
Report To:	Environment & Regeneration Committee	Date:	7 June 2012
Report By:	Corporate Director Environment, Regeneration and Resources and Chief Financial Officer	Report No:	R249/12/AF/sm
Contact Officer:	Andrew Gerrard	Contact No:	01475 712456
Subject:	Regeneration Capital Programme 2012/13 to 2015/16 - Progress		

1.0 PURPOSE

- 1.1 The purpose of the report is to update the Committee in respect of the status of the projects within the former Regeneration Capital Programme and to highlight the overall financial position.

2.0 SUMMARY

- 2.1 This report advises Committee in respect of the progress and financial status of the projects within the former Regeneration Capital Programme.
- 2.2 It can be seen from the table that the projected spend is £62.587m, which means that the total projected spend is on budget.
- 2.3 Expenditure is currently 3.55% of 2012/13 projected spend and no slippage is currently being reported.
- 2.4 The Capital reports reflect the Committee structures existing prior to the recent re-organisation. As the new Committee structures have now been confirmed it is intended that a single, consolidated report will be presented to future Committee meetings

3.0 RECOMMENDATION

- 3.1 That Committee note the progress on the specific projects detailed in Appendix 1.
- 3.2 That Committee approve the report on over expenditure on the Beacon Theatre detailed in appendix 2.

4.0 BACKGROUND

- 4.1 In February 2011 the Council agreed a three year Capital Programme covering the period 2011/14. The Government has subsequently announced 2014/15 Capital Grant allocations and in February 2012 the Council agreed both to extend the Capital Programme to include financial year 2014/15 and to fund a number of additional Capital projects from available reserves.
- 4.2 It should be noted that the 2011/12 expenditure is now included in prior year spend and that the year end process is still ongoing. Therefore, the 2011/12 outturn is subject to change.
- 4.3 The Capital reports reflect the Committee structures existing prior to the recent re-organisation. As the new Committee structures have now been confirmed it is intended that a single, consolidated report will be presented to future Committee meetings

5.0 PROGRESS (major projects)

- 5.1 Gourock Pier and Railhead Development Area: The current Gourock project proposals were approved by the Regeneration Committee on the 27th October 2011 and approved by the Policy and Resources Committee on the 15th November 2011. A Public consultation process on the updated proposals took place on the 13th December 2011. Work has commenced on site to form a temporary car park on the grass area to the south of the current Network Rail Car Park. This will create approximately 47 additional temporary car parking spaces.
A separate report appears elsewhere on the agenda which outlines the recent consultations and gives recommendations as to how to progress the project.
- 5.2 Sports & Pitches Strategy: Design teams have been appointed for all the major projects within the Sports and Pitches Strategy. Various projects are now complete. Completion of Gourock Pool is imminent. Ravenscraig Stadium (main stand refurbishment) is now complete and tenders have been issued for the new running track. Parklea Pitches phase 3 has been handed over and Parklea Pitches Phase 4 is about to be handed over. Poor weather has identified some additional work which requires to be carried out and this will be carried out by Grounds Services. Parklea Phase 5 (Community Sports Facility) is also approaching completion with final services connections now made and commissioning being carried out. Tenders for Nelson Street Sports Centre Refurbishment have been issued. The planning application for Rankin Park Grass Pitch and Pavilion has been made. Works on the first phase (roofing works) and second phase (internal refurbishment) at the South West Library are nearing completion.

In terms of the Financial Management of the programme, Phase 2 of the Parklea Development has now been settled with an underspend of £90,000. This has resulted in the Leisure Strategy contingency increasing to £125,000 from £35,000. As Gourock Pool and Parklea Pavilion approach completion work is ongoing to reach agreement with the contractors on the Final Accounts. It is anticipated that Parklea will be settled within budget, resulting in an underspend, but that further additional funding will be required for Gourock Pool. Full details will be presented to the next meeting of the Committee.

- 5.3 Beacon Theatre: This Horizon Project has an approved budget of £2.00m. An additional £0.50m was approved by Council (12/02/2009) from revenue reserves (CFCR). The Arts Guild was awarded £0.378m by the Big Lottery in late May 2010. Works commenced on site on the 22 November 2010. The project was delayed by 6 weeks at the start of the project due to inclement weather and underground obstructions encountered which disrupted piling operations. Further delays have occurred and completion is due in September 2012. The Superstructure is complete and internal fitting out works are progressing.

