

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Council: 25 January 2012

Subject: General Services Capital Budgetary Control Report: Period 8 (2011/12)

1. Purpose of Report

1.1 The purpose of this report is to update Council on the General Services Capital plan for 2011/12.

2. Background

2.1 The 2011/2012 General Services Capital Programme was last reported to Members at the Council meeting on 21 December 2011, with an updated planned spend of £24.698m.

2.2 Since the December report was prepared there have been new resources identified within Housing, Environmental and Economic Development (which have a nil effect on the net capital budget) relating to major road works. The project affected by the new resources is marked on the attached appendix by an asterisk.

Funding reported to Council 21 December 2011	£24.698m
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New Contribution Funded Projects

Clydebank Transport Hub	£0.850m
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Revised capital plan	£25.548m
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2.3 The General Services revised capital plan has now been updated to take account of 2011/12 likely capital spend and income and slippage identified to be carried into 2012/13.

2.4 This report therefore details the estimated probable income and expenditure against the various budget headings up to 30 November 2011.

3. Main Issues

Annual Projected Position

3.1 The financial management code of practice states that from period 8 all budgetary control reports will be prepared on a probable outturn basis and that reported variance will be calculated by comparing actual spend to date against probable outturn to date.

- 3.2** The attached appendix details the probable outturn for resources and expenditure (both totalling £17.779m) and summarises both the actual resources achieved and expenditure incurred to date.
- 3.3** These figures have been adjusted for spend which is likely to slip from 2011/12 into 2012/13 which reduces the anticipated spend in the current year by £7.769m, from £25.548m to £17.779m per the attached appendix. The requirement to carry forward slippage will have a nil impact on 2012/13 as it will be fully funded by matching 2011/12 resources that will be also be carried forward into 2012/13.
- 3.4** An explanation of the material movements between annual budget and probable outturn is detailed in paragraph 3.6 below.
- 3.5** The 2011/12 overall predicted favourable variance (£7.769m) has been analysed by one of two categories (overspend/saving and slippage). All variances over £100,000 are due to slippage and an explanation of these variances is given below:

(a) Reprovision of Auchentoshan (£0.350m)

Spend on this project has been delayed due to delays in finding a suitable venue to host the service. Consultation is due to take place in February 2012 which will give carers and clients an opportunity to give a view as to whether the Council should proceed with plans for the redesign of Skypoint.

(b) Dalmuir Park Restoration Project (£0.510m)

This budget comprises match funding against a successful Heritage Lottery bid. The main contract work is due to start in March 2012 which has resulted in a requirement to carry forward the majority of the 2011/12 budget into 2012/13. The funding from Heritage Lottery has not yet been included within General Services anticipated resources at present but will be incorporated into 2012/13 as appropriate.

(c) Local Economic Development (£0.248m)

Work was undertaken in the early part of 2011/12 to develop a new economic development Strategic Plan for the period 2011-16, the detail of which has enabled officers to prepare an action plan based on a number of key priorities. While a number of significant projects have been identified, they will not be fully spent prior to 31 March 2012.

(d) Knowle Burn Flooding (£2.041m)

Procurement of the contract has been delayed due to the need to obtain a controlled activities regulations (CAR) licence from the Scottish Environmental Protection Agency (SEPA), expected to commence in 2012/13.

(e) Fire Risk and Remedial Works (£0.145m)

This budget relates to ongoing statutory requirements of the Council in relation to fire safety. This is a significant body of work that has stretched resources in terms of contract preparations and management, the impact of which is that there are still a number of properties that require fire remedial works and, as such, this work will be ongoing through 2012/13.

(f) Artizan Bridge Joint Replacement (£0.401m)

Work on this project has been delayed to ensure there is no conflict with the pipe band championship scheduled for May 2012.

(g) Civic Heart Works (£0.732m)

This project is running behind schedule at the moment due to unforeseen work stoppages arising from asbestos. The contractor has been asked to provide the Council with a revised programme of works clearly showing the revised project end date identifying where the programme has been modified to make up time, however the indication by the contractor is that the project may over-run by 17 weeks with the contract end date being mid-April. It is, therefore, hoped that an official ceremony to hand keys over to the Council can take place in mid/late April, however, the facility is not likely to be open to the public until June 2012.

