

TRANSFORMATION PROGRAMME

HIGHLIGHT REPORT: Date 5th April 2013

Sponsor: Anna Graves
Project Manager: Chris Clarke (Client) Terry Downes
Member Governance: Executive Advisory Panel
 Chair: Cllr Graham Spendlove-Mason

Brief Description of Workstream

Property Review – HQ Building:

- Financially sustainable redevelopment of Headquarters building, providing income generation opportunities, an improved working environment and co-located service delivery with other public sector partners

Period Covered From/To: 6th Mar 2013 to 5th Apr 2013

Current Status: Red Amber Green

Project Plan (Summary) CURRENT STAGE 3 (Decant and Mobilise)	Date(s)	Status RAG/✓
KEY STAGE 4 MILESTONES (Construction)		
• Contract of works commences	31 Jan 13	G
• Appointment of retail agent, lettings process commences	by 22 Feb 13	A
• Target contract end date	20 Dec 13	G
• Target building occupation date	Mid-Jan 14	G

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APPENDICES	
None with this report	

M291 Harborough District Council Contractor's Highlight Report No 1

5th April 2013

This report summarises and is based upon information presented to HDC in contract progress meeting 2 – 6th March 2013.



**WILLMOTT DIXON
CONSTRUCTION**

STANDING OUT FROM THE CROWD

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Contractor's Highlight Report

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CONTRACTOR'S REPORT

1.1 Contract Particulars

Contract Start Date	28 th January 2013
Contract Period	47 Weeks
Period Elapsed	10 Weeks
Contract Completion date	20 th December 2013
Forecast Completion date	20 th December 2013
Extension of Time requests	0
Extension of Time awards	0
Revised Completion date	N/A
Progress against revised Completion Date	N/A

1.2 Construction Programme – Key Dates

	Forecast	RAG
• Start in site (contract of works begins)	28 Jan 13	Complete
• External works (scaffolding) commences	7 Feb 13	G
• External works completion	13 Dec 13	G
• Demolition commences	7 Feb 13	Complete
• Internal works commence	7 Mar 13	G
• Relocation of server room	16 Aug 13	G
• New server room live	19 Aug 13	G
• Museum/library fit out commences	29 Aug 13	G
• New heating system on	19 Sep 13	G
• Retail units substantially complete (shell)	25 Sep 13	G
• Handover date	20 Dec 13	G

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1.3 Contractual Cost / Expenditure

Ref	WORKS PACKAGE	ORIGINAL GMP VALUE £	PACKAGE VALUE £	REVISED GMP VALUE £	VAL 1	VAL 2	VAL 3	VAL 4	VALUATION TOTAL
-									
-	BUILDING TOTAL C/F	3,440,011	3,440,011	3,440,011	0	0	102,030	145,169	247,199
42	Preliminaries :	484,613	484,613	484,613	0	0	40,040	47,458	87,498
43	Scaffolding :	178,709	178,709	178,709	0	0	5,000	5,000	10,000
44	Design / Survey Fees :	362,667	362,667	362,667	85,575	55,416	24,053	41,000	206,044
45	Pre Const Fees :	75,104	75,104	75,104	23,747	32,886	18,470	0	75,104
	On Cost Total	1,101,093	1,101,093	1,101,093	109,322	88,302	87,563	93,458	
	SUB-TOTAL (DEFINED COST)	4,541,104	4,541,104	4,541,104	109,322	88,302	189,593	238,627	625,845
46	WDC Fee :	182,438	182,438	182,438	4,373	14,350	-3,165	9,586	25,144
	SUB TOTAL (EXC. RISK)	4,723,542	4,723,542	4,723,542	113,695	102,652	186,428	248,214	650,989
47	Risk Allowance : Adjustment Figure :	84,075	84,075	84,075	0	0	0	0	0
-		-31	-31	-31					
-	MHDC PROJECT TARGET COST	4,807,586	4,807,586	4,807,586	113,695	102,652	186,428	248,214	650,989

Nb. Valuation 5 – details not yet available for report; total spend in period: £120,649.

