

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Council: 29 February 2012

Subject: General Services Capital Budgetary Control Report: Period 10 (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 Council on 25 January 2011, with a probable outturn of £17.779m matched by a probable resource of this value.

2.2 This report details the estimated probable income and expenditure against the various budget headings up to 31 January 2012.

3. Main Issues

3.1 Since 25 January 2012 there have been new resources identified within Educational Services which have a nil effect on the net capital budget. In December 2011 Members were advised of additional costs related to asbestos works incurred during the demolition works at St Eunan's primary school. At that time it was anticipated that up to 75% of the costs incurred to date will be covered by an insurance receipt, the value of which had been estimated at £0.205m. Since December additional costs have been incurred and an insurance claim has now been submitted to the value of £0.369m which is an increase of £0.164m.

Probable income agreed by Council 25 January 2012 £17.779m

New Contribution Funded Projects

St Eunan's	£0.164m
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Revised probable outturn	£17.943m
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3.2 Resources achieved to date total £8.341m. When compared to the probable outturn to date of £8.095m this indicates a favourable position currently of £0.246m (3.04% of the year to date probable outturn) indicating that the General Services is likely to exceed the probable outturn mainly due to the generation of additional land and vehicle sales and additional in year revenue funding related to the increased regeneration works (discussed below).

3.2 Expenditure incurred to date totals £9.644m. When compared to the probable outturn to date of £9.475m, this indicates an overspend position currently of £0.169m (1.78% of the year to date probable outturn) mainly due to costs incurred in relation to regeneration works.

3.3 The previous report to Members advised that the majority of the regeneration works budget and resource was identified as being likely to slip from 2011/12 into 2012/13, therefore this overspend relates to the timing of the spend rather than an overspend against budget. In line with year end capital procedures the final slippage balance that requires to be carried forward into 2012/13 will be adjusted to reflect actual spend incurred in 2011/12.

4. People Implications

4.1 There are no people implications.

5. Financial implications

5.1 When compared to the probable outturn to date resources shows a favourable variance of £0.246m, while expenditure shows an adverse variance of £0.169m. The situation will be monitored and action taken as necessary.

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, Health & Human Rights 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** Both resources and spend to date are higher than the probable outturn to date by £0.246m and £0.169m respectively, however, this will be monitored and appropriate action taken as necessary.
- 9.2** Members are asked to note the position to date as outlined in the attached appendix.

David Amos
Interim Executive Director of Corporate Services
Date: 13 February 2012

Person to Contact: Jennifer Ogilvie, Business Partner (Finance), Garshake Road, Dumbarton, Telephone (01389) 737194
Email: Jennifer.ogilvie@west-dunbarton.gov.uk

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

Background Papers: General Services Capital Plan 2010/11
- Council 21 December 2011 and
- Council 25 January 2012

Wards Affected: All wards affected.