

Report of	Meeting	Date
Director of Business, Development and Growth	Executive Member Decision	November 2018

APPROVAL OF ADDITIONAL ADVANCE ORDER EXPENDITURE FOR INITIAL WORKS PACKAGES

PURPOSE OF REPORT

1. To seek approval for additional expenditure on the advance orders for initial works packages, as part of the Market Walk Extension scheme approved by Council on 23rd January 2018, ahead of full contract award.

RECOMMENDATION(S)

2. To approve additional expenditure, ahead of full contract award, on the advance orders for initial works packages up to the 17th December as set out in Appendix A as part of the Market Walk Extension scheme.
3. To delegate authority to the Director for Business Development & Growth to authorise any subsequent variations, arising during the works, which can be contained within the remaining scheme budget (£16,364,643) approved in the January report.

EXECUTIVE SUMMARY OF REPORT

4. Council approved a report on Market Walk 23 January 2018 which authorised the Executive Leader, in consultation with the Executive Cabinet, to approve the final design based on Option 2 and to approve any alterations or amendments to the final design, for the delivery of Option 2, which are contained within the approved budget and cost model.

Option 2: Commission a partial redesign of the layout, based on the building footprint from the original design to increase flexibility in lettings and then continue to build at the earliest opportunity.

5. On 23 January 2018 Council resolved to proceed without further delay, with the Market Walk Extension development based upon Option 2.

This will include:

- a. The building the retail and leisure units based upon a design that meets the needs of the tenants; and
 - b. The delivery of the proposed parking solution; and
 - c. The delivery of the Public Realm improvements.
6. Eric Wright Construction has been appointed under the LRPP framework to deliver the Market Walk extension and associated works.
 7. Pick Everard have been appointed as client side Project Manager and QS to validate the costs proposed by Eric Wright Construction.

Confidential report Please bold as appropriate	Yes – Appendix A	No
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Key Decision? Please bold as appropriate	Yes	No
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Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

8. The cost schedule (Appendix A) describes the range of work packages that the council is required to commit to in order to deliver the Christmas 2019 opening. It was originally programmed that the date of full contract award was the 19th November and approvals for the initial works were put in place accordingly. It is likely that the signing of the contract will slip to enable more time for testing of the cost submission by our QS. In order to maintain momentum on site and mitigate against any delay in the contract award impacting on programme, this report seeks approval to continue with expenditure on the initial works up until 17th December 2018.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

9. To only allow works up to the previously agreed expenditure forecast for 19th November (£905k) prior to full contract award. This was rejected because it may impact on overall programme if contract award is delayed.

IMPLICATIONS OF REPORT

10. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	X	Customer Services	
Human Resources		Equality and Diversity	
Legal	X	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

BACKGROUND

11. On 23 January 2018 Council resolved to proceed without further delay, with the Market Walk Extension development based upon Option 2.

This will include:

- The building the retail and leisure units based upon a design that meets the needs of the tenants; and
- The delivery of the proposed parking solution; and
- The delivery of the Public Realm improvements.

12. The Council allocated the budget sum of £16,364,643 to deliver the Market Walk Extension and associated works.
13. Council noted that it is intended that the Executive Leader, in consultation with the Executive Cabinet, will approve the final design based on Option 2.
14. Council noted that it is intended that the Executive Leader will approve any alterations or amendments to the final design for the delivery of Option 2 which are contained within the approved budget and cost model.
15. The total expenditure on the initial works packages (see Appendix A) required up to 17th December 2018 is £2,268,260; an increase over the previous approval of £1,363,008.

COMMENTS OF THE STATUTORY FINANCE OFFICER

16. As outlined in the report, committing to the additional £1,363,008 of costs will ensure that the project remains in keeping with the approved timescales. Agreeing to the £1,363,008 of extended works now will reduce the council's ability to negotiate the final fixed price contract. However, delaying works until mid-December will result in additional costs to the project.

COMMENTS OF THE MONITORING OFFICER

17. The proposal falls within the decision to proceed with the development based upon Option 2. The risk is properly identified within the report. It should be noted however that the prices have been obtained following compliant procurement processes. There is no legal issue with the proposal to proceed, it is a procedural issue. It is proper to balance these competing risks (to cost and to programme) and an appropriate balancing exercise has been undertaken to reach the recommendation.

MARK LESTER
DIRECTOR OF BUSINESS DEVELOPMENT & GROWTH

Background Papers			
Document	Date	File	Place of Inspection
EMD Approval of Advance Orders for Initial Works Packages	24 September 2018	****	http://mod/ieDecisionDetails.aspx?ID=7489
Market Walk Update	24 July 2018	****	https://democracy.chorley.gov.uk/ieListDocuments.aspx?CId=114&MId=6424&Ver=4
Market Walk Update	23 January 2018	****	https://democracy.chorley.gov.uk/ieListDocuments.aspx?CId=114&MId=5714&Ver=4

Report Author	Ext	Date	Doc ID
Conrad Heald	515507	09 November 2018	***

Following careful consideration and assessment of the contents of this report, I approve the recommendation(s) contained in Paragraph 2 of the report in accordance with my delegated power to make executive decisions.



Dated 12/11/2018

Councillor Alistair Bradley
Executive Member for Economic Development
and Public Service Reform