

Report of the Cabinet Member for Finance and Strategy

Cabinet – 14 April 2015

TRANSFER OF CAPITAL BUDGET

Purpose:	To present the case to transfer existing unexpended capital budget from the refurbishment of the Civic Centre Council Chamber (now discontinued) scheme to the Glynn Vivian Art Gallery Project, the proposed Guildhall chamber works and the recent Guildhall accommodation moves.
Policy Framework:	None.
Reason for Decision:	To comply with Financial Procedure Rule 7
Consultation:	Legal, Procurement, Finance, Corporate Building & Property Services.
Recommendation(s):	It is recommended that: - 1) Cabinet transfer £300K of the existing unexpended £500k capital budget allocated to Civic Centre Chamber public access works to Guildhall Chamber public access works and recent Cabinet and senior officer accommodation costs; 2) The remaining budget of £200k is transferred from the existing budget set aside to refurbish the Civic Centre Council Chamber to the Glynn Vivian Art Gallery refurbishment project.
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1.0 INTRODUCTION

- 1.1 The purpose of this report is to outline the case for transferring a proportion of the capital budget originally earmarked for the refurbishment of the Civic Centre Council Chamber to the Glynn Vivian Art gallery development project, and the transferal of the surplus budget to the Guildhall Chamber project and accommodation moves.

2.0 CIVIC CENTRE COUNCIL CHAMBER REFURBISHMENT

- 2.1 Cabinet approved a scheme to modernise the Council Chamber, Civic Centre on 25th June 2013. The Council Chamber enabling work commenced on the 13th January 2014; however the scheme was discontinued following the removal of the asbestos and enabling works in September 2014.
- 2.2 Although the works to the Civic Centre Chamber have been discontinued, a capital budget of £500K still remains within the I.T capital programme to undertake specialist installations to enable electronic voting and web casting of full Council meetings.

3.0 PROPOSED WORKS AT GUILDHALL COUNCIL CHAMBER

- 3.1 As part of the recent accommodation moves, Cabinet Members and Senior Council Officers have been re-located from the Civic Centre to the Guildhall. The cost of these moves is in the region of £35K.
- 3.2 It is now the intention to hold full council meetings at the Guildhall Chamber and that a full voting, web cam and simultaneous interpretation functionality is provided at this location. Additional seating is also proposed for the chamber. All these works are subject to Listed Building Consent.
- 3.3 Budget costs to undertake the above works at the Guildhall Chamber only indicate that the cost of the works will be in the region of £260K inclusive of professional fees.
- 3.4 Given the estimated cost of the works at the Guildhall Chamber, and the already expended cost of the recent accommodation moves there will be a surplus capital budget of approximately £200K.

4.0 GLYNN VIVIAN ART GALLERY

- 4.1. Cabinet on 14th November 2012 approved the revised budget for the refurbishment of the Glyn Vivian and approved the Contractor OPCO for the refurbishment works.
- 4.2 The Contract Award went to OPCO based on a 65 week contract. OPCO started on site at the beginning of January 2013 but unfortunately went in to administration in June 2013.

- 4.3 As a result of the termination of the OPCO contract, a new procurement process was carried out to engage a new Principle Contractor to complete the works. Cabinet awarded the contract to John Weaver Contractors in January 2014 based on a 52 week contract. The new completion date at this time was March 2015.
- 4.4 Since the engagement of John Weaver there have been numerous site issues which have caused delay. Some of which have been agreed by the project team as justified causes of delay and some are still being assessed.
- 4.5 All in all, the project is now facing a 25 week delay and is due to be complete in late August 2015 giving a construction period of 75 weeks as opposed to the original 52 week contract with John Weavers.
- 4.6 These delays, whether agreed or still to be settled added to the historical procurement issues have caused a significant cost increase in terms of additional contractors preliminary costs and additional consultancy costs given the need for redesign works due to site conditions and prolongation of the contract period. This has been separately reported to the Director of place.
- 4.7 Unfortunately, the project started out with an inadequate contingency allowance given the technical difficulties with the refurbishment of a grade 2 listed building and the construction of a large, complex extension on a confined and difficult site.
- 4.8 Given the issues outlined above, the original contingency allowance for this project has now been expended. Given that the project is now only 52 weeks in to what is now a 75 week project it is essential that a new contingency allowance is created.

5.0 FURTHER GRANT FUNDING OPORTUNITIES

- 5.1 Investigations have been undertaken as to whether or not additional grant funding would be available from those organisations that have already provided grant funding. Apart from the possibility of a further small grant from CADW, given the scale of the grant funding already received, there is no possibility of further grant funding.

6.0 FINANCIAL IMPLICATIONS

- 6.1 The current approved funding for the scheme is £8,474k, the majority of which is grant funded by external bodies. Due to the issues highlighted by project management, the project is unlikely to be delivered within the above budget.
- 6.2 As a result of decisions outlined in 2 and 3 above, there is an available resource of £200k which can be vired to support the GVAG project as contingency.

GVAG Project funding	£'000
SCIF grant - WG	3500
ACW grant 1 - WG	2175
ACW grant 2 - WG	500
SRA grant – WG	550
CCS own resources committed	788
Revenue contribution GVAG	316
BEP grants - WEFO	340
CADW	30
	8199
HLF grant	275
	8,474

- 6.3 As separately reported to the Director of Place, there are potential risks to some elements of the grant funding above in light of the procurement issues highlighted in the report to the Director. The financial implications of the same cannot be assessed until that is resolved.

7.0 LEGAL AND PROCUREMENT IMPLICATIONS

- 7.1 The additional sum allocated to the Guildhall Chamber public access works will need to be a formal variation to the existing contract. The contract is for Phase 5 Guildhall Refurbishment Project. The contract was awarded at the value of £5,147,285.61. A subsequent variation was agreed for additional works in the sum of £168,703.53. The further variation equates to approximately £260,000. The total sum of both variations does come within the financial scope of the acceptable limit for variations within a contract. However, it may be argued that the additional work is of a different nature to the scope of the original contract. The additional work would entail specialist electrical works which would be sub- contracted from the main contractor. The risk of challenge is low as the Council would class the additional work as associated works within the project.

- 7.2 As mentioned in 6.3 above, there are potential risks to some of the funded grants within the Glynn Vivian Art Gallery Project.

8.0 EQUALITY AND ENGAGEMENT IMPLICATIONS

- 8.1 There are no equality issues in relation to the transfer of the budget but the individual projects will need to be subject to the equality impact assessment process including relevant engagement.

Background Papers: None.

Appendices: None.