



# P-21.14 Riverfront Regeneration Project Highlight Report

<b>Project Name:</b>	Riverfront Regeneration	<b>Project Manager:</b>	Heather Northey	<b>Project Sponsor:</b>	Matthew Henry	<b>Report covers period of:</b>	September 2023
<b>Capital Code:</b>	C9066	<b>Client Dept:</b>	Regeneration	<b>Lead Designer:</b>	Graeme Massie Architects		
<b>Project Code:</b>	P-21.14	<b>End User (if applicable):</b>	n/a	<b>Cost Consultant:</b>	-		
				<b>Contractor on Site:</b>	-		

## Management Summary

	1. Overall Status	2.1 Risks	2.2. Issues	3. Financials	4. Timelines	5. Resources
This Report	A	A	A	R	A	G
Last Report	A	A	A	R	A	G

## Project Definition

<b>Project Stage:</b> RIBA Stage 3 Spatial Design
<b>Objectives:</b> Development of the design to enable the Riverfront area to become an attractive destination space increasing footfall, promoting day and nighttime use, facilitating events etc.
<b>Scope:</b> Renovation of the Custom House, improvements to King's Staithe Square, south quay public realm and land south of Devil's Alley

## 1. Overall Status (high-level summary)

Overall Status is AMBER, for the following reasons:
<ul style="list-style-type: none"> <li>▪ Programme: previously reported procurement issues for professional team now resolved, but resulted in late start and late integration of PM and QS.</li> <li>▪ Working up the detailed project programme has identified that the design period will need to run until November 2024 pushing the end date for construction to March 2026.</li> <li>▪ In addition it has been recommended that the the procurement of the works be split with an enabling works package at the Devil's Alley to deal with the below ground infrastructure, a contract for the Custom House suitable for a Grade 1 listed building and a public realm package including remaining Devil's Alley works and South Quay. This decouples works and mitigates some programme pressures. An enabling works package will mitigate the risk that the ground conditions at Devil's Alley will present unknown issues causing delay and escalating cost to main works.</li> <li>▪ Budgets: The overall budgets allowed in RIBA 2 have been retested and are far higher than our current budgets allow. This takes into account inflation, and rising construction and materials costs. The design team are now working to manage this during the detailed design process through value engineering and scope management.</li> <li>▪ The assumptions made for the operating costs of the Custom House and potential event spaces – these are at risk due to increasing prices e.g. energy.</li> <li>▪ The piecemeal nature of the work and lots of small elements means it may be possible to prioritise and mitigate these issues whilst still achieving the overall project outcomes.</li> </ul>

### 1.1 Decisions required by the Town Deal Board

<ul style="list-style-type: none"> <li>▪ None</li> </ul>
--

### 1.2 Achievements during this period

<ul style="list-style-type: none"> <li>▪ Ongoing Liason with Historic England to agree the Pre-app works.</li> <li>▪ Reviewing cost plan and revised works proposals for Devil's Alley</li> <li>▪ Presented scheme to Project board and BID team leader to take feedback. Whilst generally well received from a design perspective, the escalating costs mean significant scaling back required.</li> </ul>
---

- Appointed 'We Group' to start public engagement relating to the use of the space and events strategy to test against designs being developed.
- Progressed surveys and background information checks.
- Initiated further dialogue with Environment Agency.
- Agreed procurement strategy for capital works.

## 2. Risks and Issues

### 2.1 Key Risks [all red and increasing amber]

*A risk is something that may happen*

Risk ID 2/52	Risk Title	Description	RAG Status	Risk Category	Mitigation	Dated Comments
51	Costs	Increase of costs in the ground in Devil's Alley plus increased materials costs	A	Financial	Preparation of enabling works package to derisk the site. Look to scale back unaffordable elements.	26/09/2023
52	Reputation	Long standing commitment for maintenance/operation of an underutilised attractions. Feedback from stakeholders would be 'what a waste of money'. Could affect future grant funding.	A	Communications	Interrogate team for value, purpose. Get early feedback from Public Realm Working Group and TDB. Items not affecting project outcomes to be scaled back.	26/09/2023