An approach to the Council was made by the Arts Guild regarding an additional funding

contribution resulting from various issues arising on the project. The Policy & Resources Committee at its meeting on the 27th March 2012 approved additional funding of 50% of the additional cost up to a maximum of £250,000 subject to a more detailed report being considered by the Environment and Regeneration Committee. This report is appended as appendix 2.

- 5.4 Asset Management Plan – Offices: The Customer Contact Centre at Greenock Municipal Buildings is due to open imminently and the landscaping works to Clyde Square are well progressed. The demolition works at Wellington Academy and Highholm Primary are complete. Design works are progressing on the Central Library Conversion and the planning application has been resubmitted. Works to convert the Business Store are complete. Design works have commenced for the refurbishment of Wallace Place.
- 5.5 Asset Management Plan – Depots: Substantial ground investigation works have been completed at Pottery Street and design works are progressing. Tender documentation for the Salt Barn will be issued imminently. Surveys and investigation works for the upgrading of the Kirn Drive Civic Amenity Site have been commenced.
- 5.6 Lunderston Bay Rangers Station and Public Toilet: Tender documents have been returned and a building warrant and landlord consent are awaited prior to a letter of acceptance being issued.
- 5.7 Port Glasgow Town Hall: Tenders for electrical upgrades will be issued soon. Design works for the refurbishment of the reception area are well advanced. Design works for the refurbishment of ground and first floor toilets have commenced.
- 5.8 Inverkip Community Centre: Site investigation works are ongoing. Initial design works have commenced.
- 5.9 Please refer to the status reports for each project contained in Appendix 1.

6.0 IMPLICATIONS

- 6.1 The figures below detail the position at 18th May 2012. Expenditure to date (to period 1) is £0.343m (3.55% of the 2012/13 projected spend).
- 6.2 The current budget is £62.587m, made up of £12.600m supported borrowing, £45.634m prudential borrowing, £4.353m CFCR and nil grant funding. The current projection is £62.587m which is on budget.

<u>Service</u>	<u>Approved Budget</u> <u>£000</u>	<u>Current Position</u> <u>£000</u>	<u>Overspend / (Underspend)</u> <u>£000</u>
Regeneration & Planning	22,934	22,934	-
Property Assets & Facilities Management	38,544	38,544	-
Community Investment Fund	1,109	1,109	-
Total	62,587	62,587	-

- 6.3 The approved budget for 2012/13 is £9.664m. The Committee is projecting to spend £9.664m, with no slippage/rephasing into future years.

7.0 CONSULTATIONS

- 7.1 There are no direct staffing implications in respect of the report and as such the Head of Organisational Development, HR and Communications has not been consulted.
- 7.2 There are no legal issues arising from the content of this report and as such the Head of Legal and Democratic Services has not been consulted.

8.0 LIST OF BACKGROUND PAPERS

- 8.1 Property Assets and Facilities Management Capital Programme Technical Progress Reports May 2012 (a technical progress report is a project specific report which details the financial and progress position for current projects which have a legal commitment).

9.0 EQUALITIES

- 9.1 There are no equalities implications in this report.

