

## CAPITAL PROGRAMME AND REVENUE PROJECTS UPDATE

REPORT OF: INTERIM HEAD OF CORPORATE RESOURCES  
Contact Officers: Vicky Reader (BUL for Corporate Estates and Facilities) 01444 477148  
Margaret Gates (Interim BUL for Housing) 01444 477042  
Wards Affected: All  
Key Decision: Yes  
Report to: Cabinet  
6 June 2022

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### Purpose of Report

1. This report introduces two new projects proposed to be added to the Capital Programme and Revenue Projects for 2022/23 and updates The Orchards – improved Toilet provision project.

### Recommendations

2. **Cabinet is asked to consider the projects and to recommend to Council for approval:**
    - (i) **the variations to the Capital Programme and Revenue Projects 2022/23 contained in paragraph 17 in accordance with the Council's Financial Procedure rule B3.**
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### Background

3. The Capital Programme and Revenue Projects for 2022/23, as approved at Council on the 2 March 2022, amounted to £4,128,000. This was increased by £1,138,000 to £5,266,000 as detailed in the Capital Programme Update report to Cabinet 21 March 2022, approved by Council on 30 March 2022. However, there are now two other projects that need to be added to the programme, as well as reporting an update for the 'Orchards – improved Toilet provision' project previously approved by Council on 30 March 2022. Further details are set out in the rest of this report.

### Swan Mead

4. Swan Mead is a Council owned former community facility built in circa 1960 and located at 105 Queen Street, East Grinstead that has been vacant since 2020. The property is located within the settlement boundary of the town and the intention is to redevelop the site to provide temporary accommodation for households who are unintentionally homeless.
5. The council over the past few years has purchased 25 houses and flats to help address and manage the issue and in addition to purchasing existing housing stock, the council has a desire to directly manage and fund the redevelopment of sites it owns, such as Swan Mead, for such a purpose.
6. The benefit to the council of delivering their own housing is that the units can be finished in line with the council's specification without the need to alter and improve, which has been the case when acquiring existing built housing stock. There are also further efficiencies with new housing from an energy performance perspective where the benefit can be passed straight onto the occupiers.

7. The project will also create a saving and an annual income for the Council against the cost of providing nightly paid guest house accommodation and should deliver a capital asset which is likely to increase in value over time
8. Concentrating 6 units in one block would also enable the Council to more closely manage the residents, particularly those with support needs, and the site is well located close to the Town Centre
9. The Council wishes to use the SCAPE framework to deliver the project and has sought expressions of interest from the two firms involved in this size of project. Morgan Sindall has provisionally been engaged and have undertaken an initial feasibility and cost plan study. The feasibility has provided high level overview for the site which could be redeveloped to provide 6-8 flats to the councils' agreed specification for temporary accommodation. The intention would be to include 1 or 2 units on the ground floor suitable for disabled occupants.
10. Based on the feasibility provided by Morgan Sindall it is anticipated that the total project cost including works, TA fees, design fees, planning and Building Regulation fees and other costs will be in the region of £1,500,000, subject to final design.
11. As part of the project, the council wishes to employ a Technical Advisor (TA) who will act on behalf of the council as Project Manager, Cost Advisor and Employers Agent for this project. The TA will convert the client project brief into a form of specification and advise on the design, costings, programme, contract documentation and contractual matters. The TA will be 'the eyes and ears' of the council through frequent site attendance during the proposed building works.
12. The proposed build utilises Modern Methods of Construction and the intention is that the council formally appoints Morgan Sindall from the SCAPE framework on a design and build contract. The TA will be required to have the relevant knowledge and experience of managing such projects. The TA will be expected to manage all aspects of the project, from initial planning right through to practical completion, handover and the end of the defects liability period, working in conjunction with appointed council officers.
13. The TA will create and maintain a project plan in accordance with the council's brief and provide regular feedback.
14. The Council has sought tenders for the TA role and wishes to commission Potter Raper, together with a budget figure of £50k to commence the project's first stage.
15. Once this first stage is completed officers will seek Cabinet approval to proceed and authorise the full project budget. The TA will then liaise with legal services to prepare the contract documentation in advance of appointing Morgan Sindall from the SCAPE framework.
16. Pre-planning work will be ongoing with the anticipation being that a full application be submitted before the end of October, with a planning consent in place by the end of the year.
17. As the proposal is to adopt Modern Methods of Construction there is an element of certainty around the associated costs and the timeframes to build as much of the build is completed off site and Morgan Sindall have provided a guide of 7 months to build out so the completed scheme could be delivered for July/August 2023.
18. The cost of this project totalling £1.5m will need to be funded from Capital Receipts. This is in addition to the previously reported Temporary Accommodation project sum of £2.8m.

