

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	COUNCIL	17 OCTOBER 2016	10

ACCOMMODATION PROJECT - PHASES 6 AND 7 WORKS

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

At its meeting of 26th September 2016, Finance and Democracy Committee received an update report on progress in delivery of the Accommodation Project. The Committee approved continuation of the works into Phase 6 (Council chamber, lobby and basement) and part of Phase 7 (1st floor of the Town Hall - internal refurbishment/redecoration/services upgrade including lighting) subject to Council approving the release of a number of earmarked reserves. This report therefore seeks the approval of Council to the use of several earmarked/general fund reserves to undertake the works.

RECOMMENDATIONS

1. That Council approves that monies from the following earmarked revenue reserves be transferred into the Accommodation Project Reserve to fund the works, with the balance of £151k to be met from General Fund Reserves in 2016/17:
 - The Land Charges New Burdens: £28k;
 - The Vehicle Maintenance Reserve: £127k;
 - The Vehicle Replacement Financing Reserve: £212k;
2. Note that, subject to 1 (above), the financing of the remaining phases of the Accommodation Scheme (currently shown within the approved Capital Programme as being by way of a capital receipt arising from the sale of the former public offices site) will be amended to show the increase in total project cost of £194k and the financing by the use of revenue reserves in the total sum of £518k as detailed in 1 (above).

SUMMARY OF PREVIOUS DECISIONS (only most recent)

Finance and Democracy Committee on 26th September 2016 resolved:

1. Approve the proposed works in relation to the Accommodation Project in the sum of £518k (that being £363k for Phase 6 (Option 2b) and £155k for part of Phase 7) and recommend to Council that monies from the following ear-marked revenue reserves be transferred into the Accommodation Project Reserve to fund the works, with the balance of £151k to be met from General Fund Reserves in 2016/17:

- The Land Charges New Burdens: £28k;
 - The Vehicle Maintenance Reserve: £127k;
 - The Vehicle Replacement Financing Reserve: £212k;
2. Approve a funded budget increase to the capital scheme for the Accommodation Project, currently within the approved Capital Programme for delivery in 2016/17, in the total sum of £194k (£67k for phase 6 of the scheme and £127k for phase 7 of the scheme) such that the revised total costs are £363k for phase 6 of the project and £475k for phase 7;
 3. Note that, subject to approval by Council, the financing of the remaining phases of the Accommodation Scheme (currently shown within the approved Capital Programme as being by way of a capital receipt arising from the sale of the former public offices site) will be amended to show the increase in total project cost of £194k and the financing by the use of revenue reserves in the total sum of £518k as detailed in 1 (above);
 4. Note that the remaining works relating to phase 7 of the Accommodation Project (in the sum of £320k) will see the entire Accommodation Project finally completed other than for any external landscaping works to the grounds; and
 5. Subject to the approval by Council of the transfer of reserves set out in recommendation 1 above, approve the letting of the main contract for the proposed works to F Parkinson Ltd Blackpool in the sum of £444,584, whilst noting that the cost of Phase 6 (option 2b) and phase 7 (1st floor) (including fees/surveys/furniture) is estimated to be £518,150 in total.

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services (Value for Money)	√
Delivering the services that customers expect of an excellent council (Clean and Green)	
Working with all partners (Vibrant Economy)	
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	
Promoting Fylde as a great destination to visit (A Great Place to Visit)	

REPORT

1. The Council has previously agreed the refurbishment of office/civic accommodation on the Town Hall/Chaseley site consisting of 8 phases of work. Progress with each of the phases is shown in table 1.
2. The Finance and Democracy Committee is the committee responsible for the delivery of the project and has considered several reports. The most recent report related to the funding and delivery of phases 6 and 7, which was considered by the committee on 26th September.

Table 1 – Town Hall accommodation project phases

Phase	Elements of work	Comments
1	Roof replacement	Completed March 2014
2	Window replacement and structural repairs	Completed July 2014
3	East Wing including lift, new protected stairway and office extension	Completed March 2016
4	Chaseley link bridge and protected stairway	Underway, due for completion October 2016
5	One Stop Shop & tourist information centre	
6	Council chamber, lobby and basement	Subject of this report
7	1 st and 2 nd floors of the Town Hall - internal refurbishment/redecoration/services upgrade including heating (new boilers) and lighting	
8	Car park, external works and landscaping	To be undertaken 2017/18 using existing capital/ revenue resources