### 2.2 Key Issues [all red and increasing amber]

*An issue is something that has happened*

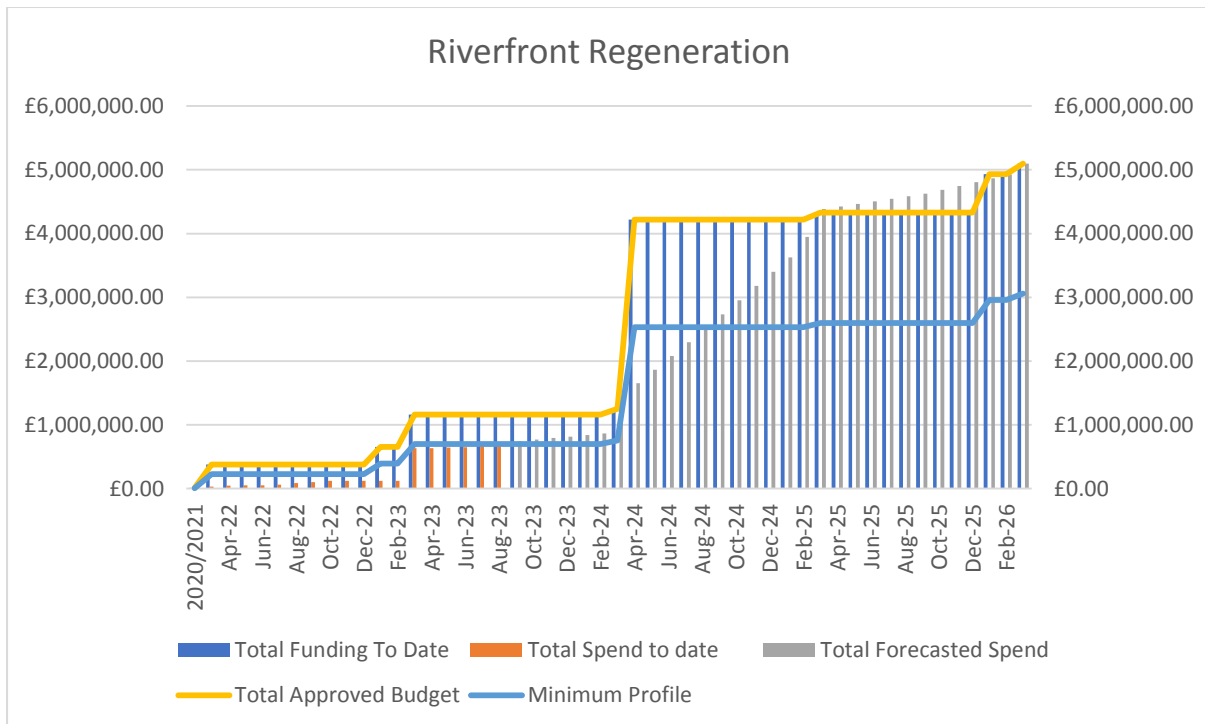
Issue ID 2/6	Issue Title	Description	RAG Status	Issue Type	Resolution Plan	Dated Comments
004	Rising Costs	Budgetary pressures due to increased professional fees	A	Financial	Design review underway as part of QS work programme.	26/09/2023
006	Rising Costs	Budgetary pressure due to increased materials and labour costs	R	Financial	Review scope, materials and phasing. Actively being worked on.	26/09/2023

