

MAIDSTONE BOROUGH COUNCIL

CABINET

25th July 2012

**REPORT OF THE ASSISTANT DIRECTOR OF REGENERATION
AND CULTURAL SERVICES**

Report prepared by John Foster

1. Phase 2 High Street Improvement Project

1.1 Issue for Decision

1.1.1 **To consider whether to progress with Phase 2 of the High Street Improvement Project.**

1.2 Recommendation of Assistant Director of Regeneration and Cultural Services

- 1.2.1 That Phase 2 is progressed and the project is funded from the Council's Capital Programme with a budget total of £1.7 million.
- 1.2.2 That delegated authority be given to the Director of Regeneration and Communities, in consultation with the Cabinet Member for Economic and Commercial Development, to agree design changes to Phase 2 before and during the construction period to keep the project within budget.
- 1.2.3 That authority be given to the Head of Legal Services to enter into a contract (on terms to be agreed by the Director of Regeneration and Communities) with a contractor to undertake the construction of Phase 2.
- 1.2.4 That authority be given to the Head of Legal Services to enter into a contract (on terms to be agreed by the Director of Regeneration and Communities) for a Designer, a Project Manager, a Quantity Surveyor and Construction Design Management Coordination Services (CDMC).
- 1.2.5 That authority be given to the Head of Legal Services to enter into a Section 278 agreement with Kent County Council to undertake works to the public highway.

1.3 Reasons for Recommendation

- 1.3.1 In March 2011 the Cabinet agreed a phased approach to the High Street Regeneration Project due to the fact that the forecast of available resources at that time did not permit the completion of all projects in the capital programme. The report recommended that a further report should be brought to Cabinet to consider the implementation of Phase 2 when capital resources became available.
- 1.3.2 Elsewhere on this agenda the capital programme for 2013/14 onwards is considered and that report identifies resources in excess of £1.7m that are immediately available for new capital schemes. A number of possible capital projects have been proposed by Officers for the Cabinet to consider alongside the Infrastructure Delivery Plan which is separately reported on this agenda. The High Street Phase 2 project is one of these proposed for funding within the capital programme following the Cabinet decision in March 2011.
- 1.3.3 Phase 1 and 2 covers the areas set out in Appendix 1. The sum proposed in the capital programme for Phase 2 will require design changes to be made to the original designs for the Lower High Street to meet the new proposed allocated budget of £1.7m.
- 1.3.4 The design changes proposed reduce the costs and risks of delivery. These include:
- Retaining the Cannon Plinth in its current state, rather than building a new plinth.
 - Retaining the three existing trees but not planting new ones.
 - Retaining the existing utility cabinets.
 - Reducing the amount of granite used by 33% and replacing with other material. Grass is currently proposed but long term maintenance will need to be considered.
 - Retaining granite paving along the building lines to tie together Phase 1 and Phase 2.
- 1.3.5 Early design concepts and illustrations are shown in Appendix 2 and these will be further refined over the next few months, in consultation with the public, residents, businesses and other stakeholders including bus operators, taxi representatives and the disability focus group. It will be necessary to consider whether these design changes once agreed require planning permission.
- 1.3.6 Draft Project Costs are set out in the Exempt Appendix.