## Bedelands Gypsy and Traveller Site

19. The aim of the project is to carry out essential repair works in order to help address health and safety risks on the site.
20. The project will commence in June once the repairs required to each pitch have been finalised. Residents will be consulted in July and tenders for the work will be issued in September and agreed before Christmas. Works will commence in the spring and complete in the summer of 2023. The accompanying justification statement contains more detail about the project.
21. The cost of this project totalling £500,000 will need to be funded from General Reserve.

## The Orchards – Improved Toilet Provision

22. The current Capital Programme includes £190,000 for 'The Orchards – Improved Toilet Provision' as detailed in the minutes of the Capital Programme Update report to Cabinet 21 March 2022. Since the approval in March further work on this project has firmed up costings.
23. The original reported cost was an early stage cost estimate. Further work to fully scope the project and produce a more detailed estimate indicated a total project cost of £196,500. This estimate was based on location to the rear of the Mountain Warehouse retail unit.
24. Planned relocation to the site of the existing public conveniences together with further firming up of costs is now indicating an estimate of £190,000 including the provision of temporary toilets whilst works are being undertaken.
25. Subject to planning consent being granted by the end of May, the project is planned to be completed by end of November 2022.

## Summary of Proposed Variations to the Capital Programme and Revenue Projects 2022/23

26. A summary of the proposed capital variations the 2022/23 programme are summarised in Table 1 below.

	<i>£'000</i>	<i>Ref</i>
<u>Capital Projects</u>		
Swanmead	£1,500	<i>Appendix A</i>
Total Capital Projects Variations	1,500	
<u>Revenue Projects</u>		
Bedelands	500	<i>Appendix A</i>
Total Revenue Projects Variations	500	

27. Taking into account the changes detailed above, the overall effect is an increase to the current programme of Capital and Revenue Projects for 2022/23 of £2,000,000 (of which £500,000 relates to a Revenue Projects). The total additional use of General Reserve will be £500,000 and the revised programme total for 2022/23 now stands at £7,266,000.

### **Policy Context**

28. The two projects to be added continue our work to improve housing options for the homeless and less advantaged within our community; being a policy objective of the Council for some time. This report also fulfils the requirement to update the capital programme prior to council approval.

### **Other Options Considered**

29. This is as set out within the report

### **Financial Implications**

30. These projects draw on the general reserve to differing degrees as set out within the relevant sections.

### **Risk Management Implications**

31. None.

### **Equality and Customer Service Implications**

32. None.

### **Other Material Implications**

33. None.

### **Sustainability Implications**

34. There are no sustainability implications as a direct consequence of this report.

### **Background Papers**

None

## Capital Project justification details

### Swan Mead Centre redevelopment

**Purpose of project :**

The aim of the project is to redevelop the site of the old Swan Mead Centre to provide accommodation for households to whom the Council owes a duty under the homelessness legislation to house. The benefits of the project include

- providing good quality accommodation in the District for households who we have a duty to house
- creating a saving and an income for the Council against the cost of providing nightly paid guest house accommodation
- delivering a capital asset which is likely to increase in value over time.

Concentrating 6 units in one block would also enable the council to more closely manage the residents, particularly those with support needs, and the site is well located close to the Town Centre.

**Total Amount : £1,500,000**

*Capitalised Salaries included in the project total : no*

*Other sources of funding:(ie s106/ big lottery etc) none*

*Revenue Implications: £98,550 pa saving against the cost of providing nightly paid guest house accommodation.*

**Value For Money Assessment:**

The project will create a saving for the Council against the cost of providing nightly paid guest house accommodation, an annual income and deliver a capital asset which is likely to increase in value over time

**Business Unit/Service :** Corporate Estates and Facilities

**Head of Service :** Interim Head of Corporate Resources

**Project Manager:** Chris Carey, Development Surveyor

**Cabinet Members:** Cllr John Belsey

**Ward Members :** Cllr John Dabell, Cllr Neville Walker

**This project contributes to achieving the Corporate Plan in the following ways:**

Effective and responsive services.

