

Thursday 09<sup>th</sup> February 2022**Report of the Assistant Director - Growth & Regeneration****Exempt Information**

N/A

**Purpose**

To update the committee on FHSF Risks

**Recommendations**

It is recommended that:

1. The committee endorse the report
2. The committee endorse the risk register

**Executive Summary**

For a detailed update on the Future High Streets Programme, please refer to the committee report presented to Infrastructure, Safety and Growth Committee on the 18<sup>th</sup> January 2023.

Appendices 1-6 provides the risk registers which are split into each project site , these registers are produced by the multi-disciplinary consultant and are reviewed with the TBC project team. This register focuses on risks that may materialise as part of the physical works to the sites during construction and/or demolition. Costs impact for remedying of each risk has been estimated by the consultant and added alongside the risk description. In addition to this risk register, there are three over arching Programme risks that are reported to programme board monthly.

The top three risks reported to Programme Board are:

- 1) Securing timely completion of 3rd party agreements and building acquisitions.**
- 2) Increase in costs for refurbishment works to 26-27a Market Street properties .**
- 3) Price increases/scope gaps increase budget deficit. Understanding costs and FHSF outputs is current focus.**

The legal agreement with Peer Group for the acquisition of the Middle Entry units is complete, with all units now vacant. In terms of outstanding agreements, the TBC project team are focused on finalising Nationwide's transfer into the former Peel Café and the land transfer for the SSC college.

The second risk refers to the scope of works required to bring 26-27a Market Street back into use for new tenants. Since the last committee meeting, propping up works have been undertaken to secure the building to make it safe for surveys and works to continue. Following the result of the timber report, TBC have commissioned an experienced specialist heritage structural consultant to review the report and make recommendations on the course of action required to bring the building back into use. They conducted a site visit in early September and submitted their report in October. Their initial assessment was positive and

the results were discussed with the conservation officer before progressing with a design solution and proposed schedule of works. Whilst there are still some relative unknowns, their initial assessment seems promising and suggests that timbers are salvageable and most can be treated or replaced where required. To mitigate the risk of further damage, their recommendation is to minimise effects of damp and exposure to the elements.

The final top risk addresses the issue that TBC may not have enough budget to deliver the full scope of works agreed for the FHSF programme. Increases in the price of materials is a factor but also the impact of inflation to the original cost forecast. The lead contractor has issued their stage 3 cost plan based on current detailed designs and have appraised the risk allocation funding against the risk register. Currently the cost plan reflects a 15% risk allowance and a 7% increase due to inflation, the Market Street project has a 25% risk allowance. Resultantly, the current programme is forecast as being overbudget but it is unlikely that all of the factored 15% risk will be need to be utilised. TBC have now appointed Speller Metcalfe to deliver the Peel Café, Enterprise Centre and Flex. Following on from their appointment, they are pricing the individual packages of work, which will provide an accurate assessment of costs for these sites, to inform the budgetary position.

The risk register continues to be reviewed on a monthly basis internally within the FHSF project team and with the McBains multi disciplinary team. As we move towards delivery of the project there will be a number of risks downgraded as the enabling, facilitation and design stages complete. When the main contractor is in contract further work on risk will need to undertaken and they will produce new risk registers for the sites that they will manage.

#### **Options Considered**

N/A

#### **Resource Implications**

N/A

#### **Legal/Risk Implications Background**

N/A

#### **Equalities Implications**

N/A

#### **Environment and Sustainability Implications (including climate change)**

N/A

#### **Background Information**

N/A

#### **Report Author**

Anna Miller - Assistant Director, Growth and Regeneration  
Alice Poulton – Future High Streets Fund Project Officer

#### **List of Background Papers**

Please refer to FHSF Update in the Infrastructure, Safety and Growth Committee report dated 18<sup>th</sup> January 2023.

**Appendices**

Appendices 1-6 - Risk Register(s)

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