

Subject: **Venetian Waterways Project – Progress Update**

Report to: **Executive Leadership Team, Monday 8th October 2018**
Policy and Resources Committee, Tuesday 16th October 2018

Report by: **Kate Watts, Strategic Director**

SUBJECT MATTER & RECOMMENDATIONS

This paper provides the Members of the Policy and Resources Committee with an update of progress for the Venetian Waterways Project.

Members previously approved a budget of £882,000 for the Venetian Waterways project in January 2017. Since this approval additional funding has been sought and the cost to the Council for this project subsequently totals £763,054.

However, as outlined within this report additional contingency of £55,000 has been allocated to the construction element of this project, bringing a revised total cost to the Council of £816,054.

1. BACKGROUND

- 1.1 The Venetian Waterways and Boating Lake are recorded on the Historic Parks and Gardens register and are noted for being nationally unique. Built between 1926 – 1928, they were created as an unemployment relief programme after the First World War.
- 1.2 On the 12th January 2017 full Council approved a significant restoration scheme of this site. The total budget for this scheme was set at £2,755,564. In making this approval full Council noted that 64% of the funding for this scheme would be provided by the Heritage Lottery Fund (HLF), with the remaining amount funded by the Council through £330,000 being allocated from the Council's capital fund and £552,000 being funded through the Council's revenue fund, with a clear steer to officers that the £552,000 should be reduced through applying for other streams of funding as the project was progressed.
- 1.3 Members are asked to note that whilst the budget of £2,755,564 included the capital costs of renovation, it also provided for the appointment of contractors, volunteering activity and training, as well as interpretation for the site e.g. signage and listening posts.
- 1.4 It should be noted that the repair and cleansing of the water basin which runs through the Waterways part of the site does not form part of this restoration project. A funding bid of £50,000

has been submitted to the Coastal Revival Fund, which if successful would provide for a segment of the Waterways basin to be drained, cleaned and fully repaired.

- 1.5 A Members Working Group was established to oversee the delivery of the project and has met regularly as the project has progressed. In addition to this, there is also a wider stakeholder group to ensure engagement with the local community throughout this project. Furthermore there has been a huge amount of public interest in this project with 109 people registering for volunteering opportunities on the site.

2. INTRODUCTION

- 2.1 This paper has been written to update Members of the Council's Policy and Resources Committee with the progress of this project.

3. PROJECT UPDATE

- 3.1 The Venetian Waterways project has been developed using the Royal Institute of British Architects framework, with the completion of each stage requiring sign off from the HLF. Currently the project is at Stage 5 which is the construction phase of the project. There are two stages left to complete, handover and using the site.
- 3.2 Alongside officers from the Council supporting this project, there is a design team in place which provides landscape and building architectural advice, mechanical and engineering advice, quantity surveyors advice and health and safety support for Construction and Design Management Regulations (CDM). This team meets monthly to support and progress the project, and is joined by the HLF on occasions.
- 3.3 Construction works are now well underway on the site. The contracted date for these works to be completed is May 2019; however the contractors themselves are working for an Easter completion of the Boating Lake part of the site.
- 3.4 Members should note that as the contractors have progressed with the clearing and cleaning of the site a number of issues have been identified which have subsequently had an impact on the contingency budget for this project. This will be explained in more detailed in the financial update section of this report.
- 3.5 The outcomes of this project also require a significant element of volunteering to take place, both to support technical elements of the construction side of the project such as thatching and joinery, transferring traditional skills to local people, alongside broader training opportunities and interpretation of the site.
- 3.6 These wider outcomes provide a number of substantial benefits for the residents of the Borough and progress with these elements of the projects is as follows;

- 50 volunteers have been involved in activities spanning from garden maintenance and site preparation to initial research and interpretation work including events, photography and thatching
- 672.5 volunteering hours have been given to the project to date. This equates to 84 working days and an equivalent cash value of £5429.26
- Up to 20 individuals from the Green Gym were involved on a fortnightly basis in the clearance works at the boating lake and waterways prior to the contractors work commencing. Our GYBC gardeners started working with us week commencing 1st October, and are developing detailed plans for the planting programme which will involve a large amount of volunteer support, as well as ongoing work with volunteers to assist with the maintenance of the gardens
- Boat Head Restoration – the conservator is planning to train and work with 4-6 volunteers to support this part of the project
- Ongoing research work to support the onsite interpretation and information – group of 6 volunteers involved and working on this in their own time/space following an orientation session at the library earlier in the year. One of these volunteers is coordinating the group and keeping me updated
- Oral history recordings – 4x volunteers trained, 1x recording carried out to date (90th anniversary). BBC Voices gave their time gratis to deliver the training workshop
- A professional photographer is volunteering her time to help document project progress
- A student photographer from East Coast College also volunteered her time to help document clearance work at the boating lake
- 4x volunteers supported the delivery of the Easter Egg Hunt

3.7 Members should also note that the Council has partnered with the Great Yarmouth Preservation Trust in the delivery of these elements of the project. Recent work has been progressed with the Council and the Trust to ensure that these objectives of the project are fully met.

