

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

Project Report No 47, Rev -  
Period between 1 – 31 March 2018

**VOLUME 1**

ISSUED UNDER PART B



## Document Issue Sheet

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SSPP, JWW, SCata

## **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 – 31 March 2018

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

- Interserve have continued with the construction of Blackdown House, the New HQ at Heathpark. During the period the Contractor issued a revised Programme, which continues to reaffirm the Contract Completion date of 15 October 2018.
- At the Site Progress Meeting on 4 April, the Contractor advised that the Works were three days behind their latest programme and cited the bad weather (rain, snow and temperatures) that had occurred during the month. Interserve have, however, confirmed their confidence that they will complete the Works by the Contract Completion.
- The Contractor has now completed the installation of the second-floor precast concrete planks and associated structural topping. This has allowed the bricklayers to return to site to recommence the walls between the second floor and wall plate.
- Internally builders work holes to the ground and first floor have commenced. The first fix M&E works have continued in areas that have been provided with temporary weather proofing. Floor insulation and screed has also been laid to the ground floor north and south wings.
- 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 has 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 April 2018.
- Cabinet on 7 March, confirmed that the New Access Road, Option 5, should proceed. Aecom have been asked to develop the design in readiness for a Planning Application. A consultation meeting with EDBC Management and Tenants has been arranged for early April.
- Interserve have completed their defects correction works at Exmouth Town Hall. Any subsequent maintenance matters are referred to Interserve's Aftercare service who to date have reacted satisfactorily.

- Exmouth Town Council, Exmouth Town Centre CCTV and the Volunteers are now Tenants at Exmouth Town Hall. County Registry Service's return to the Town Hall is understood to be imminent
- Following the Staff Workshops at Exmouth Town Hall and the issues identified, most of the further works has now been carried out.
- Works associated with the new facilities at Manstone Depot, that will enable the Knowle Depot to be relocated, have commenced during the period and are progressing satisfactorily.
- A Workshop with Planning during the period identified the need to provide further security arrangements within Blackdown House which have now been addressed with the Design Team and works instructed.
- Following the Planning Inspectors upholding of their appeal, PegasusLife have now formally confirmed that the Planning Conditions do not include any unacceptable terms
- A meeting has taken place at Knowle with PegasusLife's Project Manager and several other Consultants during which time the opportunity to visit the Knowle and grounds was undertaken.

1.3 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 March 2018 totals £5,486,167. Consequently, there remains a budget balance of £5,099,834. 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.

1.4 Risk Reviews have continued to be regularly carried out. The current Risk Register is Rev AS (Rev 0) dated 26 March 2018, which confirms 55 Open Risks (previously 55), comprising of;

4 Red Risks (previously 6),  
35 Orange Risks (33)  
16 Blue Risks (16).

1.5 Two existing risks were closed, and an addition two risks were added during the period. A total of 146 risks have been closed to date.

- 1.6 Interserve's share price continues to be monitored. At the end of March, the price was 81.75. This is an improvement to that at the end of February when it was 55.05 but is still lower than that at the end of January of 106.8. As previously there does not appear to be any detrimental effects 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 Blackdown House, Honiton

2.2 Interserve have continued with the construction of Blackdown House. During the period the Contractor issued a revised Programme, which continues to reaffirm the Contract Completion date of 15 October 2018.

2.3 At the Site Progress Meeting on 4 April, the Contractor has advised that the Works were three days behind their latest programme and identified the bad weather (rain, snow and temperatures) that had occurred during the month. Interserve have, however, confirmed their confidence that they will complete the Works by the Contract Completion

2.4 The following works are advised as having been undertaken during the period;

- The Contractor has now completed the installation of the second-floor precast concrete planks and associated structural topping. This has allowed the bricklayers to return to site to recommence the walls between the second floor and wall plate.
- Internally, builders work holes to the ground and first floor have commenced. The first fix M&E works have continued in areas that have been provided with temporary weather proofing. Floor insulation and screed has also been laid to the ground floor north and south wings.

