpark FF&E requirements in relation to access controls, storage and staff specific needs.
- Commence liaison with all prospective tenants in ETH.

These and other tasks will be incorporated into the revised P&FM Programme.

## 4.0 Strata Report

- 4.1 Strata have provided two reports in the period, both dated 9 May 2017;
  - EDDC Relocation (Exmouth) Executive Programme Summary
  - EDDC Relocation (Honiton) Executive Programme Summary
- 4.2 The Exmouth Report continues to advise that the current completion date for the telephone system will be 31 July 2017. This date is sufficiently in advance of the likely Practical Completion Dates of between 25 August and 25 September 2017 – depending whether any or all of the shared programme float is used.
- 4.3 For Heathpark, the completion date is advised as being 30 November 2018. It is understood that there is some flexibility with this date and is likely to be realigned once the appointed Contractor has provided an agreed programme for the works. It is noted that the key elements being completed by this date are Core Infrastructure, Meeting Room AV equipment, Telephone system.
- 4.4 Further programme deliverable details are identified within Chapter 6
- 4.5 Copies of both documents are included within Volume 2 of this Report.

## 5.0 Risk Management

- 5.1 Since the commencement of the Project, the RM has provided and been responsible for a live Project Risk Register document.
- 5.2 Project Risks are regularly reviewed and updated as necessary following weekly discussions between Deputy CEO, RM, and P&FM. During the regular meetings of the Members Executive Project Board, Relocation Officer Working Group (with SWAP in attendance) and Design Team / Site Progress Meetings (with Aecom and Interserve) there are specific agenda items for the review of risk.
- 5.3 There are also Risk Workshops at regular intervals with representatives from the Executive Group and Officer Working Party in attendance. The latest of these Workshops was held on 16 March 2017.
- 5.4 In addition, the RM and P&FM also update the Risk Register on an ad hoc basis when a new risk becomes apparent, or an identified risk is no longer applicable.
- 5.5 Risks are identified under three categories;
  - Red Risks - Medium to long-term effect and expensive to recover
  - Orange Risks – Medium term effect, which may be expensive to recover.
  - Blue Risks – Short to medium term effect
- 5.6 Following the the Risk Workshop on 16 March, the Officer Working Party and Members Executive Board meetings of 21 and 22 February respectively, as well as liaison with SMT, Aecom, Strata, and Interserve; the RM and P&FM, have carried out a detailed review of the Risk Register taking into consideration advised comments and current progress and issues. The resultant Project Risk Register Analysis Rev AL (V 0) dated 20 March 2017 has been prepared and will be issued to the meetings above for ongoing consideration and comment.
- 5.7 Currently, there are 79 Open Risks (previously 80) based on Rev AL (V 0), comprising of;
  - 14 Red Risks (previously 15),
  - 42 Orange Risks (previously 43)
  - 23 Blue Risks (previously 22).
- 5.8 No new risks have been identified within the latest revision.
- 5.9 One existing risks was closed in the period. A total of 106 risks has been closed to date.

- 5.10 Further Risk Workshops will continue to be held on a bi monthly basis with Members and Officers of the Project Executive Board, SMT and Officer Working Group in attendance. The next Risk Workshop is due to be held on 18 May 2017.
- 5.11 While copies of the Risk Register will be issued during the Members Project Executive Board and the Office Accommodation Officers Working Party Meetings, it has been agreed for confidentiality reasons that copies of the Risk Register will not be included in the Project Progress Reports.

## 6.0 Project Programme and Key Milestones

- 6.1 Following Members decision to proceed with Heathpark, Interserve have been contacted and asked to update, inter alai, their programme for the works at Heathpark. Pending receipt and agreement of this information the current update of the Project Programme has been restricted to the accelerated delivery of the post contract element of the Refurbishment Works at Exmouth Town Hall.
- 6.2 Within their proposal, Interserve have identified a 32-week overall period for Exmouth, four weeks of which is a shared project float. Whilst the Project Programme identifies the full 32-week period prior to EDDC Fit Out and Decant, it is possible that a shorter period will, in the event, be required should the float not be used in its entirety.
- 6.3 In addition, a total of 6 weeks has been allowed Post PC for EDDC fit out and decanting works.
- 6.4 Dependant of the amount of float that is eventually required by the Contractor, it could be that the advised occupation date may in the event be somewhat earlier than the programme advised date of 6 November 2017.
- 6.5 Progress on site will be carefully monitored to ensure any programme improvement of the advised overall periods is coordinated with Clients Fit Out Works thereby ensuring the occupation is achieved in a timely manner.
- 6.6 Project Programme PreC M (V 1) – Draft, dated 27 January 2017 is included within Voloume 2 of this Report.
- 6.7 The following table confirms the key Project Programme dates based upon this programme

