

WEST DUNBARTONSHIRE COUNCIL
Report by the Executive Director of Corporate Services
Council – 15 December 2010

Subject: General Services Capital Budgetary Control Report: Period 7 (2010/2011)

1. Purpose

- 1.1 The purpose of this report is to update Members on the General Services Capital Plan for 2010/2011.

2. Background

- 2.1 The Council agreed the 2010/11 General Services Capital Plan at its meeting on 24 February 2010 and an update position was reported to Council on 24 November, 2010.
- 2.2 The update report was continued pending the provision of further information regarding an Education virement request as discussed at section 3.3 below.

3. Main Issues

- 3.1 Appendix I details the current forecast for resources and expenditure (both totalling £25.802m).
- 3.2 Appendix II details the funding allocations, summarises expenditure to date totalling £11.743m and lists the major projects estimated to cost £0.100m and over. When compared to the profiled budget of £11.674m, this indicates an overspend position currently of £0.069m (0.6% of the year to date budget). The budget variance noted within this appendix assumes the items continued from Council November 2010 (see section 2.2) will be approved.
- 3.3 Appendix III details a number of virement requests that have been incorporated into the revised capital plan within Education and Housing Environmental and Economic Development. The virement requests have arisen due to the following:

Schools Regeneration Overspend

- (a) Bonhill / Goldenhill Primaries: Various additional costs (included those associated with two extension of time claims) have been submitted by the main contractor and the detail is listed below. It should be noted that the Education Department is in the process of challenging some elements of the claim.
- Construction acceleration costs to meet scheduled handover of school in August (delay as a result of exceptionally inclement weather).
 - Delays in production of Consultants' design information.
 - Increased utilities connections/meter installation costs.
 - Utilities diversions.
 - Additional design works in relation to provisional sums.
 - Additional unforeseen works such as removal of Japanese Knotweed, sewerage diversions, additional retaining walls, additional consultancy fees (re-tendering exercise), market increase in steel prices.
 - Necessary upgrade of fibre optic link to Goldenhill PS.

- (b) Dumbarton Academy all weather pitch: costs associated with this project will be recoded into the Dumbarton Academy major adaptations budget line.
- (c) St Eunan's Primary School and Early Education & Childcare Centre: Throughout the consultation process during the construction stage various capital additions were identified and built into the project. This included new ICT infrastructure and active equipment.
- (d) St Peter the Apostle High School: Additional costs relating to ball stop fencing to hockey pitch and various other minor capital works.

Pitch / Recreation / Sporting Facilities

- (a) Identification of projects within Housing, Environmental and Economic Development to be funded from the Pitch / Recreation / Sporting Facilities budget previously held with Education.

3.4 The level of anticipated capital receipts included within available resources (as detailed in Appendix I) is £0.369m. This is a reduction of £1.103m from that previously reported.

3.5 The reduction is mainly due to the some capital receipts that were anticipated to be received during 2010/11 which are now likely to be received during 2011/12, partially offset by new receipts now likely to be received in 2010/11.

Now anticipated 2011/12

Land at Granville St, Clydebank	£0.135m
Land at Main St/Bank St, Alexandria (Kippen Dairy)	£0.700m
Auchentoshan ATC	£0.450m

Less now anticipated 2010/11

Tontine Crescent, Renton	£0.125m
50 Clyde Street, Clydebank	£0.050m
Small land sales	£0.004m
Increase in anticipated receipt re 324 Dumbarton Road	<u>£0.003m</u>
	<u>£1.103m</u>

3.6 The overall shortfall of £1.103m (per 3.4 above) has been filled via temporary prudential borrowing which will be repaid in 2011/12 when the delayed receipts are received.

3.7 Capital spend of £0.130m has been identified in 2010/11 related to consultancy costs (architectural, project management/QS, legal) to design and procure a new Dumbarton Academy. This budget has been brought forward from 2011/12 and the 2011/12 budget will be reduced accordingly.

4. People Implications

4.1 There are no people implications.

5. Financial Implications

5.1 The anticipated spend is fully funded through identified resources, per Appendix I.

6. Risk Analysis

6.1 The main risks are as follows:

(a) Within the resources noted as available there is an element of capital receipts identified which are only estimates at this stage and not guaranteed. These figures could change and, as a result, the capital plans may require to be altered.

(b) If departments overspend on any capital budget this will have a detrimental effect on the capital programme in current and future years.

7. Equalities Impact Assessment

7.1 No significant issues were identified in a screening for potential equality impact of this report.

8. Conclusions and Recommendations

8.1 The 2010/2011 capital plan reported to Council in November has been updated for known changes. Currently spend is slightly overspent against the profiled budget, however, this will be monitored and appropriate action taken as necessary.

8.2 Members are asked to:

(a) Approve the updated capital plan which includes:

- Temporary prudential borrowing of £1.103m as discussed in section 3.6 above.
- £0.130m related to consultancy costs to design and procure a new Dumbarton Academy as discussed in section 3.7 above and included within Appendix II.
- Virement requests as detailed in appendix III.

(b) Note the position to date as outlined in appendices I and II.

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Date: 30 November 2010

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Appendices: Appendix I Resources Available
Appendix II Projects by Department
Appendix III Virements

Background Papers: Ledger output
General Services Capital Plan 2010/11 –
Council 24 November 2010.

Wards Affected: All wards affected.