

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

Project Report No 38, Rev -  
Period between 1 – 30 June 2017

VOLUME 1

ISSUED UNDER PART B



## Document Issue Sheet

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SJP, JW, Strata

## **VOLUME 1**

### **CONTENTS**

1.0	Executive Project Summary	Page	4
2.0	Particulars of Progress and Key Project Issues	Page	6
3.0	Facilities Management - Particulars of Progress and Key Project Issues	Page	11
4.0	Strata Report	Page	13
5.0	Risk Management	Page	14
6.0	Project Programme and Key Milestones	Page	16
7.0	Project Cost Report	Page	20

## 1.0 Executive Summary

1.1 This formal Project Progress Report identifies Project issues and progress generally during the period 1 – 30 June 2017.

1.2 During this period, the following key issues have occurred;

- Following Members decision to proceed with the construction of Blackdown House, the New HQ at Heathpark, on 26 April 2017, negotiations with Interserve Contraction Ltd have now concluded and a Letter of Intent has been issued pending compilation, completion and execution of the Contract documents.
- Discussions have continued with Aecom to enable the Consultant to finalise his fee for the design and associated tasks for the new access road through the Business Centre to Blackdown House.
- Following the voluntary departure of the original Travellers, a new group moved their four caravans into Border Road / Gloucester Crescent. Legal action has been taken and this group have now moved on. Their presence has affected Interserve commencing their enabling works and had a corresponding on effect to the Contract Completion date.
- Dialogue has continued with Exmouth Town Council whilst they consider whether to return to the Town Hall. It is understood that during the Town Council Meeting of 12 June, Members decided that they would return to the Town Hall.
- There has been ongoing liaison with EDDC Property Services regarding the maintenance works that will be carried out to Exmouth Town Hall once ICL have completed their works but before full occupancy.
- A number of visits by EDDC Officers to the Town Hall has occurred during the month. Visitors were escorted around the building and verbal responses were provided to the questions that arose.
- Interserve have continued their contract works for the Refurbishment of Exmouth Town Hall. These works are advised as remaining on programme. The Contractor has also continued to advise that no reportable 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
- It is understood that PegasusLife Ltd on 7 June 2017 submitted their Planning Appeal Form to the Planning Inspectorate following Refusal of their Planning Application for Knowle in December 2016.

1.3 The Project and Facilities Manager has confirmed the following for the period between 1 – 30 June 2017

- Submissions of returned FF&E Submissions returned by original Deadline
- Shortlisted suppliers evaluated and identified
- Arrangements in place for Sample week, to include temporary use of Members rooms.

1.4 Strata have provided separate Executive Programme Summary Reports for both Exmouth and Heathpark. Key dates completion dates being Exmouth Town Hall – 30 October 2017 and 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 June 2017 totals £ 2,542,984. Consequently, there remains a budget balance of £8,043,018. 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 18 May 2017. The Risk Register Analysis has been updated accordingly and Rev AM (Rev 0) dated 21 May, confirms 72 Open Risks (previously 79), comprising of;

- 11 Red Risks (previously 14),
- 39 Orange Risks (42)
- 22 Blue Risks (23).

1.8 Four new risks were identified and included in the latest revision Thirteen existing risks 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. A summary of the key dates can be found within Chapter 6.

1.10 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 Subsequent to the Members decision to proceed with Blackdown House, the New HQ at Heathpark on 26 April 2017, negotiations have now concluded in agreement with Interserve Construction Ltd with agreement of a finalised Contract Sum and programme period.
- 2.2 The revised Contract Sum allowance has taken into consideration the following factors;
- increased costs – the original tender had allowed for a commencement on site during March 2017
  - matters associated with the Contractors temporary works.
  - programme
- 2.3 Following agreement and pending the compilation and completion of the final contract, a Letter of Intent (LOI) was provided to the Contractor on 9 June 2017, identifying a financial limit of £ 250,000.00. The LOI is intended to cover the costs of works / tasks that would be undertaken by ICL in respect of necessary reasonable mobilisation & enabling works to enable commencement of the Contract Works in a meaningful manner on 17 July 2017. It is anticipated that by this date the contract particulars would be finalised and would have been issued to the Contractor for execution
- 2.4 These works / tasks were identified within the LOI as follows;
- Investigations
  - Site accommodation
  - Site establishment
  - Registrations
  - Utilities
  - Consultants appointments
  - Subcontractors appointments
  - Enabling works
  - Supply Orders – particularly for items on long delivery
  - On-costs
  - Early design fees
- 2.5 One key element of the contract was the Contractors programme. Although agreement of the contract commencement date (17 July 2017) and contract completion date (8 October 2018) – an overall period of 64 weeks had been achieved it was necessary for inclusion in the Contract that the Contractor provides a gant chart showing detailed task, dates, durations and critical paths. Unfortunately, this was not provided initially until 6 July 2017 – and not in an acceptable form until 19 July 2017. The delay has caused the compilation of the Contract documents to be delayed. Further details will be advised in next month's Project Report.

