

## EAST AYRSHIRE COUNCIL

### HOUSING COMMITTEE - 25 JANUARY 2006

#### DEMOLITION AND ASSOCIATED LAND REHABILITATION WORKS AT RICCARTON WEST, KILMARNOCK

#### Report by the Executive Director of Development and Property Services

#### 1. PURPOSE OF REPORT

- 1.1 To advise members of the contractual overspend upon the above project.

#### 2. BACKGROUND

- 2.1 The contract for the works was accepted by the Council on 14 February 2005, in the sum of £305,917.40, and works commenced on site on 3 May 2005.
- 2.2 This contract is funded from Private Sector Housing Grant, awarded to the Council by the Scottish Executive.

#### 3. CONTRACTUAL OVERSPEND

- 3.1 On 1 April 2005, the duty on Land fill tax increased by £3.00 per tonne. Any such increase in taxation or government levy is borne by the contract, and is payable by the Council. The disposal charges for land fill material consequently increased for disposals after 1 April 2005.
- 3.2 On 15 July 2005, 10-16 Barnweil Road, Kilmarnock which formed part of the contract was fire damaged. Additional costs were incurred to demolish this property due to the overall programme of works being altered and the waste materials arising from the demolition now being re-classified as active waste, thereby incurring increased disposal charges.

#### 4. FINANCIAL IMPLICATIONS

- 4.1 Amount of Contract Acceptance £ 305,917.40

**ESTIMATED FINAL MEASUREMENT** £ 318,774.30

LESS:

Amount of Contract Acceptance £ 305,917.40

**ADDITIONAL COST** £ 12,856.90

Certain of the costs of additional work were contained within the Contract Sum due to savings elsewhere, however, the overall cost of the additional works

detailed above mean that the Contract Sum will be exceeded thus requiring formal approval.

- 4.2 The amount of Private Sector Housing Grant awarded for Demolitions during 2005/2006 amounts to £832,000.00. The overall cost of the works, inclusive of the cost of unforeseen items detailed at paragraph 3, is funded from the grant.

## **5. LEGAL POLICY IMPLICATIONS**

- 5.1 The Council is contractually bound to pay the Contractor for works instructed.

## **6. RECOMMENDATIONS**

- 6.1 It is recommended that members:
- (i) approve the additional expenditure as detailed in Paragraph 4.1;
  - (ii) otherwise note the contents of the report.

**James Lavery**  
**Executive Director of Development and Property Services**

9 January 2006

## **LIST OF BACKGROUND PAPERS**

NIL

For further information please contact Alan Paterson, Principal Quantity Surveyor, Technical Services, Department of Development and Property Services, on 01563 555249.