

EAST DEVON DISTRICT COUNCIL OFFICE RELOCATION PROJECT

Project Report No 45, Rev -
Period between 1 – 31 January 2018

VOLUME 1

ISSUED UNDER PART B



Document Issue Sheet

Issue Nr.	Doc	File Path	Issue Date	Parties Sent to	Prepared by	Reviewed by
<u>45</u>	<u>Final</u>	<u>C:\Work\EDDC\PROJECT \Progress Reports\Progress Reports\2018\ Nr.45 \ 31.01.2018</u>	<u>27/02/2018</u>	<u>EDDC Executive Board</u>	<u>SJP, SA, Strata, TA Team, ICL</u>	

SSPP, JWW, SC, Ita

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	19

1.0 Executive Summary

- 1.1 This formal Project Progress Report identifies Project issues and progress generally during the period 1 – 31 January 2018
- 1.2 During this period, the following key events have occurred;
 - Simon Allchurch has agreed to take over the role of Project and Facilities Manager following the resignation of Julia Waddington.
 - Interserve have continued with the construction of Blackdown House, the New HQ at Heathpark. A copy of the executed Contract has now been returned to the Contractor following the Council's completion. The Contractor has provided a 10% Bond.
 - The Contractor has advised that the Heathpark works were a week behind programme at the end of the period. although they have expressed confidence that they will complete the Works by the Contract Completion date of 15 October 2018.
 - To assist with the mitigation of this delay, permission has been granted, subject to qualification, that the M&E first fix containment and associated works to the ground floor areas can commence at an early date.
 - Interserve have confirmed that no reportable accidents have occurred on site since the Project commenced on 24 July 2017
 - The FF&E Order for chairs and tables at Heathpark have now been placed. For the remaining elements (desks, storage etc.) a detailed reconciliation and review is currently underway. It is anticipated that the Order for these elements will be issued during March 2018.
 - Interserve continue with the making good of defects at Exmouth Town Hall, including remedial works to the first and second floor WCs (wash hand basins being repositioned and associated tasks) and the heating to the building with particular reference to the Chamber
 - Exmouth Town Council and the Volunteers have now taken tenancy at Exmouth Town Hall. This is in addition to Exmouth Town Centre CCTV which have remained in the building throughout the refurbishment works. It is understood that agreement with County Registry Service to return to the Town Hall is imminent
 - Workshops have been held with Officers at Exmouth Town Hall and a number of issues have been identified. Some of these matters relate to ongoing snagging issues whilst others identify other issues associated with the building. Actions are in hand with the Contractor continuing to carry out and complete remedial works and EDDC Property Services reviewing options going forward.

- The Planning Inspectors Report in respect of the PegasusLife Ltd Planning Appeal was issued on 22 January 2018. The Planning Inspected upheld the Appeal.
- 1.3 Strata have provided their Executive Projects Summary for both Exmouth and Heathpark. The key completion date for Blackdown House, Heathpark remains as 30 November 2018, which remains in advance of the anticipated occupation date. This document is discussed in Chapter 4 and annexed within Volume 2 of this Report.
 - 1.4 The overall Project Budget, as defined at the Council meeting on 26 April 2017, is £ 10,586,000. All relevant expenditure, including accruals, to 31 January 2018 totals £ 4,933,174. Consequently, there remains a budget balance of £ 5,652,826. Project Costs are further discussed in Chapter 7 of this Report. A copy of the Interim Cost Report is included in Volume 2 of this Report.
 - 1.5 Risk Reviews have continued to be regularly carried out. The current Risk Register is Rev AQ (Rev 0) dated 19 November 2017, which confirms 59 Open Risks (previously 60), comprising of;
 - 7 Red Risks (previously 7),
 - 35 Orange Risks (46)
 - 17 Blue Risks (17).
 - 1.6 A new risk in the period relates to Interserve's significant share price fluctuations. This has occurred during the same month that Carillion entered Liquidation. Government sources advised that the issues with Interserve are not the same as for Carillion. Further reassurance can be inferred by Interserve's Bank providing the Bond during the month. It is noted that there does not appear to be any associated progress issues on site such as loss of subcontractors or the lack of plant and materials. The RM will continue to monitor the situation.
 - 1.7 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 Generally

- 2.2 Following the resignation of Julia Waddington, Simon Allchurch has agreed to take over the role of Project and Facilities Manager going forward.
- 2.3 As part of this role, he will be responsible for the finalisation works associated with Blackdown House (including fitting out) off site storage as well as the new build associated with the relocation of Knowle Depot to Manstone. Together with the RM, he will also be responsible for the appropriation and disposal process at Knowle prior to Vacant Possession.
- 2.4 The Project Programme is currently being updated to incorporate the above tasks, as well as that latest update from the Contractor. It is anticipated that a revised programme will be issued during February.