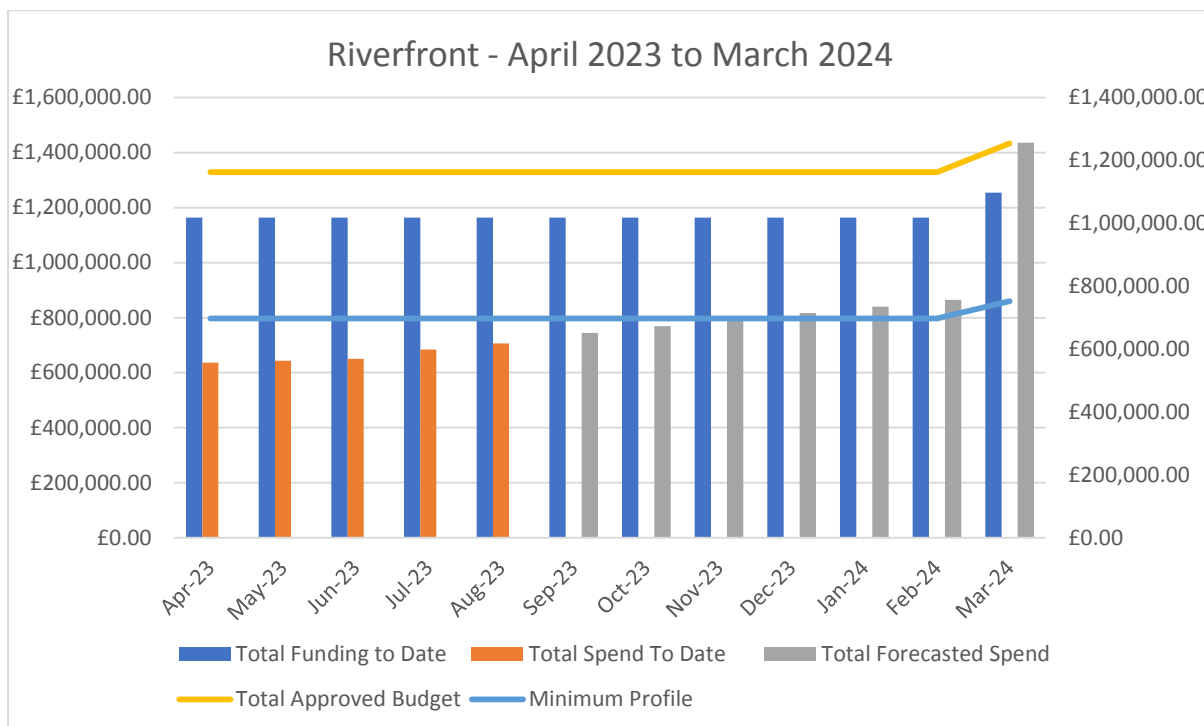
### 3. Financial Summary

	Total approved budget (Includes contingency) £	Total to date £	Total variance to date <i>Underspend (Overspend)</i> £	Approved budget 2023/24 £	Total 2023/24 £	Current year forecast 2023/24 £	Current year variance between budget and forecast £	Total remaining contingency budget £
<b>Current Month:</b>								
Capital Expenditure	£5,097,739	£747,603	£4,350,136	£336,071	£104,056	£336,071	£0	£512,322
Revenue Expenditure	£0	£0	£0	£0	£0	£0	£0	£0
Towns Fund	£-4,178,943	£-197,783	£-3,981,160	£-244,967	£-104,056	£-244,967	£0	£0
Other Income*	£-918,796	£-549,820	£-368,976	£-91,104	£0	£-91,104	£0	£512,322
Net position	0	0	0	0	0	0	0	512,322
<b>Last Month:</b>								
Net position	0	0	0	0	0	0	0	512,322

\*Note: will vary for each project.

### 3.1 Project Financials





### 3.2 Project Contingency and Change Control

Change Ref	Description	Cost Impact	Programme Impact	Other Impact	RAG Status	Approval given by	Date of change
	N/A						

### 3.3 Financial Commentary

Financials have increased to RED.

The professional team appointments are now completed. Overall these appointments have exceeded the original budget for fees by £107k. This can be absorbed within the overall project budget by adjusting project works.

The QS has been reviewing the proposals along with the RIBA Stage 2 cost plan and has advised that the current proposals will be significantly higher than originally budgeted. These figures are still heavily caveated but would indicate that the scope of works will need to be reined back. An example is the tower which had an original budget of £425k but is currently costed at £640k with the overall Devil's Alley scheme rising from £1.8m to £3.1m. Whilst these designs are still being developed we will be looking at simplification of design, use of materials and potentially phasing works to meet our target budget. This simplification has been presented to the project board and is now being costed but the designs have not sufficiently advanced to provide details to the programme board in October.

