

DUNOON HOSTEL INCREASED COST OF FIRE SAFETY UPGRADING WORKS

1. SUMMARY

- 1.1 Following an inspection of Dunoon Hostel by Strathclyde Fire and Rescue under the terms of the Fire (Scotland) Act 2005 and the Fire Safety (Scotland) Regulations 2006 and the subsequent report and notice to comply, a report was put to the Executive at their meeting of 17th September 2007. This detailed the work required both to meet the fire safety matters and also deficiencies raised by the Care Commission. Meeting these requirements was complicated by the presence in the building of large amounts of materials containing asbestos. The amount of £1,213,000 was approved for the project
- 1.2 While the agreed funding covered the estimate of costs based on the best information available at that time, additional requirements were made later by Strathclyde Fire and Rescue. These included the provision of a sprinkler system, and the construction of enclosures round the existing fire escape stairs. The Care commission also revised some details of their requirements.
- 1.3 Tenders were awarded for the major contracts, comprising asbestos removal valued at £160,000 and the general upgrading works at £926,000. Further amounts have been committed on enabling works and professional fees. Work is underway and is on target for completion in January of 2009.
- 1.4 Once the asbestos removal contract was complete further additional work was identified.

2. RECOMMENDATION

- 2.1 Members are asked to approve the funding arrangements to cover the additional cost as set out in the conclusion of this report.

3. DETAIL

- 3.1 The Council's Facilities Services section in Dunoon are managing the upgrading works to the Dunoon School Hostel, and have reported increases in the estimated final cost of the main contract, and associated fees, amounting to some £225,000. These increases are due to a number of unexpected additional costs including:-

- Additional areas of Asbestos being discovered, with an increase in the corresponding areas to be reinstated.
 - The renewal of the plumbing (hot/cold water supplies and waste pipework) from all areas of the building, most of which was concealed, but was found to be in a very poor condition. The layout of the existing pipework failed also to reflect the current day requirements to minimise the risk of Legionella.
 - Repairs to the existing heating system, which only became apparent after the removal of asbestos lined casings.
 - Provision of additional pumps and storage tanks for the sprinkler system as a result of poor water pressure within the area.
 - Changes to the Care Commission requirements.
 - Additional fees, and sundry costs in relation to the extra work being undertaken.
- 3.2 The balance of the increased cost, amounting to £125,000 is due to the refurbishment works tender being in excess of the budget. This was as a result of increased requirements by Strathclyde Fire and Rescue. (These included a new Sprinkler system covering all areas of the building and enclosures to the existing fire escape stairs) together with the effect of inflation from the time the scheme was approved.
- 3.3 Savings have been investigated to offset the increases, but as a result of a rigorous cost trimming exercise prior to the issue of tenders, no further economies are now envisaged.
- 3.3 Given that the construction work is now well advanced, no further problems associated with the condition of the building are envisaged.

4. CONCLUSION

- 4.1 In order to successfully complete this project, additional funding of £350,000 has to be identified bringing the total project value to £1,560,000.
- 4.2 The block allocation for non Education work in financial year 2009/10 is £1,000,000. Current proposals for this allocation are unlikely to result the full use of the available finance. This situation arises as a result of current Service Reviews still having to be concluded. It is proposed, therefore, that £350,000 be vired to the Education block allocation for financial year 2009/10 to cover the full cost of the project.

4.3 It should be noted that taking into account the increased work, the project, even at the revised contract sum, is still considered to be good value for money.

5. IMPLICATIONS

Policy: Closure of the hostel could have an adverse effect on the Council's drive to sustain communities although this would be at least partially offset through the provision of additional school transport.

Finance: The additional capital funding will be covered by revisions to the programme.

Personnel: None

Legal: The Council has a general power to provide hostel accommodation. Failure to do so would disrupt the education of all resident children.

Equal Opportunities: Closure of any of the hostel could limit opportunities for children to participate in extra curricular activities

Director of Community Services

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