**TO: PEACE IV Reconnecting Open Spaces – Project Board**

**FROM: Martin Doherty Project Manager**

**Gerard Kennedy, Assistant Project Manager**

**DATE: 3rd February 2020**

**ISSUE: Project Finance Update Report**

**ACTION:**

1. **DECISION - The Project Board are asked to note the significant estimated cost overruns and to consider options at this point. SEUPB to confirm what action BCC must take to allow tender process to proceed.**
2. **DECISION - The Project Board to confirm fencing requirement to ravine based on above costs. To consider that Design Team have advised that anything above 1.2m in this area will restrict view and amenity of the new pathways.**
3. **The Project Board are asked to note the estimates provided in relation to whole life costs.**

**High Level Cost Plan**

This ‘High Level’ Cost Plan will be refined as appointments are made.

The current funding contributions are as follows:

Funding Table

|  |  |  |
| --- | --- | --- |
| **Funder** | **Amount** | **Description** |
| SEUPB | £3,067,000.00 | LOO Amount |
| SEUPB Additional Contribution | £185,000 | Additional funds agreed in principal – to be confirmed by Peace IV Secretariat |
| DfC | £504,098.00 | Springfield Dam works |
| DfC Additional | £150,000 | Additional Contribution |
| BCC | £300,000.00 | Contingency Amount |
| **Total** | **£4,206,098.00** |  |

Current BSND Estimate

|  |  |  |
| --- | --- | --- |
|  | **Project Area** | **Current Forecast** |
| Peace IV | Section 1 | £925,980 |
| Section 2 | £1,241,150 |
| Woodvale Avenue Gate | £52,840 |
| Section 3 | £308,640 |
| Springfield Park | £695,700 |
| Section 4 | £561,170 |
| Section 5 | £208,000 |
| **Subtotal** | **£3,993,480** |
| Enabling Works at Park | £21,780.40 |
| Surveys | £115,000 |
| Professional Fees | £451,870.33 |
| Statutory Charges and Land | £21,582.12 |
| **Subtotal** | **£610,232.85** |
|  | **Peace IV Total** | **£4,603,712.85** |
| Springfield Dam | Phase 1 Works | £423,095 |
| Professional Fees | £76,582.71 |
| Surveys | £59,739.03 |
| Risk/ Contingency | £94,681.26 |
| **Subtotal** | **£654,098.00** |
|  | **Total** | **£5,257,810.85** |

|  |  |
| --- | --- |
| **Current Project Estimate** | **£5,257,810.85** |

|  |  |
| --- | --- |
| **Overall Project Budget** | **£4,206,098** |

|  |  |
| --- | --- |
| **Projected Budget Overspend** | **£1,051,712.85** |

The above costs are indicative at this stage and are still subject to multiple competitive tender processes required for the scheme.

Following substantial review of the project costs, securing of an additional 185k from SEUPB the current estimate is **£1,051,712.85** over the total project budget of £4.206m shown in the funding table above. This is considered by the appointed design team and cost manager to be an accurate reflection of anticipated project costs at this stage but is subject to competitive tender processes and design development.

The risk cost for knotweed has been significantly reduced but unfortunately this has been offset by the indicative prices quoted for the significant signage requirement throughout the scheme in line with the required BCC specification.

**DECISION - The Project Board are asked to note the significant estimated cost overruns and to consider options at this point. SEUPB to confirm what action BCC must take to allow tender process to proceed.**

**Fencing to Section 2 – Options**

|  |  |  |
| --- | --- | --- |
| **Fencing Type** | **Length** | **Costs** |
| Chain link and hedge | 590m | £29,500 |
| 1.2m High Paladin | 590m | £44,250 |
| 1.8m High Paladin | 590m | £59,000 |
| 2.4m High Paladin | 590m | £76,700 |

**DECISION - The Project Board to confirm fencing requirement to ravine based on above costs. To consider that Design Team have advised that anything above 1.2m in this area will restrict view and amenity of the new pathways.**

**Whole Life Costs**

BSND have also been asked to undertake a Whole Life Cost estimation exercise for the scheme to allow C&NS to build in appropriate budget following the completion of the scheme and to allow comment on these costs. These Costs have now been finalised.

|  |  |  |
| --- | --- | --- |
| **Section** | **Year 1** | **30 year life cycle** |
| Section 1 | £61,700 | £1,709,118 |
| Section 2 | £110,800 | £3,033,983 |
| Section 3 | £31,500 | £589,885 |
| Springfield Dam | £141,400 | £3,230,505 |
| Section 4 | £44,500 | £1,180,197 |
| Section 5 | £21,000 | £572,498 |
| **Total** | **£410,900** | **£10,316,186** |

**The Project Board are asked to note the estimates provided in relation to whole life costs**.

Current appointments to date for Peace IV element:

|  |  |
| --- | --- |
| **Project Area** | **Subtotal** |
| Feasibility Study | £34,851.04 |
| Procurement Strategy | £3,700 |
| Springfield Park Design | £22,864.73 |
| McAdam Design | £226,560.00 |
| Bruce Shaw Naylor Devlin (BSND) | £58,280 |
| Topographical Survey  Section 1 & 2 | £16,500.00 |
| Contaminated Land Desktop Study | £2,300 |
| Archaeological Desktop Study | £3,650 |
| Bat Surveys | £7,805.20 |
| Ground Investigation | £28,317 |
| Branding Consultant | £24,745 |
| Topographical Survey  Section 3 & 4 | £6,090 |
| **Total** | **£435,662.97** |

Current appointments to date for Springfield dam (DfC funded):

|  |  |
| --- | --- |
| **Project Area** | **Subtotal** |
| Feasibility Study | £5,751.24 |
| Bat Survey | £1,439.80 |
| Bathymetric Survey | £500.00 |
| Design Fees | £ 66,541.02 |
| Site Investigation | £ 41,860.65 |
| Topographical Survey | £1,180 |
| Wintering Birds | £1,945.92 |
| OCEMP | £1,798.90 |
| Geotechnical Interpretation | £6,375.76 |
| Water Quality Testing | £2,950.00 |
| Drainage Survey | £3,462.00 |
| Enabling Works | £19,880.40 |
| Additional Bat Survey | £2,126.63 |
| Breeding Birds | £2,200 |
| Technical Note on Priority Habitat Survey | £940.93 |
| Invasive Species Management Plan | £1,884.64 |
| Contractor for Springfield Dam and Park | £1,101,100 (£695,700 SEUPB) |
| **Total** | **£1,261,937.89** |

**Expenditure & Funding Profile**

Individual Expenditure and Funding Profiles continue to be drafted for Springfield Dam & Peace IV elements of this project. These reflect the current financial positions outlined above and will continue to be monitored as the projects progress.

**Change Control**

No issues to report in the period

**DECISIONS REQUIRED:**

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