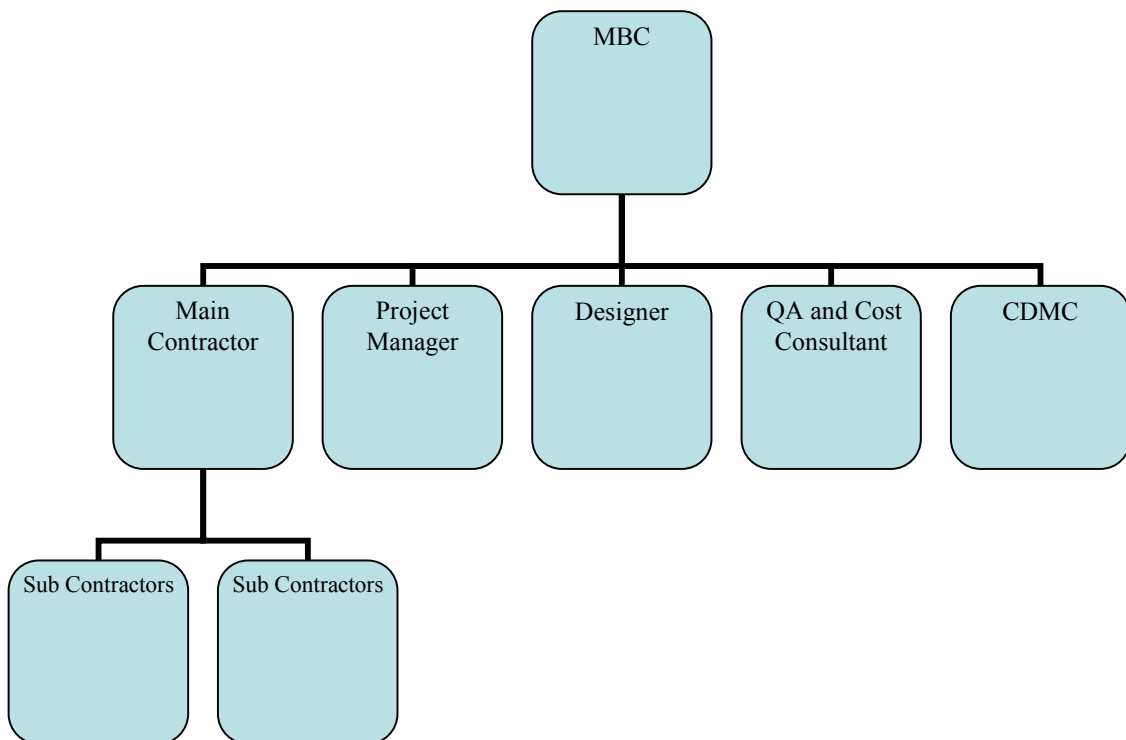
1.3.7 Procurement

1.3.8 Following an OJEU restricted tendering procedure, Eurovia was appointed as the main contractor in May 2010. It was the intention at that time to deliver the project in the whole of the High Street, including Bank Street and part of King Street. However the contract with Eurovia reflected the decision to phase the High Street works and covers the first phase only. The contract sum for the Phase 2 work is below the requirement to follow the OJEU procedure but the Council's procurement rules remain and a tender process or a waiver to the Council's contract procedure rules will be considered.

1.3.10 Contract Structure:

1.3.11 The contract structure proposed is set out below.

1.3.12 Contract Structure:

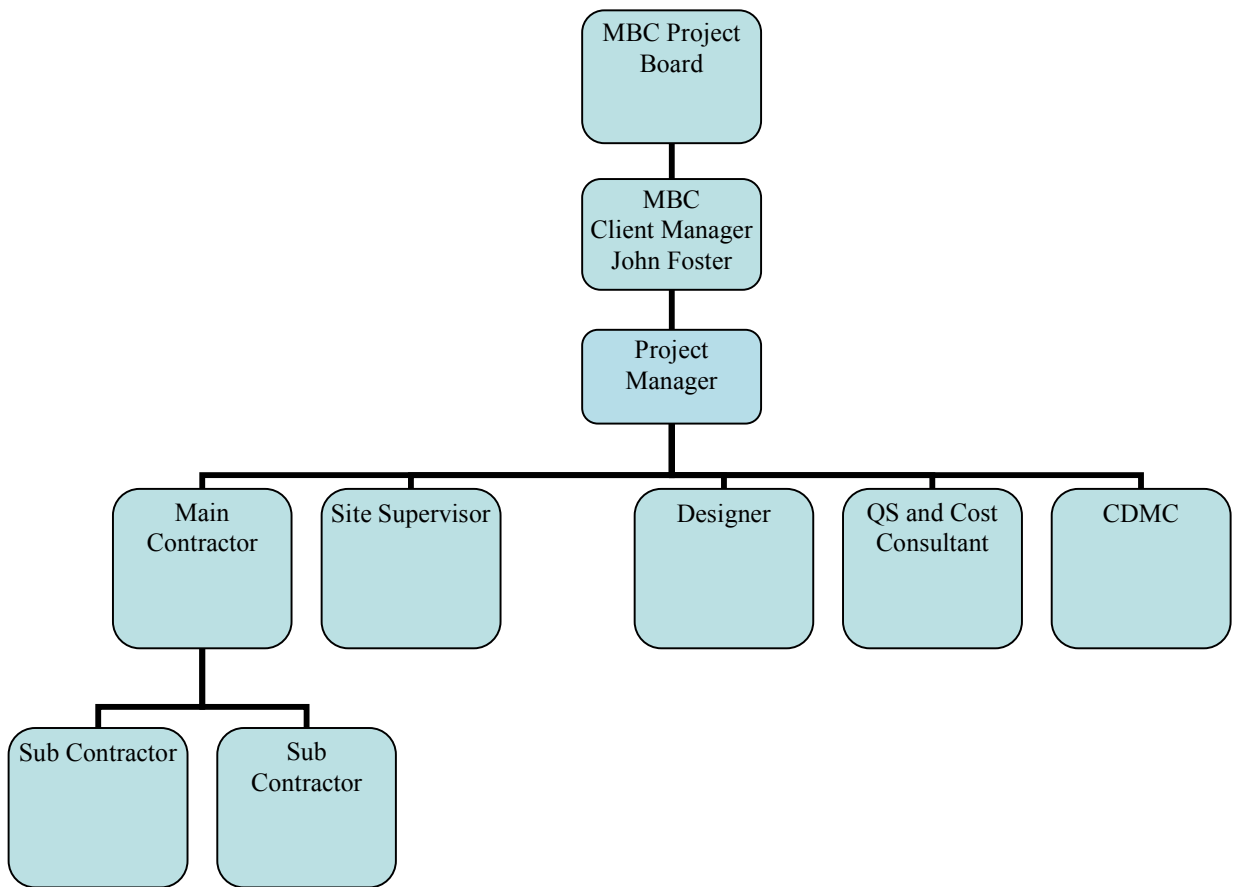


1.3.13 Project Management

1.3.14 Mid Kent Audit Partnership carried out a review of the Phase 1 Project Management arrangements in December 2011. The review aimed to confirm the governance arrangements over delivery and management

of the project; and to ensure that the planning, monitoring and control of all aspects of the project are in place to achieve the project objectives on time and to the specific cost and quality requirements. The review concluded that the controls in place over the High Street Regeneration project currently provide a substantial level of assurance. It is intended to replicate these arrangements for Phase 2, and update the Project Management Documentation accordingly.

