

COUNCIL

12 AUGUST 2015

ADDITION TO THE CAPITAL PROGRAMME

Portfolio Holders: Councillor Alan Jarrett, Leader
Councillor Rodney Chambers OBE, Portfolio Holder for Inward Investment, Strategic Regeneration and Partnerships

Report from/Author: Phil Watts, Chief Finance Officer

Summary

This report seeks approval to an addition to the Capital Programme for the construction of the Rochester Riverside Multi Storey Car Park.

1. Budget and policy framework

1.1 Additions to the Capital Programme are a matter for Full Council.

2. Background

2.1 The Cabinet considered a report on 7 July 2015 which provided details of the decision of the Monitoring Officer, in consultation with the Procurement Board, on 13 May 2015 to award a contract (medium risk rating) to CS Spencer Ltd for the construction of the Rochester Riverside Multi Storey Car Park.

2.2 The report requested that Cabinet recommend to Full Council that an additional £982,000 be allocated to the capital budget for professional fees and costed risks associated with the project. The Cabinet therefore agreed to consider this as an urgent matter so to provide certainty on the funding for the project by referring the matter to Council on 12 August 2015.

2.3 It was noted that at the Rochester Riverside Board Meeting of 16 March 2015 approval was given to commence the procurement of a contractor to deliver the design and construction of a new multi storey car park adjacent to the new Rochester Rail Station on the Rochester Riverside Development site.

2.4 The Cabinet noted the contents of the report and agreed that any spend against the Risk Allowance is approved by the Assistant Director, Legal and Corporate Services in consultation with the Portfolio Holder for Front Line Services (decision no. 104/2015).

2.5 The Cabinet recommended to Full Council that an additional sum of £982,000 is added to the Capital Programme, funded by prudential borrowing (decision no. 105/2015).

3. Risk management

- 3.1 Whilst the specific risks around the delivery of this contract were included in the report to Cabinet, the overall risk of overspending against the programme is managed through regular monitoring and remedial action as appropriate throughout the year. There are no specific risks to report at this time.
- 3.2 The decision of the Cabinet that any spend against the risk allowance be approved by the Assistant Director, Legal and Corporate Services, in consultation with the Portfolio Holder for Front Line Services, will further ensure that this additional sum is only used when necessary.

4. Financial and legal Implications

- 4.1 The approved contract price was very close to the project budget and did not include any allowance for costed risks or for internal and external professional fees.
- 4.2 It is therefore recommended that an additional amount of £982,000 be allocated to the capital budget for professional fees and costed risks, to be funded through prudential borrowing.
- 4.3 The additional borrowing will be repaid through anticipated additional income from the multi storey car park, once running costs have been accounted for.
- 4.4 There are no specific legal implications arising from this report.

5. Recommendation

- 5.1 The Council is asked to approve the addition of £982,000 to the Capital Programme for the construction of the Rochester Riverside Multi Storey Car Park.

Lead officer contact

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Appendices

None

Background papers

Report to Cabinet 7 July 2015

<http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?Ild=14985>