

7. REDCLIFFS/SUMNER COMMUNITY CRÈCHE RELOCATION

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The purpose of this report is to update the Board on the status of the relocation of the Redcliffs/Sumner Community Crèche (Crèche) and to recommend a way forward. This report is also being referred to the Property and Major Projects Committee for its decision.

BACKGROUND

Council staff have been endeavouring to assist with relocating the Crèche from its unsatisfactory temporary location since 1990. In 2001 the Council approved the allocation of \$300,000 for the Crèche's relocation after an initial application for \$647,000. The basis of this allocation was that:

- a) The Crèche is to be built on Council owned land; and
- b) The Crèche finds alternative means of funding the balance.

Since 2001, the Crèche has been applying for funding from a variety of funding organisations.

The Council resolved on 12 December 2001 to approve in principal the use of part of Barnett Park as the preferred site for the proposed new Crèche building, subject to an appropriate consultation process. As a result of the decision to use existing Council land, it was possible to reduce the funding requirements to \$445,000.

A Crèche Working Party was formed to determine an appropriate site on Barnett Park and to see this project develop to fruition. Seven sites have been considered. Six sites have been discounted on the basis of effects on the 'appeal' of the park, disruption to neighbours, overflow flooding effects from the stormwater drain and protection of park trees.

CURRENT STATUS

In order for the project to proceed to the stage of inviting tenders, it is necessary to have the complete funding package available.

Funding

Currently the project does have sufficient funds in order to proceed to the stage of actually building the Crèche. There are insufficient funds to provide new playground equipment, appliances and toys. Refer below for details.

Architect Plans

Architectural plans have been developed by Chris Hadlee. The floor area of the new building is 246m² and this will be sufficient for the Crèche to be licenced for 42 children. These plans have been used for the Resource Consent application. The architect still needs to prepare detailed documentation for the project.

Preferred Site

The present site is located in the northwest corner of Barnett Park. (Refer attached). The land is currently classified as Recreation Reserve and requires a change in classification to Local Purpose (Community Buildings) Reserve. In addition, the site is in part occupied by a set of old toilets, which will require demolition to accommodate the new building.

Council resolved at the March 2003 meeting that the site was appropriate. It also resolved that the toilets should be demolished and costs associated with writing off the current book value for the toilets be covered in the Parks Unit budget in the 2003/04 financial year.

A Resource Consent application for this project has now been lodged. As with the change in classification, this is a notified process. To date approaches have been made to adjoining property owners and no immediate objections have been obvious.

FUNDING

The budget estimate for the project, based on the concept plans, is \$445,000. The Council has committed \$300,000 to the project.

In committing \$300,000 to the project, the Council indicated that any shortfall required for the project was to be sought from alternative sources.

The Crèche Management Committee has approached a large number of funding organisations in order to meet the shortfall.

- (a) The Community Trust has already committed \$50,000 to the project.
- (b) Ministry of Education, Discretionary Capital Fund for Early Childhood (MOE). The Crèche Management Committee made an application for funding to the MOE General Fund in both 2001 and 2002. The Ministry advised the Crèche that its application was not successful. The Ministry has criteria it uses to rate applications for funding from the General Fund. This includes the level of Maori and Pacific Island representation, low socio economic demographic of neighbourhood, rural and isolated area and creation of new spaces. The Crèche scored poorly on all criteria.
- (c) Lotteries Commission. Lotteries funding policy does now not allow funding for building childcare facilities, but provides funding only for equipment up to the value of \$3000.
- (d) Crèche Fundraising. The Crèche also fundraised by way of sausage sizzles, movie nights, selling chocolate and holding raffles.

The Crèche has an investment account with J B Were to the value of \$69,000. It is proposed that this money is put towards the construction costs for the new building. The Crèche would defer the purchase of new playground equipment, toys and appliances.

Also, the Crèche is very well supported by parents and the general community who are prepared to contribute voluntary input of varying kind to reduce costs.

In summary, there is still a shortfall of \$26,000 for the project. The Crèche has made further approaches to the MOE for support and has been advised to make an application for funding to the MOE Health and Safety Fund on the grounds of the current unsatisfactory health assessment of the Crèche's temporary premises. This assessment has recently been undertaken by Crown Public Health. At this stage, staff from the Ministry have shown support for the application. The funding application to the MOE Health and Safety Fund is to be submitted in August 2003. A decision will be made in November/December 2003.

N.B. A Resource Consent is required in order to make the MOE funding application.

BUDGET

Current project estimate costs are summarised as follows:

Building cost estimate (QS)	\$349,000
Professional fees (incl Building and Resource Consent)	\$52,000
Car Parking	\$10,000
Landscaping/fencing	\$29,000
Toilet demolition	\$5,000
Total	\$445,000
Expenditure to date (design costs/consent fees)	\$8,400

Current Available funding:

Council funding (2002/03 financial year)	\$300,000
Community Trust funding	\$50,000
Crèche funding	\$69,000
Total	\$419,000
Shortfall	\$26,000

An independent building company has provided an estimate for construction of the building. The building company cost estimate to construct the building, based on the current design is as follows:

Building Company estimate	\$320,000
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By substituting this number with the QS number into the estimated project budget, we end up with a total budget as follows:

Total	\$416,000
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Proposed Project Budget Estimate	\$416,000
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NB The use of the Crèche funding is on the basis that the Crèche defers the purchase of:

- New playground equipment
- New appliances
- New toys

Building Costs

A review of the quantity surveyor budget estimate has been undertaken in order to validate the budget.

