

### FINAL OUTTURN REPORT FOR THE DEPOT RELOCATION PROJECT

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1. The DBC depot relocation project was delivered as part of the wider regeneration plans to redevelop Central Park, vacating the site to enable development. This facilitated the rationalisation of council services into an efficient and fit for purpose site which would provide best value over the life of the scheme. The scheme was carried out in conjunction with the DBC accommodation review to enable a broader rationalisation of the office and operational property portfolio across the council.
2. Para 43 of the Financial Procedure Rules requires that the final outturn of all schemes with a value in excess of £1 million be reported to Cabinet. The report reviews the actual cost, timeliness and quality including lessons learned; to ensure a continuous review of capital planning, management and reporting, with regard to best practice, experience and opportunities for improving the Council's capital and asset management processes.
3. The DBC Depot Relocation included the construction of a split site depot at a new site purchased at 17 Allington Way along with an existing site at the nearby Lingfield Way.
  - (a) The Lingfield Way site included full development of a Greenfield site to provide a salt barn, internal and external secure civil engineering storage, parking, cycle parking, acoustic fence and jet wash facilities.
  - (b) The Allington Way site consisted of a refurbishment and redevelopment of an existing site to provide office space for 92 staff, welfare facilities for 150 staff, a fitting shop to maintain DBC's 250 fleet vehicles, parking, a chemical store, battery store, jet wash, fuelling area, container park, MOT lane, joiners shop along with kennel to house up to 4 stray dogs.
4. The project was designed and built by Darlington Borough Council. The scheme was project managed internally by the Council's Capital Projects Office & Regeneration Officers. The design work for the scheme was lead internally by the Building Design Services Team and Construction lead by Building Services & Highways Construction unit.
5. The design work for the scheme was carried out internally by the building design services team with the exception of the salt barn, electrical and structural design works.
6. Project updates on scheme progress were provided to a Project Board which met on a monthly basis along with the project position statement updates to Cabinet.
7. The overall budget for the scheme was £4,600,000 and the planned completion date was 31<sup>st</sup> March 2014. The project was predominantly delivered on site through a £1.43m Building Services commission (Allington Way) and a £1.88m commission with DBC Highways (Lingfield Way). In addition to the main works there were also smaller external contracts for discrete specialist elements (salt barn, mechanical engineering, roofing, fitting shop, CCTV & security) which had to be taken out of

the main work packages to fit timescales required to meet key dates imposed by agreements with the Central Park developer. The final spend for the scheme is £4,780,000 and the scheme was completed on site on 28th March 2014.

8. The report reviews the actual cost, timeliness and quality including lessons learned to ensure a continuous review of capital planning, management and reporting, with regard to best practice, experience and opportunities for improving the Council's capital and asset management processes.

## Cost

9. The table below summarises the project budget and final outturn.

Original Project Budget (CP1 stage)	Original Approved Project Budget	Approved Project Budget	Final Out Turn Cost	Variance (%)	Variance (Value)
£2,000,000	£4,600,000	£4,600,000	£4,780,000	+3.9%	£180,000

10. The increase in costs is associated with a decision to increase the office space provided at Allington Way. The decision was beneficial for both the Council and Keepmoat who were redeveloping Central Park. As part of the original plan and budget estimate the Vicarage Road Depot office block would remain for a number of years and accommodate a move of staff from rented accommodation at the Beehive, Lingfield Point to the old Depot offices. However, feasibility work showed it was possible to accommodate all office services at the Allington Way site if additional storage was constructed at the Lingfield Way site. The cost increase was funded from additional Council resources.
11. An additional structure was required at Lingfield to offset the loss of operational space for DBC Highways. This allowed the Vicarage Road office to be vacated early with the cash receipt obtained early and business rates over a 3 year period saved. This also negated the need to move Beehive staff to Vicarage Road temporarily, saving physical move costs and down time which would have been incurred through an additional office move. Whilst this did contribute to increased costs on this project it has saved other costs as mentioned above and resulted in faster development of Central Park.