COMMITTEE: ENVIRONMENT & REGENERATION

APPENDIX

Project Name	1 Est Total Cost	2 Actual to 31/3/12	3 Approved Budget 2012/13	4 Revised Est. 2012/13	5 Actual to 31/04/12	6 Est 2013/14	7 Est 2014/15	8 Est 2014/15	9 Start Date	10 Original Completion Date	11 Current Completion Date	Status
Regeneration and Planning												
Supported Borrowing												
Gourock Pier & Railhead Development Area (includes £300k funded from CFCR)	2600	726	100	100	0	1774	0	0	Mar-10	tba	tba	
Regeneration of Port Glasgow Town Centre (funded from CFCR)	1000	160	190	190	0	650	0	0				
Regeneration and Planning Supported Borrowing Total	3600	886	290	290	0	2424	0	0				
Prudentially Funded												
Leisure Strategy												
Ravenscraig Stadium Refurbishment	1756	1489	201	180	15	87	0	0	Apr-11	Jan-12	Feb-12	Stadium refurbishment complete. Tenders issued for renewal of track.
Parklea Pavilion and Juniors Facility	4791	4076	705	615	0	100	0	0	Apr-11	Aug-12	Jun-12	Phase 2 Infrastructure Works complete. Phase 3 Grass Pitches - complete. Phase 4 Pitches - complete. Phase 5 Community Sports Facility - the building is complete with final services connections and commissioning ongoing. Phase 6 Remedial Works - complete.
Rankin Park Grass Pitch and Pavilion	1400	94	506	527	16	729	50	0	Jul-12	Dec-12	Jun-13	Planning application has been submitted. Design progressing. Tender issue for phase 1 (grass pitch and entrance works) expected imminently.
Rankin Park 5-a-side Facility	2250	0	0	0	0	0	2250	0	tba	tba	Sep-12	Tenders issued.
Neilson Street Sports Centre Refurbishment	600	42	458	508	0	50	0	0	Jun-12	Mar-13	Sep-12	Phase 1 Roof Works and Drainage - 90% complete. Phase 2 Windows/Internal Refurbishment - commenced. Phase 3 External Works - tender issue imminent.
South West Library Refurbishment	315	138	162	162	0	15	0	0	Jan-12	Sep-12	Sep-12	Design to be commenced following agreement of site location.
New Community Facility Wellington (includes £200k CFCR)	700	0	50	50	0	600	50	0	tba	tba	May-12	Completion imminent. Minor internal finishing work to be completed. Commissioning to be carried out.
Gourock Pool Refurbishment	1959	1244	616	656	216	59	0	0	Oct-10	Dec-11	May-12	Design to be commenced following agreement of site location.
Waterfront Ice Rink	100	0	0	0	0	100	0	0				Design commenced
Pitches Strategy	140	0	130	130	0	10	0	0	tba			Complete
Birkmyre Drainage	125	0	0	0	0	125	0	0				
Leisure and Pitches Contingency	2698	2599	99	99	0	0	0	0				
Leisure and Pitches Complete on Site	2500	0	0	0	0	0	2500	0				
Gourock One Way System	19334	9682	2927	2927	247	1875	4850	0				
Regeneration and Planning Prudentially Funded Total												
Grant Funding												
None	0	0	0	0	0	0	0	0				
Regeneration and Planning Additional Funding Total												
Regeneration and Planning Total	22934	10568	3217	3217	247	4299	4850	0				
Property Assets and Facilities Management												
Supported Borrowing												
Property Assets Allocation - Previous Years	55	8	90	47	3	0	0	0	Apr-11	Mar-11	Mar-13	GMB HR offices complete. GMB 2nd floor Ladies toilets - complete
Office Accommodation Allocation 2008/09	229	195	17	34	0	0	0	0	Apr-11	Mar-12	Mar-12	Necessary works following from statutory inspections - ongoing.

