



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET SEPTEMBER 2022
Report Number	AGENDA ITEM 9
Subject	CONSTRUCTION COST INCREASES FOR RISSINGTON ROAD CAR PARK IMPROVEMENTS
Wards affected	Bourton - South East
Accountable member	Cllr Mike Every – Deputy Leader and Cabinet Member for Finance Email: mike.every@cotswold.gov.uk
Accountable officer	Claire Locke Group Manager Tel: 01285 623427 Email: claire.locke@publicagroup.uk
Summary/Purpose	To appraise Cabinet of construction cost increases and seek a further funding allocation to enable works to proceed in the Autumn 2022.
Annexes	Annex A - breakdown of additional costs
Recommendation(s)	That Cabinet agrees to additional funding of £70,107 from the Capital Receipts Reserve to enable the planned works at Rissington Road car park, Bourton on the Water to proceed.
Corporate priorities	<ul style="list-style-type: none">• Delivering our services to the highest standards• Responding to the challenges presented by the climate crisis
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Chief Finance Officer Monitoring Officer Deputy Leader and Cabinet Member for Finance



I. BACKGROUND

- 1.1. In July 2021 the Council agreed to invest in improvements to the Rissington Road car park, Bourton on the Water. The Rissington Road car park requires significant improvement to improve the customer experience and to ensure compliance with industry standards. This car park is essential to the tourist trade and also accommodates several recycling bring banks for residents use.
- 1.2. At that time this project was estimated to cost £337,000 with funding allocated from the Capital Programme (£245,000) and the Parking earmarked reserve (£92,000).
- 1.3. Following the preparation of a detailed specification, the construction project was tendered, with bids received in November, following an extended tender period due to technical clarifications. The successful contractor was appointed in December and a work programme was discussed early in December/January 2022.
- 1.4. As the Car park is heavily used by tourists during the late spring and summer and the works would require a period of closure over a number of months. The Council instructed that works could not take place between April - September as closure would severely affect the tourist trade in this location and could result in inconsiderate parking on-street, affecting residents in the area.
- 1.5. Discussions with the contractor and the Council's agent concluded completion by early April was unlikely and therefore the Council agreed works should be delayed until the end of October.
- 1.6. Unfortunately during the period from contract award to-date, there have been a number of national and global factors which have seen material and labour prices rise substantially.

3. CONSTRUCTION COST INCREASES

- 3.1 The original contract price accepted by the Council was £365,506 inclusive of a 10% contingency sum. This was £28,506 higher than the allocated budget due to some changes to specification.
- 3.2 The Council has now received an updated price from its contractor McCanns, which initially requested an uplift in contract price of £65,012. Negotiation has seen that uplift reduce to £41,601 but it's unlikely this sum can be reduced further. The breakdown of this uplift is included in Annex A.
- 3.3 Officers have sought advice from the Procurement team and reviewed previous tenders. The contract price, when increased by £41,601, still remains the cheapest tender. It is likely that other contractors would also increase their prices. Retendering is highly unlikely to elicit any cheaper tenders and would delay the commencement of works in October. Proceeding with the current contractor will enable works to be completed within the Winter period.



- 3.4 The total price now is therefore £407,107 which requires an additional budget allocation of £70,107.

Original pre-tender estimate and budget approved	£337,000
Tender received November 2021	£365,506
Tender uplift August 2022	£41,601
Revised price	£407,107

4.0 FINANCIAL IMPLICATIONS

- 4.1 The increase in price of this project of £70,107 will be reflected in the updated Capital Programme and funded from the Capital Receipts Reserve.
- 4.2 The car park is expected to be closed for a period of five months between November 2022 and April 2023 whilst the works are undertaken. The closure will result in estimated lost car park income of £150,000. This will be included in the forecast outturn position for 2022/23. If savings cannot be found elsewhere, this will need to be funded from the general fund.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council owns the freehold of the car park and is responsible for its maintenance and repair. The Council may be liable for any accidents or damage incurred by pedestrians or vehicles which result from the car park being in poor condition.

6. RISK ASSESSMENT

- 6.1 There is a 10% contingency sum included in the original contract price. This sum is to cover any unforeseen works required once works commence and should not be used in part to cover cost rises pre-construction. If this contingency were to be used there is a risk costs rise further should unforeseen works then arise, requiring a further budget allocation.
- 6.2 Should these cost increases be agreed there should be no further rises as work is due to start in two months.

7. EQUALITIES IMPACT

- 7.1 Not applicable to this decision.

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS



- 8.1 The Council is installing Electric Vehicle Charging Points in the car park as part of its wider EVCP infrastructure project to support a modal shift to more sustainable forms of transport.
- 8.2 There are significant civil engineering costs required for this installation, due to the distance from the nearest electrical sub-station. This means that the current business case is profiled as having a net deficit of £10,479 over ten years. However, this deficit should be covered by the projected net profit at other EVCP sites. This is funded from a separate EVCP budget, not the Rissington Road improvements funding.
- 8.3 The EVCP infrastructure is viewed strategically as a wider network of EVCP needs to be installed to give drivers confidence to shift to electric vehicles. The current take up for electric vehicles nationally is exceeding that profiled, so that increased demand will strengthen the Councils business cases.

9. ALTERNATIVE OPTIONS

- 9.1 The contract could be retendered but it is very unlikely a cheaper tender would be received and it would delay commencement.
- 9.2 The Council could decide not to proceed with the improvement works however the condition of the car park will continue to deteriorate.

10. BACKGROUND PAPERS

- 10.1 Cabinet 13 May 2021 Minute 151 refers: Funding for Improvement Works to Rissington Road Car Park, Bourton-on-the-Water**

Council 14 July 2021 Minute 21 refers: Funding for Improvement Works to Rissington Road Car Park, Bourton-on-the-Water

(END)



Annexe A: Breakdown of additional costs

Description	Original stated uplift	Revised uplift	Reduction
Surfacing	£42,115.41	£27,261.88	£14,853.53
Material	£13,876.80	£6,395.84	£7,480.96
Plant	£3,597.79	£2,832.46	£765.33
Labour	£2,874.51	£2,874.51	Nil
Prelims	£2,547.45	£2,236.20	£311.25
Total			<u>£23,411.07</u>
<u>Previous Total Uplift</u>			£65,011.96
<u>Revised Uplift Figure August 2022</u>			<u>£41,600.89</u>
<i>Cost increase at point of procurement Nov 2021</i>			£28,506
<i>Total cost increase against budget</i>			£70,107