

**TAVISTOCK TOWN COUNCIL
BUDGET AND POLICY COMMITTEE
TUESDAY 14th JULY, 2020**

**BRIEFING NOTE
GUILDHALL CAR PARK PUBLIC REALM CONTRACT**

1. INTRODUCTION

- 1.1 The Council will be aware of the contract administration challenges relating to the Townscape Heritage Initiative (THI) Guildhall car-park public realm contract, more specifically pertaining to programme delays and increased costs due to the discovery of archaeological findings (cobbled surfaces and remains of building fabric, subsequent conditions imposed by Historic England and RM Builders suspending works due to COVID-19 government restrictions.
- 1.2 For background, the contract was let to RM Builders and works started on 13th January 2020, for a value of £267,375.96 plus vat (which included a £10,000 contingency) with an overall THI budget figure of £285,000 which included professional fees. Prior to COVID-19 you will all be aware that effectively the contract was put on stop due to the discovery of archaeological findings. Negotiations were held with Historic England and other key stakeholders which led to an agreement on a way forward once consents had been secured
- 1.3 The main impact of the above consent conditions was:
- A requirement for further detailed archaeological recording and archaeological attendance for all level reductions and site excavations
 - A revision to the design (previously circulated to Members) to accommodate the use of discovered cobbles and granite setts in low footfall areas.
- 1.4 With works being able to re-start on site in mid-March, unfortunately RM Builders postponed the contract on 26th March announcing their temporary business closure due to COVID-19. Detailed discussions were held in early to mid-May around a re-start on site, more specifically around programme impact, availability of materials and what health and safety measures were required to be implemented specific to COVID-19.
- 1.5 The contract restarted on site on 26th May after nearly three months of delays. Arising from the updates below, the anticipated completion date is end September 2020.

2. UPDATE

- 2.1 Members will recall the extensive value engineering exercise post tender, that was required prior to letting of the contract to RM

Builders, which included the securing of additional project monies from National Lottery Heritage Fund and the Council respectively to make the scheme viable and deliverable.

- 2.2 Members have been advised on several occasions that the consent conditions in 1.3, as well as the contract down time specific to Historic England negotiations, would inevitably lead to increased project costs above the available contingency of £10,000, but at the times of reporting, the financial impact was not quantifiable. *Please note there are no contractual financial implications due to the site closure during COVID-19. The only contractual change relates to granting an extension of time to the contract.*
- 2.3 It was widely understood that a further value engineering exercise would be required at the time that the impact of the above was known and that further Council funds would most likely need to be secured to deliver the project in its entirety. Due to the impact of COVID-19 on the Council finances, your Officers have acknowledged that additional Council funding is now not a viable option.
- 2.4 The project team earlier this week were in a position to accurately identify the projected overspend arising from para 1.3, with archaeological recording nearing completion and pricing of variations agreed. At that stage the projected overspend in addition to the contingency figure had been calculated at circa £45,000, with approximately £20,000 pertaining to archaeological fees.
- 2.5 Over the last two days a further value engineering exercise has been undertaken which indicated a potential contract saving in the region of £35,000 to £45,000, while still honouring the principles as agreed with Historic England. These measures include removal of Guildhall toilets public realm works (originally outside of the public realm scheme), reducing the cobbles bedding specification and overall surface area, providing Council labour, re-negotiating preliminary delay costs and disposal of various site materials. A revised set of drawings will be circulated shortly to reflect the above changes for your information and any additional overspend (anticipated £5,000-£10,000) will be a virement from the property maintenance budget.

3. RECOMMENDATION

- 3.1 That the Committee and Council endorse the approach outlined and agree, should it be necessary, to a virement not exceeding £10,000 from the property maintenance budget to complete the works.

**WAYNE SOUTHALL
GENERAL MANAGER
TAVISTOCK TOWN COUNCIL
JULY 2020**