

## REPORT OF CABINET

(Meeting held on 17 June 2002)

### 1. LOCAL INFORMATION OFFICE AND AFFORDABLE HOUSING AT STANNINGTON CAR PARK, ASHLEY ROAD/SPENCER ROAD, NEW MILTON (REPORT A) (MINUTE NO. 20)

Members have previously agreed proposals to provide new offices for the District Council, New Milton Town Council (NMTC) and Citizens' Advice Bureau (CAB) with 12 affordable flats controlled by Swaythling Housing Association at Stannington Car Park, Ashley Road, New Milton. A sum of £565,000 is available in the capital programme for the District Council's share of the cost of the scheme. NMTC has also made provision for a capital contribution towards the costs.

The lowest tender received, when compared to the estimate which was prepared in June 2001 and used for the budget process, showed that the cost of the office shell and office fit out costs had increased by £136,000 above the budget provided. Further analysis by the Quantity Surveyors indicated that the costs of the flats were on budget and all of the additional costs were being incurred on the office element of the building.

Officers and consultants agreed potential ways of reducing the costs of the scheme and the two lowest tenderers were asked to revise their tender figures accordingly. However, the lowest tender received is still £70,000 higher than the currently approved budget. It is estimated that £20,000 of the increased costs would be attributable to NMTC and they have agreed to increase their capital commitment to the scheme by this amount.

This leaves a shortfall of £50,000 and the Cabinet recommends that the budget provision for this scheme be increased by £50,000 to cover the additional funding required.

#### **RECOMMENDED:**

***That the scheme for the provision of new offices for the District Council, New Milton Town Council and Citizens' Advice Bureau (with 12 affordable flats controlled by Swaythling Housing Association) at Stannington Car Park, Ashley Road, New Milton be approved at a revised estimated cost of £755,000 to be funded by an additional £50,000 being included in the Capital Programme for 2003/2004 and an increased capital commitment from New Milton Town Council of £20,000.***

**Cllr S A Hayes  
CHAIRMAN**