

ABERDEEN CITY COUNCIL

COMMITTEE:	Social Care and Wellbeing
DATE:	22nd April 2010
DIRECTOR:	Fred McBride
TITLE OF REPORT:	Capital Budget Progress Report
REPORT NUMBER:	SCW/10/024

1. PURPOSE OF REPORT

- 1.1 This report provides an update to Committee of the progress being made on the various projects within the Non-Housing Capital Programme, previously approved by Council, which are aligned to Social Care and Wellbeing services.

2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:

Notes the content of this report in relation to the projects outlined at Appendix A.

3. FINANCIAL IMPLICATIONS

- 3.1 The monies required to fund the capital programme are achieved through external borrowing, capital receipts and grant income. The General Fund has adequate resources available to finance the capital spend in 2009/2010.
- 3.2 The overall cost of Capital is calculated on a Council-wide basis and therefore the impact on the Council will be included within the summary report to Finance and Resources Committee. It is important that approved projects are managed and monitored in a robust way to ensure there is accuracy in relation to expenditure projections and thereby enable the Council to calculate and evaluate the overall need for, and cost of, borrowing.

4. SERVICE & COMMUNITY IMPACT

- 4.1 The Council operates within overall capital control mechanisms laid down by the Scottish Government as well as recommended accounting practice and policies in accordance with the Prudential Code.

5. OTHER IMPLICATIONS

- 5.1 Failure to invest adequately in the Council's asset base may lead to the Council not complying with current health and safety requirements nor capturing the benefits that can be derived from, for example, improved design and construction practices.
- 5.2 If the continuation of close budgetary control is not exercised and maintained the Council may operate out-with the capital control mechanisms laid down by the Scottish Government in relation to the Prudential Code for the 2009/2010 Non Housing Capital Programme.

6. REPORT

- 6.1 Appendix A outlines the Non-Housing Capital Programme projects aligned to Social Care and Wellbeing services and provides for each project the budget for 2009/10, spend to the end of February 2010 and forecast out-turn. The appendix also outlines future years budget profiles and any current project forecast variance.
- 6.2 The spend to the end of February 2010 only reflects payments made and processed. It excludes commitments that have been made which will be due to be paid by the end of the year.
- 6.3 Comments on particular projects, where appropriate, are included in the narrative.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

Financial ledger data extracted for the period.

Non-Housing Capital Projects – Social Care and Wellbeing

Project	Total Approved Project Costs (from 2009/10 for Rolling Projects) £'000	Previous Years Project Spend £'000	2009/10				Future Years Budget Profiles			Total Forecast Costs £'000	Project Forecast Variance £'000
			Total Budget 2009/10 £'000	Spend as at 28/02/10 £'000	Commitments £'000	Forecast Out-turn £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000		
594 Rosewell House	8,693	8,461	218	63	24	87	108	0	0	8,656	-37
Project Description/Project Cost											
Replacement of existing home with a multi purpose respite and rehabilitation centre.											
It is forecast that £108k of the total project costs will require to be re-profiled into 2010/11 to cover contract retention payments.											
The overall project cost is 0.4% below budget. This is largely because the building contract payments are £81k less than the sum originally estimated, Furniture and equipment is estimated to be some £44k over budget. The additional cost includes additional items of equipment not included on the original schedule and higher quality furniture purchased than the original estimates had allowed for, in order to meet health and safety requirements.											
691 Integrated Drug Service	650	0	650	0	650	650	0	0	0	650	0
Project Description/Project Cost											
This project is for the financial contribution towards the build cost of the Integrated Drugs Service at the Timmer Market by NHS Grampian. Discussions are ongoing regarding the contractual position on this project and it is likely that we will not be in a position to make the payment until next financial year.											

Non-Housing Capital Projects – Social Care and Wellbeing

Project	Total Approved Project Costs (from 2009/10 for Rolling Projects) £'000	Previous Years Project Spend £'000	2009/10				Future Years Budget Profiles			Total Forecast Costs £'000	Project Forecast Variance £'000
			Total Budget 2009/10 £'000	Spend as at 28/02/10 £'000	Commitments £'000	Forecast Out-turn £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000		
777New Childrens Residential Unit	1,700	0	200	0	35	35	1465	200	0	1,700	0
Project Description/Project Cost											
Approved at Finance and Resources Committee 19/9/09. Total project cost is estimated to be £1.7m with the main spend profiled for 2010/11.											
Total Social Care and Wellbeing	11,043	8,461	1,068	63	709	772	1,573	200	0	11,006	-37

Notes:

Spend as at 28th February 2010 reflects payments made only and not the costs of commitments made for orders placed or work in progress for accepted tenders which will be reflected in the forecast position.

Formal carry forward of any unspent commitments from the current financial year will be required. The process for agreeing such will be considered by the Finance and Resources Committee on 6 May 2010.

The 2010/11 Capital Programme has been approved by Council, but future years budget profiles are subject to further review. Directors and Heads of Service have been instructed to draft a 10 year capital programme commencing 2011/12 for consideration by Council.