- 2.6 Prior to the commencement of the Contract Works, as mentioned above (para 2.3), Interserve were permitted access to the site to carry out enabling works – initial groundworks, removal of vegetation, start of site strip, foul drainage to site accommodation, contamination removal and breaking up slabs. These enabling works were due to commence on 26 June.
- 2.7 In the event, a start at this date was not possible since during the week prior new a new group of Travellers had established themselves along Gloucester Crescent and Border Road. The Contractor was reluctant to commence his works on site due to health and safety and other related concerns.
- 2.8 EDDC issued a Common Law Trespass Notice, and with the assistance of Bailiffs the Travellers moved on 28 June. EDDC Streetscene and Property Services then cleared, made safe and secured the site.
- 2.9 As a result, Interserve commenced their enabling works on 3 July. As a consequence of the week’s delay it was agreed between the parties, at no additional cost, that the Contract Commencement Date would now be 24 July 2017 with an associated Contract Completion Date of 15 October 2018.
- 2.10 It, is also confirmed that a Contract Administration Tracker for works at Blackdown House is being maintained by the RM. The following is a short summary of the Contract Administration carried out to date;

Contractors Compensation Event Notification	0 Nr.
Contractors Early Warning Notices	2 Nr.
Employers Early Warning Notice	0 Nr.
Employers Formal Quotation Requests	0 Nr.
Employers Notification of Compensation Event	0 Nr.
Employers Project Managers Communication	2 Nr.
Employers Acceptance / comment re submitted drawings and associated information	0 Nr.

- 2.11 A time lapse camera has been installed adjacent to, and overlooking, the Blackdown House site which will take regular photographs of the site progress. It is anticipated that the photographs will eventually be combined to provide a short film of the entire construction of Blackdown House and the associated external works. It is also anticipated that access to the time lapse camera will be provided through EDDC’s website – subject to the resolution of minor technical issues.

- 2.12 Applications for a Stopping Up Order for Border Road and Sections 38 / 278 have been submitted and liaison is taking place between EDDC and DCC Highways
- 2.13 Discussions have continued with Aecom in respect of their design and administration fee of the proposed new access road through the East Devon Business Centre site to Blackdown House. Aecom have advised that their priority, at this time, is to compile the contract documentation for Heathpark. The RM has agreed in principal, but will ensure the matter is agreed as soon as reasonably practical. Completion of the road before completion of Blackdown House is not considered to be a risk at this time.
- 2.14 Dialogue has continued with Exmouth Town Council whilst they consider their possible return to the Town Hall. It is understood that during the Town Council Meeting of 12 June, Members decided that they would return subject to agreement of Heads of Terms and other similar matters.
- 2.15 There has been ongoing liaison with EDDC Property Services regarding the maintenance works that will be carried out to Exmouth Town Hall once ICL have completed their works but before full occupancy. A timeline has been agreed that will ensure works are completed and the site cleared prior w/e 5 November 2017.
- 2.16 A number of visits by EDDC Officers to the Town Hall has occurred during the month. Visitor numbers were restricted in number (up to 15) and comprised mainly of Officers who would be relocating to the premises. The visitors were escorted by either the RM or P&FMA, together with a representative from the Contractor all of whom were able to provide verbal responses to questions that arose.
- 2.17 Interserve have continued their contract works for the Refurbishment of Exmouth Town Hall. These works are advised as remaining on Programme. The RM concurs with this opinion
- 2.18 As at the end of June 2017, the Contractor reported the following progress;
- Roof - the ventilation works on the roof is substantially complete and awaiting on cabling to the AHU. The chimney / removal water tank works has been carried out and waiting on the roofer to waterproof the small area around the chimney
  - Second Floor is progressing well with the IPS units and finish doors in place. Kitchen units on site are being fitted. The light fittings are in place and connected. The plywood boards to the floors are installed and ready to receive the carpet tiles.

- First Floor, Fire proofing of the existing steels in progress. The folding door tracks between the two meeting rooms have been installed and ready to be boxed in. The offices facing St Andrews Road is ready to receive the suspended ceiling grid.
- Ground Floor is slightly behind program. The internal walls are in place and currently being skimmed. M & E works are progressing well with 1<sup>st</sup> fix install. Remedial works to the existing windows underway.

