

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 26 MARCH 2003

MONITORING REPORT AND MODIFICATION OF THE CAPITAL PLAN

Report by the Director of Homes and Technical Services

1. PURPOSE OF REPORT

- 1.1 To advise members of the initiatives taken to commit additional income, together with anticipated expenditure shortfall due to slippage, upon the Housing Capital Programme, 2002/03, and to seek approval of the extended contractual arrangements.

2. BACKGROUND

- 2.1 At the meeting on 21st March 2002, Housing Committee approved the Capital Programme identified against a number of budgetary sub-headings, which took account of the projected income of £9.526m.

- 2.2 At the meeting of 11th September 2002 and 29th January 2003, Housing Committee were advised of increases to the anticipated income as a result of:-

- a) Reported projections by Legal Services showing an increased level of house sales.
- b) The Scottish Executive confirming their offer of grant funding of £0.200m to support works carried out under the gas central heating programme which met the grant qualification criteria.
- c) The enabling of a reduction in C.F.C.R. contribution to the Capital Programme of £0.250m as a consequence of the projected increases in income from house sales and the Scottish Executive grant.

- 2.3 Taking account of the above revisions, a revised income of £9.815m was anticipated and the expenditure against this level of income planned accordingly.

3. REVISION TO INCOME AND PHYSICAL PROGRESS

- 3.1 Subsequent to reporting to the Committee on 29th January 2003, additional increases to income have been confirmed, namely:-

- a) The rate of recovery of contribution from adjoining owners affected by the carrying out of Capital Works is quicker than had been programmed, thus allowing the projection for income to be revised to £0.100m, an increase of £0.030m.

b) The award of grant funding of £0.020m set against the installation of sprinkler systems. This sum came from the Scottish Executive fund to Local Community Safety Forums.

3.2 Taking account of the above income increase of £0.050m, and the further monitoring of capital works, a potential underspend of £0.200m was identified by officers.

4. DETAILS OF MODIFICATION TO THE CAPITAL PLAN

4.1 Given the identified underspend, in the Capital Programme, it was necessary to commit further schemes.

4.2 In order to expedite further schemes, and in consideration of the limited time available to progress works during the current financial year, the most effective solution was to extend existing contracts based upon existing rates and conditions, rather than entering into fresh competitive tendering. Paragraph 10 (3) of the Council's Standing Orders Relating To Contracts makes provision for, and allows, extension of an existing contract in this manner. These extensions were subject to satisfactory negotiation and agreement with the relevant contractors.

4.3 Arrangements were made to extend the existing contracts, as listed upon the attached Appendix A, and the detail of these extensions are shown upon the attached Monitoring Statement.

4.4 In addition to the increased scope of works through the extended contractual arrangements, it has also been possible to re-profile expenditure upon IT, thereby advancing proposals which would otherwise have been accommodated within subsequent years' programmes. This has the effect of an increase in programmed expenditure for the current financial year upon I.T. from £0.230m to £0.302m

4.5 Taking account of the additional works and IT commitment, an estimated amount of £0.173m has been committed, against the estimated availability of £0.200m.

5. LEGAL/POLICY IMPLICATIONS

5.1 This report is presented in terms of paragraph 10 (3) of the Council's Standing Orders relating to contracts (extension of contracts).

6. FINANCIAL IMPLICATIONS

6.1 The modification of the Capital Programme commits the funds which are available to the Council by way of income.

7. RECOMMENDATIONS

- 7.1 It is recommended that members approve the actions taken to extend the existing contracts, and otherwise note the current position in relation to modification of the Capital Programme.

James Lavery
Director of Homes and Technical Services
15 March 2003

LIST OF BACKGROUND PAPERS

Nil

For further information please contact Alan Paterson, Principal Quantity Surveyor, Technical Services, Homes and Technical Services, on 01563 555249.