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1.4 Key Performance Indicators – KPIs (progress)

KPI set as agreed by Member Oversight Group:

Ref	Category	Target value	Value	Frequency	RAG
KPI 1	Recycling/re-use (as % of waste generated)	80%	TBC	Monthly – awaiting first full month of data after	Pending
KPI 2	Workforce mileage (average daily home to site)	50 miles	28 miles	Aggregate	
KPI 3	Spend (subcontracts) within: 20 miles 40 miles 60 miles	26.5 54.0 81.0	33.9% 48.9% 72.7%	Monthly.	G A A
KPI 4	Inclusion of local subcontractors in tenders	100%	100%	Monthly	G
KPI 5	Considerate Contractor scheme performance *nb1	38/50	TBC	Twice during contract. First inspection, 5/05/2013.	Pending
KPI 6	Safe and Secure site – WDC measurement:* nb2 Health and Safety Working Environment Safety Management	90% 90% 30/40	94.67% 96.36% 34/40	Monthly	G G G

* **nb1:** The Considerate Contractor Scheme is a nationwide initiative for construction sites. The main contractor is assessed by the external monitoring body acting for the scheme, and receives a score and award (gold/silver/bronze). It is proposed to adopt this scheme as a suitable tool to assess the performance of the contractor in terms of managing a safe site within the community and being a good neighbour in terms of disruption and noise etc. The CCS has just adopted a new scoring scheme; the officer project team will meet with Willmott Dixon to agree an appropriate target for this KPI (Gold/Silver/Bronze) once this scoring scheme has been reviewed.

nb2: Willmott Dixon operate a self-regulating site inspection scheme for health and Safety; it is proposed that this independent assessment is used as a measure of the safety of the site. The table below illustrates the format for the reporting of this KPI set.

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1.5 Contract Commentary

1.6.1 Works progress update

With the contract now in week ten the following works are now complete;

1. Soft strip (internal demolition work) complete.
2. Over boarding complete ground first and second floors.
3. Skimming complete to second floor ceiling.
4. Skimming commenced to ground and first floor.
5. Painting to ceilings commenced.
6. Windows to sample area internals complete.
7. Windows to externals commenced.
8. Shot blasting of columns complete.
9. Structural walls removed from retail 3

The following works planned in the coming month;

1. Mechanical and electrical first fix.
2. Board and insulate 3rd floor ceilings.
3. External window repairs and paint.
4. Intumescent (fire proofing) painting to columns.
5. Ground works.
6. Stud partitions.

1.6.3 Environmental Aspects

None

1.6.4 Procurement

WDC have procured the following packages, all in line with the project programme: -

- Elliott Hire – Site accommodation
- Wysepower - Temp water/electrical services

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- Demolition – Elevate Demolition
- Substation – Western Power
- Temporary fencing – Charnwood fencing
- Overboard ceiling - Reynolds

(100% of subcontract tenders have been offered locally; See KPIs for average mileage of suppliers. A full Buying analysis will be presented to the next Executive Advisory Panel for the project.)

1.6.5 Statutory Utilities

Water supply – N/A

Gas – Awaiting quote for new meter

Electric – Land transfer agreed with Western Power; lead times now provided; install dates confirmed for 22nd May 2013 providing legals have been completed (no issues anticipated by HDC).

BT Installation – Client issue

Broadband – Client issue.

1.6.6. Health & Safety

Construction phase health & Safety plan has been approved.

All site documents are in place and a hard copy maintained on site. The inspections from our safety Managers continue on a weekly basis. First inspection completed on 21/02/2013.

Results of our latest Group Safety inspector reports (average reported in KPI table).

Visit	Date of Inspection	Health & Safety (%) Target 90%	Working Environment (%) Target 90%	Safety Management (out of 40) Target 30
1	21/02	94.67	96.36	34

1.6.7. Planning & Building regulations update (key issues)

Planning Permission granted with conditions.

Listed Building consent conformed by Secretary of State, 3 Jan 13, with conditions.

