
Report To:	Environment and Regeneration Committee	Date:	14 January 2016
Report By:	Corporate Director Environment, Regeneration & Resources	Report No:	ENV/002/16/AF/FM
Contact Officer:	Aubrey Fawcett	Contact No:	01475 712762
Subject:	Addendum - Riverside Inverclyde Project Update		

1.0 PURPOSE

- 1.1 The purpose of this addendum report is to advise Committee of additional costs relating to the Gourrock Municipal Buildings referred to in Item 4 on the Agenda.

2.0 SUMMARY

- 2.1 As Riverside Inverclyde's lease negotiations progressed with both Inverclyde Council and the sub tenants, ri and IC jointly commissioned Ryden LLP to inspect the premises and report on the general condition of the external and internal building fabric in respect of the proposed Lease between The Inverclyde Council and Riverside Inverclyde (Property Holdings) Limited.
- 2.2 Riverside Inverclyde (Property Holdings) Limited are considering entering in to a Lease with Inverclyde Council for a period of 20 years with an entitlement to extend a further 10 years. Riverside Inverclyde (Property Holdings) Limited are considering entering into a lease with a sub-tenant.

3.0 CONDITION UPDATE

- 3.1 The report highlights a number of issues relating to the external fabric and rot that Ryden recommend are required to put the premises in to good and substantial repair prior to ri entering into a Full Repairing & Insuring lease. The works are much more extensive than was originally envisaged by the Refurbishment Design Team when they initially surveyed the building 18 months ago. Ryden's indicative costings estimate £176,000 of works are anticipated of which £86,000 are already contained within the refurbishment specification. This leaves a shortfall of approximately £90,000.
- 3.2 The defects that exist can be attributed mainly to disrepair affecting the roof coverings, rainwater conductors and masonry which have caused water ingress, dampness and what appears to be prevailing condensation.
- 3.3 Ryden recommend that works are carried out to strip and re-slate the full roof rather than the patch and repair that was originally envisaged, replace rainwater goods and repair leadwork. Stonework is in poor condition in places and suitable repair and replacement, with re-pointing should be carried out. Fabric repairs will need to be carried out in conjunction with dampness and timber decay investigation and remedial works with associated making good of internal finishes prior to refurbishment works.

4.0 CONCLUSION

- 4.1 RI's Property Asset Management Team Leader has met with IC's Property Assets Manager and both are in agreement that it would be appropriate to do this extensive level of repair before the building is occupied. However as the building is shortly to be refurbished there is no scope for the Council to undertake these repairs prior to the refurbishment works starting.

- 4.2 It is proposed that the additional works are included in the refurbishment contract and that the additional costs of £90,000 are funded from the Asset Management Plan's Office Balance budget.

5.0 FINANCE

- 5.1 £600,000 has been committed to this project to date, £300,000 from ri and £300,000 from the Office Rationalisation Funding Model, both of these sums are included within the Single Operating Plan.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
AMP (Capital)	Gourock Municipal Buildings	2016/17	£90,000		
AMP (Capital)	AMP Office Balance	2016/17	-£(90,000)		

Ongoing costs

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if applicable)	Other Comments
n/a					

6.0 RECOMMENDATION

- 6.1 It is recommended that Committee approves the additional budget allowance of £90,000.

Aubrey Fawcett
Corporate Director, Environment, Regeneration and Resources