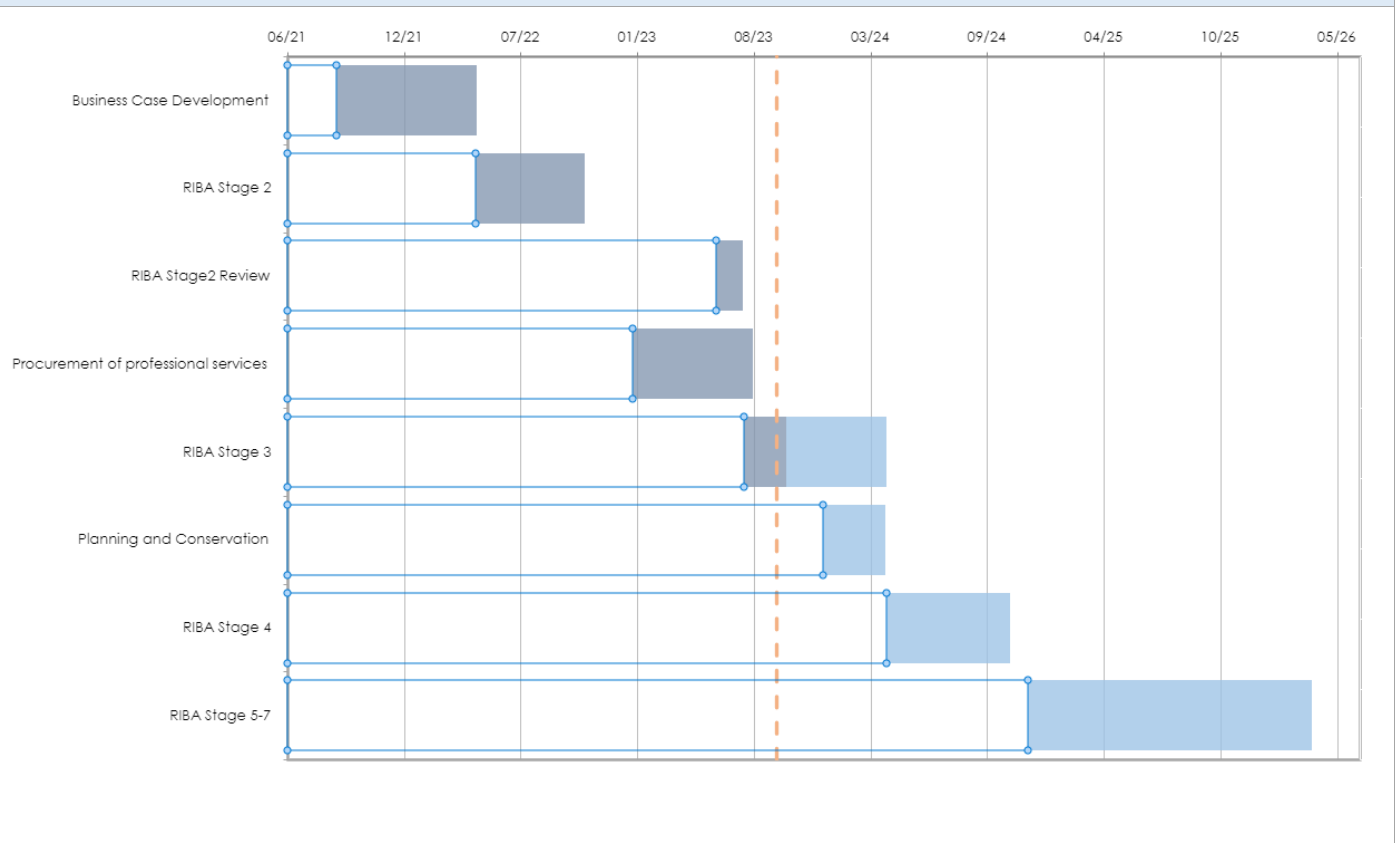
There is no designated contingency within the overall Riverfront Regeneration budget. An allowance of 3.1% was allowed for inflation and we have commented previously that this was insufficient for the projects needs and it would be likely that up to £500k allowance would be required to factor in the inflation since the budget was signed off in 2022.

As has previously been noted, the nature of the Riverfront scheme does allow a pick and mix opportunity so we can choose to phase or omit elements as the budget allows as long as key outputs and outcomes set in the Business Case are still met.

