



St Edmundsbury
BOROUGH COUNCIL

D353

Performance and Audit Scrutiny Committee 29 April 2013

Capital Programme Audited Accounts

1. Summary and reasons for recommendation

- 1.1 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.

2. Recommendation

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

Contact details

Title **Portfolio Holder for
Performance and Resources**
Name David Ray
Telephone 01359 250912
E-mail david.ray@stedsbcc.gov.uk

**Head of Waste Management and
Property Services**
Mark Walsh
01284 757372
mark.walsh@westsuffolk.gov.uk

Title
Name
Telephone
E-mail

Quantity Surveyor
Frances Herod
01284 757332
Frances.herod@westsuffolk.gov.uk

3. Corporate priorities

3.1 The recommendation meets the following, as contained within the Corporate Plan:

- (a) Working together for prosperous and environmentally-responsible communities; and
- (c) Working together for an efficient Council.

4. Key issues

4.1 This report contains the results of key projects (contract sum over £25,000) undertaken by Property Services for which the accounts have been audited during the financial years 2011/2012 (Apr–Sept) and 2012/2013.

4.2 The projects being reported this year were undertaken between 2004 and 2012. All the schemes complied with the Council's Financial Regulations and figures reported are total project costs.

4.3 Reports for previous financial years revealed the following:

Financial Year Reported	Number of Projects	Total Approved Budget	Total Expenditure	Variation %
2008/2009	3	545,000	540,345	(0.85)
2009/2010	3	1,220,000	1,148,889	(5.83)
2010/2011 & 2011/2012 (April - Sept)	6	8,174,687	7,735,809	(5.36)

4.4 Appendix A to this report contains financial statements for the four schemes split between two reporting years with a total approved budget of £11.435m. The four schemes reported vary in size and complexity: New Visitor Centre at Nowton Park, Improvements at The Athenaeum, Haverhill Community Football Project and Refurbishment and Improvement of Bury Leisure Centre.

4.5 An analysis of the figures provided in Appendix A shows a saving on the approved budget of £419,294, a variation of -3.66%.

4.6 None of the projects varied significantly from the budget allocations.

4.7 Expenditure on the Improvement Works at The Athenaeum exceeded the approved budget by £46,028 (5.57%). Unforeseen conservation and structural reinforcement works to the historic structure, only exposed during the contract, greatly increased the scope of this project. Acceleration costs were then incurred to avoid overrun beyond the first major event booking. These additional costs were financed from the Building Repairs Maintenance Fund.

4.8 The approved budget of £8.685m for Bury Leisure Centre Refurbishment contract includes a sum of £2.36m from the insurance claim following the major fire in September 2004. Total expenditure of £8,226,339 shows a saving of £458,661 (-5.28%). The finalisation of this account was delayed due to a dispute with the contractor regarding defective pool hall wall boarding.

Following protracted negotiations and independent legal advice, settlement was made with the consequent saving to our budget.

- 4.9 The construction of the new Visitor Centre at Nowton Park shows an overspend on the approved budget of £8,1546 (1.55%). This was funded from unallocated Section 6 monies.
- 4.10 St Edmundsbury's approved budget of £1.4m for the Haverhill Community Football Project was augmented with funding from the Football Foundation and Stadia Improvement Fund, resulting in a total project budget of £1.95m. Overall expenditure resulted in a saving to St Edmundsbury of £14,817 (1.05%).

5. Other options considered

- 5.1 N/A.

6. Community impact

6.1 Crime and disorder impact *(including Section 17 of the Crime and Disorder Act 1998)*

- 6.1.1 If applicable, a major project would be subject to an impact assessment relevant to crime and disorder issues.

6.2 Diversity and equality impact *(including the findings of the Equality Impact Assessment)*

- 6.2.1 All major projects are subject to a diversity and equality impact assessment.

6.3 Sustainability impact *(including completing a Sustainability Impact Assessment)*

- 6.3.1 All major projects are subject to a sustainability impact assessment.

6.4 Other impact *(any other impacts affecting this report)*

- 6.4.1 Major projects are subject to other impact assessments as appropriate.

7. Consultation *(what consultation has been undertaken, and what were the outcomes?)*

- 7.1 Major projects are subject to the appropriate amount of consultation.

8. Financial and resource implications *(including asset management implications)*

- 8.1 There is an overall saving on the four schemes of £419,294. This amount of saved capital has resulted in interest savings of £6,290, equivalent to £0.16 a year for a Band D taxpayer.

9. Risk/opportunity assessment *(potential hazards or opportunities affecting corporate, service or project objectives)*

9.1 The Project Management System and the regular reports associated with it ensures management control of all capital projects and monitoring of the budget position for each project. There is therefore no significant risk associated with the capital programme accounts.

10. Legal and policy implications

10.1 All capital projects are run in accordance with the relevant legislation, and in accordance with the Council's Policy Framework.

11. Ward(s) affected

11.1 All.

12. Background papers

12.1 N/A.

13. Documents attached

13.1 Appendix A – Financial Statement 2011/12 (Apr-Sept) and 2012/2013.

APPENDIX A

FINANCIAL RECONCILIATIONS 2011/12(APR-MAR) & 2012/2013

The Project	Total Approved Budget £	Total Expenditure £	Variation £
COMMUNITY - Theatres & Public Entertainment			
New Facilities & Access Improvements at The Athenaeum	825,000	871,028	46,028
COMMUNITY - Sports & Recreation			
Bury Leisure Centre - Fire recovery works, cladding & glazing, health suite, DDA & Reception & Improvement works - excluding equipment	8,685,000	8,226,339	-458,661
Nowton Park Visitor Centre	525,000	533,156	8,156
COMMUNITY - Sports Development & Community Recreation			
Haverhill Community Football Project	1,400,000	1,385,183	-14,817
TOTALS	11,435,000	11,015,706	-419,294