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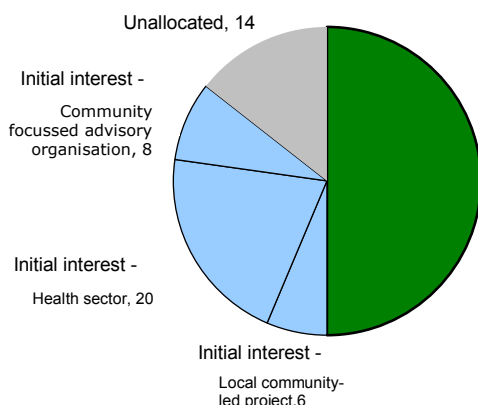
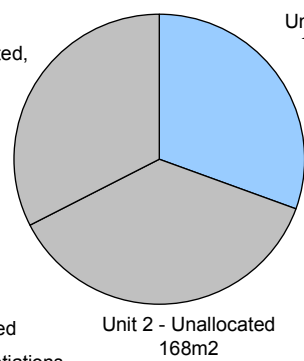
5th April 2013

Building Regulations – conditional approval granted; with retained conditions,.
“Mosaic tile” floor in clubhouse entrance actually made of terrazzo;
condition discharged as no conservation value.

SECTION 2 – Client Highlight Report

2.1 Progress against plan (agree format for reporting)

The latest full client project plan is attached as Appendix 4 to this report.

WORKSTREAM: 2.1.1 Lettings Strategy			
Deliverable	Plan	Status RAG/✓	Forecast
Prepare lettings information pack (offices/retail).	31 Jan	✓	31 Jan
Commence correspondence with potential office tenants.	1 Feb	✓	1 Feb
Appoint retail agent following tender process.	22 Feb	A	10 Apr
Commence marketing of retail premises.	1 Mar	A	17 Apr
Lettings Tracker			
Offices		Retail	
			
<p>Legend:</p> <ul style="list-style-type: none"> ■ H.O.T Agreed ■ H.O.T. negotiations ■ Initial interest ■ Unallocated 			
Commentary			
<p>Artist impressions - local artist now appointed (Peter Urmston based in Market Harborough).</p> <p>Retail lettings agent appointment made by Project Board on 10/04/13 – Andrew Granger successful in tender process.</p> <p>Otherwise, no change in retail or office lettings following last report.</p>			

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WORKSTREAM: Facilities Management and Building Operations			
Deliverable	Plan	Status RAG/✓	Forecast
Interim FM contract commences	1 April 2013	R	Cancelled
Procurement route for new service	5 April 2013	A	17 April
Draft specification for new service	5 April 2013	G	1 May 2013
Procurement/ shared service development	April - September	G	May – October
New service starts – soft landings work to make new build run smoothly.	Mid Nov 2013	G	Mid-Nov
Commentary			
<p>Interim contract approach deferred; revised focus on permanent contract for building re-opening.</p> <p>Commissioning Manager preparing a procurement options paper for CMT, expected to be ready on the 19th April. Development of specification/procurement arrangements for main contract under way.</p>			

WORKSTREAM: Office Space Planning, Protocols & Co-location			
Deliverable	Date(s)	Status RAG/✓	Forecast
HDC office-use approach (future flexible working/hot-desking and collaboration model)	1 April 13	A	30 April 13
HDC office requirements defined	1 May 13	G	1 May 13
Building use protocol (open plan working etc)	1 May 13	G	1 May 13
Space allocation – HDC/ signed-up partners	1 June 13	G	1 June 13
Web-based room booking/appointments/meet & greet system(s) in place	1 Nov 13	G	1 Nov 13
Building use manual: – health and safety/ security/ emergency evacuation / visitor management procedures	mid-Nov 13	G	mid-Nov 13
Travel plan	mid-Nov 13	G	mid-Nov 13
Building induction and training process design	1 Dec 13	G	1 Dec 13
Building user induction and training starts	mid-Dec 13	G	mid-Dec 13
Commentary			
<p>Office-use models/protocols collated by Beverley jolly, for discussion by CMT.</p> <p>Site visit held at Charnwood to review visitor management system, prior to development of commercial tender if required. Initial paper presented to Customer Services Board; returned for further development; Project Manager to attend next meeting to discuss front of house operating model and requirements.</p> <p>HR officers commissioned LCC travel advice and awareness team to support development of travel plan.</p>			