- 2.19 The Contractor has also advised that no reportable accidents on site have occurred since contract commencement
- 2.20 ICL's internal H&S advisor has not identified any significant issues.
- 2.21 EDDC's Consultant CoW has been regularly attending site, as well as providing interim / summary reports. He has not identified any significant issues
- 2.22 EDDC Rev & Bens and Housing continue to provide services to Members of the Public from their temporary accommodation within the former CAB Offices
- 2.23 Town CCTV are also understood to be continuing to function normally, without any significant issue.
- 2.24 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	10 Nr.
Contractors Early Warning Notices	10 Nr.
Employers Early Warning Notice	1 Nr.
Employers Formal Quotation Requests	12 Nr.
Employers Notification of Compensation Event	23 Nr.
Employers Project Managers Communication	31 Nr.
Employers Acceptance / comment re submitted drawings and associated information	153 Nr.

- 2.25 The fifth valuation for the works was received on 30 June, assessed on 5 July and subsequently certified for payment on 6 July 2017.
- 2.26 It is understood that PegasusLife Ltd on 7 June 2017 submitted their Planning Appeal Form to the Planning Inspectorate following Refusal of their Planning Application for Knowle in December 2016

- 2.27 Liaison with the TA Team has continued with members visiting and reporting on site and associated matters.
- 2.28 Copies of the Contractor's Report Nr. 5 and 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:
- Respond to queries and clarification questions ahead of suppliers' submissions.
  - Submission of responses for FF&E mini-competition closed on Friday 9<sup>th</sup> June as anticipated.
  - 20 suppliers responded to the mini competition and their submissions opened recorded and verified by Democratic Services.
  - All submissions were evaluated on Price & Quality against the specification and the Top 5 suppliers in each Lot were invited to supply samples for Staff and Members to test from 3-7<sup>th</sup> July
  - On-going collation of known Exmouth movers continues to be provided by OD and Service Leads.
  - Preparation of mini competition/quick quote spec for removal companies
  - On-going liaison with Tenants to conclude HoTs negotiations.
  - On-going work with HR & Managers to identify known Exmouth Movers (subject to outcome of consultation process)
  - Review of individual staff special needs (Chairs/IT equipment) as supplied by HR & Line managers.
  - Preparation of mini competition/quick quote for removal companies
  - Attendance at Exmouth Town Hall Working Party meetings and site visits for staff & Members.
  - Negotiations with previous tenants to discuss HoT's for proposed return to ETH.
- 3.2 **FF&E - OFFICE FURNITURE PROCUREMENT**
- 3.3 20 of the potential 28 suppliers returned completed submissions. All were logged and evaluated in accordance with the mini competition process.
- 3.4 All submissions were evaluated based on a weighting of 60% price and 40% quality. The Top 5 in each Lot were invited to supply samples.
- 3.5 All questions and responses have been logged and tracked for future reference.
- 3.6 Responses from the staff and Members feedback sessions to be held in July will be evaluated and added to the scores already recorded for Price & Quality.
- 3.7 A full report on the Mini Competition process and final chosen suppliers will be presented to SMT on 26<sup>th</sup> July.
- 3.8 **Exmouth – EDDC Staff**  
On-going regular contact with EDDC staff working out of former CAB offices continues. They report good regular contact by the contractor who are also keeping EDDC staff up to date on forthcoming interruptions of power or noisy work.

**3.9 Town CCTV**

No significant issues with Town CCTV tenants this month. They are kept up to date of any planned outages particularly if the works in planned out of hours as CCTV staff work some evening and weekend hours.

**3.10 Manstone & Knowle Depot**

Heathpark decision has been confirmed, but nothing further to report on. Formal notification from the Relocation Team has been issued to Property Services to enable them to commence their programme of works.

**3.11 P& FM Programme**

No changes to the programme since last revisions as all activities are within project tolerances. Date of issue of the mini competition was 2 days later than anticipated but this time was made back during the shortlisting stag of the evaluation process.

**3.12 Exmouth Town Council**

Further follow-up meetings with ETC and tours of the refurbishments have taken place and more precise HoT's are being prepared to enable ETC to formally vote on whether to return to ETH at their next Full Council on 12<sup>th</sup> July.

**3.13 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 (SP/RC).
- Presentation to SMT as required.

**3.14 Anticipated actions in the following months:**

**3.15 Generally**

- Furniture Sample week – 3-7<sup>th</sup> July.
- Final evaluations and reports being presented to SMT for formal sign-off
- Any VE required to bring FF&E in on Budget
- Formal feedback given to successful and unsuccessful suppliers if decision on FF&E is made in July.
- Commence mini competition/quick quote for removal companies
- On-going liaison with Tenants to conclude HoTs negotiations with Registrars, Volunteers etc.