2.5 Blackdown House, Honiton

- 2.6 Interserve have continued with the construction of Blackdown House, the New HQ at Heathpark. A copy of the executed Contract has now been returned to the Contractor following the Council's completion. The Contractor has provided a 10% Bond.
- 2.7 The Contractor has advised that the Heathpark works are a week behind programme, citing wet, cold and windy weather. However, they have expressed confidence that they will complete the Works by the Contract Completion date of 15 October 2018.
- 2.8 The following works are advised as having been undertaken during the period;
- The first to second floor block work walls first lifts are complete and the second lift block work is progressing to underside of planks.
 - The external brick work is some 50% complete between the first and second floor and the scaffolders are following behind.
 - The second-floor planks and staircases are due to installed on 12th Feb & 19th February.
 - Internally temporary protection to the window openings on the ground floor has been installed prior to Dodds commencing the installation of the heat recovery equipment to the underside of the First Floor

- 2.9 The Contractor has also identified the following matters that may affect progress;
- Weather – the current site operations are dependent upon reasonable weather conditions.
 - The incorrectly located gas main has prevented the retaining wall from being built before the scaffold. It will now have to be built after the scaffold and with restricted access
- 2.10 The Contractor has identified the following planned activities for next month;
- Installation of second floor planks and stairs
 - Continue with first fix M&E works to GF areas
 - Structural topping to the second floor
 - Commence blockwork from second floor to underside of roof
- 2.11 The Contractor has continued to advise that there have not been any reportable accidents on site since contract commencement.
- 2.12 ICL's internal H&S advisor, who regularly attends the site, has not identified any significant issues, only moderate trivial risks, within his latest report. It is also advised that appropriate risk controls are in place or have been agreed and implemented.
- 2.13 EDDC's Consultant CoW is regularly attending site and is providing interim / summary reports. He has not identified any significant issues
- 2.14 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	9 Nr.
Employers Early Warning Notice	2 Nr.
Employers Formal Quotation Requests	2 Nr.
Employers Notification of Compensation Event	0 Nr.
Employers Project Managers Communication	26 Nr.

- 2.15 The seventh valuation for the works was received on 1 February, assessed and subsequently certified for payment on 6 February 2018
- 2.16 The installed time lapse camera continues to record regular photographs of the site progress at approximately ten-minute intervals during the working day. An initial short film has now been provided, and this will now be regularly updated as progress proceeds.
- 2.17 The S171 Stopping Up Order for Border Road has now been granted, whilst the Sections 38 / 278 Applications have been submitted and liaison is taking place between EDDC and DCC Highways
- 2.18 The Contractor has issued his latest iteration of the construction programme. This is currently being considered for acceptance. Once accepted, particulars will be incorporated in to the Project Programme.
- 2.19 Following the competitive framework tender, the FF&E Order for chairs and tables has now been placed with Kinnarps. The remaining elements (desks, storage etc.) are currently being reconciled in advance of any Order being placed.
- 2.20 There is now a total of five Options for the design of the New Access Road. Costs vary from either some £ 192,000 over budget to £ 65,500 under budget. It is noted that these budget costs are based upon single sketch drawings and without any ground investigations having yet taken place. A Cabinet Report is currently being prepared for consideration by Members. It is anticipated that this Cabinet Report will be considered during the 7 March Cabinet Meeting.
- 2.21 Ground Investigations for the New Access Road have been tendered and the package awarded to Geo Consulting Engineering Ltd. It is understood that works on site will commence on or about 20 February 2018.
- 2.22 Following a submission from Strata for vertical banners to the front elevation on Blackdown House, SMT have decided to delay their decision whether to proceed or otherwise once the brickwork is completed and the scaffolding struck.
- 2.23 At Exmouth Town Hall a number of Workshops have been held with staff and a number of issues have been identified. Some of these matters relate to ongoing snagging issues e.g. heating, whilst others identify other concerns such as acoustics and security within the building. Actions are in hand with the Contractor continuing to deal with snags, which EDDC Property Services have issued enquiries for the acoustic treatments including a new carpet in the Chamber.

