



St Edmundsbury
BOROUGH COUNCIL

C246

Performance and Audit Scrutiny Committee 28 November 2011

Capital Programme Audited Accounts

SUMMARY

In accordance with the Council's Financial Regulations, the purpose of this report is to notify the Committee of variations in cost between approved contract sums and completed schemes.

PURPOSE OF THE REPORT

The Committee is asked to note the contents of this report and advise the Cabinet of any issues requiring attention.

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This report contains the results of key projects (contract sum over £25k) undertaken by Property Services for which the accounts have been audited during the financial years 2010/2011 and the first half of 2011/2012.

The projects being reported this year were undertaken between 2007 and 2010. All the schemes complied with the Council's Financial Regulations and figures reported are total project costs.

Reports for previous financial years revealed the following:

Financial Year Reported	Number of Projects	Total Approved Budget	Total Expenditure	Variation %
2005/2006	5	369,080	366,782	(0.62)
2006/2007	4	627,200	597,041	(4.81)
2007/2008	1	105,000	98,591	(6.10)
2008/2009	3	545,000	540,345	(0.85)
2009/2010	3	1,220,000	1,148,889	(5.83)

Appendix A to this report contains financial statements for six schemes split between the two reporting years with a total approved budget of £8,174,687. The six schemes reported vary in size and complexity; resurfacing footpaths to the Abbey Gardens, the construction of a new depot at Homefield Road Haverhill and the refurbishment of Haverhill Leisure Centre.

Schemes are reconciled against a total budget approval and reported only when the final phase has been completed and audited. Therefore the Bury Leisure Centre refurbishment and capital improvement contracts, which are inextricably linked, cannot be reported until both accounts have been agreed.

An analysis of the figures provided in Appendix A to this report shows that the total expenditure for the reporting period has a variation of - 5.37% (£438,879 below budget).

Of the six schemes being reported two projects varied significantly from the budget allocation:

- (1) Expenditure on the resurfacing of footpaths to the Abbey Gardens shows a saving of 27.83% on the approved budget of £130,000 (£36,182). The paths in the Abbey Gardens had reached an unsafe condition and in late 2008 a decision was made to resurface. Immediate action was required and a budget approved. Works around the Rose Garden were undertaken immediately and the remainder macadam paths were tendered in consultation with English Heritage. Competitive tenders were received for less than the anticipated costs and the extent of works were then able to be increased by 40%.

(2) Expenditure on the refurbishment of the West Suffolk Athletics Track shows a saving of 28.12% on the original approved budget of £250,000 (£70,311). A specialist athletics track consultant was appointed to prepare the specification and budget. The project was then tendered on a fully designed, fixed price basis which resulted in a winning tender below budget. A further £37,000 was saved on the contract sum due to design contingencies not being required to be spent.

Total actual expenditure on the refurbishment of Haverhill Leisure Centre was £5,402,879, a saving of 5.54% (£317,121) on the approved budget. This budget figure (£5,720,000) included a contingency of £500,000 to be held in reserve and for which expenditure would require separate approval. Such approval was sought and given for the additional alterations to the first floor for the provision of Kids City, a soft play area and party rooms. The total approximate cost to the contract of this area was £400,000.

The office refurbishment at 2 Hollands Road, Haverhill shows a zero variation. The project was part funded from an Economic Participation Plan grant from Suffolk County Council (£119,890), part from a Local Authority Business Growth Incentive Scheme contribution (£30,000) with the balance agreed to be found from the Repair & Maintenance reserves.

Resource Implications

There is an overall saving on the six schemes of £438,879. For the 5 schemes that are funded through the capital budget approved programme savings of £413,568 amount to interest savings of £6,203, equivalent to £0.17 a year for a Band D taxpayer.

APPENDIX A

FINANCIAL RECONCILIATIONS 2010/2011 & 2011/2012 (APR - SEPT)

The Project	Total Approved Budget £	Total Expenditure £	Variation £
COMMUNITY - Parks & Open Spaces			
Re-surfacing Abbey Gardens Footpaths	130,000	93,818	-36,182
COMMUNITY - Sports & Recreation			
West Suffolk Athletics Track Refurbishment	250,000	179,689	-70,311
Haverhill Leisure Centre Refurbishment	5,720,000	5,402,879	-317,121
ECONOMY & ENVIRONMENT - Economic Development			
Office Refurbishment, 2 Hollands Road, Haverhill	163,047	163,047	0
ECONOMY & ENVIRONMENT - Administrative Buildings and Depots			
New Depot Facility, Homefield Road, Haverhill	1,700,000	1,688,567	-11,433
ECONOMY & ENVIRONMENT - Major Planned Maintenance			
External Roofing, Drainage and Lighting to Southgate Community Centre	211,640	207,808	-3,832
TOTALS	8,174,687	7,735,809	-438,879