

# Report to the Council

**Committee:** Cabinet

**Date:** 29 July 2008

**Portfolio Holder:** Councillor C Whitbread

**Item:** 10

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## 1. LOUGHTON BROADWAY TOWN CENTRE ENHANCEMENT SCHEME - SUPPLEMENTARY ESTIMATE

### Recommending:

That a supplementary capital estimate in the sum of £455,500 (including £200,000 contingency) be approved.

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1. We have previously 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 which 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 now been agreed with the National Grid Gas and the necessary technical approvals are being sought after which a legal agreement will be entered into with Essex County Council, the Highways Authority, to enable works on a public highway.
2. 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.
3. 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. We have agreed therefore that the scheme will be phased to provide a break during the Christmas trading period and that proposed changes to car parking arrangements in Vere Road are in place and operative before the eastern carriageway of the Broadway is closed to enable construction works to take place.
4. It is the 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 levies a percentage of the total work which is payable to the Highway Authority. The fee figure for this scheme has not yet been finalised but 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, Essex County Council officers are reviewing this percentage and we understand that it is likely the figure will be reduced to cover just the costs on scheme supervision.

5. It is recognised civil construction practice to allocate between 5% and 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, we are suggesting the need for a contingency close to 10%.
6. The full details of the resources now expected to be required are set out below:

	<b>Budgets</b>	<b>Remarks</b>
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	
<b>Estimated Additional Costs</b>		
Tactile Paving	£40,000	Design changes introduced by County Council's consultants under technical approval.
Re-testing for grouting	£15,000	A repeat survey is needed to finalise the extent of grouting required.
Tarmac	£35,000.00	Cost increase due to delay in commencement.
Consultancy Costs	£20,000	Costs for the Project Manager, Cost Consultant and Health and Safety Planning Co-ordinator.
Compliance with Section 278	£150,000	Cost to be paid to the Highway Authority for management and supervision. The standard fee of 8.5% of the works value is charged.

	<b>Budgets</b>	<b>Remarks</b>
Latest Scheme Estimate	£3,430,988	This includes current agreed and future estimated cost increases.
Contingency at 10%	£200,000	Approximately 9% outstanding works value.
<b>Estimated Additional Costs</b>	<b>£455,488</b>	<b>Requirement for additional funding.</b>

7. 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. 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.
8. 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, we are proposing that a supplementary capital estimate of £255,500 and a project contingency of £200,000 be approved.
9. Further deferment of the scheme would be a major disappointment to the local community who have been anticipating an Enhancement Scheme for a long period of time. Accordingly we recommend as set out at the commencement of this report.