The decision however to increase the Rag Rating to RED has been made to flag that our current risk on budget is high and will be more than 10% over target budget without action.

Project team interrogating all aspects of project and removing any item that does not contribute to a project outcome directly.

## 4. Timelines – High Level Milestones



### 4.1 Timelines Commentary

Timelines currently AMBER due to revision and reprofiling of project programme accounting for change in resources and change of procurement route for appointment of professional team resulting in completion in early 2026.

### 5. Resources Commentary

Resources currently GREEN due to changes to procurement of design team and project PM and QS mitigating risk.

### 6. Communications and Engagement

Stakeholder mapping taking place. Engagement with Placemaking consultant to review and advise on events strategy and stakeholder engagement in place.

## 7. Outputs and Outcomes

### 7.1 Outputs

Description	Target	Notes
Amount of rehabilitated land	3000m2	
Number of sites cleared	1	
Number of public amenities / facilities created	1	
Number of historic landmarks and buildings refurbished	2	
Amount of floorspace (commercial, residential, industrial) created	4000m2	
Number of temporary FT jobs supported during project implementation	154	

Number of FTE jobs created and safeguarded	12.1	
Amount of public realm enhanced	7845m2	

## 7.2 Outcomes

Description	Target	Notes
Remediation and development of abandoned site		
Upgraded historic landmark site		
Improved perception of pace by residents, visitors and businesses		

## 8. Other Matters

Item	Comment
General stage progress	Design RIBA 2 complete
Procurement progress	<p>Graeme Massie Architects appointed as Design Team Lead. Andrew Morton Associates as Quantity Surveyor. Pulse Consult as Project Management Lead.</p> <p>Procurement strategy has been developed with three contracts.</p> <ul style="list-style-type: none"> <li>- an enabling and de-risking package for Devil's Alley</li> <li>- a public realm project and</li> <li>- a separate specialist contract for the Custom House.</li> </ul> <p>Consideration was given to linking to the Guildhall procurement but in was considered too high a risk tying the projects together and that the heritage part of the riverfront contract would be subservient and could be readily derailed by delays on the Guildhall which jeopardises two TD projects.</p>
Proposed form of contract	TBA - Recommendation being considered includes an enabling works package for the below ground infrastructure at Devil's Alley, a traditional contract for the Custom House and a D&B contract for the remaining public realm works.
Proposed route to market	Use of Framework wherever possible
Surveys Status	<p>Next surveys being procured include GPR, and CCTV of drainage and other below ground surveys, and within the Custom House:</p> <ul style="list-style-type: none"> <li>• Asbestos research survey</li> <li>• Bat Survey</li> <li>• Condition Survey</li> <li>• Flue Survey</li> </ul>
Stakeholder engagement (comms)	Stakeholder engagement strategy development in progress for the project including residents, businesses, and wider community for late summer consultation.
Local schemes / dependencies	Project to be aligned with Rail to River project works for consistency of materials etc.

## 9. Approved Documents

	OBC [RIBA 0 Approval]	Client Brief [RIBA 1 Initiation]	Resource Brief	PID [RIBA 1 Gateway]	PID Update [RIBA 2 Gateway]	PID Update [RIBA 3 Gateway]	PID Update [pre tender]	Final PID [post tender]
<b>Status:</b>	✓	✓	✓	✓	✓			
<b>Date Approved:</b>					Oct 2022			
<b>Approved by:</b>					Cabinet/ TDB			

Last Approved Document: PID Update Oct 2022

<b>Spend - Budget Variance (inc. contingency)</b>		<b>Milestone Delivery RAG Status</b>		<b>Risks &amp; Issues RAG Status</b>	
<b>R</b>	More than 10% over or under budget	<b>R</b>	13 weeks or more behind the critical path	<b>R</b>	Needs immediate attention
<b>A</b>	Between 5% & 10% over or under budget	<b>A</b>	4 to 12 weeks behind the critical path	<b>A</b>	Needs attention before next project review
<b>G</b>	Within 5% of budget or less than £10k	<b>G</b>	4 weeks or less behind the critical path	<b>G</b>	Can be managed