COMMITTEE: ENVIRONMENT & REGENERATION

APPENDIX

Project Name	1	2	3	4	5	6	7	8	9	10	11	Status
	Est. Total Cost	Actual to 31/3/12	Approved Budget 2012/13	Revised Est. 2012/13	Actual to 31/04/12	Est. 2013/14	Est. 2014/15	Est. 2014/15	Start Date	Original Completion Date	Current Completion Date	
	£000	£000	£000	£000	£000	£000	£000	£000				
Energy Compliance Works 2011/12	100	25	75	75	0	0	0	0	Apr-12	Dec-11	Aug-12	Electrical upgrades to town hall foyer- tenders returned additional funding being sought from IL.
Fire Risk Assessment Works 2011/12	254	150	110	104	0	0	0	0	Apr-11	Mar-12	Mar-12	Various projects complete.
Inverclyde Leisure Essential Upgrades 2011/12	50	7	43	43	7	0	0	0	Jan-12	Mar-12	Jun-12	Various upgrades at Gourcock Pool being progressed in conjunction with Inverclyde Leisure
Farms Essential Maintenance 2011/12	70	13	57	57	0	0	0	0	Apr-11	Mar-12	Mar-13	Various works complete. Further schemes (including rewiring) being developed
Property Assets Allocation 2012/13												
Health and Safety Works	278	0	215	227	0	51	0	0	Apr-12	Mar-13	Mar-13	Various works being progressed.
DDA Works	170	0	130	140	0	30	0	0	Apr-12	Mar-13	Mar-13	Various works being progressed.
Fire Risk assessment Works	149	0	110	120	0	29	0	0	Apr-12	Mar-13	Mar-13	Various works being progressed.
Minor Works	108	0	80	80	0	28	0	0	Apr-12	Mar-13	Mar-13	Various works being progressed.
Reservoirs	50	0	40	40	0	10	0	0	Apr-12	Mar-13	Mar-13	Ongoing remedial works.
Demolitions	50	0	40	40	6	10	0	0	Apr-12	Mar-13	Mar-13	Octavia Community Hall demolished. Works progressing at Whinhill Golf Club, Murlieston Cottage and Chalmers Street.
Inverclyde Leisure Essential Upgrades	50	0	50	50	0	0	0	0	Apr-12	Mar-13	Mar-13	Various upgrades at Gourcock Pool being progressed in conjunction with Inverclyde Leisure
Farms	25	0	25	25	0	0	0	0	Apr-12	Mar-13	Mar-13	Various works being progressed.
Paths	20	0	20	20	0	0	0	0	Apr-12	Mar-13	Mar-13	Works at Gourcock Park being progressed.
Design and Pre-contract Allocation	50	0	50	50	0	0	0	0	Apr-12	Mar-13	Mar-13	Various feasibility being progressed.
Sea Defences	50	0	40	40	7	10	0	0	Apr-12	Mar-13	Mar-13	Works complete at Cove Road. Tenders returned for works at Battery Park.
Indicative Provision 2013/14 & 2014/15												
General Provision	2000	0	0	0	0	1000	1000	0				
Contribution to Watt Complex Refurbishment (includes £1000k CFOR)	4000	0	100	100	2	1150	2750	0				
Inverkip Community Facility and Library Fit Out (includes £650k CFOR)	1250	0	200	200	1	700	350	0				
Greenock Town Centre (funded from CFOR)	250	0	200	200	1	50	0	0	Apr-12	Jun-12	Jun-12	Works to Clyde Square commenced
Port Glasgow Town Centre, Refresh of Port Glasgow Town Hall (funded from CFOR)	250	0	200	200	0	50	0	0	Jun-12	Mar-13	Mar-13	Design works commenced
Arts Guild	2500	2459	41	41	0	0	0	0	Nov-10	Jun-12	Sep-12	Superstructure complete. Internal fit-out progressing. Currently 75% complete.
(includes £500k Capital Financed from Current Revenue)												
Property Assets Supported Borrowing Total	12008	2857	1933	1933	27	3118	4100	0				
Complete On Site												
Supported Borrowing												
Complete on Site Allocation	36	0	36	36	0	0	0	0				Estimate for settlement of final accounts for completed projects.
Complete on Site Supported Borrowing Total	36	0	36	36	0	0	0	0				
Prudentially Funded												
Asset Management Plan												
Offices												
Greenock Municipal Buildings	2479	1883	467	467	51	129	0	0	Dec-10	Jan-12	Jun-12	Facade Retention and Customer Contact Centre enabling works complete. Customer Contact Centre main contract - completion imminent.
Greenock Municipal Buildings Balance	2521	0	0	0	0	2421	100	0				
Gourcock Municipal Buildings	300	0	0	0	0	300	0	0				
Port Glasgow Hub	200	0	0	0	0	200	0	0				
Wellington Academy/Highholm Primary Demolition	342	161	161	161	0	20	0	0	Jan-12	Mar-12	Apr-12	Complete
Wallace Place	1500	3	247	247	0	1150	100	0	Oct-12	Sep-13	Sep-13	Structural investigations and asbestos surveys underway. Design commenced.
Business Stores	400	84	16	16	6	250	50	0	Jan-12	Jan-12	Jan-12	First phase (Alterations to Business Store) complete

