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**SURESTART, 2A MCNAY STREET - ADDITIONAL CAPITAL EXPENDITURE  
ACCRUED BY THE PROJECT**

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**Responsible Cabinet Member(s) - Councillor Don Bristow,  
Resource Management Portfolio**

**Responsible Director(s) - John Buxton, Director of Development and Environment**

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**Purpose of Report**

1. To advise Cabinet of additional capital expenditure accrued as a result of the building development at SureStart, 2A McNay Street, Darlington.
2. To request the release of an additional £56,000 accrued by the project to be met via Corporate Capital Resources.

**Information and Analysis**

3. The secured Capital Funding and overall financing position in relation to the Sure Start development at McNay Street is as detailed below:-

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<b>Secured Funding</b>	
Sure Start - Original Funding for New Build	984
Sure Start - Refurbishment of Station Master House	66
Neighbourhood Nursery Initiative	56
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Total Funding	1,106
<b>Total Expenditure</b>	1,162
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Shortfall	56
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The original capital allocation for the SureStart building at McNay Street was £984,000. The Central SureStart Unit in London made this allocation in 2002. Within this figure is included the cost of the building, design of the facility, Project Management and Architect's fees.

4. On top of this capital allocation £66,000 has been spent refurbishing the Station Master's old house, which acted as a temporary base prior to the SureStart Local Programme moving into its permanent building. This figure included purchasing computers, fixtures and fittings etc.

5. Neighbourhood Nursery Initiative funding of £56,000 was also secured for development to the same building.
6. Within the original budget of the main SureStart facility the allocation for the Architect's and Project Management fees was allocated at an unrealistically low level of £30,000. During the lifetime the amount actually spent was £86,000, which has created a £56,000 shortfall.
7. The Building Design Services' original fee allocation was simply the balance of the original capital allocation less the tender figure from Walter Thompson Limited; it was not, in reality, a proper estimate.
8. The original £30,000 estimate only relates to 2.7% fee levels, which is way below cost. As an example, the fee bid based upon the new framework/partnership would be 10.45% - whereas the Building Design Services' actual fee level for the scheme was 7.8%, which is very competitive. Cabinet is, therefore, requested to approve £56,000 of Corporate Resources to allow the financing of the scheme to be completed.

### **Outcome of Consultation**

9. No consultation required in relation to this at this time.

### **Legal Implications**

10. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

### **Section 17 of the Crime and Disorder Act 1998**

11. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

### **Council Policy Framework**

12. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

### **Decision Deadline**

13. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

### **Recommendation**

14. It is recommended that Cabinet release Corporate Capital resources of £56,000.

## **Reason**

15. The recommendation is supported to allow the financing of the McNay Street facilities to be completed.

**John Buxton**  
**Director of Development and Environment**

## **Background Papers**

Accounting Records

Mark Matthews : 487718  
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