(h) Pitch/Recreation/Sporting Facilities (£0.400m)

This budget comprises match funding against an application that has been made to Sportscotland. The outcome of the application is anticipated to be announced in February/March 2012 which has resulted in a requirement to carry forward the majority of the 2011/12 budget into 2012/13. No resources have been included within General Services anticipated resources at present but will be incorporated into 2012/13 if successful.

(i) Regeneration Works (£0.978m)

General proposals for the use of this fund were agreed by the HEED Committee on 8 June 2011, where the Executive Director of Housing, Environmental and Economic Development was granted delegated authority to progress general regeneration projects based on relative priorities across West Dunbartonshire. While no specific projects have as yet been identified as appropriate to be funded from this budget, some spend has occurred in 2011/12 in relation to community play areas with future commitments for work on the Moss of Balloch and toilets at Balloch.

(j) Spend to Save (£0.598m)

The slippage identified above relates to the funding that Members previously approved as earmarked for spend to save projects. At this time £0.524m remains unallocated to specific projects and therefore will be unspent as at 31 March 2012.

(k) Modernisation Fund (£1.031m)

The majority of the slippage identified above is £0.920m related to the wind turbine project. Details of this project were initially contained within the Securitisation Report, as reported to Members on 29 June 2011, where officers were instructed to develop a detailed Implementation Plan with a report coming back to a future Council meeting.

Year to Date Position

- 3.7** Resources achieved to date total £6.441m. When compared to the probable outturn to date of £6.418m this indicates a favourable variance of £0.023m (0.4% of the year to date probable outturn) indicating that the General Services is on target to meet, and in fact is likely to exceed, the probable outturn.
- 3.8** Expenditure incurred to date totals £6.921m. When compared to the probable outturn to date of £6.947m, this indicates an underspend position currently of £0.026m (0.04% of the year to date probable outturn). There are no major variances between actual and probable.
- 4. People Implications**
- 4.1** There are no people implications.
- 5. Financial implications**
- 5.1** A detailed exercise reviewing the probable outturn on spend on the General Services Capital Programme to 31 March 2012 has now been completed and reduces the anticipated spend in the current year by £7.769m, from £25.548m to £17.779m. This will have a nil impact on the 2012/13 programme as slippage is fully funded from carried forward resources
- 6 Risk Analysis**
- 6.1** The main risks are as follows:
- (a) As a consequence of current market conditions, capital receipts may either not be received or they may be less than anticipated.
 - (b) The present variance should be viewed in the knowledge that there are a number of factors which could arise between now and 31 March 2012 which could affect the year end spend.
- 7. Equalities Impact Assessment (EIA)**
- 7.1** No equalities impact assessment was required in relation to this report.

8. Strategic Assessment

- 8.1** The Council has identified four main strategic priorities for 2011/2012, namely Social & Economic Regeneration, Financial Strategy, Asset Management Strategy; and Fit for Purpose Services.
- 8.2** The General Services capital plan contributes to both Social & Economic Regeneration and the Asset Management Strategy in relation to regeneration and marketing of West Dunbartonshire Council, infrastructure, attainment and achievement, modern schools and care homes amongst others.

9. Conclusions and Recommendations

- 9.1** An additional £0.850m of new funding has been identified and added to the budget for 2011/12 in regard to the Clydebank Transport Hub.
- 9.2** Actual resources received are higher than the probable outturn to date by £0.023m, while actual spend is lower than the probable outturn to date by £0.026m, however this will be monitored and appropriate action taken as necessary.
- 9.3** Members are asked to note the position to date as outlined in the attached appendix.

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Date: 23 December 2011

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Appendices: General Services Capital Programme
Financial Year 2011/12 – Probable Outturn

Background Papers: General Services Capital Plan 2010/11
- Council 21 December 2011

Wards Affected: All wards affected.