



**POLICY AND RESOURCES SCRUTINY COMMITTEE -  
29TH SEPTEMBER 2009**

**SUBJECT: RHYMNEY PUBLIC REALM WORKS CONTRACT - OVERSPEND**

**REPORT BY: DIRECTOR OF THE ENVIRONMENT**

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**1. PURPOSE OF REPORT**

- 1.1 In order to comply with Financial Regulations, this report is being presented to this committee to make Members aware that the final contract sum for public realm improvement works in Rhymney is 10% or more in excess of the original tender figure

**2. SUMMARY**

- 2.1 Section 28.05 of the Council's Financial Regulations states that the Policy and Resources Committee must be made aware of any contract that exceeds it's original tender figure by 10% or more. This is the case with Rhymney Public Realm Works Phase 4.

**3. LINKS TO STRATEGY**

- 3.1 Regenerating the county borough's town centres, including Rhymney, is one of the main priorities in the Council's regeneration strategy – "The Smart Alternative".

**4. THE REPORT**

- 4.1 In 2006/07, the Council's Urban Renewal Section was successful in securing funding from WAG's DE&T Division to improve the area adjacent to the library in Rhymney. Previously grant aid had been forthcoming to demolish a derelict building on this site. The funding from WAG allowed the Council to proceed with plans to develop this area into a public car park and to install better pedestrian communication links through to the Lawn Estate
- 4.2 Marton's Civil Engineering Ltd were duly awarded the contract (in compliance with the Council's Standing Orders for Contracts) to undertake these works, which were completed in 2007. A final account figure of £424,829.89 for the works undertaken has been agreed by internal Audit.
- 4.3 As a consequence of the final account figure being some 10% or more in excess of the original tender figure of £375,593.76 (difference £49,236.13), a report has to be put to the Policy and Resources Scrutiny Committee in order to comply with Financial Regulations, Section 28.05.
- 4.4 For information, the increase in costs are attributed to the following:
- i) Increased earthwork costs in the order of approximately £22,000
  - ii) Increases in wall construction costs of approximately £15,000 that are attributed to additional instructed works

- iii) Additional costs incurred in justified extension of time by contractor in the value of £12,000

## **5. FINANCIAL IMPLICATIONS**

- 5.1 The increase in the cost of the works has been fully covered by additional monies from WAG and from the Council's Urban Renewal's budget

## **6. PERSONNEL IMPLICATIONS**

- 6.1 None

## **7. CONSULTATIONS**

- 7.1 The Cabinet Members for Transportation and Planning, Regeneration and Finance have been consulted along with senior council officers. Any comments have been amalgamated into the final report

## **8. RECOMMENDATIONS**

- 8.1 It is recommended that Members note the contents of the report

## **9. REASONS FOR THE RECOMMENDATIONS**

- 9.1 To comply with Financial Regulations Section 28.05/

## **10. STATUTORY POWER**

- 10.1 not applicable

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Consultees: Stuart Rosser, Chief Executive  
Anthony O' Sullivan, Director of the Environment  
Nicole Scammell, Head of Corporate Finance  
Pat Mears, Chief Planning Officer  
Roger Tanner, Strategic Planning and Urban Renewal Manager  
Cllr R. Davies, Cabinet Member for Regeneration  
Cllr R. Gough, Cabinet Member for Transportation and Planning  
Cllr C. Mann, Cabinet Member for Finance, Resources and Sust.

Background Papers: None