

	PAPER NO: PC.14(12)	
Board/Committee:	Property Committee	
Date:	10 th October 2012	
Paper title:	Update on Enterprise Centre	
Author:	Stephen Wells, Director of Estates and Facilities	
Executive sponsor:	Beverley Jullien, PVC (external)	
Recommendation by the Executive:	To note the enclosed report	
Aspect of the Corporate Plan to which this will help deliver?	Delivery of the board approved (July 2010) 25 year vision for the estate	
Matter previously considered by:	Property Committee/Board of Governors	On: 24 th May 2012
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	N/A	

Enterprise Centre Executive Summary

1. Following successful outcome in receiving both Planning and Listed Building permissions on 30th March and subsequent approval to proceed from the Board of Governors meeting of 24th May, the University's main contractor Neilcott Construction Ltd commenced work on site following mobilisation, on 23rd July 2012. This project is to renovate and put back into use the grade 2 listed Georgian terraces comprising 123 to 131 London Road, 113 to 119 Borough Road and the former Duke of Clarence public house, with a completion date in May 2013. This in turn facilitates an opening for use in summer 2013.
2. Works are to date generally proceeding as the contract programme, in the London Road, Borough Road terraces and the new build element to the rear, with the works to the former pub being between one and two weeks late. This is primarily due to discovery of existing unforeseen structure below basement slab level which necessitated some local structural re-design. This work is now

completed and the contractor is currently developing a mitigation strategy to recover programme on this element by the end of demolition and structural re build works to the former pub.

3. Physical progress can be recorded as underpinning to all of the terrace properties, completion of stripping out works and formation of new openings within the terraces as complete and commencement of the demolition in stages within the former pub facades. Ground clearance and installation of the 97 new foundation piles for the new build elements to the rear are completed, with work now progressing on the pile caps and ground beams, ready to receive new steel frame work late in October. This facilitates completion of new build superstructure by early January 2013. In the terraces all structural works are due to be completed by the end of November 2012 and in the former pub demolition and complete structural re building should be complete by the end of December 2012.
4. It is anticipated that the project will be delivered within the approved budget. Significant risks around unforeseen discoveries, ground conditions and archaeology are now closed.

Appendix 1

Extracts of Project Managers Report dated 14th September 2012 (discussed and reviewed at the Enterprise Centre Project Board held on the 20th September 2012).



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Project Manager's Report
London South Bank University

Anchor 2 – Enterprise Centre

14th September 2012

Anchor 2 – Enterprise Centre

Project Manager's Report – as of 14th September 2012

EXECUTIVE SUMMARY

1. The project remains within the approved budget of £13,030,790.
2. Neilcott are currently reporting that they are on programme against the critical path for London Road and Borough Road. However, Neilcott are reporting a delay of 1 to 2 weeks against the Duke of Clarence Pub. Neilcott are currently reviewing ways to mitigate this delay.
3. The contract has been executed by Neilcott and is with LSBU for execution. The performance bond is currently being finalised.
4. All pre-commencement planning conditions have been submitted with the exception of Listed Building Condition 8 (method statement of the proposed repairs and strengthening of the bressumer beams and joists), which the planners have confirmed can be submitted prior to the works in connection to this condition commencing.
5. A meeting has been held between Beverley Jullien, Tim Gebbels (LSBU) and the design team to review the provision of AV within the new Enterprise Centre. In order to finalise the infrastructure requirements a further meeting between LSBU and the design team is scheduled for mid-October once the LSBU specialist installer is on board.
6. The graphics have been agreed for the hoarding and the advertising license applied for.

Anchor 2 – Enterprise Centre

SECTION 1 – PROGRAMME AND PROGRESS

Neilcott are currently reporting that they are critically on programme for the works to the London Road and Borough Road; however they are reporting a delay of 1 to 2 weeks on the Duke of Clarence. This delay is in part due to resolution of the temporary works proposal which has now been approved, and finalising the design information. In order to help mitigate this delay the design team returned comments on the steelwork GAs within a day and on the connection calculations within a 3 day period, instead of taking the full 2 week review period allowed within the Contract. In addition Neilcott have confirmed that they will review their programme in terms of sequencing of the steelworks.

Following on from concerns raised in our previous report over the delay in the release of information from the structural engineering we are pleased to report that there has been a marked improvement in the period with all design information now released and a quick response returned on RFIs raised to date.

We continue to closely monitor progress on site through regular site visits and the fortnightly progress meetings. As part of this process we are continuing to liaise closely with Neilcott and the design team to ensure that they have all of the information they require for the works to proceed in line with the programme.

SECTION 2 – DESIGN UPDATE

A meeting has been held between Beverley Jullien, Tim Gebbels and the design team to review the provision of AV within the new Enterprise Centre. The proposals were generally accepted. A number of comments were raised which will result in a change to the current design, for example AV provision in the meeting room on the second floor and an additional projector within the gallery space. The design team are currently working up these proposals to submit under the Change Request Procedure to LSBU.

A further meeting has been held between Tim Gebbels and Gavin Warnock (LSBU ICT Department) to review the AV equipment required within the Enterprise Centre and to ensure that the infrastructure can support the equipment required. In order to finalise the infrastructure requirements a further meeting is scheduled for mid-October once the LSBU specialist installer is on board.

