

COUNCIL – 19 MAY 2014

WAIVER OF FINANCIAL REGULATIONS

- 1.0 In accordance with the Council's Financial Regulations, the officer appointed as the officer responsible for the proper administration of the Council's financial affairs ("the section 151 officer") may set aside the regulations if he/she considers it necessary. Any decision to suspend Financial Regulations must be reported to the Council.
- 2.0 This report sets out details of a decision taken by the Executive Director (s151 officer) in accordance with the above Financial Regulation and delegated powers to suspend the Financial Regulations to approve a supplementary budget of £134,000 for works to be undertaken to fabric repairs and business development at Applemore Health & Leisure Centre, the funding for which will be made available from asset management reserves. The approval was required urgently to enable contracts to be signed by 12th May and for work to commence by 16th June 2104.
- 3.0 The Council's approved Asset Management budgets for 2014/15 include monies for essential repairs and maintenance to the pool hall, drainage, replacement windows, external decoration and for the relocation and refurbishment of the gym area. It also includes budget for the construction of an outside play area for a pre-school group that operates from the centre. The total approved budget for the works was £532,000.
- 4.0 Tenders have now been received and evaluated. All of the 6 invited contractors returned tenders. The lowest valid tender was for £749,346 (+£14,006 non-contract commitments - Building Control fees, etc). No errors have been identified and discussions with the lowest tenderer and comparisons with the other tenderers' rates suggest that, in general, market rates have risen substantially since the tender estimate was prepared.
- 5.0 A review of the schedule of works was completed jointly by Property Services and Leisure & Employment staff and agreement has been reached on an adjusted project which will now exclude works to the outside play area (saving £38,000) and the deferral of office glazing works (saving £59,454) from the specification. The omissions agreed reduce the lowest tendered price to £651,892 (plus non-contract commitments £14,006), creating an additional budget requirement of £134,000 against the original 2014/15 budget.
- 6.0 The works include an extended closedown of facilities, including closure of the pool, and this has already been programmed. Not proceeding with the works would be detrimental from a property maintenance perspective and on centre users and operational employees, some of whom have agreed other commitments during the planned closedown period.
- 7.0 A full tender analysis report will be presented to the next Asset Management Group meeting on 22nd May 2014.

Further information:

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Background Papers:

Report "Application for waiver of Financial Regulations" dated 8 May 2014