- 2.24 Interserve continue with the making good of defects at Exmouth Town Hall, including remedial works to the first and second floor WCs (wash hand basins being repositioned and associated tasks) and the heating to the building with particular reference to the Chamber.
- 2.25 Exmouth Town Council and the Volunteers have now taken tenancy at Exmouth Town Hall. This is in addition to Exmouth Town Centre CCTV which have remained in the building throughout the refurbishment works. It is understood that agreement with County Registry Service is imminent.
- 2.26 The Planning Inspectors Report in respect of the PegasusLife Ltd Planning Appeal was issued on 22 January 2018. The Planning Inspected upheld the Appeal.
- 2.27 Liaison with the TA Team has continued with members visiting and reporting on both sites and associated matters.
- 2.28 Copies of the Contractor's Report Nr. 7 for Blackdown House together with the TA Teams Individual respective Reports are included within Volume 2 of this Progress Report

3.0 Facilities Management – Updates.

- 3.1 SA has been appointed to continue previous related projects and JW's FM role until the end of the year.
- 3.2 Tasks will be;
- Work with KJ to liaise with staff and members, including another round of workshops, to remind of what is coming at Honiton and the lessons learnt at Exmouth.
 - Procure and co-ordinate internal fit-out of new building post-construction, prior to grand opening, e.g. furniture, fittings, and equipment.
 - Arrange move of people and items from Knowle to Honiton, and co-ordination with Strata
 - De-commission Knowle and clear remaining contents and furniture ready for vacant possession.
 - Procure off-site storage provision (or alternative solution) for archiving.
 - Manage Streetscene Depot move from Knowle to Manstone Depot and provision of new small office facility
- 3.3 Exmouth Town Hall
- Very successful first couple of months. Everyone departments settled in, with only very minor teething issues, as occupants get used to the new environment.
 - User feedback being gathered to inform Honiton, where applicable.
 - Some further fit out works is being completed, including carpet in the Chamber, and acoustic panels on the walls in reception interview rooms A, B, & C.
 - Tenants – Tenants guide/handbook has been drafted for SMT approval. Exmouth Voluntary organisation moved in earlier in January on the ground floor, and Exmouth Town Council due to move in on ground and first floor within the next week. Devon County Registrar's due at the end of March (subject to completion of lease formalities), who will be located on the ground floor, next to the Volunteers.
- 3.4 Manstone Depot (move from Knowle Depot)
- Planning permission and Building Control approval already acquired.
 - Phase 1 groundworks and foundations tendered and ready to instruct contractor subject to SMT approval. Phase 2 superstructure and fit-out to follow.
 - Final deadline is May 2019 when Pegasus take Knowle, but could be March 2019, plan is to have Streetscene moved to Manstone before the end of 2018.
- 3.5 Off-site storage project
- Scoping of requirements to commence soon.

4.0 Strata Report

- 4.1 Strata have provided two reports in the period, both dated 12 February 2018 for;
- EDDC Relocation (Exmouth) Executive Projects Summary
 - EDDC Relocation (Honiton) Executive Projects Summary
- 4.2 The Exmouth Report advises that the completion date for the Backscanning and Digital Mailroom will be 28 February 2018.
- 4.3 For Heathpark, the completion date continues to be advised as being 30 November 2018. It is understood that there is some flexibility with this date and now that the Contractor has provided an agreed programme for the works, liaison with Strata will continue to ensure their works are completed as close to the Contract Completion date as possible.
- 4.4 Strata's report advises the following completion dates for the respective elements;
- Backscanning – 31 October 2018
 - Core Infrastructure – 30 November 2018
 - Digital Mailroom – 30 November 2018
 - Door Access – 23 November 2018
 - EDMS – 31 May 2018
 - Hybrid Mail – 31 March 2018
 - Meeting Room AV Equipment – 30 November 2018
 - Telephone System – 30 November 2018.
 - Time and attendance – 16 April 2018
- 4.6 Copies of both Strata Reports 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 FM. During the regular meetings of the Joint Members Executive Project Board & Relocation Officer Working Group 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 15 November 2017.
- 5.4 In addition, the RM also updates 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 15 November 2017, the Joint Members Executive Board and Officer Working Party meeting later that day, as well as liaison with SMT, Aecom, Strata, and Interserve; the RM, has carried out a detailed review of the Risk Register taking into consideration advised comments and current progress and issues. This review has included the collating of relevant similar risks. The resultant Project Risk Register Analysis is Rev AQ (V 0) dated 19 November 2017 which has been prepared and will be issued for ongoing consideration and comment.
- 5.7 Currently, there are 59 Open Risks (previously 60) based on Rev AQ (V 0), comprising of;
 - 7 Red Risks (previously 7),
 - 35 Orange Risks (previously 35)
 - 17 Blue Risks (previously 17).
- 5.8 No new risks have been identified within the latest revision.

