

Hambleton District Council

Report To: Cabinet

Date: 5 April 2022

Subject: **Northallerton Town Square and High Street Improvements**

Portfolio Holder: Economic Development and Finance
Councillor P R Wilkinson

Wards Affected: All Wards

1.0 Purpose and Background

- 1.1 This report seeks approval for additional funding for the Northallerton Town Square and High Street Improvement to enable completion of the scheme.
- 1.2 This improvement scheme was in two phases and the approved budget is £3.8m and was part of the Future High Street Fund project. Phase 2 of the scheme, which runs from the Town Hall to Zetland Street, started on site in July 2021. However, there has been a requirement to implement revisions to the sub-base design due to a requirement to review the original design and services located under the paving. This has resulted in significant changes to the works required, additional materials and resources and an extended programme of work.
- 1.3 Following this design review an agreement with the Highways Authority and designers WSP to implement an increased construction depth was determined. Unforeseen issues were encountered on site in relation to the underground services, specifically Northern Power Grid (NPG) which necessitated further revisions of the approach to the construction of the sub-base. Further design work was completed by WSP and approved by the Highways Authority
- 1.4 Additional design work, the associated requirement for increased testing along the pavement, parking bays and shop fronts, a change to the sub-base and its composition and the method of construction has resulted in additional costs and a compensation event. All of this has also resulted in delays to the original timetable and an extension of time to complete the construction works by 57 calendar days (8 weeks) which is a further compensation event. The details are shown below in the financial implications section.

2.0 Link to Council Priorities

- 2.1 The Northallerton Town Square and High Street Improvements Scheme supports the Council's priority of Driving Economic Vitality; specifically supporting the development of Northallerton as a vibrant market town and the future sustainability of the High Street through a diversified offer. The scheme is also included in the Council's Economic Response and Recovery Plan and links the High Street to the new Treadmills development via the recently improved Zetland Street.

2.2 The scheme is part of the Future High Street Fund project which is identified as a Key Project in the Council Plan 2019 – 2023.

3.0 Risk Assessment

3.1 The key risk is in not approving the recommendation as shown below:-

Risk	Implication	Gross Prob	Gross Imp	Gross Total	Preventative Action	Net Prob	Net Imp	Net total
Final phase of the scheme will not be delivered	Full impact and benefits of the scheme would not be realised	5	4	20	Approve the additional budget	2	2	4
Materials have been purchased upfront	Surplus materials will need to be dealt with	5	4	20	Approve the additional budget	2	2	4
Reputational Risk to the Council	Scheme is high profile and there is an expectation about delivery	5	5	25	Approve the increased budget	2	3	6

3.2 The risk of not agreeing with the recommendation outweighs the risk of agreeing with the recommendation. It is therefore considered acceptable to approve the recommendation.

4.0 Financial Implications

4.1 Considerable additional work was required from the Council's contractor as a result of the design change. This included increased construction depth, type of sub-base construction and additional materials which in turn protected the underground services. This compensation event has been determined with the contractor at an additional £517,284.

4.2 As stated in paragraph 1.4 above the contractual construction period needed to be extended by a further 8 weeks as a result of the changes that were required. This has resulted in a further compensation event for the additional work of £187,521,

4.3 The total additional cost required to complete the scheme is £704,805. Cabinet approval is sought to vire this funding from the Northallerton Complementary Scheme budget, in the approved 2022/23 Capital Programme. This will leave £11,500 in that budget.

5.0 Legal Implications

5.1 Legal issues have been considered. The compensation events have been determined in line with the Council's contract with Galliford Try.

6.0 Equality/Diversity Issues

6.1 Equality and Diversity Issues have been considered however there are no issues associated with this report.

7.0 Recommendation

7.1 That Cabinet approves the virement of £704,805 from Northallerton Complementary Schemes project in the approved 2022/23 capital programme to meet the additional costs that have arisen from the change in design and the compensation events from the Council's contractor.

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Background papers: None

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