

Report to the Cabinet

Report reference: C-019-2008/09.

Date of meeting: 14 July 2008.



**Epping Forest
District Council**

Portfolio: Planning and Economic Development.

Subject: Loughton Broadway Town Centre Enhancement Scheme.

Responsible Officer: Kim Durrani (01992 564055).
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Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations:

(1) That in order to reduce financial risk to the Council and disruption to local residents and businesses, the following be agreed;

(a) as much of the scheme as practicable should be undertaken within the current financial year;

(b) construction activity be suspended for the Christmas trading period; and

(c) construction on the east carriageway does not commence until the Vere Road car parks have been made available to the general public through a short stay pay and display regime;

(2) That a supplementary capital estimate in the sum of £455,500 (including £200,000 contingency) be recommended to the Council for approval;

(3) That the earlier decision of the Cabinet to implement Pay and Display parking on the Broadway be rescinded and that the present regulatory on-street scheme of one hour parking with no return within three hours be retained;

(4) That the existing project consultancy contract with STACE Management Limited, the Project Manager for the scheme, be amended to assign the additional duties of Project Supervisor at a cost of £37,000 and that Contract Standing Order C4 (1) be waived accordingly;

(5) That the Essex County Council's offer of a £100,000 contribution towards the costs of the scheme be welcomed and accepted; and

(6) That the provision of a landmark amenity feature on The Broadway be reconsidered and a local school competition held for a suitable design.

Executive Summary:

The Loughton Broadway Town Centre Enhancement Scheme was conceived back in the late 1990's following a wide scale public consultation exercise involving the three town centres of Buckhurst Hill, Loughton and the Broadway. Design guides were produced as adopted by the Council. Following Cabinet's decision to proceed with the scheme there have been a number

of significant technical difficulties with the design, which have resulted in the commencement of the scheme being delayed.

As time has progressed scheme costs have escalated and it is important to commence and indeed complete the scheme as soon as possible to reduce the Council's exposure to further cost rises. Furthermore, it is recognised that to close the Broadway for trading during the Christmas period for construction may cause significant disruption to trading on the Broadway. Whereas it is not cost effective to delay the commencement of the entire scheme until after Christmas, it is possible to plan such that construction activity ceases from 4 December for one month and to arrange the phasing of the scheme, including revised parking arrangements in Vere Road, to reduce trading disruption as far as practicable.

There are four key appointments under the contract between the Council and the main contractor; the Client, main contractor, Project Supervisor and Project Manager. The position of Project Supervisor is currently vacant and this has to be filled before the commencement of construction works. To follow Contract Standing Orders and obtain three quotations will cause delay in delivery of the project.

Although a firm costing can only be carried out once all approvals and consents have been obtained, to avoid further delay and to allow for material procurement deadlines, it is proposed that a supplementary capital estimate of £255,500 and a project contingency of £200,000 be sought.

Reasons for Proposed Decisions:

If the Council's exposure to cost inflation is to be managed, then works need to commence as soon as possible, whilst accommodating as far as possible the wishes of the local community to maintain continuity of trading especially during the Christmas period.

The costs of the scheme have continued to rise and given the nature of civil engineering schemes of this type, a 10% contingency is recommended. It is hoped that this will not be required especially if the estimated costs of the County Council for site supervision can be reduced.

The Debden Development and Design Brief identified the convenient on-street parking on the Broadway as one of the strengths of The Broadway shopping centre. The TCE is removing some of the parking spaces in the Broadway, but although there is a net gain in parking spaces in the Debden area as a result of the scheme, it is recognised that the continuation of free on street parking will assist in supporting the local community.

Following the retirement of the Council's Resident Engineer, it is necessary to replace that responsibility through a further appointment with Stace.

At the original design phase for the scheme, the Council had accepted the idea of an 'amenity feature' along The Broadway as part of the TCE. This idea was later dropped due to cost constraints, but it is now proposed to reconsider that dependent upon the availability of capital monies as the scheme progresses.

Other Options for Action:

The options available but not recommended are to:

- (a) defer the scheme commencement until after Christmas 2008, but this has significant cost risks and implications;

- (b) continue with on street pay & display, but this is contrary to the recent design brief;
- (c) not to appoint a Project Supervisor, but this also presents significant risks to the Council especially if there are scheme delays and/or contractor claims;
- (d) not to consider an amenity feature at all; and
- (e) to defer the scheme in its entirety and implement as part of any future wider regenerative scheme. This would be a major disappointment to the local community who have been anticipating an enhancement scheme for a long period of time. Furthermore, implementation will not prejudice any future regenerative proposals.

Report:

1. The Cabinet has approved a sum of £3,175,500 to undertake The Broadway Town Centre Enhancement scheme (TCE). The scheme is being undertaken in two phases: Phase 1 consists of works to Burton Road car park, Vere Road car park and CCTV to the whole scheme. All works under this phase have been completed. Phase 2 consists of substantive enhancement works to The Broadway itself, these have been delayed due to the presence of a medium pressure gas main within the central reservation of the Broadway. A revised methodology for working around the gas main has been agreed with the National Grid Gas and necessary technical approvals are currently being sought after which a legal agreement will be entered with Essex County Council, the Highways Authority, to enable works on a public highway.
2. The Cabinet has earlier considered the TCE in light of the Debden Development and Design Brief, which is looking at the wider regeneration and development for Debden, and concluded that due to the longer time scale of the Design Brief and the commitment given to the local community to enhance the Broadway the TCE should go ahead as approved.
3. Technical approval is required from the Highways Authority before a Works Licence can be issued for any works on a public highway. Scheme designs were reviewed by Essex County Council's nominated consultants who have identified changes to the scheme design which have resulted in additional costs.
4. It is a legal requirement to enter into a Section 278 agreement before any works can be carried out on a public highway. In respect of "developers" the Highway Authority will levy a percentage of the total work which is payable to the Highway Authority. The fee figure for this scheme has not yet been finalised however the standard 8.5 % of the cost of works would equate to £150,000. However, given that this Council is not a "developer" in the accepted sense, ECC officers are reviewing this percentage and it is very likely that the figure will be reduced to cover just the costs on scheme supervision.
5. The local community and especially local traders are very concerned about the phasing of the scheme and the provision of adequate car parking to ensure that already difficult trading circumstances are not further compromised. Therefore, it is proposed that the scheme be phased to provide a break during the Christmas trading period (no work in December 2008) and that proposed changes to car parking arrangements in Vere Road (already approved by Cabinet) are in place and operative before the eastern carriageway of The Broadway is closed to enable construction works to take place. (*Recommendation 1*)
6. The delay in commencement has meant that some of the works cannot now be carried out in the current financial year and subsequently there will be inflationary increases on the scheme, the extent of which will depend on the proportion of work uncompleted this year. It is also suggested that a full 10% contingency be made available in view of the

technical nature of the scheme. Full details of the resources required are set out later in the report. (*Recommendation 2*)

7. The scheme as currently agreed by Cabinet includes the introduction of a pay and display parking regime on The Broadway. The recent design brief on the wider Broadway regeneration states that the current free parking regime on The Broadway is an arrangement of real benefit to the traders and should be retained. It is therefore proposed to rescind the earlier Cabinet decision and retain the existing free parking regularised on a 1-hour no return within 3 hours basis. (*Recommendation 3*)

8. Previous TCE schemes have been supervised by the Council's own Resident Engineer. The postholder has now retired and that post has not been continued in the same format in the new Directorate structure. The requirement for the Council to have its own project supervision remain, and it is therefore proposed to appoint Stace, who are the current project managers. This will require contract standing orders to be set aside, since if the scheme is to progress rapidly, there is insufficient time to undertake a formal procurement exercise. (*Recommendation 4*)

9. The Council has pressed the County Council to recognise that much of the TCE scheme was in effect a high quality maintenance scheme for the County Council's highway asset, and on that basis the County should contribute towards the costs. The Leader has received confirmation from the Leader of the County Council that they intend to contribute £100,000 towards the TCE scheme costs. (*Recommendation 5*)

10. The original design guide for The Broadway TCE included an "amenity feature". As costs increased Cabinet removed this from the scheme. However, given all the delays it is suggested that the proposal be reconsidered and that a competition be run, involving the local community, schools and colleges, to design an appropriate amenity feature. Provided that the scheme remains within budget and capital provision remains available, it is proposed that the winning design be installed to complete the overall TCE scheme. (*Recommendation 6*)

Resource Implications:

The additional funding required for delivery of the scheme is subject to final agreement between the Council's cost consultant and the contractor. This is not yet possible due to the need to obtain a final approval from Essex County Council. Officers and consultants of the County are currently reviewing the scheme proposals. An approval is expected imminently after which the contract Target Price will be agreed between the contractor and the Council. However it is already clear that costs have risen and additional resources will be required.

It is a recognised civil construction practice to allocate 5% to 10% of the total price as a contingency, to allow for unforeseen construction and practical issues during construction. Given the technically complex nature of the scheme, it is suggested that a contingency nearer to 10% be allocated.

At the present time the estimate of the costs is indicated in the table below:

	Budgets	Remarks
Approved Allocation	£3,175,500	
	£1,251,288	These are for works on Burton Road and Vere Road car parks, CCTV for the whole scheme
Construction costs already agreed	£1,786,700	These are for works to the Broadway including street lighting
Pending payments for work done	£76,000	Awaiting final settlement
Appointment of Project Supervisor	£37,000	
Internal EFDC costs	£20,000	
Estimated additional costs:		
Tactile Paving	£40,000	Design changes introduced by County's consultants under Technical Approval
Retesting for grouting	£15,000	A repeat survey is needed to finalise the extent of grouting required
Tarmac	£35,000	Cost increase due to delay in commencement
Consultancy costs	£20,000	Costs for the Project Manager, Cost consultant and Health and Safety Planning Coordinator
Compliance with Section 278	£150,000	Cost to be paid to the Highways Authority for management and supervision. The standard fee of 8.5% of the works value is charged.
Latest scheme estimate	£3,430,988	This includes current agreed and future estimated cost increases
Contingency at 10%	£200,000	Approx 9% outstanding works value
Estimated additional costs	£455,488	Request for funding approval

Legal and Governance Implications:

Use of the Council's general Community Well Being powers.
County Council acting in its capacity as the Highway Authority.

Safer, Cleaner and Greener Implications:

The scheme will improve the street scene by providing CCTV in the Broadway, Burton road and Vere Road. New improved street furniture will be installed as well as new highways infrastructure improvements and revised car parking provision.

Consultation Undertaken:

The Broadway TCE Focus Group meeting on 19 June at Langston Depot and agreed with the proposals as set out in this report.

Background Papers:

Previous Cabinet reports.
Broadway Design Guide (1998).

Impact Assessments:

All technical construction schemes of this nature carry a degree of inherent risk. This is associated with unforeseen circumstances from underground conditions and statutory undertakers' equipment etc. In this instance, the scheme is further complicated through the presence of the medium pressure gas main and the use of the grouting solution to stabilise the highway slabs. A high level of contingency has been applied in the light of these risks.