

COUNCIL

13 JANUARY 2011

ADDITIONS TO THE CAPITAL PROGRAMME

Portfolio Holder: Councillor Alan Jarrett, Finance
Report from: Mick Hayward, Chief Finance Officer
Author: Peter Bown, Accounting Manager

Summary

This report seeks approval to add two schemes to the Council's Capital Programme.

1. Budget and policy framework

- 1.1 It is the responsibility of Cabinet to ensure that expenditure for each capital scheme remains within the budget approved by the Council but it remains the responsibility of Council to approve schemes for inclusion in the capital programme.

2. Background

- 2.1 At its meeting on the 25 February 2010, the Council approved a capital programme for 2010/2011 and future years of some £116million. Subsequent funding announcements have increased the programme to over £128 million.
- 2.2 Cabinet considered the latest Capital Budget Monitoring report on 30 November 2010 and recommended that two further schemes be added to the Council's Capital Programme, details of which are set out below.

3. Mercury Abatement Project

- 3.1 Increase in the Mercury Abatement project budget - £583,000 funded by prudential borrowing.
- 3.2 Members agreed the existing capital budget of £1,174,000 for the upgrade of facilities at the crematorium during the 2007/2008 capital and revenue budget setting process in February 2007. This project was initially designed to provide a range of improvements to the crematorium including compliance with the requirements of the Environmental Protection Act 1990 to reduce mercury emissions from the cremators to the target level of 50% by 31 December

2012. Since that decision officers have been investigating the options available to achieve these objectives.

- 3.3 The original capital scheme included proposals to adapt the existing cremators to meet the new standard. However, there are very few companies offering this service and this could limit the potential for achieving value for money and there is uncertainty as to the new equipment achieving the desired outputs. In addition, the existing cremators are coming to the end of their useful lives, further questioning the value of such a scheme. The proposal agreed by Cabinet in June is to replace all existing cremators with new, modern units. This will ensure maximum compatibility, provide cremators that have a useful lifespan, ensure that the requirements of the Environmental Protection Act are fully met (rather than the 50% in the original scheme), reduce operational risk and reduce costs, at least in the short term.
- 3.4 The scheme also includes enlargement of the chapels and car park which will provide better facilities for service users and help retain the marketability of Medway Crematorium. Only one chapel is to be extended at present although the other chapel may be extended at some point in the future, subject to available funding.
- 3.5 The prudential borrowing costs arising from the increased capital provision can be met from existing budgets and the additional income generated by the enhanced facilities.
- 3.6 Cabinet, on 8 June 2010, agreed to the commencement of the procurement process for the proposal to provide new cremators, mercury abatement up to the level of 100% and to provide additional car parking space together with larger chapel accommodation.
- 3.7 Council is asked to agree the £583,000 prudential borrowing allocation to fund the revised crematorium works.

4. Woodlands Primary School – Improvements to Nursery, School Reception and SEN Provision

- 4.1 An additional £350,000 of developer's contributions to fund phase 1 of the completion of the extension to 2FE works, including nursery, foundation and SEN provision at Woodlands Primary School is required, following approval by Members at Cabinet on 28 September. Phase 2 of these works that will provide for the sustainability of the 2FE and will be subject to a later request when funding sources are identified.
- 4.2 Cabinet, on 21 December 2010, approved the appointment of B W May Limited to complete phase 1 of the remaining building works at Woodlands School for a contract sum of £293,938.00 starting with the area 1 works and that areas 2, 3 and 4 be subject to Full Council approval of the addition to the Capital Programme.
- 4.3 The Cabinet report provided the details of the evaluation of tenders received to complete the works at Woodlands Primary School to improve the nursery provision, the children's centre family spaces, reception and SEN provision.

The tender was undertaken following approval by Cabinet on 28 September 2010 to procure a contractor to complete a scheme that had been started by the school under its own management. The completion of this contract will allow the school to deliver the curriculum effectively, in appropriate accommodation.

- 4.4 The Capital Programme currently includes funding of £184,288 being the remaining budget from 2009/2010 rolled forward. This is sufficient to enable area 1 of the phase 1 works (see attached plan) to commence on 10 January 2011.
- 4.5 Council is asked to agree the additional £350,000 developer contributions from Grange Farm to fund areas 2, 3 and 4 (see attached plan) of the phase 1 works.

5. Risk Management

- 5.1 With any capital project there is always a possibility that the scheme may not be delivered on time or within approved budget thus not fulfilling the Council's strategic priorities. Detailed project management will ensure that these risks are minimised.

6. Financial and Legal Implications

- 6.1 The financial implications are fully analysed in the report.
- 6.2 There are no direct legal implications.

