

Project Appraisal

To	North Area Committee
Report By	Trevor Woollams
Project Name	Buchan Street Neighbourhood Centre Improvements
Committee	North Area Committee
Committee Date	20 March 2014
Wards Affected	Kings Hedges

Project Appraisal and Recommendation

Recommendations

Financial recommendations -

- a) To agree, subject to tender and relevant planning and building regulation approval, the project to improve Buchan Street Neighbourhood Centre by increasing space for childcare provision to an optimum size (to take 24 children) and adding a new meeting room.

1 Summary

1.1 The project

The project includes the addition of a meeting room and additional childcare space at Buchan Street Neighbourhood Centre.

The County Council have agreed to fund up to £70k towards the cost of the additional childcare space as this will help to meet the high demand from families in the Kings Hedges and surrounding areas.

Target Dates:	
Start of Procurement	April 2014
Award of Contract	June 2014
Start of project delivery	August 2014
Completion of construction	November 2014
Childcare provider starts	January 2015

1.2 The Cost

Total Project Cost	£170,000
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Capital Cost Funded from:

Funding:	Amount:	Details:
Reserves	£	
Repairs & Renewals	£	
Developer Contributions	£100,000	<i>From North Area's developer contributions programme – see Appendix B</i>
Climate Change Fund		
Other	£70,000	<i>From the County Council</i>

Revenue Cost

Year 1	0
Ongoing	0

1.3 The Procurement

The works will be procured through a competitive procurement exercise and project managed by City Council officers.

2 Capital Project Appraisal & Procurement Report

2.1 What is the project?

The project involves 2 phases:

Phase A includes alterations to the existing entrance to create an additional meeting room for local groups.

Phase B includes a small side extension and internal alterations to increase the amount of dedicated childcare space to an optimum size (to take 24 children) which will help to meet the high demand in the local area.

Officers are working with the County Council and will tender the childcare space to an approved operator. In return, the County Council will provide up to £70,000 of the capital cost of the increased childcare space.

The improvements will generate some additional income for the centre which will cover any additional costs (such as heating, lighting, cleaning etc.) and help to make the centre sustainable in the longer term.

The project appraisal has been considered by the Council's Asset Management Group.

2.2 The major issues for stakeholders & other departments

This project will significantly improve the flexibility of the centre which will benefit local groups and increase use.

The additional childcare provision will help to meet a high local demand.

The new meeting room will be contained within the existing footprint of the centre. The additional childcare space will require a single storey extension into the garden area to the side of the centre. Plans will be displayed in the centre so that users and those living adjacent to the centre can comment on the proposals.

A plan showing indicative proposals is included at Appendix B. The proposals may be revised as we work up the detail.

2.3 Summarise key risks associated with the project

The project will be subject to tender and the award of planning permission. Phase B will be subject to a formal agreement with the County Council to secure their financial contribution and reserve the childcare space for that purpose.

Childcare provision at the centre will be tendered to achieve maximum use and ensure a high quality provider is secured which meets the County's minimum standards for childcare. County Council officers will support Community Development with this process.

2.4 Financial implications

- a) Appraisal prepared on the following price base: 2014/15
- b) The Capital allocation from the County Council will need to be secured prior to entering into any building contract.
- c) There are no adverse revenue or maintenance implications for the Council.
- d) Officers have allocated £100,000 of developer contributions to this project that are already assigned to the Area Committee Developer Contributions programme (in line with the agreed approach to devolved and city-wide contributions). If, in due course, it transpires that there are other specific and appropriate contributions that need to be used instead, these arrangements may be revised.

2.5 Capital & Revenue costs

(a) Capital	£	Comments
Building contractor / works	145,000	Estimated costs (not yet tendered)
Purchase of vehicles, plant & equipment		
Professional / Consultants fees	£25,000	
IT Hardware/Software		
Other capital expenditure		
Total Capital Cost	170,000	

(b) Revenue	£	Comments
Total Revenue Cost	0	Additional income predicted to exceed additional running costs

2.6 VAT implications

The Council has an option to tax currently in place since 6th March 2006. This means that any income that is normally exempt from VAT, such as rental or lease income, is taxable at the standard rate, currently 20%. Having an option in existence should, however, mitigate the risk of any adverse VAT implications to this Council.

However, it is advised that before any contractual commitments are entered into by the parties, that a VAT review of the documents is undertaken. It is also advised that the VAT Accountant (VAT & Treasury) is kept informed of developments throughout the phases of this project.

2.7 Environmental Implications

Climate Change Impact	-L
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It is estimated that the overall project will have a low but negative environmental impact as the footprint will increase slightly. The building design will ensure that the environmental impact will be minimized.

2.8 Other implications

An EQIA has been carried out and no adverse impact was identified. The improvements will increase the accessibility of the centre and increase its use by young children.

The project timetable aims to have a childcare provider in place in January 2015.

Existing users will need to be accommodated whilst the works are in progress.