1.3.15 Reporting lines:



1.3.16 Programme

1.3.17 A number of factors will influence the timetable up to the time when a contractor can start on site. What tender process is followed and whether a new planning application is required will be the most significant influences on the programme. Consultation with stakeholders and agreeing the works with Kent County Council, as Highway Authority, through the Section 278 Agreement also need to be considered. As a broad indication a start on site in spring next year is likely.

1.4 Alternative Action and why not Recommended

1.4.1 The do nothing option:

1.4.2 The need for the project and the benefits have been set out in the report by Colin Buchanan and Partners. If the project does not go ahead the Lower High Street will remain in a poor physical state and opportunities to attract new footfall and visitor expenditure will be diminished.

1.4.3 Reduce the size of Project:

1.4.4 It may be possible to reduce the size of the project or phase it further. If only part of the Street were to be improved the visual impact may be lessened and the consequential projected visitor expenditure and increase in footfall may be reduced.

1.4.5 Reduce Capital Costs Option:

1.4.6 Changing the specification of the materials further may offer some savings on capital costs. However a vital element of the scheme is to raise the quality of the environment of the entire High Street complementing the existing historic architecture and features. Care must be taken not to significantly reduce the visual impact which could reduce the desired objective to increase footfall and visitor numbers.

1.5 Impact on Corporate Objectives

1.5.1 The project supports the outcome in the Strategic Plan that by 2015 Maidstone has a growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy, and specific action to complete the High Street Regeneration Project.

1.6 Risk Management

Risk Description	Likelihood	Seriousness or Impact	Mitigation Measures
The costs for the construction phase of the project are found to exceed the budget	D	2	The costs of the works have been estimated by the Quantity Surveyor and Project Manager taking into account of their experiences gained in pricing Phase 1.
Stage 2 Highways Technical Approval	D	3	KCC has approved Phase 1 and much of the

not granted			engineering, construction method, materials and designs will be repeated in Phase 2.
Trips and Falls	D	3	The designs will ensure that kerbs will be clearly delineated

(Likelihood: A = very high; B = high; C = significant; D = low; E = very low; F = almost impossible)

(Seriousness or Impact: 1= catastrophic; 2 = critical; 3 = marginal; 4 = negligible)

1.7 Other Implications

1. Financial	X
2. Staffing	X
3. Legal	X
4. Equality Impact Needs Assessment	X
5. Environmental/Sustainable Development	X
6. Community Safety	X
7. Human Rights Act	
8. Procurement	X
9. Asset Management	X

1.7.1 Financial: The capital cost for the project is set out in the Exempt Appendix and can be funded from the capital resources immediately available as set out in paragraph 1.3.2 and detailed in the report on the capital programme elsewhere on this agenda. MBC will be responsible for maintenance of the Highway in the first 12 months following which KCC will be the responsible authority. MBC will be responsible for the ongoing maintenance of street furniture, cleaning the paving and planted areas.

1.7.2 Staffing: The project will continue to require input from a range of officers across the Council to manage the design and construction phase, which will form the Project Team. In particular this has required significant involvement of the Economic Development and Regeneration Manager, Property and Procurement Teams.

- 1.7.3 Legal: The Contractor will be appointed on the basis of the NEC3 Form of Contract. The designer, project manager, CDMC and Quantity Surveyor will need consultancy contracts. A Section 278 agreement will be required with KCC.
- 1.7.4 Equality Impact Needs Assessment: The needs of all groups to access the High Street will be taken into consideration during the detailed design stages and through consultation, and ongoing during the construction.
- 1.7.5 Environment and Sustainable Development: Environmental performance of the Contractor has been considered, reuse of materials where possible and a planting scheme will be incorporated into the design.
- 1.7.6 Community Safety: Issues surrounding lighting design, impact on CCTV and other security matters will be discussed with the Police and Community Safety Unit and changes to the location of CCTV cameras agreed if necessary.
- 1.7.7 Procurement: The Council will follow its contract procedural rules.
- 1.7.8 Asset Management: Cleansing regimes will be put in place to keep the street clean.

1.8 Relevant Documents

1.8.1 Appendices

Appendix 1 – Plan showing areas covered by Phase 1 and Phase 2 of the High Street Improvement Project
Appendix 2 – Concept design
Appendix 3 - Illustrations of Phase 2
Exempt Appendix

1.8.2 Background Documents

None

IS THIS A KEY DECISION REPORT?

Yes

If yes, when did it first appear in the Forward Plan?

30th June to 3rd August 2012

This is a Key Decision because: ...It results in expenditure in excess of £250,000.

Wards/Parishes affected: High Street Ward