Event	Date
Gateway Decision Nr 2 – Appointment of Multi – Disciplinary Design Team	28 August 2015
Approval of Aecom RIBA Work Stage 1 proposal	27 November 2015
Gateway Decision Nr 3 – Approval of Aecom RIBA Work Stage 2 - Brief and Concept Designs	
Exmouth Town Hall	15 February 2016
Heathpark, Honiton	8 March 2016
Gateway Decision Nr 4 - Initial Appointment of identified Contractor – Interserve - on a Pre-Construction Agreement basis.	23 November 2015

Gateway Decision Nr 5 – Exmouth Town Hall Approval of Aecom RIBA Work Stage 3; Agreement to proceed to RIBA Plan of Work 4	5 April 2016
Gateway Decision Nr 5 – Heathpark Approval of Aecom RIBA Work Stage 3 – Agreement to submit Planning Application – Agreement to proceed to RIBA Plan of Work 4	6 May 2016
Gateway Decision Nr 6 – Approval of Aecom RIBA Work Stage 4 – Technical Design for Exmouth Town Hall & Heathpark, Honiton	26 July 2016
Detailed Planning Application considered for EDDC Offices at Heathpark, Honiton	1 November 2016
Detailed Planning Application considered for EDDC Offices at Exmouth Town Hall, by Delegated Authority.	7 December 2016
DM to consider PegasusLife Ltd Planning Application for the Knowle	6 December 2016
Extraordinary Cabinet Meeting and Council Meeting to consider accelerated delivery of the Refurbishment Works to Exmouth Town Hall.	Cabinet Meeting 14 December  Council Meeting 21 December 2016
Refurbishment of Exmouth Town Hall (Mobilisation commences). Formal Contract commencement date 13 February 2017	30 January 2017
Members Decision regarding the Heathpark Opportunities	Cabinet Meeting 5 April 2017  Joint Scrutiny, O&A, Governance Meeting 18 April 2017  Council Meeting 26 April 2017
Construction of New Office at Heathpark (Mobilisation commences)	To be confirmed
EDDC relocates to refurbished Exmouth Town Hall	6 November 2017

EDDC relocates to New Office at Heathpark. Vacant Possession is achieved at Knowle and Pegasus complete sale including payment of the balance of monies.	To be confirmed
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6.8 Strata have provided two further monthly update reports in the period, namely;

6.8.1 EDDC Relocation (Exmouth) Executive Programme Summary

6.8.2 EDDC Relocation (Honiton) Executive Programme Summary

6.9 The Exmouth Report continues to advise that the current end date for the telephone system will be 31 July 2017. Further it also confirms that the Core infrastructure at Exmouth will be completed by 23 August 2017 and 30 November 2018 for Honiton

6.10 Dates for other key identified elements are confirmed as follows, including comparison to previously advised dates where relevant;

6.10.1 Door Access (Exmouth) – 30 June 2017

6.10.2 EDMS (Exmouth) – 31 July 2017

6.10.3 New internet (Exmouth)- 31 August 2017

6.10.4 Hybrid Mail (Exmouth) - 31 August 2017

6.10.5 Meeting Room AV Equipment (Exmouth) – 23 August 2017

6.10.6 Telephone System (Exmouth) – 31 July 2017

6.10.7 Room Booking (Exmouth) – 23 August 2017

6.10.8 Time & attendance (Exmouth) – 31 August 2017

6.10.9 Meeting Room AV Equipment (Honiton) – 30 November 2018

6.10.10 Telephone system (Honiton) – 30 November 2018

## 7.0 Project Cost Report

7.1 In the period, the RM has continued to review and manage the costs for the Project

7.2 The Council Decision on 26 April 2016 confirmed the overall Project Budget in the sum of £ 10,586,000. Formal Approvals that total this sum are as follows;

• Original budget before Aecom’s appointment	£	200,000
• Uplift approved by Cabinet 5 September 2012	£	114,354
• Uplift approved by Cabinet 17 July 2013	£	95,333
• Uplift approved by Cabinet 5 February 2014	£	92,000
• Uplift approved by Cabinet 4 June 2014	£	203,881
• Formal Approval by Council 25 March 2015 to Proceed with the Project, subject to Gateway Decisions	£	9,020,887
• Uplift to accelerate the refurbishment works at Exmouth Town Hall approved by Council on 21 December 2016	£	408,000
• Uplift for enable Heathpark to proceed approved by Council 26 April 2017	£	226,545
• Allowance for new access road to Heathpark, within EDBC as approved at Council Meeting 26 April 2017	£	225,000

7.3 All relevant expenditure, including accruals, to 30 April 2017 totals £2,147,848 This leaves a balance from the overall Project Budget of £8,493,913. This balance includes for both the respective Project Construction Costs and, as a separate specific element, Client Costs.

