

Durham Crematorium  
Financial Report No. 3

Element	Original Project Budget 01/12/10	Revised Project Budget 01/04/11	Variance	Spend to Date 14/04/11	Comments
Provision of New Cremators	1,298,115	1,298,115	0		
Builders Work in Connection with Cremators	13,000	6,500	(6,500)		Reduced as the floor ducts are now included in the Substructure
<u>Building Works</u>					
New extension					The predominant reasons for the large increase in cost of these elements are a significant increase in the size and cost of the foundations and significant cost increases in the drainage works. These extras could not have been envisaged at feasibility stage.
Service Yard and Access Roads	346,060	418,538	72,478	14,881	
External works and Drainage					
Internal Alterations					
Mechanical Installations	57,000	47,523	(9,477)		Savings have been made by re-using existing nearly new equipment
Electrical Installations	60,500	62,649	2,149		The main circuit boards have proved more expensive than estimated
Contractors Preliminaries	57,200	64,528	7,328		The estimate proved low when a detailed estimate was done.
Out of Hours working allowance	10,000	9,712	(288)		Minor savings from the estimate
Carpark and Road widening	192,300	170,549	(21,751)		Savings have been made in road cleaning, spec. & traffic magement
Provision of New Electric supply	65,000	71,355	6,355	37,689	The increase here is purely down to extra costs charged by the statutory power provider.
<u>Direct Payments</u>					
Signage and fire fighting equipment					Due to the nature of the site, the nearby trees & concerns regarding the presence of underground coal seams, further site investigation was ordered.
Planning and Building Control Fees	15,900	26,256	10,356	2,306	
Site Investigation					
Contingencies	74,750	21,900	(52,850)		The contingencies have been reduced in order to balance the costs and keep the works within budget. The contingencies are now very low and will need careful management
Design/Consultancy Fees	209,600	198,600	(11,000)	157,200	The design fees have been reduced to offset the increase in the site investigation costs.
Bond for; Payment for cremators prior to delivery	0	3,200	3,200		The manufacturers of the cremators required some payment for work prior to delivery to site. The bond is to safeguard the council funds. The cost of the bond is shared equally between the council and the cremator manufacturer.
	<b>2,399,425</b>	<b>2,399,425</b>	<b>0</b>	<b>212,076</b>	

General Notes

The project has not been procured by conventional tendering which would have resulted in additional costs and time implications for every variation from the tender position. By working with the in-house construction teams it is possible to work to an overall cash limited budget using value engineering to manage risks and variations. The current projections show the project is being managed and delivered within the overall budget allowed. The final size and complexity of the foundations, together with the increase in the cost of the drainage installations, has placed considerable pressure on the overall budget. This has meant that the project team have reviewed the initial estimates provided by Direct Services based on the full design/construction drawings to compensate for the increased cost impact. This has been done with the minimum of impact on the overall appearance and without any impact on the space and functionality of the extension, the refurbishment works, and the roads and car park. The team has endeavoured to find more cost effective solutions rather than to omit works.

However, a large portion of the contingency sum has been needed to balance the budget which will mean that any variations during construction will need to be kept to a minimum. The project team will continue to look for savings and will ensure that only essential extras are allowed.