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WORKSTREAM:		2.1.4 Museum/Library and Bowdens	
Deliverable	Date(s)	Status RAG/✓	Date(s)
Bowdens charity loan offer received	Dec 12	✓	Dec 12
HDC formal acceptance of offer made	Jan 13	✓	Jan 13
LCC supplementary funding for design fees and library furniture secured	Jan 13	✓	Jan 13
Museum partnership legal agreement completed	1 April 13	G	2 May 13
Museum/library design consultation completed	30 May 13	G	30 May 13
Integration into WDC contract	5 July 13	G	5 July 13
Fit out commences	5 August 13	G	5 August 13
First funding draw down made (latest date)	1 Sept 13	G	1 Sept 13
Fit out complete	30 Nov 13	G	1 Sept 13 30 Nov 13
Commentary			
<p>Consultation activity completed on initial proposals; designs reflect limited feedback.</p> <p>Design meetings held; costings awaited for latest designs; key issue is mechanical ventilation for museum with fewer windows available for ventilation than other areas.</p>			

WORKSTREAM:		2.1.5 Legal Activity	
Deliverable	Date(s)	Status RAG/✓	Date(s)
Decant legal agreements in place (Millers lease, underlease to LCC, Brooklands lease)	31 Jan 13	✓	31 Jan
Construction contract – SCAPE MOA and contract data.	28 Jan 13	✓	5 April
Substation – wayleave/easement and land transfer for land use.	5 Apr 13	✓	5 Apr
Areement for lisense for LCC (and template for other office tenants) including financial contribution to construction.	Feb 13	A	end Apr 13
Museum partnership legal agreement completed.	30 May 13	G	30 May 13
Commentary			
<p>Construction contract now in place. (2 limited value letters of intent were required while contract data was finalised). Land transfer also completed for substation land.</p> <p>Agreement for license for LCC has been deferred while above priority issues resolved; now being progressed; draft in place. Meeting to be covered with LCC Estates team.</p>			

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2.2 Business Case Tracker (as per previously agreed format)

Capital Forecast; 12 March 2013

	Oct 2012 Budget	Jan 2013 Baseline	2012/13		2013/14 Forecast (Out-turn)	TOTAL Forecast (Out-turn)
			Actual to date	Forecast (Out-turn)		
BUDGET						
SCAPE						
Contract	4,775,000	4,807,586	650,989	1,000,989	3,806,597	4,807,586
Decant Fees	220,000	220,000	234,772	240,000	30,000	270,000
(LCC/HDC)	330,000	251,410	71,186	156,242	114,315	270,557
Furniture	125,000	125,000	33,150	43,374	82,000	125,374
ICT Costs	100,000	100,000	37,442	37,442	61,431	98,873
Subtotal	5,550,000	5,503,996	1,027,539	1,478,047	4,094,343	5,572,390
<i>Contingency unallocated</i>	<i>200,000</i>	<i>200,000</i>	<i>0</i>			<i>185,000</i>
Total	5,750,000	5,703,996	1,027,539	1,478,047	4,084,733	5,757,390

Key issues/changes:

- No changes on Capital forecast cf. last report.

2.3 Client Risk Register

Key to Risks			
L = Likelihood	1 Almost Impossible	3 Low	5 High
	2 Very Low	4 Significant	6 Very High
I = Impact	1 Negligible	3 Critical	
	2 Marginal	4 Catastrophic	

Updates in italics

Significant Risks to Achievement of Objectives				
Risk	Mitigating Actions	Owner	L	I
Complementary “add-on” scheme to integrate library and museum unaffordable. <i>UPDATE – RISK likelihood reduced – no longer a significant risk.</i>	Funding obtained from Market Harb and the Bowdens charity – <i>funding obtained, subject to meeting conditions of offer. - contract integration activity ongoing; end of March outline cost estimate.</i>	Heather Broughton	42	3
Complementary “add-on” scheme to integrate library and museum requires supplementary listed building consent; may delay implementation. <i>ADD Historical Society sign off</i>	Engage planning officers in design development process to ensure acceptable scheme developed.	Heather Broughton	42	3
Market Harborough Historical Society do not agree museum partnership legal agreement; delayed draw down of MH&B charity funding (conditioned).	Ensure MHHS engaged in development of legal agreement. Design project implementation plan with some “float” in project plan for negotiations.	Heather Broughton	3	3
Re-occupation of the building delayed; impacts on footfall into the building and income generation.	Commence planning early; incorporate museum and partner move process into project plan at an early stage. New starter (Asset manager) to lead this workstream.	Mark Perris	3	4
Political/ stakeholder concerns in respect to design and specification of new and refurbished lifts; especially important given public services (museum/library/council chamber) on upper floors of the building.	Engage shopmobility and accessibility stakeholders in design process to ensure larger scooters/wheelchairs accommodated. Follow action plan identified in Equality Impact Assessment. Ensure Members engaged in design.	Terry Downes/ Chris Clarke	2	4
Financial model not achievable for HQ building (high cost OR low income).	Develop fully tested business case prior to commencement of redevelopment works for HQ.	Anna Graves	3	4
Listed building or change of	Ensure financial assumptions	Jim Holden	2	3

