

## ***Report to the Cabinet***

***Report reference: C-098-2008/09.***

***Date of meeting: 9 March 2009.***



**Epping Forest  
District Council**

**Portfolio: Housing.**

**Subject: Springfields Improvement Scheme – Progress Report Q4 2008/09.**

**Responsible Officer: Paul Pledger (01992 564248).**

**Democratic Services Officer: Gary Woodhall (01992 564470)**

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### **Recommendations:**

**That the current progress of the Springfields Improvement Scheme be noted as set out in the Resource Implications section of this report.**

### **Executive Summary:**

At its meeting on 8 October 2007, the Cabinet recommended that the Housing Portfolio Holder receives monthly progress reports, with a copy of the monthly report being presented to the Cabinet every 3 months, or sooner should a significant event or overspend occur. Within the Resource Implications section is a table setting out the progress in terms of overall costs and programme for the scheme as at 2 February 2009, this being approximately 15 months from the commencement of the contract.

Since the contract period is likely to over-run, and the Contractor has yet to submit details of the effect of any claims he may submit, it is not yet possible to quantify the cost of any claim for an extension of time. The table 1 illustrates costs known at the time the report was prepared.

### **Reasons for Proposed Decision:**

Contract Standing Order C31 requires presentation of progress reports for on going major projects that have a value of over £1 million.

### **Other Options for Action:**

This is the first report that is predicting a cost and contract period over-run. Officers are trying to limit the over-run in terms of cost and time. However, at this stage in the contract the opportunities to make savings are limited to omitting work from the contract. At its meeting on 6 February 2006, the Cabinet agreed the scope of improvements for Springfields. Of these works, only the landscaping and car-parking works have yet to commence. Savings would only be viable if either of these were omitted from the contract. The costs associated with omitting these options are £44,000 for landscaping and £15,000 for car parking.

### **Report:**

1. The table below sets out the progress in terms of overall costs and programme for the scheme as at 2 February 2009, this being approximately 15 months from the commencement of the contract.

## Resource Implications:

The financial status of the project is set out in the table below:

<b>Springfields Improvement Scheme – Progress Report Q4 2008/09 As at 2 February 2009</b>		
<b>Total Budget agreed by the Cabinet</b>		<b>£4,124,000</b>
Works Contract Tender sum		£3,233,204
Contingency	Within the Contract	£ 0
	Within the budgets	£ 0
Total Contingency available		£ 0
Expenditure on Works to date		£1,943,300
<b>Anticipated Final Account on Works Contract</b>		<b>£3,396,185</b>
Pre-tender Fee Estimate	Internal Fees	£ 200,000
	External Fees	£ 515,000
<b>Anticipated Fee Out-turn</b>	<b>Internal Fees</b>	<b>£ 237,000</b>
	<b>External Fees</b>	<b>£ 417,800</b>
<b>Initial Pre-tender feasibility costs</b>		<b>£ 109,000</b>
Expenditure on all Fees to date		£ 610,000
<b>Total Anticipated Outturn (Works &amp; Fees)</b>		<b>£4,159,985</b>
<b>Comparison of Anticipated Outturn against Budget</b>		<b>+ £ 35,985</b>

Progress:

Works commenced on the 65-week contract on 05/11/2007. Works on all five blocks is progressing.

The main constructor is behind programme due to below ground problems associated with groundwater, foundations, drainage and other services as well as significant additional repairs to the building fabric. Design changes to the over-roofing and overcladding instigated by the constructor have also contributed. Virgin Media have had an effect on the progress of works due to delays in providing materials. Other additional and unforeseen works have also contributed. Recently discovered defects with a number of existing windows and doors, particularly associated with frame seals and the drainage channels at the junction with the balcony, will also cause delays.

Roofing work to all blocks is almost complete. Overcladding to Block A and B has commenced. Drainage works are nearing completion. Asphaltting is almost complete. Ground floor blockwork and new staircases are almost complete. Front entrance doors have largely been replaced and redirected/renewed services are being laid and installed.

There have been a number of problems discovered that have/ will increase costs. Contingency monies have now been absorbed and a contract overspend is currently being reported. However, small potential savings, based on design amendments, are currently being investigated. Reasons for

the cost increases include:

- Worse than expected construction difficulties with the thresholds to the doors/windows on the upper private balconies.
- The need to change the construction techniques relating to the replacement of drainage due to clashes with the existing foundations and other services.
- The need to respecify the original garage doors due to non-manufacture.
- Adaptations to the design of proposed foundations due to unforeseen obstacles and other problems within the ground.
- An increase in the number of concrete and mastic repairs to the structure (it is now possible to inspect the facades closely now that the scaffolding has been fully erected).
- Dimensional irregularities discovered within the existing building fabric that has led to design alterations within the eaves of the new roofs.
- Structural deflection problems discovered within the private balconies that have led to additional asphaltting works.
- Recently discovered problems to the upper floor private balcony windows and doors have resulted in the need for replacement. These components have been found to fail under extreme conditions and due to their exposed location replacement is deemed necessary. Further problems associated with the threshold/ sill areas further illustrate the need to replace.

The main constructor recognizes his urgent need to revise his programme reflecting these additional works and delays. However, before he can do so further discussions will have to take place with the window/ door manufacturer and other sub-contractors that interface with these works in order to gauge the full extent of delay. There will have to be an extension of time issued to reflect these problems, however, the time period, whilst being considerable, is unknown at present.

Some increases in costs relative to professional fees must also be expected due to the increased contract period.

#### **Legal and Governance Implications:**

The Council has a duty to ensure all Council properties meet the Decent Homes standard by 2010.

#### **Safer, Cleaner and Greener Implications:**

Improvements included in the design are targeted at making the Springfields area safer, cleaner and greener. The design elements that are included in the scheme are included in previous Cabinet reports.

#### **Consultation Undertaken:**

Extensive consultation with residents before and during the design stage. In addition, resident involvement in the tender evaluation process.

Residents were invited to select the colour scheme for the finishes to the render and painted elements.

The Roundhills Residents Association are informed of progress at each of their meetings.

#### **Background Papers:**

Previous Cabinet reports and Housing Portfolio Holder decisions relating to the Springfields Improvement Scheme.

**Impact Assessments:**

There are no significant risks or equality issues associated with this progress report.