

Report to the Cabinet



Report reference: C-~~nnn~~**072**-2009/10

Date of meeting: 1 February 2010

**Epping Forest
District Council**

Portfolio: Environment

Subject: Loughton Broadway Final Account

Responsible Officer: Kim Durrani (01992 564055).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) To note that all works at the Town Centre Enhancement Scheme are complete and the 12 months maintenance period has commenced, following which the scheme will be adopted by Essex County Council as the Highways Authority;

(2) To note that there is a net saving of £514,000 in the project allocation consisting of £366,000 set as the project contingency and £208,000 as the gain share realised by the Council under the form of contract employed;

(3) That subject to full compliance with the Council's CCTV Strategy and Policy, to allocate a sum of £100,000 from the above saving in 2010/11 for the installation of new CCTV systems and the enhancement and improvement of existing systems in the Broadway area;

(45) To set aside and carry forward a sum of £25,000 for any final works at the end of the 12 month defects correction period, signing off legal agreements and internal staff costs; and

(56) That, in view of ~~the~~ of the County Council's reluctance to adopt or maintain any such feature, the earlier decision of Cabinet to construct an amenity feature at the Broadway be rescinded.

Executive Summary:

It is a requirement of Council's Constitution to present a final account for any scheme in excess of £1 million. The Loughton Broadway Town Centre ~~Enhancement Scheme~~ Enhancement Scheme (TCE) was conceived back in the late 1990s following a wide scale public consultation exercise involving the three town centres of Buckhurst Hill, Loughton and the Broadway. Design guides were produced and adopted by the Council.

Phase 1 of the works were carried out in Burton Road and Vere Road in 2008 but Phase 2 of the project, consisting of improvements to the Broadway itself, was delayed due to the presence of a medium pressure gas main within the central reservation of the carriageway. A revised scheme design addressing the difficulties of construction around the gas main was approved by Cabinet in July 2008 along with the associated supplementary capital estimate and contingency for unforeseen construction risks.

However, a significant saving has been achieved on costs of the works because the construction risks associated with the presence of a medium pressure gas main and the reconstruction of the road surface did not materialise. This provides opportunity to further enhance and improve CCTV systems in the Broadway area.

This is a key decision.

~~INSERT CORPORATE PLAN REFERENCES~~

Reasons for Proposed Decision:

For the period of 12 months from completion of the scheme in July 2009 all repair works were the responsibility of the contractor. However, there was a delay of 4 months from July 2009 to November 2009 between end of construction and issue of completion certificate by the Highways Authority. It could be argued, and there is therefore a risk, that the Council and not the contractor might be held responsible for any repairs between July 2010 and November 2010.

Although new CCTV systems have been installed as part of the Town Centre Enhancement Scheme there remain other separate CCTV systems which are not of an adequate quality. Recent crime figure analysis suggests that other areas surrounding the Broadway could benefit from a new CCTV system. The bringing of all systems up to date will comply with the Council's soon to be adopted CCTV Strategy & Policy

Other Options for Action:

Take the full savings of £514,000 back into the capital fund and not carry out CCTV improvement works. However, The Broadway and the surrounding area has been identified as a future growth area and improved CCTV systems would reduce the local fear of crime as well as assisting the Police in the detection and prevention of criminal activity.

To pursue further the feasibility of an amenity feature at the Broadway and report back with associated costs. Although this recommendation will be a disappointment to the Town centre Partnership and Focus Group, ~~it, it~~ is suggested that the risks to the Council associated with the presence of an unadopted feature on the highway are too great.

Report:

1. The total approved budget for the Broadway town centre enhancement scheme (TCE) project is £3,630,000. The scheme was undertaken in two phases: Phase 1 consisting of works to Burton Road car park, Vere Road car park and additional CCTV was completed ~~in 2008~~ in 2008. Phase 2 was completed in July 2009 and consisted of substantive enhancement works to the Broadway itself, namely; new foot path paving, reconstruction of the road, a raised central section making the Broadway more pedestrian friendly, new street lighting, new street furniture and planting of new semi mature trees.

2. The Portfolio Holder has had regular meetings during the construction phase with the focus group consisting of members of the local town centre partnership and residents. The meetings provided update on progress of work and sought approval on forthcoming works e.g. the types and location of street furniture. It was on the advice of the focus group that there was a Christmas shutdown period for both the phases to avoid disruption to the local traders.

3. Although all works were completed by July 2009 it was not until 16 November 2009

that a completion certificate was issued by the Highways Authority.

4. The saving of £514,000 consists of two components;

(i4) A saving of £366,000 in the contingency allocated to address any construction risks. Prior to commencement investigations were carried out to establish the location and condition of the gas main. However, the true depth and location of the main could not be determined until construction commenced. This created a risk that there could be sections of the gas main that would be too shallow and the National Grid Gas could require the Council to make special construction arrangements, at additional costs. To cover this risk additional provision was made in the budget to avoid payments to contractor for time related delay costs while approval for additional funds was being sought. These risks did not materialise.

