

APPENDIX A: Paper Reference 2010-01-06-01a



WNDC Report Report by Kamljit Chana

Paper Reference:

Agenda Item:

23 December 2009

Subject: Upton Lodge Farmhouse

Advice: That the Chairman and Chief Executive

1. **Approve** a maximum of £53,625 (including PMR) of additional Growth Area Funding (GAF 3) to refurbish Upton Lodge Farmhouse.

Summary:

- This report is primarily an update on the progress made to reduce the total project costs for the refurbishment of Upton Lodge Farmhouse and seeks approval for additional GAF 3 funding. This report also briefly outlines the background of the project.

1. Background

- 1.1 On the 20th October 2009 West Northamptonshire Development Corporation (WNDC) Board approved £160,875 (including PMR) of GAF 3 funding to refurbish Upton Lodge Farm House for YMCA to use as a young homeless people's residential and training centre. WNDC's funding was matched by the Homes and Communities Agency (HCA) who committed £200,000 towards the project.
- 1.2 On the 17th November 2009; GSS Architecture who have been commissioned by YMCA reported that five tenders had been submitted for the works contract; of which Ayres and Gardener (A&G) were the preferred supplier.
- 1.3 A number of issues including the exclusion of fees, surveys and local authority charges, an unsuccessful EMDA bid of £50,000, tender compliance and the unforeseen lack of utility supplies resulted in a funding gap of approximately £130,000.
- 1.4 On the 1st December 2009 WNDC Board were asked to approve a further £69,713 (including PMR) of GAF 3 to close this funding gap and enable the project to go ahead as outlined in the original bid. The HCA had agreed to provide the remaining £65,000.
- 1.5 WNDC Board approved up to a maximum of £69,713 (including PMR) subject to a full review of project costs and ensuring that WNDC would still be gaining value for money.
- 1.6 The final approval was delegated to the Chairman and Chief Executive.

2. Project Update

- 2.1 Following WNDC's Board meeting on the 1st December several discussions took place between WNDC; HCA; YMCA and GSS. During discussions between WNDC and the YMCA; YMCA confirmed that they were not able to raise any capital to help support the funding gap due to the way YMCA's organisational funding is allocated.
- 2.2 On the 10th December a meeting was held between WND; HCA and GSS to discuss the project and progress needed to take the project forward in line with the original timeframe. To support budget discussions the HCA had undertaken a detailed analysis of the tender submitted by A&G.
- 2.3 At the above meeting it was concluded that the HCA would procure the utilities work at an estimated cost of £32,000 instead of £40,000 and GSS were asked to discuss the

tender submission with A&G and consider the specification of the doors, windows, guttering and mechanical and electrical costs. It was stressed that the specification of all material used for the refurbishment must still meet all regulations and be robust enough for the client. The new project costs have been detailed below in section three.

3. Revised Project Costs

3.1 The table below outlines the areas of cost savings and the revised project cost.

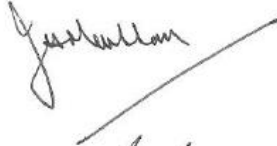
| Revised Project Costs | |
|--|-----------------|
| Contract Sum Based on Original Tender Scheme (excluding fees) | £418,788 |
| Savings | |
| Plastic conduit in lieu of metal & alternative lights | £5,870 |
| Alternative extract fans & radiators | £4,196 |
| UPVC double glazing in lieu of timber triple glazing (subject to planning) | £5,243 |
| Plastic rainwater goods in lieu of aluminium | £1,579 |
| Utility connections | £40,000 |
| Total Savings | £56,888 |
| Revised Contract Sum | £361,900 |
| Other Project Costs | |
| GSS fees @ 11.5% | £41,619 |
| GSS condition report | £500 |
| Roltons & M&E costs | £7,250 |
| Surveys | £3,713 |
| LA Charges | £1,350 |
| Utility connections (HCA) | £32,000 |
| Total Revised Project Costs | £448,332 |
| Funding Shortfall | £98,332 |

4. Recommendation

4.1 It is recommended that the Chairman and Chief Executive approve a maximum of £53,625 (including PMR) of additional Growth Area Funding (GAF 3); which must be defrayed within this financial year to take forward the upgrade of Upton Lodge Farmhouse in line with the original timeframe outlined to WNDC Board in October 2009.

5. Approval Signatures

John Markham
(Chairman)



Date: 23/12/09

Peter Mawson
(Chief Executive)



Date: 23/12/09