

 Executive – 10 October 2012		Agenda Item No. 5
Title		Use of G4 powers for Chase Meadow Community Centre funding
For further information about this report please contact		Andrew Jones Deputy Chief Executive 01926 456830 andrew.jones@warwickdc.gov.uk Debbie Cole Organisational Development Officer 01926 456854 debbie.cole@warwickdc.gov.uk
Wards of the District directly affected		Warwick West
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?		No
Date and meeting when issue was last considered and relevant minute number		n/a
Background Papers		Note for Group Leaders – Chase Meadow Community Centre - Appendix 1 High Level Project Programme – Appendix 2
Contrary to the policy framework:		No
Contrary to the budgetary framework:		No
Key Decision?		No
Included within the Forward Plan? (If yes include reference number)		No
Equality & Sustainability Impact Assessment Undertaken		N/A
Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive		Chris Elliot
Deputy Chief Executive and Monitoring Officer		Author
Head of Service		Susie Drummond
CMT		Chris Elliott, Andrew Jones, Bill Hunt
Section 151 Officer		Mike Snow
Finance		Mike Snow
Legal Services		
Portfolio Holder(s)		Cllr Moira-Ann Grainger (Ward Councillor for Warwick North)
Consultation & Community Engagement		
A project board has been established which includes Chase Meadow residents and a member of the Parochial Church Council		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1 The purpose of this report is to advise members of the use of the Chief Executive's G4 powers of the Constitution to permit funds of £215k to be used in respect of the development of the Chase Meadow Community Centre.

2. RECOMMENDATION

- 2.1 That Executive notes the Chief Executive's use of delegated G4 powers of the Constitution for the purposes of permitting funding for the Chase Meadow Community Centre development.
- 2.2. That Executive notes that due to the use of the Scape framework for the delivery of the project, absolute cost certainty will not be known until December 2012 and consequently the Section 151 Officer is not able to sign-off a definitive budget at this time (see minute no. 50 of August Executive).
- 2.3 That Executive notes that if cost certainty in December shows that the cost of the project cannot be contained within the project budget then a further report will be presented to Executive outlining the implications for the project and detailing how the Chase Meadow Community Centre Ltd group will source any shortfall of funds.

3. REASONS FOR THE RECOMMENDATION

- 3.1 The Scheme of Delegation, contained within the Council's Constitution provides for the Chief Executive (and in their absence the Deputies) to have authority to: 'deal with urgent items that occur between meetings, in consultation with the relevant Deputy Chief Executives, Heads of Service (if available) and Group Leaders (or in their absence Deputy Group Leaders) subject to the matter being reported to the Executive at its next meeting'. [CE(4)]
- 3.2 The August 2012 meeting of the Executive approved an additional recommendation:

"That the Chief Executive, in consultation with the Group Leaders, be allowed to execute his G4 powers of the Constitution to permit funds to be used up to a maximum of £200,000, if it was found to be necessary due to the tight timescales involved."
- 3.3 Due to tight timescales relating to the Sports England funding for the project the Chief Executive used this delegated power to seek approval for funding of £215,000 to bridge the budget deficit for the development. A Note for Group Leaders was provided to clarify the situation and seek agreement for the funding (**attached at Appendix one**).
- 3.4 The delegated powers were executed on Tuesday 28 August 2012. The Council's Constitution requires a report to be brought to the next Executive Committee setting out the action taken and the reasons for this. Reporting timetables have meant this is the first Executive to which a report could be submitted.
- 3.5 Recommendation 2.2 of this report asks Executive to note that absolute cost certainty will not be known until early December 2012. The Council is using a Scape framework, to procure professional services for the Project including; architect, quantity surveyor, structural engineer, building services engineer,

CDM coordinator. (Use of the Scape framework to procure contractors complies with the Code of Procurement Practice, as the framework has been procured according to the Public Contracts Regulations 2006.) Through the Scape framework Faithful and Gould (Project Consultants) have provided the Council with a high level feasibility cost estimate in August 2012 which estimates that the build costs (minus on-costs) for the Project range from approx £1,100,000 - £1,115,000. Before construction can start on site Faithful and Gould will agree cost certainty with Morgan Sindall, the builder. ("Cost certainty" means a firm price for the total construction costs and it is needed to enable the costs to be managed within a project budget.)

- 3.6 To reach cost certainty Faithful and Gould will split the total construction project into a number of work packages and then instruct Morgan Sindall to provide a tender price for each package. The price for each package is evaluated by Faithful and Gould and challenged where appropriate, thus ensuring that the prices represent value for money. This needs to be a thorough and comprehensive exercise in order that an accurate cost is identified. The current programme shows that it will take approximately six weeks to complete this work which means that completion of the tender packages will be completed at the start of December 2012. It is at this point that the Section 151 Officer will be able to sign-off a definitive budget. A high level programme for the work is attached at **Appendix 2**.