**Summary of discussions with Cabinet Member:** Cllr Belsey is supportive of the project.

There should also be a summary of the views of ward councillors where this is applicable.

**Previous Consideration at Scrutiny Committee :None**

**Risk Analysis :**

The risks associated with this project are similar to that of any construction project, being increased costs due to materials and labour inflation. These are to be mitigated through pre-let contracts and utilising specialist consultants to guide and oversee the works.

Project Title –Part 2 Responsibility of the Project Manager

**Responsibility of Project Manager declaration:**

In relation to the following project:

Name of Project: ...Swan Mead redevelopment.....

I certify to say I understand my responsibility as the Project/Budget Manager for the project, and that I have read and that I understand I must comply with both the Council's Financial Procedure rules and contract procedure rules throughout the entity of this capital project. I understand my responsibility to deliver the project as approved by Council as set out in Part 1 of this Project Justification Form.

I also understand that I should use the MSDC project and risk management methodology and covalent to scope, plan, risk assess and monitor progress in delivering this project. I understand my responsibility to report regularly on progress with the project to my head of service and to indicate as soon as possible if the project is likely to be over/underspent; or likely to fail to achieve key milestones; or, is no longer likely to achieve the benefits thsat were originally envisaged for it.

**Signed by Project Manager:.....Chris Carey.....**

**Name of Project Manager :...Chris Carey..... (print name)**

**Dated:.....25/5/22.....**

## Revenue Project justification details

### Bedelands G & T site repairs project

**Purpose of project :**

The aim of the project is to carry out essential repair works in order to help address health and safety risks on the site. These works will include

- ensuring that there is adequate distance between occupied caravans,
- reducing the fire risk posed by combustible structures and materials
- replacing boundary fencing between plots and around the site and some gates
- providing new WC arrangements on 3 pitches
- renewing areas of hardstanding
- upgrading drainage provision

**Total Amount : £500,000**

*Capitalised Salaries included in the project total : no*

*Other sources of funding:(ie s106/ big lottery etc): none*

*Revenue Implications: none*

**Value For Money Assessment:**

The Council needs to undertake the works in order to help address health and safety risks on the site

**Business Unit/Service** : Corporate Estates and Facilities but with Housing undertaking client liaison

**Head of Service** : Interim Head of Corporate Resources

**Project Manager:** Tony Johnson, Facilities Manager

**Cabinet Members** : Cllr Robert Salisbury/Cllr John Belsey

**Ward Members** : Cllr Anne Eves, Cllr Simon Hicks,

**This project contributes to achieving the Corporate Plan in the following ways :**

Effective and responsive services.

**Summary of discussions with cabinet member** : Both Cabinet Members are supportive of the proposals.

**Previous Consideration at Scrutiny Committee** : N/A

**Risk Analysis :**

Risks include tender sums coming in higher than budget – look for cost savings if possible, residents not agreeing to proposed works – address concerns during consultation, the 2 caravans needing relocating collapsing when moved – liaise with residents & caravan lease companies about the possibility of supplying a replacement in advance

Project Title –Part 2 Responsibility of the Project Manager

**Responsibility of Project Manager declaration:**

In relation to the following project:

Name of Project:.....Bedelands G & T site repairs project.....

I certify to say I understand my responsibility as the Project/Budget Manager for the project, and that I have read and that I understand I must comply with both the Council's Financial Procedure rules and contract procedure rules throughout the entity of this capital project. I understand my responsibility to deliver the project as approved by Council as set out in Part 1 of this Project Justification Form.

I also understand that I should use the MSDC project and risk management methodology and covalent to scope, plan, risk assess and monitor progress in delivering this project. I understand my responsibility to report regularly on progress with the project to my head of service and to indicate as soon as possible if the project is likely to be over/underspent; or likely to fail to achieve key milestones; or, is no longer likely to achieve the benefits thsat were originally envisaged for it.

**Signed by Project Manager:.....Tony Johnson.....**

**Name of Project Manager :..... Tony Johnson..... (print name)**

**Dated:.....25/5/22.....**