2.5 The Contractor has also identified the following matters that may affect progress;

- 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.

2.6 The Contractor has identified the following planned activities for next month;

- Continue masonry from second floor to wall plate
- Central core roof steels and structural deck
- Preparations for the truss installations.
- Continue with First Fix M&E works to the ground and first floors.

2.7 The Contractor has continued to advise that there have not been any reportable accidents on site since contract commencement.

- 2.8 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.
- 2.9 EDDC’s Consultant CoW is regularly attending site and is providing interim / summary reports. He has not identified any significant issues
- 2.10 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	3 Nr.
Contractors Early Warning Notices	10 Nr.
Employers Early Warning Notice	2 Nr.
Employers Formal Quotation Requests	3 Nr.
Employers Notification of Compensation Event	3 Nr.
Employers Project Managers Communication	33 Nr.

- 2.11 The ninth valuation for the works was received on 29 March, assessed and subsequently certified for payment on 5 April 2018
- 2.12 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.
- 2.13 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
- 2.14 The Contractor issued his latest iteration of the construction programme, Rev 8, on 28 March 2018. The programme reaffirms contact completion by 15 October 2018. This iteration is currently being considered for acceptance. Once accepted, particulars will be incorporated in to the Project Programme.
- 2.15 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 an Order being placed, which is now likely to occur in April.

- 2.16 A Workshop with Planning during the period identified the need to provide further security arrangements within Blackdown House which have now been addressed with the Design Team and the Contractor instructed accordingly.
- 2.17 A Report was prepared and submitted to the 7 March Cabinet. This Report identified 5 differing configuration options for the New Access Road including single and twin carriageways and the number of car parking spaces varying between 35 and 52. In the event, Cabinet approved Option 5 which provided a single carriageway and 48 car parking spaces. This Option, based on the initial layouts, is likely to provide a financial saving against the original approved budget allowance.
- 2.18 Following Cabinet approval, Aecom have now been asked to develop the design, provided an updated cost plan and prepare the necessary Planning Application.
- 2.19 In addition, a consultation meeting with the EDBC Management and Tenants has been arranged for 5 April for their review and comment in respect of preferred Option 5.
- 2.20 Following the staff Workshops at Exmouth Town Hall and the identification of issues requiring further input from either the Contractor or EDDC Property Services, it is confirmed that majority of the matters have now been resolved.
- 2.21 An outstanding matter relates to acoustic issues associated with the ground floor back office. A specialist Acoustic Consultant has been appointed, and his report and recommendations are awaited.
- 2.22 Interserve have completed their defects correction works at Exmouth Town Hall. Any subsequent maintenance matters during the defects period are being referred to Interserve's Aftercare service, who to date have reacted satisfactorily.
- 2.23 Exmouth Town Council, the Volunteers and Exmouth Town Centre CCTV are now resident within the building. It is understood that agreement with the County Registry Service is imminent, and that they will take up their tenancy during April.
- 2.24 Following the Planning Inspectors upholding of their appeal, PegasusLife have now formally confirmed that the Planning Conditions do not include any unacceptable terms
- 2.25 A meeting has taken place at Knowle with PegasusLife's Project Manager and several other Consultants during which time the opportunity to visit the Knowle and grounds was undertaken.

- 2.26 Liaison with the TA Team has continued with members visiting and reporting on both sites and associated matters.
- 2.27 Copies of the Contractor's Report Nr. 9 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 Blackdown House.**

- The various Knowle items of interest (older furniture & antiques etc) have been considered by SMT and it was agreed that Mark Williams would meet with Simon Allchurch to finalise.
- The second of this year's staff awareness workshops is due to take place on the 29<sup>th</sup> March, to cover public area, reception, and security aspects, with representatives of each department nominated by SMT.
- Simon Allchurch and Martin Millmow have continued the update of paper files and departmental archive storage at the Knowle, and a summary will be presented soon.
- SMT have chosen the colour of floor tiles for the new main entrance/reception area as Johnson Tiles Neptune range 'Dove', and for the melamine desk tops throughout the building as Narbutas 'Grey'.

