

COUNCIL

13 OCTOBER 2016

ADDITIONS TO THE CAPITAL PROGRAMME

Portfolio Holder: Councillor Alan Jarrett, Leader

Report from: Phil Watts, Chief Finance Officer

Report Author: John Chance, Head of Finance Strategy

Summary

This report presents a number of schemes which require Full Council approval to be added to the Capital Programme.

1. Budget and policy framework

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

2. Background

Capital Budget Monitoring 2016/2017 Quarter 1

2.1. The Cabinet considered the Capital Budget Monitoring 2016/2017 Quarter 1 report on 9 August 2016. The report stated that the approved capital programme for 2016/17, and future years, is £106.2m, being £85.4m in respect of brought forward schemes and £20.8m of new approvals.

2.2. In addition, the report included details of the following additions to the programme, funded from Section 106 developer contributions. The receipts have already been received by the property section.

Project	Section 106 reference	Addition to Capital Programme
Borstal Recreation Ground green gym equipment	05/1031	£8,783.75
Horsted Valley - Series of access, landscape and biodiversity projects	11/0001	£203,998.20
The Vines - Site Improvements (Entrance features/play provision/Interpretation)	11/1333	£31,000.00
Cross Park- Complete improvements to the changing rooms/shower facilities	Brompton 11/2757	£4,000.00
Broomhill - Natural Play Provision and site interpretation	Brompton 11/2757	£26,122.22
Maidstone Road Sports Ground– Tennis Court Surface Improvements	08/1652	£1,544.41
Holding Street - Provision of Natural Play area	Police station 11/2118	£10,416.81
The Strand - The continuation of the Programme to provide New Play Facilities	Gillingham Marina 05/1198	£25,471.35
Total of s106		£311,336.74
Plus £8,000 for Luton Millennium Green	Not a s106 – from Tesco	£8,000

- 2.3 The Cabinet agreed to recommend to Council the new schemes funded from developer contributions (decision no. 102/2016 refers)

Medway Crematorium

- 2.4 It is also recommended that a sum be added to the Capital Programme for the replacement of new cremators. This work is needed to replace equipment that is no longer fit for purpose and follows on from the supplier entering into Administration. Because of the risks to the operation of the service, it is imperative that action be taken as to engage with alternative providers and this can only be achieved once funding is in place.
- 2.5 The proposed solution is to use a long-established, international company to supply and install new cremators with abatement equipment. The installation will require enabling works and the project is to be overseen by a specialist project management company who have dealt with numerous installations in the past. The supplier has a majority share of the UK market, is a tried and tested provider, with a strong UK commitment.
- 2.6 Estimations have been made in relation to the remedial works as complete financial certainty cannot be secured until the specialist contractors have been awarded the contract, as much of the enabling work is dependent upon the final configuration of the plant. But, with the, previously agreed funding, and a final contribution from the original Principal Contractor, it is estimated that £313,000, from Reserves, is required to complete the project.

New School projects funded from the Basic Need Grant

2.7 There are six new projects which are due to start during the 2016/17 financial year, the funding for which has been agreed via the Basic Need Grant. These projects will appear within the quarter three monitor in February and the details are as follows:

- Bligh Expansion (9X539) – approved budget of £2,969k. The project is to expand the school from a two form of entry to a three form of entry.
- Hundred of Hoo Primary Phase 2 (9X532) – approved budget of £5,591k. The project is to provide a brand new one form of entry primary school from September 2017.
- Saxon Way Primary Expansion (9X497) – approved additional budget of £115k. The additional budget approval is to enable the MUGA works to be completed before further progress can be made so this has been approved in advance of the main project.
- Cliffe Woods Primary Expansion – approved budget of £600k. The project is to expand the school from one and a half form of entry to two, which will enable the School to admit an additional 105 pupils.
- St Mary's Primary Expansion – approved budget of £1,875k. The project is to expand the School from two form of entry to three, which will enable the School to admit an additional 210 pupils.
- Riverside Primary Expansion – approved budget of £1,540k. The project is to expand the School from one form of entry to two, which will enable the School to admit an additional 210 pupils.

3. Risk Analysis

Medway Crematorium

- 3.1. Risks will be mitigated by using contractors and consultants who can show previous experience working in crematoria and ensuring that there are close working relationships between client, contractor and supplier. There will be close monitoring of progress and detailed examinations of all equipment being installed. The supplier will also have a broad base of installations across the UK and sound knowledge of installing equipment against timetable, in difficult situations and with minimal impact on services.
- 3.2. As noted above the prompt appointment of suppliers is necessary so as to ensure the earliest supply of equipment.

4. Financial and Legal Implications

- 4.1. The financial implications are fully analysed in the report.
- 4.2. There are no specific legal implications.

5. Recommendations

- 5.1. The Council is asked to add the schemes set out in paragraph 2.2 of the report to the Capital Programme.
- 5.2. The Council is asked to add the Medway Crematorium scheme, in the sum of £313,000, from reserves, to the Capital Programme.
- 5.3. The Council is asked to add the Schools Projects set out in paragraph 2.7 of the report to the Capital Programme.

Lead officer contact

John Chance, Head of Finance Strategy, Gun Wharf, Tel. (01634) 332151.
e-mail john.chance@medway.gov.uk

Appendices

None

Background Papers

Capital budget approved by Council 25 February 2016 – item 787 refers

<http://democracy.medway.gov.uk/ieListDocuments.aspx?CId=122&MId=3245&Ver=4>

Capital Budget Monitoring Quarter 1 report – Cabinet 9 August 2016 – item 8 refers

<https://democracy.medway.gov.uk/ieListDocuments.aspx?CId=115&MId=3368&Ver=4>