- 3.7 The August Executive report agreed the following:

"That Executive approves the purchase by the District Council of the land shown on the plan as Appendix 1 for £30,000, subject to the construction of the proposed Chase Meadow Community Centre being achievable within the agreed budget as agreed with the Section 151 Officer."

For the reasons outlined above in 3.6 and 3.5 this recommendation is not currently achievable.

- 3.8 Members should understand that costs as estimated by Faithful and Gould in August may differ to the price to be provided in December once cost certainty has been achieved. If the project cost in December cannot be contained within the project budget a further report will be presented to Executive. Members are also reminded that CMCC have been informed that should costs escalate further they will need to seek the additional funding from other sources.
- 3.9 The financial exposure to the Council up until December 2012 will therefore be limited to approximately £10k for the enabling works. These are works which are required in order to secure the Sport England funding of £50k by complying with their requirement to start work by the end of September 2012.

4. **POLICY FRAMEWORK**

- 4.1 The use of delegated powers is as set out in the Council's Constitution, as is this retrospective reporting.
- 4.2 The provision of a Community Centre in Chase Meadow is consistent with the delivery of this Council's Vision for Warwick District to be a great place to live, work and visit. This community facility supports the Council's Sustainable Community Strategy as it will assist in building community cohesion as well as enhancing the health and well being of the District's citizens.

5. BUDGETARY FRAMEWORK

- 5.1 In August Executive had agreed that it would use the New Home Bonus Scheme funding that would be earned from the development still to take place from the Chase Meadow area. There is currently planning permission for c390 homes which are either not completed or not built. Based on 40% of the planned homes being "affordable", one year's allocation of New Homes Bonus alone would realise c£600,000.
- 5.2 At this point in time it is not possible to quantify when the New Homes Bonus from Chase Meadow will begin to be received. In the interim it is intended that the £215,000 will be financed from the currently unallocated 2013/14 New Homes Bonus of £818,000 with this being replenished once the New Homes Bonus from the Chase Meadow development is received.
- 5.3 Prior to August 2012 the Council had already committed £230,000 to the Project. This funding was to supplement £617,000 S106 obligations, £65,000 Church contribution, £70,000 Kestrel (developer) contribution and £163,000 community fundraising. £50,000 from Sports England is part of the funding. The additional £215,000 takes the Council's total contribution to the Project to £445,000.
- 5.4 In accordance with recommendation 4.3 of Appendix one (Note from Chief Executive to Group Leaders), CMCC have been informed that if there is any further cost increase then sources other than the District Council are sought to finance it. (A further report will be bought to Executive should the cost certainty in December show that the project costs cannot be contained with the newly agreed budget.)

6. ALTERNATIVE OPTION(S) CONSIDERED

- 6.1 The alternative option would have been not to have secured the additional funding using G4 powers prior to September Executive. This was discounted on the basis that it would have severely jeopardised the Council's ability to mobilise "enabling works" in time for the Sport England deadline (end of September) meaning that the funding might have been lost. In addition, losing the funding is likely to damage the relationship with Chase Meadow Community Centre Group who will be taking responsibility for running the centre in its early years of life.

7. BACKGROUND

- 7.1 The Chase Meadow community in South West Warwick will eventually consist of approximately 1500 dwellings. It has always been considered essential that there is a Community Centre on the estate to complement the current local facilities which include, shops, surgery, park and open space.
- 7.2 The Council has been working with local residents to develop the scheme and to raise funding. A Chase Meadow Community Committee (CMCC) Group is in place and will take responsibility for running the centre in its early years of life. A Project Board is in place. As the scheme design has evolved cost estimates have changed.

- 7.3 The current budget available for this project is c£1.4million. To date the Council has committed £445,000 to this project. This figure includes £215k agreed in August and £230k agreed previously. This funding supplements S106 obligations, contributions from the church and Kestrel (developer) contribution and community fundraising. £50,000 from Sports England is part of the funding. There is currently a deadline to the ability of the CMCC to draw down this Sports England funding.
- 7.4 Group Leaders will be aware that following discussion of the August Executive report on the proposed Community Centre at Chase Meadow it was highlighted that the outcome of the 'value engineering' assessment of the project's costs, undertaken by the Council's construction consultants, Faithful & Gould (F&G) in August had demonstrated a projected funding deficit of c£200,000.
- 7.5 The August meeting of the Executive consequently approved an additional recommendation that the Chief Executive be allowed to execute G4 powers of the constitution to permit funds to be used if necessary if the tight timescales required.