#### **3.2 Exmouth Town Hall**

- Registrar's due to occupy in April. Updated building signage will follow.
- A consultant acoustician has undertaken an analysis of the ground floor back office and first floor open plan, and results/recommendations are due soon.
- The deeper desk top for Room A is due next month.
- The two middle wall mounted AV screens in the Committee Room are being moved into the Chamber, to aid meeting Chairperson's awareness of what is

#### **3.4 Manstone Depot (move from Knowle Depot)**

- Phase 1 groundworks and foundations started successfully on the 12<sup>th</sup> March (Ultim8 Construction Ltd) and due to finish 7 weeks later.

## **4.0 Strata Report**

- 4.1 Strata have not provided a report in the previous format during the period. The report provided is high level in content and provides a Monthly Service Summary for the East Devon, Exeter and Teignbridge Councils.
  
- 4.2 Consequently, because of a lack of Project specific information, it has it has not been possible to reaffirm the previously advised completion dates. Nonetheless, there has been a liaison meeting and a programme provided by Strata. On this basis there is no reason at this time to fear any overruns of the previously advised completion dates.

## 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 21 March 2018.
- 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 21 March 2018 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 AS (V 0) dated 26 March 2018 which has been prepared and will be issued for ongoing consideration and comment.
- 5.7 Currently, there are 55 Open Risks (previously 55) based on Rev AS (V 0), comprising of;
  - 4 Red Risks (previously 6),
  - 35 Orange Risks (previously 33)
  - 16 Blue Risks (previously 16).
- 5.8 Two existing risks were closed, and an addition two risks were added during the period. A total of 146 risks have been closed to date.
- 5.9 Interserve's share price continues to be monitored. At the end of March, the price was 81.75. This is an improvement to that at the end of February when it was 55.05, but, is still lower than that at the end of January of 106.8. As previously there does not appear to be any detrimental effects on site such as loss of subcontractors or the lack of plant and materials. The RM will continue to monitor the situation.

- 5.10 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 in May 2017
- 5.11 While copies of the Risk Register will be issued during the Joint Members Exectutive 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 The agreed Contract 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.
- 6.2 The Heathpark Project Programme identifies a similar six-week period to Exmouth for Client Fitting Out works. This period continues to be reviewed in consideration of the larger number of Departments and Officers as well as Members facilities being relocated.
- 6.3 During the period, the Contractor has issued his latest iteration of the construction programme, Rev 8, on 28 March 2018 for acceptance. The programme reaffirms the Contact Completion by 15 October 2018. This iteration is currently being considered for acceptance. Once accepted, particulars will be incorporated into a revised Project Programme.
- 6.4 Also, during the period, a programme has been received from Strata. This programme will also be incorporated into the revised Project Programme.
- 6.5 The Contractor has advised that currently site progress is three days behind his Programme Rev 8.
- 6.6 The current Project Programme PreC O (V 2), dated 12 March 2018 is included within Volume 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 (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 Date)	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 March 2018 totals £5,486,167 This leaves a balance from the overall Project Budget of £5,099,834. 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	£ 3,749,751	£ 4,866,489

Access Road to New Office through EDBC	£ 225,000	£ 0	£ 225,000
<b>TOTAL</b>	<b>£ 10,586,000</b>	<b>£ 5,486,167</b>	<b>£ 5,099,834</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	£	961,034
7.5.3	Sundry Client Costs	£	109,632
7.5.4	Multi-Disciplinary Design Team	£	715,481
7.5.5	Sundry Survey costs and associated works	£	40,373
7.5.6	Construction and associated costs	£	3,371,468
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>5,486,165</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 35 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.

Submitted by:

Steve Pratten - EDDC Relocation Manager

Simon Allchurch – EDDC Project and Facilities Manager

Steve Gammon - Strata System Analysis