3.8 Finally the original business case for the management and operation of the site was refreshed and as a result a negotiated tender process is due to commence to procure an organisation or organisations to manage the café, boat hire on the lake, gardeners and future maintenance of the site. Once this tender has been completed Members will be updated of any potential financial implications as the refreshed business case does identify the potential for an annual subsidy to be required to support the gardening, repairs and maintenance of the site going forwards.

4. FINANCIAL UPDATE

4.1 The total budget for the project was set at £2,755,564, of which 64% of this has been awarded as a grant by the HLF. The remaining £880,000 has been funded by the Council.

4.2 Officers have since achieved funding to reduce the Council's commitment of £880,000. Funding currently totals £318,607 and has been sourced from;

- £250,000 from the Local Enterprise Partnership
- £68,607 from the Department of Housing, Communities and Local Government

- 4.3 A Norfolk Rates Business Pool funding request has also been recently submitted, requesting £80,000 towards the capital cost of the Boating Lake café refurbishment.
- 4.4 There has however been some movement within the overall budget, totalling £199,661. Appendix 1 details this movement.
- 4.5 Therefore offsetting the additional funding officers have obtained against this movement of the project budget, the current Council funding for this project totals £763,054. (Original Council funding agreed totalled £882,000).
- 4.6 Within the construction budget for the works on the site, a contingency of £172,000 was set. As the construction works have progressed a number of items have been allocated to this budget.
- 4.7 A contingency budget was set to allow for unforeseen costs, so that the overall cost of the project is not exceeded. With this project a number of items have been allocated to contingency as a result of structural issues that have only been identified once works commenced on site.
- 4.8 For example an additional £17,218 has been allocated for the Boating lake steps, wing wall and pier repairs as once cleaning of these items had taken place much greater cracking and degradation of the existing structures was identified, requiring structural repairs at a higher costs than originally budgeted for. Another example is an additional £10,000 for the jetty from the Boating Lake island to be repaired, as during the initial works in this area it was identified that rubbish had been originally used in this structure, and that this rubbish was no longer providing the structural support this jetty would require for boats to be launched from it in the future.
- 4.9 Items allocated to this contingency currently total £140,306. Alongside these items there have also been some savings identified as the construction works have progressed, these total £12,827. These savings have been used to offset the contingency budget and as a result the spend allocated to the contingency budget currently stands at £127,479.
- 4.10 Unfortunately there are still a number of items that are currently being assessed by the design team which may require further allocation to the contingency budget. For example additional electrical ducting work to install the new lighting on the Waterways site has been requested with a cost estimated at £12,000, there is also a potential for additional repair work for the Boating Lake basin due to the identification of asbestos in the current bitumen jointing, which could cost the project an additional £25,000.

- 4.11 As it is likely that some additional funding will be required from the contingency budget, an additional £55,000 has been added to this contingency. This figure has been provided by our quantity surveyor and employer's agent as an estimate of what the final amount would need to be for this budget.
- 4.12 Whilst this financial update has focussed on the capital budget of this project, Members should note that there is also a revenue budget for which the activities including training and volunteering on the site is supported by. Currently we are not forecasting an overspend in this area, to ensure this continues as the project is progressed, some budget line adjustment is currently being scoped with the HLF and GYPT.

5. FINANCIAL IMPLICATIONS

- 5.1 Members need to note that it is unlikely outside of the outstanding Norfolk Rates Business Pool funding request that any further significant external funding will be obtained, and therefore the current revenue being used to support this project will remain as a one off spend and will not be further reduced.

6. CONCLUSIONS

- 6.1 Work is well underway in delivering both the renovation of the Venetian Waterways, whilst supporting the wider community through training and volunteering activities.
- 6.2 Members previously approved a budget of £882,000 for the Venetian Waterways project in January 2017. Since this approval additional funding has been sought and the cost to the Council for this project subsequently totals £763,054.
- 6.3 However, as outlined in this report additional contingency of £55,000 has been allocated to the construction element of this project, bringing a total cost to the Council of £816,054.

Area for consideration	Comment
Monitoring Officer Consultation:	For contractual during the project
Section 151 Officer Consultation:	Yes and specifically for awarding the construction contract as this came in over budget.
Existing Council Policies:	N/A
Financial Implications:	Yes
Legal Implications (including human rights):	N/A
Risk Implications:	A detailed risk register is available for this project

	and updated regularly
Equality Issues/EQIA assessment:	Assessment completed during RIBA stage 4 of this project
Crime & Disorder:	N/A
Every Child Matters:	N/A

Appendix 1

Table showing individual items of additional project costs.

Item	Cost
architectural drawings and refresh of the operational business case	£5,725
Design team services as a result of not procuring design team services in line with the HLF requirements (our own standing orders were correctly followed but the HLF will not match fund this)	£76,000
Construction contract award (came in above estimated budget, any further value engineering to reduce this cost would have impact on the objectives of this project)	£82,332
Clerk of works	£4,880
Employers agent	£6,240
CDM contractor	£2,695
Principle contractor to cover additional duties including contract administration duties	£21,789
Total	£199,661