

COMMUNITY HALL

Progress Report No 6.

1. All the Community Hall approvals were in place by 12th December - Planning on 19/11, Building Warrant on 12/12 and SEPA CARS licence on 15/12. A revised Form of Tender including the latest revisions was provided by the preferred contractor (Candid Construction (Scotland) Ltd.) on 09/12 on which our acceptance was based.
2. The Letter of Acceptance was issued to the Contractor on 11/12 in the amount of £338,350.20, which includes a provisional sum of £35,000 for the road and car park works. We have budgeted a further contingency of £15,000 against unforeseen road and car park works making a total budget for the build of £353,350.20. Professional fees and expenses are £44,555.
3. A site inspection with the Contractor and the Design Team was held on 12/12 and a formal Pre-start Meeting on 18/12. The Contractor will commence work on site between 06/01 and 13/01 for Completion by 30/05.
4. On 12/12 Brewin Dolphin were instructed to convert into cash £400,000 from our Investment Fund with the cash held on interest bearing deposit in their Money Market, a spread of cash investments, until required for payments to the Contractor. £35,000 has been drawn down to make good the payments to date of fees and expenses from the Restricted Fund account. These funds were in our account on 27/12.
5. Our HMRC Certificate for Zero-rated Building Work was issued to the Contractor on 19/12. Payments to the contractor will be made monthly in arrears with the first payment due in early February and monthly thereafter. A spend projection based on the Contractor's finalised programme will be issued to us shortly.
6. A new interest bearing charities current account for the Community Hall with Virgin Money is ready to be activated. A formal minute of agreement from the Board to set up the account is required by the Bank.
7. Two issues were raised during the joint meeting with the CC and these have been addressed. First, whether insurance can be taken out against default or bankruptcy of the Contractor. The advice is that a Performance Bond for this purpose should form part of the tender, is expensive, and generally applied only to larger projects. A credit check on the Contractor by a reputable credit agency is the preferred alternative. This is being progressed.

8. Secondly, how we hold our cash funds pending payments to the Contractor to ensure the £85K FSA compensation threshold is not breached. We have agreed with Brewin Dolphin the our cash will be distributed across their interest bearing Money Market until called forward.

RF for CHG

30/12/24