

WOLVERTON STATION FINANCIAL SUMMARY**Purpose**

The purpose of this report is to update the Audit Committee on the costs of Wolverton Station, updating the information presented to the Committee in March 2013.

Update to the Financial Position

In total the estimated cost of both phases 1 and 2 of the Wolverton Station works is £3.238m, this is a small increase from the position estimated in March 2013 (presented to Audit Committee on 10th April 2013), when the cost was estimated at £3.159m. It should be noted that this revised cost includes £48k of disputed payments, so the cost may reduce once this dispute has been resolved.

Annex A sets out the detailed schedule of payments compared to the estimated position in March 2013. This annex shows two main areas of additional cost:

- 1) Additional Manpower Fees – this reflects the need to retain the project manager for longer than expected, to support the resolution of the disputed costs with the main contractor. This was a complex and lengthy negotiation, which took longer than anticipated.
- 2) The potential additional cost to Sinclair Knight Merz, depending on the outcome of an ongoing dispute. This company delivered the design work for the project.

Phase 2 Work

The original contract was only for the phase 1 works. The phase 2 works were additional and covered by a separate contract. Additional resource was also allocated for the phase 2 works. The phase 2 works are as follows:

Contractor	Cost (£)
Manpower UK	35,614
Smiths Construction	2,009
Sinclair Knight Merz (Europe) Ltd	11,632
TK Civil Engineering Services Ltd	1,408
MFS Reprographics	100
Miletree Construction	242,030
Total cost	292,792

The budget for the phase 2 works was £400k, these works were delivered for £293k, an underspend of (£107k).

Summary Financial Position

The final price paid for the Wolverton Station construction contract was £1.825m, which was £725k higher than the original tender price. However, the scheme actually delivered included necessary works which were omitted from the initial contract.

While the exact cost of a well managed scheme is impossible to determine, the original full tender price, including the necessary works, had indicated a cost of £1.6m for the total works. It is therefore likely the work has cost £225k more than it may have done, if the original tender price had been accepted.

ANNEX A

Payments for Wolverton Station (phases 1 and 2) as at March 2014

Financial Year Suppliers Name	2008-09 £	2009-10 £	2010-11 £	2011-12 £	2012-13 £	2013-14 £	March 2014 Grand Total £	March 2013 Estimate £	Difference £
Mouchel Business Services Ltd	246,886	155,992	85,904	13,961	0	0	502,743	502,743	-0
Mouchel Rail Ltd	0	0	0	45,564	0	0	45,564	45,564	-0
Matchtech Group plc	0	5,400	0	0	0	0	5,400	5,400	0
Manpower Uk Ltd	0	0	0	0	35,827	18,574	54,401	19,547	34,854
Donaldson & McConnell Midlands Ltd	3,599	0	0	0	0	0	3,599	3,599	-0
Currie & Brown UK Ltd	0	0	0	12,128	6,750	0	18,878	18,878	0
BPR Architects Ltd	22,875	10,000	7,740	26,420	11,200	4,200	82,435	71,235	11,200
Allied Signs Ltd T/a	0	0	0	545	0	0	545	545	0
Network Rail	0	21,495	6,686	85,971	-6,540	7,212	114,824	114,943	-119
Principal Signs t/a Sign-A-Rama	0	0	0	0	385	0	385	385	0
Smith Construction Group Ltd	0	0	0	0	2,009	0	2,009	2,009	-0
The ReThink Group	0	0	0	44,342	0	0	44,342	44,342	-0
URS Scott Wilson Ltd	0	0	41,826	17,666	83,762	0	143,254	143,254	0
YJL Infrastructure Ltd (excluding VAT)	0	0	0	972,188	847,812		1,820,000	1,825,000	-5,000
Sinclair Knight Merz (Europe) Ltd	0	0	0	61,452	35,100	7,239	103,792	55,040	48,752
TK Civil Engineering Services Ltd	0	0	0	0	790	618	1,408	230	1,178
Aylesbury Mains						1,321	1,321	0	1,321
MFS Reprographics						100	100	0	100
(MKC) Project Managers Fees	0	20,655	17,952	911	33	0	39,551	39,551	0
(MKC) Legal Fees	0	0	8,079	1,342	1,380	0	10,801	10,599	202
(MKC) Planning Fees	0	0	170	0	0	0	170	170	0
(MKC) Design Fees	0	0	0	750	50	0	800	800	0
Miletree Constructure (Car Park Works)	0	0	0	0	63,178	178,853	242,030	255,370	-13,340
Yearly Total	273,359	213,542	168,357	1,283,240	1,081,736	218,116	3,238,351	3,159,204	79,147