

MAIDSTONE BOROUGH COUNCIL

COBTREE MANOR ESTATE CHARITY COMMITTEE

8 JUNE 2011

REPORT OF THE REPORT OF THE COBTREE OFFICER

Report Prepared by: Brian Latimer – Cobtree Officer

1. GARDEN COTTAGE – FINAL ACCOUNT

1.1 Issue for Decision

1.1.1 To consider and, if appropriate, note the final costs arising from the underpinning works at Garden Cottage.

1.2 RECOMMENDED

1.2.1 It is recommended that Members:

- (i) Note the final account for the underpinning works at Garden Cottage; and
- (ii) Note the additional costs which were required to be met from the contract contingency sum.

1.3 Reasons for Recommendation

1.3.1 At the meeting of the Committee on 9 March 2011 Members considered an exempt report on matters relating to the underpinning works required to Garden Cottage. It was resolved that the proposed action to be taken by officers in respect of a claim for additional costs relating to a revised method of piling be endorsed, and that a number of additional costs arising from the works be noted.

1.3.2 At that stage it was anticipated that the final cost of the project would be contained within the original estimate of £81,200.

1.3.3 Members will recall that the original budget was made up of the contract sum of £73,180, which included a contingency element of £10,000. Further costs included external consultancy fees (£6,805) and removal/storage costs (£1,167).

1.3.4 It was reported that since the commencement of the works a number of items had arisen which required Members attention and these have been dealt with in accordance with Members instructions.

1.3.5 The works have now been completed and a final account submitted. A comparison with the original budgetary provision is set out below for Members information:

<u>Item</u>	<u>Original Estimate</u>	<u>Final Account</u>	<u>+/-</u>
Contract Sum	63,180	63,180	0
Contingency	10,000	7,515	-2,485
Consultant Fee	6,805	6,745	-60
Storage and Removal	1,166	3,454	2,288
	81,151	82,120	-257

1.3.6 The additional works which required use of the contingency sum were as follows:

Removal of asbestos	2328
Scaffolding to chimney	525
Replacement Heating Pump	294
Scaffolding for re-pointing	746
Alterations to front step	197
Internal investigation to damp wall	373
Replace flue terminal	192
Repair kitchen window	120
Additional making good perimeter walls	1176
Additional making good for decorating	363
Replace ceilings	625
Lining of walls for decorating	385
Replace kitchen mixer tap	115
Gulley Repairs	75
	7,515

1.3.7 The major area of discrepancy between the original estimate and the final account relates to removal and storage costs; this was due to confusion in interpreting the original quotation and a longer period of storage than anticipated.

1.3.8 It is recommended that Members note the content of the final account.

1.3.9 Members should further note that the above figures do not include any reference to the claimed increase in costs for the revised method of piling; a claim which the Council continues to dismiss as invalid.

1.4 Alternative Actions and Why Not Recommended

1.4.1 The alternative course of action would be to dispute the additional costs met from the contingency sum, but this is not recommended as the required works were necessary and only identified as the contract progressed.

1.5 Impact on Charity Objectives

1.5.1 The above works have no direct impact on the objects of the charity; however, the Charity does have an obligation to maintain its assets in good tenable order.

1.6 Risk Management

1.6.1 The only remaining risk relates to the disputed claim for additional costs associated with the revised method of piling. It is considered very unlikely that the contractor could substantiate the legitimacy of his claim.

1.7 Other Implications

Financial	<input checked="" type="checkbox"/>
Staffing	<input type="checkbox"/>
Legal	<input checked="" type="checkbox"/>
Social Inclusion	<input type="checkbox"/>
Considerations for Disabled Persons	<input type="checkbox"/>
Environmental/Sustainable Development	<input type="checkbox"/>
Community Safety	<input type="checkbox"/>
Human Rights Act	<input type="checkbox"/>
Procurement	<input type="checkbox"/>

1.7.1 The additional costs have been contained within the contingency sum.

1.7.2 There is no obligation on the Charity to meet the additional cost for the revised piling system.

Background Documents

NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED

Is this a Key Decision? Yes No

If yes, when did it appear in the Forward Plan? _____

Is this an Urgent Key Decision? Yes No

Reason for Urgency