Current building rates (square metre rates)

a) Based on a building cost estimate of \$349,000	\$1,380
b) Site specific house (quality specification)	\$1,500 – \$2,400
c) Mass produced house (pick a plan)	\$900
d) Building rate (from Rawlinsons)	\$970 – \$1,170
e) Signature Homes (Crèche)	\$1,300

A Crèche is a specialist child care facility that requires additional features over and above that of a normal residential property. A summary of these features is as follows:

- Large open spaces require steel structure/frame to support the roof
- Additional toilets and toilet partitions
- Additional joinery (office benches, coat and bag storage)
- Additional plumbing for toilets and cleaners sink
- Additional heaters
- Additional extract fans/mechanical services
- All windows require safety glass (laminated or toughened)

The approximate cost for these items is \$55,000. If the cost of these additional items is taken out of the QS budget estimate, the resulting square metre rate is:

a) building rate (square metre rate)	\$1,195
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This compares very favourably with the information presented above - refer item b) above.

At this stage we have basic design information from the architect. Additional time needs to be spent by the architect to complete the detailed design phase of the work and produce documentation suitable for a builder to use for construction purposes.

Potential Savings

In addition to the review of the current estimates, consideration has been given to potential cost savings. These are identified as follows:

- (a) Use of Polytech labour and free paint to paint the facility
- (b) Use of local/parent labour or Lions to place plants etc
- (c) Review of potential 'free-issue' items (making use of Council and other buying power to achieve savings with carpets, appliances, light fittings etc)

PROGRAMME

The following is a proposed programme for the next stages of the project. It is suggested that a firm programme be completed at the stage of receiving tenders.

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| 1. | Obtain Resource Consent and Building consent | August 2003 |
| 2. | Complete detailed design/tender documentation | July 2003 |
| 3. | Obtain tenders for building construction | August 2003 |
| 4. | Council approval to proceed with construction | September 2003 |

DESIGN

The current design produced by architect Chris Hadlee has been reviewed in conjunction with the Ministry of Education crèche regulations (Early Childhood regulations – Education 1998).

The design meets the criteria of the Ministry of Education regulations as efficiently as possible. The design represents an efficient utilisation of space in achieving the needs of the staff and the children who will occupy the building.

It is recognised that the architect has considerable experience in the design of crèche facilities and that the design for such facilities is a specialised area of expertise in the architectural fraternity.

The design/build option has been reviewed. The following comments are made in relation to this:

- (a) The design of a crèche is a specialist skill
- (b) Money has already been spent on producing a design that meets the Ministry of Education requirements and is also extremely efficient

NEXT STEPS

The project can be progressed to the stage of constructing a new building. There are insufficient funds to complete the project in terms of supplying the additional equipment needed. The project needs to be progressed to the stage where all funding sources have been explored. In order to progress any funding application with the Ministry of Education a Resource Consent is required.

Therefore it is proposed that:

- (a) A Resource Consent process continue on the basis of the design currently in place
- (b) Progress with detailed design documentation on the basis of obtaining tenders for the new building
- (c) The Crèche pursues a funding application with the Ministry of Education, via the Health and Safety Fund, for the shortfall in funding
- (d) The Crèche makes use of existing equipment (playground equipment, toys, appliances) until it has accumulated sufficient funds to replace them

CONCLUSION

The proposed siting of the Crèche upon the northwest corner of the park adjacent to the Cave Terrace/Main Road corner has been approved by the Council.

The Crèche has applied for alternate funding from different sources and has succeeded in obtaining \$50,000 from The Community Trust. The Crèche has decided to put its current available funding towards the construction of the new building.

Total funding to date is insufficient. In order for this project to be completed additional funding of approximately \$25,000 will be required. The Crèche needs to pursue this additional funding through an application to the Ministry of Education. A decision on any additional funding from the Ministry of Education will not be known until November/December 2003.

The construction phase of the project can proceed at this stage. The following items should be progressed:

- (a) Obtain a Resource Consent for the project.
- (b) Complete the land designation process.
- (c) Complete tender documentation.
- (d) Obtain tender prices for the building

It is recommended that a selected tender process be used to obtain prices for the construction work. The selected tenderers are to be reported to the July Property and Major Projects Committee meeting.

Staff

Recommendation: That the Board recommend to the Property and Major Projects Committee:

1. That the application for Resource Consent continue in order that the Crèche can submit an application to the Ministry of Education for additional funding of \$25,000.
2. That the Property and Major Projects Committee:
 - (a) Approves the project budget of \$416,000
 - (b) Agrees to proceed with seeking tenders for the construction of the new building
 - (c) Requests that staff continue to look at all options to reduce the cost of the project and report back on these options
 - (d) Requests that the current budget provision of \$300,000 be carried forward to the 2003/04 financial year

Chairperson's

Recommendation: That the recommendations be adopted.