

Report to the Cabinet

Report reference: C/098/2006-07.

Date of meeting: 18 December 2006.



**Epping Forest
District Council**

Portfolio: Planning & Economic Development.

Subject: Broadway Town centre Enhancement.

Officer contact for further information: John Gilbert (01992 – 564062).

Democratic Services Officer: Gary Woodhall (01992 – 564470).

Recommendations/Decisions Required:

- (1) That the projected estimated overspend on the Broadway Town Centre Enhancement Scheme be noted;**
- (2) That the following options for the management of that projected overspend be considered:**
 - (a) to utilise the capital contingency fund to enable the scheme to be undertaken as envisaged by the Design Guide and Focus Group;**
 - (b) to delay other capital projects in the Capital Programme and vire resources to enable the scheme to be undertaken as envisaged by the Design Guide and Focus Group; or**
 - (c) to reduce the scope of the scheme via the options described in paragraph 8 of the report and use the capital contingency sum to fund any remaining capital shortfall; and**
- (3) That, dependant upon the decision(s) made for recommendation (2), a report be made to the Council accordingly.**

Report:

1. At the Cabinet meeting in April 2006 it was resolved to proceed with the Loughton Broadway Town Centre Enhancement scheme with the Head of Environmental Services being authorised to enter into a target price based contract up to a sum of £2,781,349, which included a contingency sum of £100,000. That contract was duly signed and works commenced on site in October 2006. The scheme is being undertaken in two phases:

- (a) Phase I - works to the Burton Road car park, and CCTV to the scheme as a whole;**
- (b) Phase II - the substantive enhancements works to the Broadway itself and to other minor car parking areas.**

2. Throughout the design and scheme delivery there has been a project team overseeing the process, charged with ensuring that costs remain within budget, and that where additional works have arisen (known as 'compensation events') steps are taken to reconsider design elements to see where compensatory cost savings can be found. This is known as 'value engineering'.

3. This has proven to be a very successful approach with most compensation events being offset with compensatory savings elsewhere. However, a number of very significant compensation events have now arisen where it has not been possible to find compensatory

savings which do not have a fundamental impact on the nature of the agreed scheme and which would result in the scheme not meeting the expectations of the original Cabinet resolution or the Focus Group.

4. Appendix 1 sets out the full detail of the additional costs and the compensatory savings which are available to meet some of those costs. It can be seen that the overall estimated additional costs are £756,300 whilst the compensatory savings total £467,650, a shortfall of £288,650. The key elements of the additional costs are:

(i)	additional works required to the Burton Road car park:	£345,000
(ii)	estimated additional works to the Broadway:	£125,000
(iii)	replacement of paving outside the central area with granite slabs:	£208,500
(iv)	additional costs of central feature:	£ 20,000
(v)	lighting points for the market area:	£ 17,500

5. The key elements of the compensatory savings package are:

(i)	changes to the lighting design:	£192,400
(ii)	statutory undertakers diversions:	£ 25,000
(iii)	retention of garages:	£105,000
(iv)	carriageway repairs (arising from the additional costs above):	£ 73,000
(v)	mature trees rather than planters:	£ 23,500

6. The additional costs in 4(ii) above relating to the works to the Broadway are based upon what has been found in the Burton Road car park and found by the County Council who are proposing to resurface Burton Road itself. In both cases, despite trial holes being dug, the condition of the sub-structure, once the surface layers have been removed, is such that a significant rebuild is required. If that is not done, it is likely that the construction will eventually fail again requiring further remedial works. In that additional cost is also an amount for drainage for the car park, which is required to meet the current requirements of Essex County Council (£100,000).

7. With regard to the remaining additional items, it had been intended to repave the whole Broadway with new granite slabs rather than just the central feature area. The surfacing is in generally good condition and it could be left in place, subject to cleaning and alignment etc, thereby saving just over £200,000. It has been necessary to place authorise the order for the paving for the central area due to lengthy lead in period for delivery. Items (iv) and (v) were included in the original scheme because they significantly added to the overall visual impact of the scheme. They do, however, contribute around £100,000 to the costs of the scheme.

8. As set out in para. 4 it is necessary to remove £290,000 from the scheme costs to bring the scheme back into budget. This can only be achieved by removing some key features of the scheme, namely:

(i)	the additional granite paving:	£208,500
(ii)	the central wind vane feature:	£ 20,000
(iii)	lighting for the market:	£ 17,500
(iv)	removal of intended trees:	£ 23,500

Total £269,500

9. Of the four items above, it is felt that the removal of the tree planting would have a very detrimental effect upon the scheme, especially given the difficulties that arose in Loughton when trees were removed from the scheme.

10. If the trees are retained there remains a budget shortfall of £44,000. In considering this issue members may wish to consider:

- (a) the scheme retains a contingency sum of £100,000;
- (b) the anticipated additional works to the Broadway of £125,000 may not arise or may be less; and
- (c) unlike the other TCE schemes, the Broadway is a Council owned asset.

Statement in Support of Recommended Action:

11. The Broadway enhancement scheme has been eagerly awaited by the local community since 1998. The Town Centre Partnership and Focus Group have worked well with the Council to draw up a scheme, which meets the aspirations of the community whilst being affordable to the Council. Much has been done to keep the scheme within budget but the unforeseen works for drainage improvements and highway infrastructure repairs has regrettably resulted in the estimated costs of the scheme exceeding the agreed budget.

12. Any decision to remove elements of the scheme will be a source of disappointment, but those items identified in paragraph 8 above could be removed without resulting in the scheme being significantly compromised. However, the preferred option is to retain all elements and provide additional capital funding by an appropriate route.

13. It is possible to delay the implementation of other capital schemes, such as parking reviews, but this will have an impact in the areas affected (i.e. Loughton & Waltham Abbey)

Other Options for Action:

14. There are two rejected options.

(i) defer phase II of the scheme until the Council's capital resourcing is clearer. However, this may well have contractual implications and will ultimately result in additional costs once the scheme is recommenced; and.

(ii) to not undertake phase II at all, but this too would have contractual implications and would also not meet the Council's commitment to undertake the scheme as set out in the Council Plan and BVPP.

15. It should be noted in both cases that in order to meet contractual timetables it has been necessary for the contractor to place orders for the paving for the central feature area.

Consultation undertaken:

16. No external consultation undertaken.

Resource implications:

Budget provision: Additional capital provision of up to £290,000.

Personnel: Nil.

Land: Nil.

Community Plan/BVPP reference: Implementation of The Loughton Broadway Enhancement Scheme is included within the 2006/07 BVPP.

Relevant statutory powers: N/A.

Background papers: Previous Cabinet reports, Broadway Design Guide.

Environmental/Human Rights Act/Crime and Disorder Act Implications: Completion of the Broadway TCE scheme, enhancing local environmental conditions, reducing crime & disorder etc.

Key Decision reference (if required): N/A..