7.4 In comparison of the budget to actual expenditure, the following is confirmed;

	<b>Budget</b>	<b>Expended to Date</b>	<b>Balance remaining</b>
Viability / Appraisal Stage - * <b>Note</b>	£ 624,761	£ 624,761	£ 0
Pre-Contract – RIBA Plan of Work Stages 1 – 4 + <b>Note</b>	£ 1,120,000	£ 1,111,655	£ 8,345

Post Contract – Plan of Work Stages 5 – 7	£ 8,616,239	£ 411,431	£ 8,204,808
Access Road to New Office through EDBC	£ 225,000	£ 0	£ 225,000
<b>TOTAL</b>	<b>£ 10,586,000</b>	<b>£ 2,147,848</b>	<b>£ 8,493,913</b>

Notes

- \* *The original approved budget for the viability / appraisal stage was £705,568. As this stage, has now been achieved, the Budget figure has been amended to reflect actual expenditure. The balance has been transferred to the subsequent stages of the Project.*
- + *Budget allowance identified for pre-contract stage amended to reflect the anticipated actual costs based upon the appointments of Aecom and Interserve. This figure has been updated from the originally advised allowance to reflect the latest anticipated expenditure based upon the current programme. Overall Budget figure remains unaltered*

7.5 A summary of the costs to date advises the following expenditure.

7.5.1	Knowle Outline Planning Application	£	112,329
7.5.2	PM, Surveying, and Valuation Costs	£	734,129
7.5.3	Sundry Client Costs	£	66,582
7.5.4	Multi-Disciplinary Design Team	£	610,357
7.5.5	Sundry Survey costs and associated works	£	33,568
7.5.6	Construction and associated costs	£	404,481
7.5.7	Commercial and Valuation Costs	£	61,321
7.5.8	Audit and associated Costs	£	37,097
7.5.9	Legal assistance and advice. VAT advice	£	<u>74,453</u>
	Total	£	<u>2,147,847</u>

Other categories will be added when associated costs are incurred.

7.6 Based upon advised anticipated costs to date, including Aecom's cost advice, Interserve's submitted Second Stage proposals for Heathpark, Strata's current budget estimate and relevant other matters, it is confirmed that the forecast final overall cost is on budget.

7.7 Now that Members have confirmed their agreement that Heathpark should proceed, a full review / reconciliation of the costs compared to the original budget allowances will be provided when the final agreement of the Contractor's proposals for Heathpark, including the commencement date has been achieved

- 7.8 Pending receipt of this information, the following are matters which have increased the anticipated estimated costs to date;
- 7.8.1 Originally a total of 250 desks in two locations were to be provided. That number has now been revised to an equivalent of 310 desks.
  - 7.8.2 The original budget for Exmouth was for simple reconfiguration of the layout and little work to the services. A change of circumstances and detailed survey provided the opportunity for a full refurbishment of Exmouth enabling better future proofing and improved environment for Members, Officers, and Visitors.
  - 7.8.3 Following detailed intrusive surveys, Exmouth now requires substantial removal and replacement of the existing services to ensure the installation is legally compliant and safe.
  - 7.8.4 Delay to the Decision for the Project to proceed - causing a delay in the appointment of the Councils Multi-Disciplinary Design Team.
  - 7.8.5 Delay in PegasusLife Planning Application submission and subsequent consideration at DMC.
  - 7.8.6 Note both 7.8.4 / 5 have cause inflationary costs to be incurred for both the construction cost as well as prolongation of time related direct Council costs.
  - 7.8.7 Additional ICT costs which are greater than the original budget allowances.
  - 7.8.8 Client scope changes. These scope changes include
    - Provision of Breeam Very Good Certification
    - Rescheduled period for signing off Stage 2 and other associated issues.
    - Rescheduling of project programme because of PegasusLife's extended Planning Application validation period.
    - Rerun of Energy Use Prediction Model
    - Sundry elements associated with Stage 4 Proposal
    - Rescheduling because of the delay in DM considering PegasusLife Planning Application.
    - Additional programme period for Heathpark as advised by ICL
    - Works adapting former CAB Office at ETH
- 7.9 The Cost Report is based on the capital receipt for Knowle offered by PegasusLife Ltd. It does not reflect alternative capital receipt scenarios.
- 7.10 Financial compensation for Exmouth Tenants who have left the building, but who have not been offered an alternative Lease within the building during the Refurbishment, has been balanced by a release of the retained dilapidation monies arising from County's tenure.

- 7.11 A copy of the Interim Cost Report Nr 24 (Rev 2) is included to this Report within Volume 2.

Submitted by:

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