

## **Report to the Cabinet**

**Report reference: C/056/2007-08.**  
**Date of meeting: 8 October 2007.**



**Portfolio: Planning & Economic Development.**

**Subject: The Broadway Town Centre Enhancement Scheme.**

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### **Recommendations/Decisions Required:**

- (1) To note the outcome of technical discussions with the Essex County Council (ECC) and National Grid Gas (NGG);**
- (2) To agree that the revised scheme for the enhancement of The Broadway be worked up in detail, subject to comments by NGG and agreements with ECC;**
- (3) To agree the revised resource implications; and**
- (4) To receive a further report in due course.**

### **Background:**

1. At its meeting on 16 April 2007, Cabinet received a comprehensive report on the situation regarding the proposed enhancement scheme for The Broadway, Loughton. Cabinet was informed of the technical difficulties that had arisen through the presence of a medium pressure gas main, which was much shallower than anticipated.

2. This had resulted in a fundamental review of the original proposals and the Cabinet therefore resolved to:

- (a) abandon the original scheme;
- (b) agree in principle a revised proposal which avoided the medium pressure gas main; and
- (c) receive a further report on the revised scheme once meetings had taken place with Essex County Council (as the Highways Authority)(ECC) and National Grid Gas (NGG).

3. This report sets out the current situation and seeks the Cabinet's views on taking the scheme forward and the associated cost implications.

### **The Scheme:**

4. The revised scheme approved in principle abandoned the original one-way working in The Broadway, retaining the existing two-way working and central reservation. This enabled the highway to be improved but avoided the shallow gas main, which runs along the length of the existing central reservation. The revised scheme also sought to reduce to a minimum the complete reconstruction of the highway through the use of a vacuum void grouting system, which would be used to provide support to the concrete joints and enable to a new surface to be laid.

5. During early August, The Broadway was closed for a day to enable the road surface

to be tested to determine to what extent the grouting system could be used. The testing established that around 25% of The Broadway will still require significant reconstruction, with the remaining 75% being able to be stabilised using the grouting system.

6. This does present some risks to the Council. It had been hoped that the use of the grouting system would be more extensive thereby avoiding having to work in close proximity to the shallow main. Clearly this will not be the case for at least 25% of the Broadway, and as with all such works, the extent of this could increase depending upon what is found once works actually commence. Officers have prepared a proposed work methodology and have submitted it to NGG for their comments. Any response will be reported to Cabinet if available by the time of the meeting. Furthermore, once a design and methodology have been agreed a new section 278 Agreement will be required with the County Council.

#### **Option and Risk Appraisal:**

7. The original scheme was abandoned in view of the risks associated with the presence of the medium pressure main. The revised scheme and the use of the grouting system was intended to significantly reduce the risks associated with working in close proximity to the gas main when reconstructing the highway surfaces and central reservation. As stated in paragraph 6) above, the extent of the reconstruction required has not unfortunately removed as much risk as was hoped.

8. The options available at this time are as follows:

(a) subject to the outcome of the initial NGG response to the proposals, to work up the agreed scheme in detail and bring back a detailed report to Cabinet in due course; or

(b) to abandon the revised proposals at this stage and inform the local community of the reasons why this has become necessary.

9. If option 8(a) is pursued the following risks have to be considered:

(i) once works are underway, any damage caused to the main whilst works would be the responsibility of the contractor and would be managed through their third party liability insurance;

(ii) Essex County Council, whilst agreeing to the technical solution, are not willing to 'underwrite' the proposals, and therefore, in the event of NGG claiming, after the works had been completed, that their main had been affected in some way, this Council would be left to deal directly with NGG (who would however have to be able to prove that the works were the cause of the problem); and

(iii) unforeseen works once the scheme has commenced.

10. If option 8(b) is pursued the following risks have to be considered:

(i) abortive design costs associated with bringing the scheme to the present situation;

(ii) dealing with the local community who have been waiting for an enhancement scheme for some considerable time, and would be clearly very disappointed if the scheme were to be abandoned; and

(iii) reputational issues with the contractor, who, whilst recognising that the contract enables the scheme to be terminated at this stage, has endeavoured to assist throughout to bring forward a scheme which can be delivered and provide the community benefits to the local community.

## Resource Issues:

11. The revised scheme is estimated to cost £1,838,754. The report to Cabinet in April indicated that the revised scheme would generate significant savings for the Council, around £454,000. Subject to the negotiations with NGG, it remains the case that savings will arise, but these are currently estimated at around £41,000. The reduction in savings arises, in the main, from abortive design costs associated with the original proposals, inflation arising from all works being displaced into 2008, the 25% reconstruction and additional consultancy costs. The estimated savings above do not however include a sum for the reduced construction time resulting from the use of the grouting process. This is estimated at around £6,500 per week. The contractor has been requested to provide their view of the potential time saving.

12. If the scheme were to be abandoned completely, there would also be cost implications. These arise from:

(a) abortive costs on the design to date; and

(b) although the contract allows for phase 2 not to proceed, the contractor may be able to claim for 'lost profit'.

13. As stated in the report to Cabinet in April, if the scheme was to be abandoned it is still recommended that the enhanced street lighting be provided in order to support the new CCTV provided as part of the first phase of development. This is estimated at around £235,000.

14. In summary therefore the cost profile for the revised scheme is as follows:

<b>Item</b>	<b>Costs</b>
Approved budget	£3,174,500
Less spent to date on phase 1	£1,002,050
Less still to pay on phase 1	£296,600
<b>Balance</b>	<b>£1,879,850</b>
Cost of revised phase 2	£1,838,750
<b>Saving</b>	<b>£41,100</b>

15. It should also be noted that there is a section 106 agreement associated with the sale and redevelopment of the T11 site in Langston Road, which makes provision, amongst other things, for a £25,000 contribution towards the enhancement and improvement of The Broadway.

## Statement in Support of Recommended Action:

16. The revised scheme is estimated to cost less than the original scheme, even though those savings have reduced from the estimate provided at the April Cabinet meeting. However, it is highly probable that these savings will increase further once the scheme is fully costed by the contractor, Gabriels. Although there are risks associated with the 25% area of complete reconstruction, these are considered to be manageable, subject to an agreement with NGG in respect of the methodologies to be applied.

17. The local community remains very supportive of an enhancement scheme, and this is an enhancement of a Council owned asset.

## Other Options for Action:

18. At this stage alternative options are limited to abandoning the TCE scheme altogether. The implications of this are set out in paragraph (10) of the report above.

**Consultation Undertaken:**

17. None since the report to the Cabinet in April.

**Resource Implications:**

**Budget Provision:** See report.

**Personnel:** Nil.

**Land:** Works to Council owned (HRA) land and County highways infrastructure.

**Council Plan 2006-10/BVPP Reference:** To follow.

**Relevant Statutory Powers:** To follow.

**Background Papers:** Previous Cabinet reports.

**Environmental/Human Rights Act/Crime and Disorder Act Implications:** N/A.

**Key Decision Reference (if required):** Will advise when key decisions have ref nos.