7. Recommendations

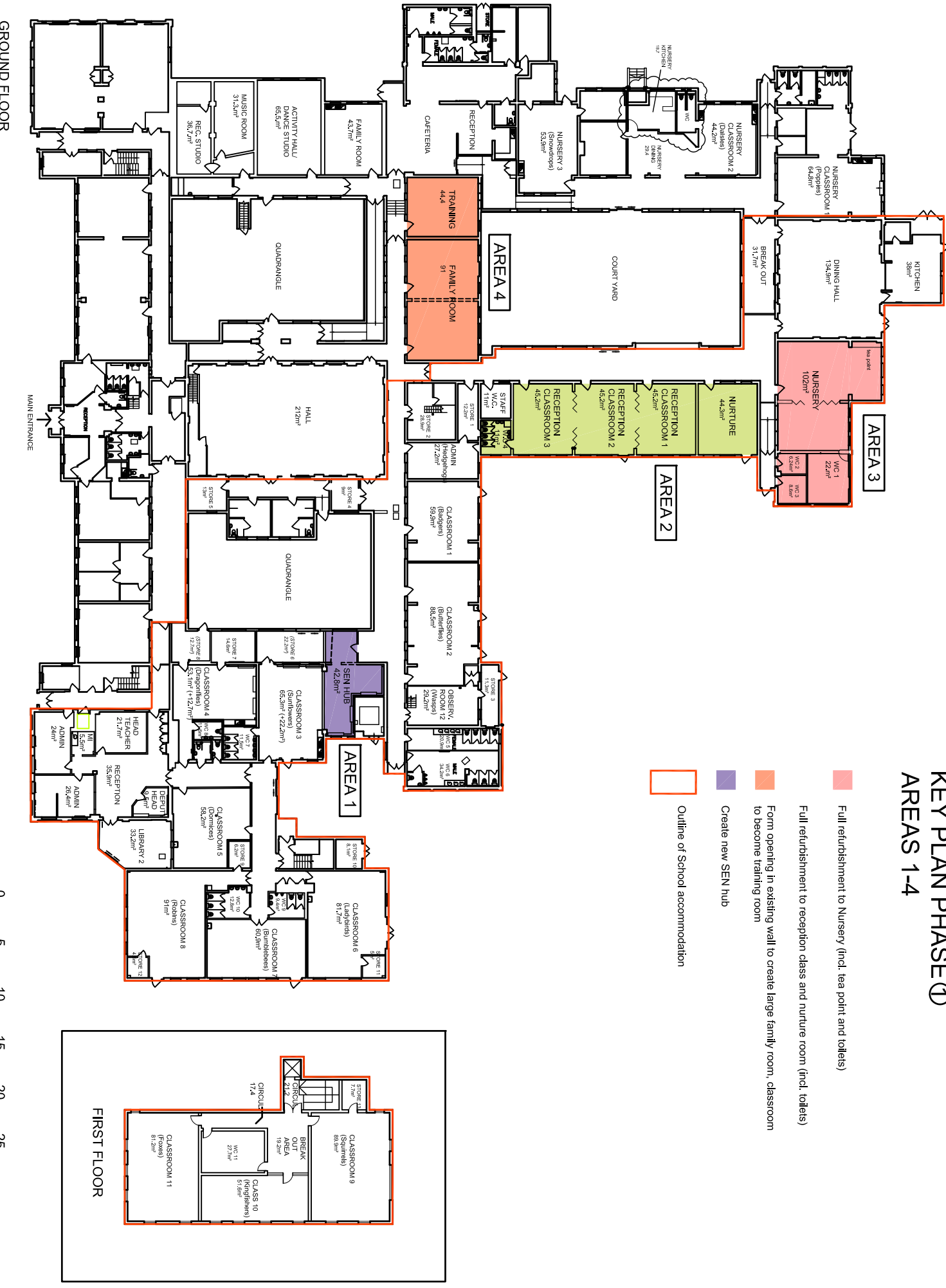
- 7.1 The Cabinet recommends to Council to include the following schemes in the Capital Programme.
 - Mercury Abatement Project
 - Woodlands Primary School - Improvements to Nursery, Foundation and SEN Provision.

Lead officer contact

Peter Bown, Accounting Manager, Gun Wharf, Tel (01634) 332311,
e-mail peter.bown@medway.gov.uk

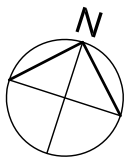
Background Papers

Capital budget approved by Council 25 February 2010
Monthly monitoring returns submitted by budget managers
Capital Budget Monitoring 2010/2011 report to Cabinet 20 July 2010
Public Spending Reductions report to Council 29 July 2010
Capital Budget Monitoring 2010/2011 report to Cabinet 28 September 2010
Capital Budget Monitoring 2010/2011 report to Cabinet 30 November 2010



KEY PLAN PHASE ①
AREAS 1-4

- Full refurbishment to Nursery (incl. tea point and toilets)
- Full refurbishment to reception class and nurture room (incl. toilets)
- Form opening in existing wall to create large family room, classroom to become training room
- Create new SEN hub
- Outline of School accommodation



TENDER

© COPYRIGHT Mace Group
NOT TO BE REPRODUCED WITHOUT WRITTEN PERMISSION
BECAUSE OF POSSIBLE SCALING ERRORS IN ELECTRONIC
COPYING, DIMENSIONS GIVEN IN DRAWINGS ARE TO BE
TAKEN AS DIMENSIONS TO BE CHECKED & VERIFIED ON SITE
PRIOR TO CONSTRUCTION

NO.	BY	DATE	REVISION
1	SA	10.12.10	D
2	SA	09.09.10	C
3	SA	24.08.10	B
4	BP	06.08.10	A

Mace Group
Sage House
Old London Road
Harlow
SG13 7YY

Telephone 01992 515100
Facsimile 01992 515111
www.macegroup.com

PROJECT:
GILLINGHAM WOODLANDS PRIMARY SCHOOL
INTERNAL ALTERATIONS

DRAWING TITLE:
KEY PLAN PHASES 1 AREAS 1-4

DRAWN BY: SA

CHECKED BY: SA

DATE: 10.12.10

SCALE: 1:300 @ A3

PROJECT NO.: 26117

DRAWING NO.: A102

REV.: D

FOR MORE INFORMATION VISIT WWW.MACEGROUP.COM

© Mace Group