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, dated 11 July 2017 for;
- 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 It is noted that the overall completion date For Exmouth has altered to 30 October, with Strata now identifying Door Access and Time & Attendance being the final elements being completed by this date. This date remains in advance of the anticipated occupation date of 6 November 2017. Strata have been asked to review and advise whether this date can be bettered.
- 4.4 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.
- 4.5 Further programme deliverable details are identified within Chapter 6
- 4.6 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 18 May 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 18 May, the Officer Working Party and Members Executive Board meetings of 25 and 26 April 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 AM (V 0) dated 21 May 2017 has been prepared and will be issued to the meetings above for ongoing consideration and comment.
- 5.7 Currently, there are 72 Open Risks (previously 80) based on Rev AM (V 0), comprising of;
  - 11 Red Risks (previously 14),
  - 39 Orange Risks (previously 42)
  - 22 Blue Risks (previously 23).
- 5.8 Four new risks have been identified within the latest revision.
- 5.9 Thirteen existing risks was closed in the period. A total of 119 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 24 July 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 has been contacted and asked to update, inter alia, 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 For Heathpark, Interserve have now agreed an overall 64 week contract period, commencing on 24 July 2017 and with a completion date of 15 October 2018. This period does not include the period permitted for the early enabling works.
- 6.7 The Contractor has also agreed a LAD period of a further six weeks should Heathpark overrun. As with Exmouth a total period of 6 weeks following handover has been allowed for Client Fitting Out.
- 6.8 Project Programme PreC M (V 1) – Draft, dated 27 January 2017 is included within Voloume 2 of this Report.
- 6.9 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 (Contract commencement)	24 July 2017
Refurbishment of Exmouth Town Hall (Contract Completion Date)	25 September 2017
EDDC relocates to refurbished Exmouth Town Hall	6 November 2017
Construction of New Office at Heathpark (Contract completion)	15 October 2018
EDDC relocates to New Office at Heathpark. Vacant Possession is achieved at Knowle and Pegasus complete sale including payment of the balance of monies.	Antic by end December 18 / January 2019

6.10 Strata have provided two further monthly update reports in the period, namely;

- 6.10.1 EDDC Relocation (Exmouth) Executive Programme Summary
- 6.10.2 EDDC Relocation (Honiton) Executive Programme Summary

6.11 The Exmouth Report continues to advise that the current end date for the telephone system will be 31 July 2017. For Heathpark the telephony at Exmouth will be completed by 30 November 2018.

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

- 6.12.1 Door Access (Exmouth) – 30 October 2017
- 6.12.2 EDMS (Exmouth) – 31 July 2017
- 6.12.3 New Internet (Exmouth) 31 August 2017
- 6.12.4 Core Infrastructure (Exmouth) – 23 August 2017
- 6.12.5 Hybrid Mail (Exmouth) - 31 August 2017
- 6.12.6 Meeting Room AV Equipment (Exmouth) – 23 August 2017

- 6.12.7 Telephone System (Exmouth) – 31 July 2017
- 6.12.8 Room Booking (Exmouth) – 23 August 2017
- 6.12.9 Time & attendance (Exmouth) – 31 August 2017
- 6.12.10 Meeting Room AV Equipment (Honiton) – 30 November 2018
- 6.10.11 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 to 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 June 2017 totals £2,542,984 This leaves a balance from the overall Project Budget of £8,043,016. 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	£ 806,568	£ 7,809,671
Access Road to New Office through EDBC	£ 225,000	£ 0	£ 225,000
<b>TOTAL</b>	<b>£ 10,586,000</b>	<b>£ 2,542,984</b>	<b>£ 8,043,016</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	£	759,601
7.5.3	Sundry Client Costs	£	68,881
7.5.4	Multi-Disciplinary Design Team	£	620,626
7.5.5	Sundry Survey costs and associated works	£	32,568
7.5.6	Construction and associated costs	£	775,149
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>75,412</u>
	Total	£	<u>2,542,984</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 A full review / reconciliation of the costs compared to the original budget allowances will be provided shortly following the final agreement of the Contractor’s proposals for Heathpark.

- 7.8 The Cost Report is based on the capital receipt for Knowle offered by PegasusLife Ltd. It does not reflect alternative capital receipt scenarios.
- 7.9 A copy of the Interim Cost Report Nr 26 (Rev 0) is included to this Report within Volume 2.

Submitted by:

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