

Agenda Item 7 (ii)

Enclosure 5

**Health and Care Professions Council
21 September 2017**

186 Kennington Park Road: Update

For discussion

**From Marc Seale, Chief Executive and
Registrar**

Council, 20 September 2017

186 Kennington Park Road Refurbishment Project Update

Executive summary and recommendations

Introduction

The Executive was asked to provide Council with a paper on the progress of the 186 Kennington Park Road Project.

The paper below outlines the progress of the project, with a particular focus on an unexpected issue that arose in August 2017.

Decision

The Council is invited to discuss the paper. No decision is required.

Background information

The Council agreed in December 2016 that the Executive may select a preferred supplier to begin the refurbishment of the 186 Kennington park Road premises. Buxtons started work on the 3rd April 2017, with an anticipated end date of 15th December 2017. Council approved an overall budget of £3m for the project. This budget was to include some pre-construction design costs, construction costs and some post-construction costs.

Resource implications

See paper.

Financial implications

The decision on the 4th August approved an additional £322k to the project budget, and an additional 25 weeks to the planned 30-week schedule of works, revising the completion date to June 2018 and the overall budget from £3m to £3.32m.

Appendices

None

Date of paper

8 September 2017

186 Kennington Park Road Refurbishment Project Update

1. Executive Summary

- 1.1 Since the building work has commenced, the project has faced an issue around the middle building, with worn and expired brickwork masked behind a thick external render.
- 1.2 The initial building survey stated there was likely to be some brickwork repairs required on the middle building, and a sum of c.£30,000 was allowed for these works in the original budget (plus contingency sum).
- 1.3 Works to remove the existing render on the middle building revealed the existing masonry and pointing to be in a poorer condition than expected and would require more brickwork repairs than anticipated.
- 1.4 A range of options were investigated with specialist advisors. A preferred option was approved by the Chair via Emergency Action order as per HCPC's Standing Order 20. This action significantly reduced the timescale and unnecessary expenditure in reaching a resolution to the issue, and allowed the programme to continue with an increase of 25 weeks to the schedule and an additional £322k budget.
- 1.5 The project overspend can be contained within HCPC's overall expenditure budget (opex plus capex) of £37m for 2017-18. Offsetting savings will be secured through the month 6 forecast process.
- 1.6 With the bulk of the building now exposed, and pre-construction investigations carried out on the front section of the building, the remaining risk profile for the project is low. The project remains on track to complete by the revised end date of June 2018 and within the revised budget.

2 Introduction

- 2.1 Following an extensive design and tender process, the Council agreed in its meeting on December 2016 that the Executive may select a preferred supplier and award a contract to begin the refurbishment of the 186 Kennington park Road premises.
- 2.2 Buxtons started work on the 3rd April 2017, with an anticipated end date of 15th December 2017.
- 2.3 Council approved an overall budget of £3m for the project. This budget was to include some pre-construction design costs (architectural, services, etc), construction costs and some post-construction costs including furniture for common areas, reception furniture and technology.

3 Middle building brickwork

- 3.1 Exploratory works to remove the existing render on the middle building of 186 revealed the existing masonry and pointing to be in poor condition in a number of sections throughout the building. The likely cause of this was an inappropriate lime mortar mix used in the original construction and poor maintenance / waterproofing practices by the previous owners, which led to the lime cement mortar between the bricks expiring to the point of almost being completely washed away in some sections.
- 3.2 Significant investigations involving specialist engineering advisors alongside our design and construction teams were carried out to devise the most cost-effective way of repairing the building. The decision took careful consideration of initial capital costs vs ongoing maintenance costs, the potential time delays incurred and the quality of the final finish of the building.
- 3.3 A favoured option of re-patching and spot repair was approved on the 4th August 2017 by the Chair of the Council to allow the works to commence without further cost or delay to HCPC.
- 3.4 With the middle building brickwork issue being addressed, there are no issues anticipated that will take the project outside of the revised budget or time tolerances. This is partly due to the initial opening up works completed at the beginning of the project to allow detailed investigation of the front structure and the advanced stage of demolition meaning that the bulk of the building interior / structure is now exposed.

4 Budget and schedule

- 4.1 The decision on the 4th August approved an additional £322k to the project budget, and an additional 25 weeks to the planned 30-week schedule of works, revising the completion date to June 2018 and the overall budget from £3m to £3.32m.
- 4.2 Work is now well underway on the preferred option, and significant progress is being made on the middle building repairs. The project remains on track to complete within the revised timescales and budget.

5 Conclusion

- 5.1 The increase in the 186 Kennington Park Road project budget represents less than 1% of the total HCPC annual expenditure. EMT will utilise the 6 month reforecast process to ensure that HCPC operates within the existing HCPC £37m 2017-18 expenditure (£33.8m opex + £3.2m capex) taking into account the additional costs, particularly in the context of the major project budget allocation.
- 5.2 It is not anticipated that the increase in the project budget will prevent other planned expenditure from going ahead.
- 5.3 A value engineering (VE) process has been conducted on the full construction programme looking at reducing the scale and quality of non-essential items to mitigate the impacts of additional costs. This work is ongoing and being developed between the design and construction teams with input and approval from the project management team.