A meeting has also been arranged with Mike Bowler (LSBU Telecommunications Manager), the design team, Neilcott and their electrical sub-contractor on the 18th September to review and finalise the university campus network connection requirements. There is a provisional sum allowance with the contract for this element of work.

The security drawings have been sent to Elizabeth Palicza (LSBU Security and Reception Services Manager) to review, and comments have been returned. The comments returned have resulted in a CRF being issued to capture the changes, please refer to CRF 027 on the attached tracker.

Anchor 2 – Enterprise Centre

Following on from the BREEAM meeting where responsibilities were assigned to each credit, all parties are starting to upload information onto the BREEAM tracker site for the design stage approval. A report is tabled at the monthly progress meetings to track progress.

All pre-commencement planning conditions have been submitted with the exception of Listed Building Condition 8 (method statement of the proposed repairs and strengthening of the bressumer beams and joists), which the planners have confirmed can be submitted prior to the works in connection to this condition commencing.

Notwithstanding this Listed Building Condition 9 (method statement for sequencing of demolition works for all properties), which is a pre-commencement condition was not approved by the planners. A further submission was made within 3 days in response to the comments raised. We are currently awaiting DP9s advice on when this will be approved.

SECTION 3 – CONSTRUCTION PROCUREMENT

Neilcott reported during the August progress meeting that they were on target for procurement with 16 out of 55 packages placed.

However, of key concern was the delay to the appointment of the mechanical and electrical subcontractors. Whilst we can now confirm that Neilcott have appointed both subcontractors and that they have committed to providing the information within the Neilcott CDP programme, we remain concerned that this has resulted in a lack of float on the CDP programme and a reduced period for coordination.

SECTION 3 – PROCUREMENT OF PROFESSIONAL SERVICES

A timber specialist has been procured in the period to inspect the condition of the bressumer beams once they have been exposed, as it is Consibee's view that these timbers could remain in-situ and do not need to be replaced. Neilcott are liaising with the specialist to confirm when all the bressumer beams will be ready for inspection, although this is likely to take two separate visits.

SECTION 4 – PROJECT BUDGET

There has been no change to the overall project budget within the reporting period. Sweett Group's main contract / budget reconciliation is contained within appendix A and confirms that the project remains within budget with a projected outturn cost of £13,030,790. The client contingency is untouched and currently stands at £1.4 million, with all changes raised to date funded from the construction contingency.

We have a provisional sum tracker which details the dates when Neilcott require the information by and this is reviewed at every monthly and interim progress meeting.

SECTION 5 – RISK MANAGEMENT

The risk register has been updated in the period and a copy is attached in Appendix C.

SECTION 6 – KEY APPROVAL DATES

There are currently no key approvals to be given by LSBU.

SECTION 7 – CHANGE CONTROL

The current change control tracker is attached in appendix D. The changes which have been raised to date are to address planning, BREEAM, some co-ordination issues and end user requirements.

SECTION 8 – TARGETS IN THE NEXT PERIOD

1. LSBU execute the construction contract
2. Finalise the performance bond
3. Monitor progress on site to ensure no further slippage
4. Ensure timely release of design information and information for provisional sum expenditure
5. Progress discharge of planning and listed building conditions
6. Ensure all parties are uploading the required information onto the BREEAM portal

APPENDIX A – FINANCIAL SUMMARY

	This Month (August)	Last Month (Pre-Contract)	Changes This Month
Summary	£	Addition £	Addition £
Contract Sum (Excluding P.S. and Contingencies)	6,630,084.00	6,630,084.00	0.00
Defined Provisional Sums (Excluding Contingency)	352,900.00	352,900.00	0.00
Contingency & Dayworks	231,200.00	231,200.00	0.00
TOTAL CONTRACT SUM (Neilcott)	7,214,184.00	7,214,184.00	0.00
Contract Sum (Excluding P.S. and Contingencies)	6,630,084.00	6,630,084.00	
Financial effect of variations to date:			
Contract Administrator Instructions - Appendix A	123,600.00	9,500.00	114,100.00
Other Anticipated Variations - Appendix B	10,750.00	(300.00)	11,050.00
Remaining Defined Provisional Sums	260,900.00	352,900.00	(92,000.00)
Remaining Contingency & Dayworks	188,850.00	222,000.00	(33,150.00)
CURRENT PROJECTED FINAL ACCOUNT (Neilcott)	7,214,184.00	7,214,184.00	0.00
Add			
Professional Fees	1,301,888.00	1,301,888.00	0.00
Internal University Costs	100,000.00	100,000.00	0.00
FF&E	350,000.00	350,000.00	0.00
IT/AV	300,000.00	300,000.00	0.00
Client Contingencies	1,430,000.00	1,430,000.00	0.00
VAT @ 20%	2,139,214.00	2,139,214.00	0.00
Section 106 Contributions (Excl VAT)	195,503.00	195,503.00	0.00
TOTAL PROJECT COST	13,030,790.00	13,030,790.00	0.00
Current Estimated Overspend / Underspend on Neilcott Contract Sum	0.00	0.00	0.00