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use applications require modification incurring delay; return on investment and completion date later than planned, <i>Consents now received. Schedule for conditions considered in setting contractual risk register.</i>	are conservative on date of completion. Engage planners/English Heritage in pre-submission to establish acceptability of proposals. <i>Schedule of conditions and programme for resolving set up by WDC.</i>	Architects.		
New HQ and market hall operating models not sustainable in terms of in-house staffing resources once completed.	Service redesign to incorporate “to be” requirements of property redevelopment.	Norman Proudfoot	3	3
Funding Museum commercial costs in longer terms.	Continue to work with Harborough Historic Society to develop and agree self-sustaining business plan	Norman Proudfoot	4	3
Tie into the corporate asset strategy	Consider how a refurbished HQ fit into forthcoming aims and objectives of this strategy	Anna Graves; Mark Perris	3	3



2.4 Communications

Work stream lead: Jon Bennett

Brief Description of Workstream

Maintain goodwill and understanding between HDC, Councillors, staff, stakeholders and the local community on issues connected with the redevelopment of the Adam and Eve Street Headquarters. Enable an appropriate dialogue between HDC and these groups in order that they are encouraged to provide views and opinions in a constructive way.

Period Covered From/To: 13th Mar to 8th Apr 2013

Current Status: Red Amber Green

Progress since last meeting	Date(s)	Status RAG/✓
<ul style="list-style-type: none"> - Q&A updated and reviewed on a regular basis - FAQ produced for member oversight group - Decision of Councillors on the naming of the redeveloped building conveyed to Historical Society - Approach agreed on regular staff and Cllr email updates to describe forthcoming work on site - Approach to second community newsletter agreed - Photos of the development in progress circulated to staff via internal newsletter 	Ongoing	G
Next Actions		
<ul style="list-style-type: none"> - Maintain Q&A - Communications support for retail agent - Promote finished retail units (1/8) - Prep for communication on art strategy - Comms around library & museum fit out (30/8) - Access to the Roll of Honour. 11th November 2013 as in previous years for viewing, - External works complete: comms opportunity (19/11) - Building handover 20/12 prep for event - Photographic record being built up for exhibition - Time capsule: awaiting update - Art competition 	<ul style="list-style-type: none"> April 2012 April 2012 August 2013 June 2013 Prep Oct 2013 Prep Oct 2013 Prep Oct 2013 On-going for delivery Jan 2014 On-going for delivery Jan 2014 On-going for delivery Jan 2014 	<ul style="list-style-type: none"> G G G G G G G G G G G

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Key to Risks			
L = Likelihood	1 Almost Impossible	3 Low	5 High
	2 Very Low	4 Significant	6 Very High
I = Impact	1 Negligible	3 Critical	
	2 Marginal	4 Catastrophic	

Significant Risks to Achievement of Communications Objectives				
Risk	Mitigating Actions	Owner	L	I
Local people expect a decline in service quality during redevelopment	Information through customer services channels	Rachael Felts	4	2
People living local to the HQ impact on council reputation due to misunderstandings about or grievances with the build	Letter to local people and programme of engagement	Jon Bennett	4	2
Operational delays lead to extended disturbance to local people or prolonged impact on service delivery	Expectation management – any material delays to be communicated in an appropriate manner	Jon Bennett	4	2
Operational crisis calls reputation of council into question	Crisis management protocols	Jon Bennett with WD	2	3