(ii2) A saving of £208,000 to the Council arising from the partnering form of contract. The scheme was delivered under a 'Target Price - Design and Build' form of partnering contract with pain/gain share. In this form of contract a Target Price is agreed between the client and the contractor. If the contractor delivers the scheme within the agreed Target Price then the saving is shared 50/50 between the client and the contractor, alternatively if the scheme costs are higher than what has been agreed the two share 50/50 up to 10% of the agreed costs and after that the contractor pays the rest. There has been a saving of £416,000 in the overall target cost of Phases 1 & 2 of which the Council's 50% share is £208,000. The contractor has achieved completion within the target price for a number of reasons; a dry summer meant less weather disruption, the higher purchasing power of the contractor and innovative construction and procurement arrangements e.g. early purchase of granite (at a higher risk to the contractor).

5. New CCTV systems have been installed at Burton Road, Vere Road and the Broadway as part of the scheme. The images recorded from these systems are currently stored in the Broadway Area Housing office and every time the images are ~~required~~ **required** to be accessed and downloaded a site visit is required. It would be more effective if the images could be viewed via remote access, like the newer systems recently installed elsewhere in the District. There are other separate CCTV systems in the Broadway area that are old and do not provide evidence quality images which can be used for crime prevention and detection. One of these is off line since the Woolworths shop was closed. It is proposed that some of the savings be utilised to improve and enhance the older systems as well as provide additional coverage for known areas of criminality.

6. Since the scheme consisted of works to a public highway, the controlling authority was Essex County Council as the Highways Authority. The responsibility for any defects for the 12 month period after completion rests with the developer. In this instance the developer is the District Council and although any repairs and defects required would be passed onto the contractor employed by the Council, there was a delay of 4 months between the completion of the works by the contractor and the issue of completion certificate by the Highways Authority. It could be argued by the contractor that this delay was not caused by them and any repairs outside of the original 12 month period should be met by the Council. Therefore, it is suggested that a sum of £25,000 retained in the budget until the final adoption of the scheme by the Highway Authority in November 2010.

7. STACE Limited were employed to provide project management services for the delivery of the scheme. There is a sum of £15,000 outstanding to be paid and it is proposed that this be retained and released as and when their services are required during the 12 months of the maintenance period. **CHECK WITH FINANCE, NOT OUTSTANDING THIS IS UP TO DATE**

Resource Implications:

The Council is the principal land holder within the TCE area and owns all the shops and most of the residential accommodation

The TCE was constructed under a partnering contract with a fixed target price pain/gain share arrangement. Any savings arising in the final cost is shared 50/50 between the client and the contractor, any additional costs are shared 50/50 but only up to a maximum of 10% of the agreed costs and after that the contractor pays the rest. The Target Price for construction agreed with the contractor for the TCE is £2,639,000 (£899,000 for Phase 1 and £1,740,000 for Phase 2). Phases 1 & 2 has been delivered at £2,223,000 and this results in an estimated saving of £416,000 which will be shared 50/50 between the Council and Gabriel Civil Engineering contractors.

	Budget	Anticipated Outturn	(Under)/ Over spend
	£'000	£'000	£'000
Construction Costs (note 1)	2,639	2,431	(208)
External Fees (note 2)	415	400	(15)
Internal/ ECC Fees	185	160	(25)
Contingency Sum	391	25	(366)
Approved Project Total (note 3)	3,630	(3016)	(614)
CCTV improvement works	0	100	100
Proposed Project Total	3,630	3,116	(514)

Note 1:

The anticipated outturn figure includes a saving of £208,000 as the Council's 50% gain share and an allocation of £25,000 for defects at the end of 12 month defects period

Note 2:

Costs for project manager, supervisor, design, cost consultant and planning supervisor. Includes £15,000 fees for supervision during the 12 month defects period

Note 3:

This includes the £100,000 contribution by Essex County Council towards the scheme.

There will be a revenue impact of the new CCTV systems ~~of approximately £xxxxxxx Per annum~~ arising from the costs of maintenance and remote access.

Legal and Governance Implications:

Section 2 Local Government Act 2000 gives the Council wide powers to achieve the promotion or improvement of the economic, social or environmental well being of its area and includes power to incur expenditure.

Safer, Cleaner and Greener Implications:

The scheme has improved the street scene by providing CCTV in the Broadway, Burton road and Vere Road Car Parks, improved street furniture as well as new highways infrastructure improvements and additional trees.

By approving installation of further new CCTV systems and upgrading the existing systems to remote access the safety and security of residents will be enhanced as will be the capability to resolve street crime.

Consultation Undertaken:

The Broadway TCE Focus Group has been consulted at key stages of the project and they agree with the design proposals as set out in this report.

If installation of new CCTV systems is approved then consultations will be undertaken with professional partners as well as local representatives.

Background Papers:

Previous Cabinet reports,
Broadway Design Guide

Impact Assessments:

Risk Management

As part of risk management strategy for capital schemes a risk register is maintained for every capital scheme. Two major risks were identified for this scheme; the presence of a medium pressure gas main through the central reservation of the Broadway and the use of the grouting solution to stabilise the highway slabs. Both of these were classed as high risks and despite adopting risk mitigation measures there remained a residual risk in respect of both these tasks. A high level of financial contingency was applied so that any change in construction methodology or design could be implemented quickly and without incurring delay costs while a new decision was being sought. These risks however did not materialise and this is reflected in the high level of savings achieved on the project.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?
N/A.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A.