

EAST RENFREWSHIRE COUNCIL

CABINET

26 January 2017

Report by Director of Environment

FUNDING FOR ARTHURLIE FAMILY CENTRE

**PURPOSE OF REPORT**

1. This report asks the Cabinet to note the decision to award an additional £398,000 funding for the new Auchenback Community Hub (Arthurlie Family Centre).

**RECOMMENDATIONS**

2. The Cabinet is asked to note the decision to award an additional £398,000 funding for the new Auchenback Community Hub (Arthurlie Family Centre), subject to this adjustment being reflected in the 2017/18 Capital Plan.

**BACKGROUND**

3. Following the departure in March 2016 of the last of the bats occupying the former Auchenback Primary School, the old school buildings were demolished.

4. Once the demolition material was removed from site, Property and Technical Services were then able to commission a full site investigation, which included soil analysis. This took place in April 2016. The chemical analysis of soil generally takes up to 8 weeks to complete.

5. In mid-April 2016 the project civil engineers advised the design team that contaminants had been discovered in the soil analysis and that the levels indicated that the contaminated material would require to be removed from site in any area which would not have a structure or tarmaced surface over it.

6. Up to that point, there had been no evidence to lead the design team to believe there was any likelihood of contamination. Trial pits had been dug in January but these were only possible at distances far enough away so as not to disturb the bats. These trial pits were undertaken to inform suitable foundation designs and offered no evidence of contamination.

7. The engineer therefore amended the design and specification to reflect the developing picture of contamination. Property and Technical Services then altered the tender documentation to reflect of the need to excavate and take off site any contaminated material.

8. When tenders were returned and reviewed, it became apparent that the information issued with the tender about the contamination was insufficient to allow contractors to provide meaningful and competitive quotations for disposal. Further tests were therefore commissioned and the results of these tests along with the relevant items to price were issued to all tenderers.

9. Whilst the removal of the earth was not going to impact upon the timescale (assuming that there was no delay with the appointment of the contractor), this has impacted upon cost.

10. The most economically advantageous tenderer's costs for the removal of the contamination, after adding for additional fees and investigation costs, were £398,000 above the available budget of £4.88m.

## **REPORT**

11. Financial Regulations (10.1) note "*Directors shall not cause or allow expenditure on a particular project to exceed its financial allocation unless a report explaining the variance has been submitted to and approved by the Cabinet ... in cases of urgency it shall be necessary to seek the approval of two members of the Cabinet subject to a report thereon being submitted to the next meeting of the Cabinet.*"

12. The delay involved in initiating the contract start, due to the need to obtain Cabinet approval, would have impacted upon the timescale in delivering the project - moving it from October 2017 to November 2017 and would have impacted upon the need to provide accommodation for under 3s in the Barrhead area, as part of the Early Years Change programme.

13. As consequence of the delay, coupled to the fact that the additional expenditure is the lowest available cost solution to delivering this early learning and childcare facility, the approval of Councilor's Green and Lafferty was sought and obtained, allowing Council Officers to approve the contract.

14. The proposed project will provide a 170 place Family Centre with shared community facilities including a hall, multi-purpose meeting/training rooms, facilities for external partners or other visiting professionals.

## **FINANCE AND EFFICIENCY**

15. The agreed budget of £4.88 million, along with the additional cost of £398,000 associated with the site contamination, increases the required budget to £5.28 million. This adjustment will need to be reflected in the 2017/18 Capital Plan.

16. There are no ongoing revenue costs associated with this report.

## **CONSULTATION**

17. Finance, Legal Services and Education have been consulted in relation to this report.

## **PARTNERSHIP WORKING**

18. There was no partnership working associated with this report.

## **IMPLICATIONS OF THE PROPOSALS**

19. There are no equality, legal, IT or HR implications arising from this report.

## **CONCLUSIONS**

20. In order to prevent a delay in awarding the contract, agreement was sought from 2 members of the Cabinet in accordance with the terms of Financial Regulation 10.1.

## **RECOMMENDATIONS**

21. The Cabinet is asked to note the decision to award an additional £398,000 funding for the new Auchenback Community Hub (Arthurlie Family Centre) subject to this adjustment being reflected in the 2017/18 Capital Plan.

Director of Environment

Report Author: Alan Hook, Principal Officer, Property and Technical Services (0141 577 3580) [Alan.Hook@eastrenfrewshire.gov.uk](mailto:Alan.Hook@eastrenfrewshire.gov.uk) and Phil Daws, Head of Environment (0141 577 3186) [Phil.Daws@eastrenfrewshire.gov.uk](mailto:Phil.Daws@eastrenfrewshire.gov.uk)

### Cabinet Contact Details

Councillor Jim Fletcher  
(Leader of the Council)

Home: 0141 639 0265  
Office: 0141 577 5107/8

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