2.9 Staff required to deliver the project

The project will be tendered and monitored by staff in Community Development and Arts and Recreation's Technical team.

2.10 Identify any dependencies upon other work or projects

None

2.11 Background Papers

Report to North Area Committee on S106 developer contributions potential projects – 6 February 2014.

2.12 Inspection of papers

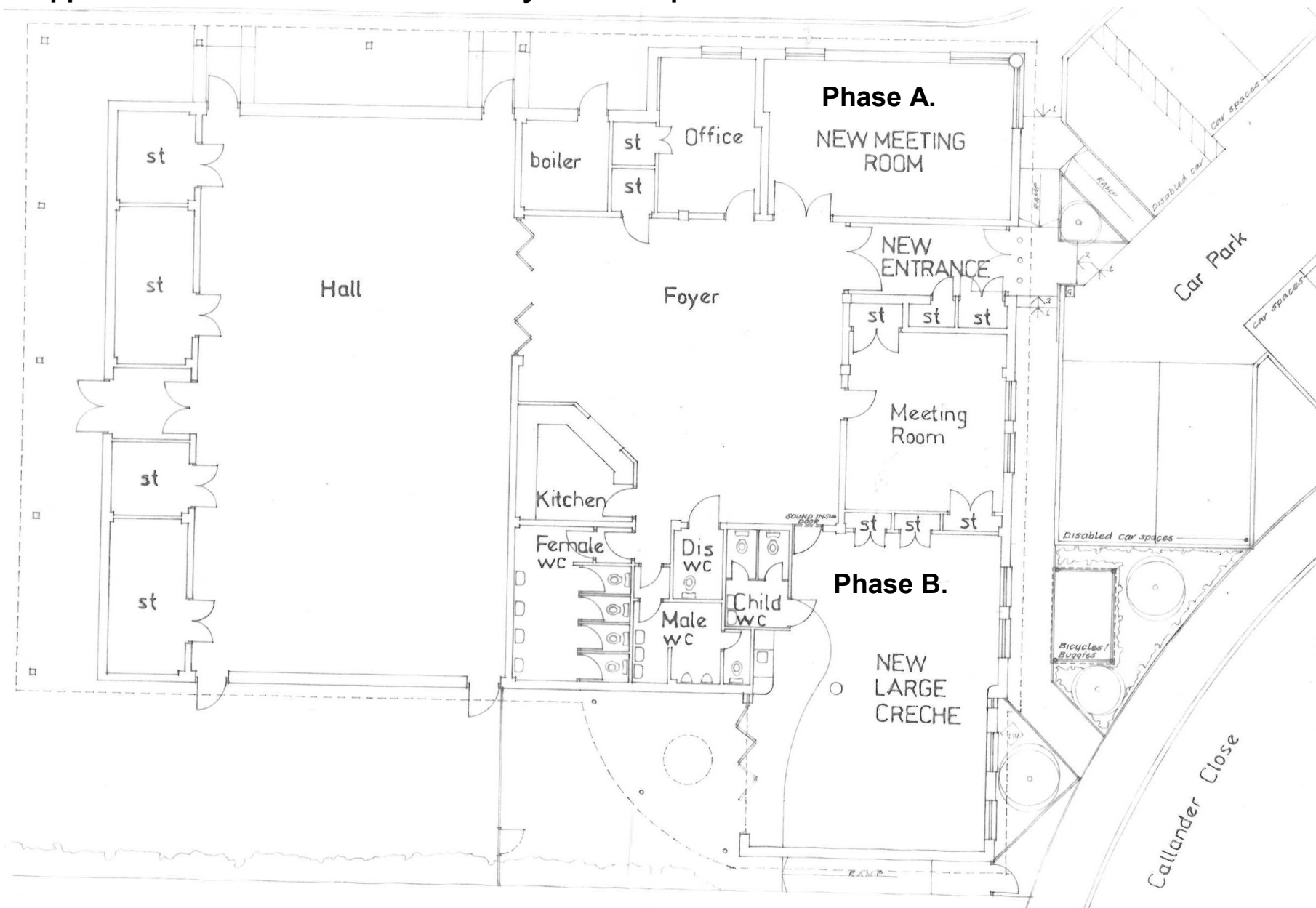
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Appendix A

	2012/13	2013/14	2014/15	Comments
	£	£	£	
Capital Costs				
Building contractor / works			145,000	Estimate
Purchase of vehicles, plant & equipment				
Professional / Consultants fees			25,000	
Other capital expenditure:				
Total Capital cost			170,000	
Capital Income / Funding				
Government grant				
Developer contributions			100,000	North Area Committee Community Facilities
County Council			70,000	Childcare provision
R&R funding				
Earmarked funds				
Existing capital programme funding				
Revenue contributions				
Total Income			170,000	
New Capital Bid	0	0	0	

Appendix B Buchan Street Community Centre Improvements – Indicative Plan.





South East Elevation