- 5.9 One existing risk was closed in the period. A total of 140 risks has been closed to date.
- 5.10 A new risk has been identified during the period when it was noted that Interserve's share price suddenly dropped by some 15% at the start of trading on 17 January. Later that day the share price returned to the previous level, but the market was unsettled. Since that time the share price has continued to fluctuate. Interserve's share price at the end of January 2017 was £3.27 for the same period in 2018 it was £1.06. This situation occurred during the same month that Carillion was liquidated. Clearly this issue has caused concern. It is advised by Government sources that the issues with Interserve are not the same as for Carillion. Further reassurance can be inferred by Interserve's Bank providing the Bond during the month. It also noted that there does not appear to be any associated issues on site such as loss of subcontractors or the lack of plant and materials. The RM will continue to monitor the situation.
- 5.11 Further Risk Workshops will continue to be held generally 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 21 March 2017
- 5.12 While copies of the Risk Register will be issued during the Joint Members Executive Board and Officer 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, an agreement with Interserve of the final programme particulars for Blackdown House has been achieved. This has enabled the Project Programme to be updated - Rev PreC N (V 1) dated 25 September 2017.
- 6.2 The agreed Programme for Blackdown House has an overall period of 64 weeks, with a commencement date of 24 July 2017 and a Contract Completion date of 15 October 2018. As part of the contract negotiation, it has been agreed that a further 6 weeks beyond 15 October 2018 will be LAD free should the Contractor overrun.
- 6.3 The Heathpark Project Programme identifies a similar six-week period to Exmouth for Client Fitting Out works. This period will be reviewed in due course in consideration of the larger number of Departments and Officers as well as Members facilities being relocated and, following internal, advice that any move during the Christmas period should be avoided due to potential operational issues
- 6.4 The Contractor has advised that currently site progress is one week behind programme.
- 6.5 Project Programme PreC O (V 1), dated 25 September 2017 is included within Volume 2 of this Report.
- 6.6 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 (Certified Contract Completion Date)	25 September 2017
EDDC relocates to refurbished Exmouth Town Hall	13 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

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 31 January 2018 totals £4,933,174 This leaves a balance from the overall Project Budget of £5,652,826. 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;

	Budget	Expended to Date	Balance remaining
Viability / Appraisal Stage - * Note	£ 624,761	£ 624,761	£ 0
Pre-Contract – RIBA Plan of Work Stages 1 – 4 + Note	£ 1,120,000	£ 1,111,655	£ 8,345
Post Contract – Plan of Work Stages 5 – 7	£ 8,616,239	£ 3,196,758	£ 5,419,481

Access Road to New Office through EDBC	£ 225,000	£ 0	£ 225,000
TOTAL	£ 10,586,000	£ 4,933,174	£ 5,652,826

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	£	955,110
7.5.3	Sundry Client Costs	£	109,162
7.5.4	Multi-Disciplinary Design Team	£	696,500
7.5.5	Sundry Survey costs and associated works	£	35,018
7.5.6	Construction and associated costs	£	2,849,206
7.5.7	Commercial and Valuation Costs	£	61,321
7.5.8	Audit and associated Costs	£	37,766
7.5.9	Legal assistance and advice. VAT advice	£	<u>76,761</u>
	Total		<u>£ 4,933,174</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, agreed contract sum for Blackdown House 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 is included within Cost Report Nr 33 annexed with Volume 2 of this Report.

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 33 (Rev 0) is included to this Report within Volume 2.

Submitted by:

Steve Pratten - EDDC Relocation Manager

Simon Allchurch – EDDC Project and Facilities Manager

Steve Gammon - Strata System Analysis