COMMITTEE: ENVIRONMENT & REGENERATION

APPENDIX

1	2	3	4	5	6	7	8	9	10	11	Status
Est Total Cost	Actual to 31/3/12	Approved Budget 2012/13	Revised Est 2012/13	Actual to 31/04/12	Est 2013/14	Est 2014/15	Est 2014/15	Start Date	Original Completion Date	Current Completion Date	
£000	£000	£000	£000	£000	£000	£000	£000				
3600	207	1043	1043	2	1950	400	0	Oct-12	Jul-13	Jul-13	Design works on revised scheme are progressing. Planning application has been resubmitted
West Stewart Street Lease Expiry	0	0	0	0	0	0	0				
Balance	43	43	43	0	500	0	0				
Depots											
Replacement Depot	256	1644	1644	9	9500	1600	0	Jun-12	Jan-14	Apr-14	Ground investigations completed. Design works progressing. Salt Barn tenders will be issued imminently.
Kim Drive Civic Amenity Site	1	649	649	0	50	0	0	Jul-12	Nov-12	Mar-13	Site investigations progressing. Design works commenced.
Devol - Building Services Depot	300	0	0	0	300	0	0				
Ingleston Street Dilapidations	500	0	0	0	0	500	0				
AMP Offices Complete on Site	15	0	0	0	0	0	0				
Prudentially Funded Total	26500	4270	4270	68	16870	2750	0				
Property Assets and Facilities Management Total	38544	6239	6239	95	19988	6850	0				
Community Investment Fund											
Supported Borrowing											
Lunderston Bay Visitor Facility (includes £203k funded from CFCR)	1109	879	208	1	22	0	0	Jun-12	May-12	Aug-12	Tenders returned. Awaiting building warrant.
Community Investment Fund Supported Borrowing Total	1109	879	208	1	22	0	0				
Environment & Regeneration Total	62587	16914	9664	343	24309	11700	0				
Summary Per Funding Source											
Supported Borrowing	12600	3632	1704	28	4514	2750	0				
Prudentially Funded	45634	12292	7147	315	18595	7600	0				
Grant Funding	0	0	0	0	0	0	0				
CFCR	4353	990	813	813	1200	1350	0				
Environment & Regeneration Total	62587	16914	9664	343	24309	11700	0				

Appendix 2

Beacon Theatre

Report on Over Expenditure.

Introduction.

The Construction of the New Beacon Theatre and Arts Centre is a major project for the Arts in Inverclyde. The Contract was awarded to Graham Construction Ltd in the amount of £7,830,575. Together with Fees, furniture and other costs the total cost of the project was £9,374,833. Inverclyde Council is supporting the Project in the amount of £2,500,000. Other Major Funding Partners are Creative Scotland, Riverside Inverclyde and the Big Lottery Fund.

The project contained contingency allowances amounting to £464,250 or 5.9% of the contract sum.

Current Position

The project is now approaching completion, with handover anticipated at the beginning of September. The latest cost report anticipates an overexpenditure of £300,992. The contractor, as is usual in these circumstances considers that he is due substantially more than this and protracted negotiations are anticipated before the final Account is agreed.

Because of the anticipated overexpenditure the Arts Guild approached its major funding partners for assistance in meeting the shortfall. This request was considered by the Policy and Resources Committee at its meeting on 27th March and the Committee agreed to make available funding of up to £250,000, being 50% of the Funding requested from the Council and Riverside Inverclyde. The request for up to £500,000 was on the basis of the overspend being no less than the £301,000 estimated by the Arts Guild's Quantity Surveyor but potentially being higher dependant on negotiations with the contractor. The Council's contribution will therefore be somewhere between £150,000 and £250,000.

Detailed Position

The major elements which have led to the overspend are as detailed below:

- | | |
|---|----------|
| • Amount of reinforcement bar in excess of Pre contract estimate | £124,000 |
| • Additional substructure costs due to site conditions | £ 44,000 |
| • Additional piling costs | £ 15,000 |
| • Alterations to fall restraint system to comply with current legislation | £ 17,000 |
| • Alterations to stage floor | £ 12,000 |
| • Additional Reglit wall panels | £ 33,000 |
| • Alterations to Structural frame | £ 52,000 |
| • Additional perforated aluminium sheeting | £ 41,000 |

• Additional Insulation	£ 30,000
• Alterations to Services Installation design	£ 60,000
• Additional acoustic Pad Connectors	£ 23,000
• Postformed holes in concrete	£ 10,000
• Trickle vents to windows	£ 10,000
• Architects instructions less than £5,000 each	£162,000
• Allowance for Loss and Expense Claim	£ 82,000
• Remaining contingency allowance	£ 50,000
Total	£765,000
Less Original Contingency allowance	£464,000
Estimate of Overexpenditure	£301,000