3. As part of its decision the Finance and Democracy Committee made a recommendation that Council approve that monies from the following earmarked revenue reserves be transferred into the Accommodation Project Reserve to fund the works, with the balance of £151k to be met from General Fund Reserves in 2016/17:
 - The Land Charges New Burdens: £28k;
 - The Vehicle Maintenance Reserve: £127k;
 - The Vehicle Replacement Financing Reserve: £212k;
4. The Land Charges New Burdens Reserve was established in 2010/11 as a voluntary set-aside of grant received in 2010/11 towards potential third party claims in relation to historic Land Charge enquiries, and the reserve was topped up at outturn 2011/12. The legal process of settling the outstanding claims was concluded during 2016 and it is therefore recommended that the remaining balance in the sum of £28k is available for release.
5. The Vehicle Maintenance Reserve is a voluntary set aside created in 2008/09 to contribute towards the cost of vehicle maintenance repairs, and the reserve was topped up at outturn 2011/12. The balance on the reserve has remained at £127k since 2012 and there has been no need to draw on the reserve since then to supplement the base revenue budget for vehicle maintenance. Whilst the cost of vehicle maintenance in the current year to date is slightly overspent, this variance is more than offset by savings on fuel costs and it is anticipated that the overall expenditure on vehicles can be contained within the overall existing base budget this year. Some of the older vehicles currently in operation are due to be replaced in the coming months as part of the vehicle replacement schedule which will reduce the need for maintenance and it is therefore recommended that the balance on the reserve in the sum of £127k is available for release.
6. The Vehicle Replacement Financing Reserve was created in 2010/11. This is a voluntary set aside established to meet the cost of future debt repayments in respect of the replacement & purchase of vehicles. The reserve was created from the in-year underspend which occurred when the Council switched its method of vehicle financing from leasing to borrowing. It is not expected that the Council will revert to leasing vehicles in the foreseeable future and it is

therefore recommended that the balance on the reserve in the sum of £212k is available for release.

7. Members are asked to consider this recommendation and approve the use of above reserves to progress delivery of phase 6 and part of phase 7.
8. Funding for the remaining element of phase 7 (estimated at £320k) will be the subject of a further report to Finance and Democracy Committee in January. Meanwhile it is proposed that phase 8 will be undertaken using in house capacity and existing capital and revenue resources and would be commenced during the latter half of 2017.

IMPLICATIONS	
Finance	<p>The report requests approval for the transfer of monies from a number of earmarked and General Fund revenue reserves to the Accommodation Project Reserve in order to provide funding for the proposed works in the total sum of £518k, details of which are contained within the report.</p> <p>As a consequence of the above Members are asked to note: - that, subject to approval for the transfer of funding set out above, the financing of the remaining phases of the Accommodation Scheme, currently shown within the approved Capital Programme as being by way of a capital receipt (arising from the sale of the former public offices site) will be amended to show the increase in total project cost of £194k and the financing by the use of revenue reserves in the total sum of £518k as detailed in the report; and</p> <p>- that the remaining works relating to phase 7 of the Accommodation Project will be in the sum of approximately £320k and that a further report will be presented to the committee to address this matter in due course.</p>
Legal	None arising from this report
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	The outcomes of the project are intended to deal with previously identified health and safety risks

LEAD AUTHOR	TEL	DATE	DOC ID
Paul Walker	01253 658431	5 th October 2016	

LIST OF BACKGROUND PAPERS

Name of document	Date	Where available for inspection
Council, Cabinet, Portfolio Holder and Programme Committee reports and minutes	31 st August 2010 (Cabinet)	http://www.fylde.gov.uk
	15 th December 2010 (Cabinet)	
	16 th November 2011 (Cabinet)	
	15 th February 2012 (Cabinet)	
	26 th March 2012 (Council)	
	19 th June 2012 (PH Decision)	
	24 th September 2012 (Council)	
	3 rd December 2012 (Council)	
	16 th January 2013 (Cabinet)	
	10 th April 2013 (Cabinet)	
	2 nd July 2013 (Cabinet)	
	5 th March 2014 (Cabinet)	
	25 th June 2014 (Cabinet)	
	3 rd August 2015 (Finance & Democracy Committee)	
	30 th November 2015 (Finance & Democracy Committee)	
14 th December 2015 (Council)		
22 nd February 2016 (Finance & Democracy Committee)		
26 th September 2016 (Finance & Democracy Committee)		