## Quality

12. In terms of quality the project had several aims:
  - (a) To provide the facilities to enable the services based at the site to be delivered effectively.
  - (b) To ensure operations are not effected during relocation process.
  - (c) Ensure compliance with statutory duties.

(d) Provide suitable Welfare to facilities in accordance with Health and Safety legislation for operatives based at the depot site who deliver front line services.

13. The feedback from end users, heads of service and the DBC health and safety team has indicated the above objectives have been met. Generally feedback has been very positive with any small issues picked up as part of the general defect snagging process.

## Time

14. The table below summarises the project timeline.

Original Planned Project Completion Date (CP1)	Revised Approved Project Completion Date	Actual Completion Date	Schedule Variation (days)
23 <sup>rd</sup> July 2013	31 <sup>st</sup> March 2014	28 <sup>th</sup> March 2014	-3 days

15. The programme was met despite challenging deadlines. Staff moved into the new offices a week in advance of the plan. The project was effectively started at feasibility stage in January 2013 after the proposed Blakett Road site was rejected for a number of reasons. The delivery of a project of this size and complexity within just 14 months is a significant achievement.

## Lessons Learned

16. The Asset Management and Capital Programme Review Board (AM&CPRB or AMG) has specific roles defined in the Council's Constitution. The Board shall maintain a continuous review of capital planning, management and reporting, with regard to best practice, experience and opportunities for improving the Council's capital and asset management.

17. At the end of the Project a post project review is undertaken. The key findings and lessons learned from this project arose. The key findings and lessons learned from this project are summarised below:

- (a) Agreements made as part of the Central Park development resulted in a severely constrained project delivery timeframe. The consequences resulted in pressure on the time allowed for the design process and the procurement routes.
- (b) In this circumstance the procurement of sub-contract work resulted in significantly high programme risk on DBC. A scheme programme in such a constrained time frame with multiple subcontractors was difficult to develop resulting in conflicts between sub-contracts and reduced control. However, this risk was managed well on site to avoid additional costs or delays, but could

have had a significant impact. To mitigate risk moving forward time for a detailed programming is allocated early in the planning of the project.

- (c) The procurement route which was required to meet the programme left several client contracts in place for small packages of design and build work. This resulted in less control and integration of both design and construction aspects, but did not adversely affect the outcomes.
- (d) The IT move between sites generally went well. However, there was some significant lost time to some employees, which was slow to rectify. Improved liaison between Project Teams and ICT services is in place.

## **Procurement**

- 18. The procurement strategy for the scheme was in line with DBC requirements and met all statutory requirements.

## **Contract Management**

- 19. In terms of contract management the main contract was delivered internally by DBC Highways and Building services. These were both delivered and managed in the spirit of the Joint Contracts Tribunal (JCT) contract. Variations encountered during the on site works phase were dealt with by the use of Variations which in each case were evaluated by project quantity surveyor. Various minor contracts were delivered using the New Engineering Contract 3<sup>rd</sup> Edition Engineering and Construction Short Contract. These were administered by the Capital projects team with all changes to time and programme agreed with the project manager.

## **Health & Safety**

- 20. The Construction Design and Management Co-ordinator (CDM-C) role for the scheme was provided internally by the DBC Health and Safety team. There were no reportable accidents during the construction phase and only one near miss on site. This was in relation to a sheet of existing cladding which was blown clear of the building under high winds although this caused no further incident. The Principle Contractor registered the project with the 'Health and Safety Executive as it was notifiable under the Construction (Design and Maintenance) Regulations, having a programme in excess of 30 days.

## **Risk Log**

- 21. The risk log for the scheme was regularly reviewed and risks managed by the party best placed.

## **Communications**

- 22. The communications strategy for the scheme was limited as there is no direct public involvement. Staff were kept apprised of the developments in the move plan and consulted on key issues throughout.