
CAPITAL PLAN MONITORING REPORT – 31 DECEMBER 2011: SUMMARY

1 INTRODUCTION

1.1 This report summarises the position for all departments on the capital plan as at 31 December 2011. The report compares actual and budget expenditure for the period 1 April to 31 December 2011, forecast and budget expenditure for the whole of 2011-12 and total project forecast and budget expenditure.

- Forecast outturn is a variance of £2,537k which includes the following main projects:
 - Projects forecast to come in under budget £940k.
 - Project slippage previously identified £1,185k.
 - Project slippage identified since the November monitoring £872k.
- Year to date actual is below budget by £1,246k.
- Total project costs forecast to come in under budget by £141k.

2 FORECAST OUTTURN POSITION

2.1 The current forecast outturn position as at the end of December 2011 is for a forecast variance of £2,537k. Forecast expenditure for the whole of 2011-12 is £23,230k compared to a budget of £25,767k. The increase in variance from November is £897k. The variance arises from costs being projected below budget and project slippage. The main project variance in relation to each is noted below.

2.2 **The projects listed below are forecast to come in under budget:**

| Project | Variance £000s | Explanation |
|---|---------------------------|---|
| Islay High / Bowmore Primary School Carbon Management Project | 406 | Procurement of consultant proved slower than anticipated but now achieved. Early re-appraisal of project indicates a saving of £50k+ is likely. Due to longer than expected manufacturing times for Biomass plant this project also appears in the slippage table in 2.4. |
| Oban High School Biomass Project | 349 | Carbon Trust has re-appraised the project and has advised not to proceed beyond oil to gas conversion resulting in an expected saving of £371k. Pay back for oil to gas conversion is 2 years but |

| | | |
|--------------|--------------|--|
| | | with lower carbon reduction than bio-mass. The scale of the gas supply required, dictates that the gas network requires reinforcing to meet demand. This carries an imposed regulatory timescale of 108 days which has now been brought to our attention by the utility company which means project expenditure will now occur in 2012-13. |
| IT Education | 185 | Saving of £185k due to duplication on capital plan. |
| Total | £940k | |

2.3 **The projects listed below show forecast slippage which was previously identified:**

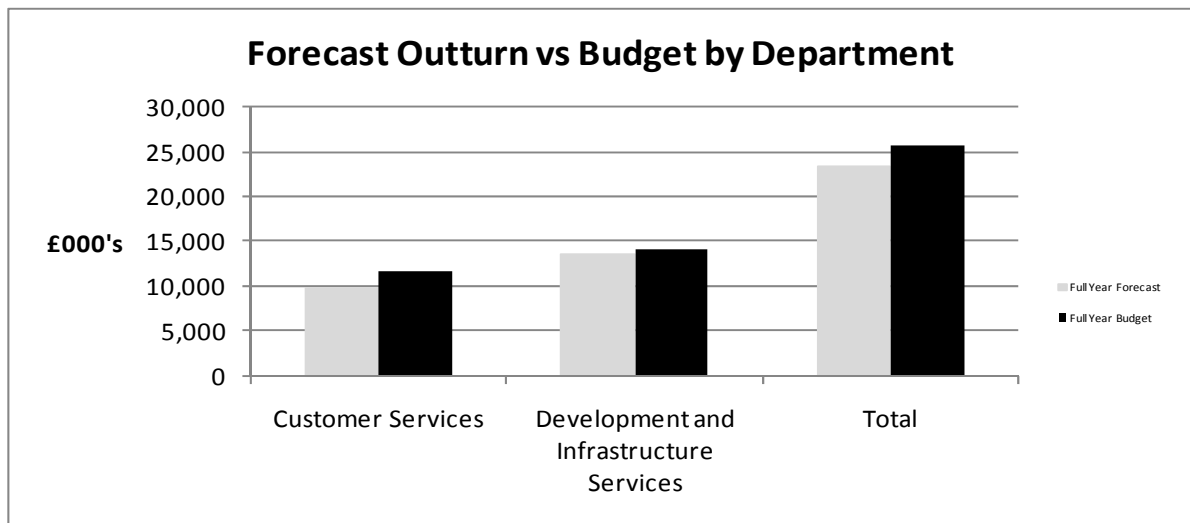
| Project | Variance £000s | Explanation |
|---------------------------------|---------------------------|---|
| Consolidated Server Replacement | 350 | In addition to the standard approach to replacing servers, opportunities have emerged for a broader range of options for providing the required future server infrastructure. These options may potentially offer better value for the Council in the future and require to be explored more fully at this stage. There has also been a delay caused by the underlying dependency on the progress of the GWITC server room alterations which are behind schedule. |
| Applications Projects | 220 | Due to other work pressures for Strategic Finance and Financial Services, slippage of projects (and associated budget) from 2010 including the ORACLE upgrade, Commitment Accounting and integration of HR costing information and FMS have impacted on the range of projects that can be undertaken this year and budget required. |
| Rothesay Leisure Pool | 189 | Tender issued 14 December. The scheduled works were delayed to conduct a single contract with works scheduled for next financial year. |

| | | |
|-------------------------|----------------|---|
| Tiree Primary School | 155 | Work delayed as Contractor has gone into receivership. Works now scheduled for the summer of 2012. |
| Dunclutha Bungalow | 122 | Delays due to the developer's continued inability to progress the project. A building warrant has now been issued for the construction of the new home, however there are no indications of an early start to the work. |
| Kilmory Biomass Project | 149 | Tender delayed due to staff absences. Tender returns expected February 2012. |
| Total | £1,185k | |

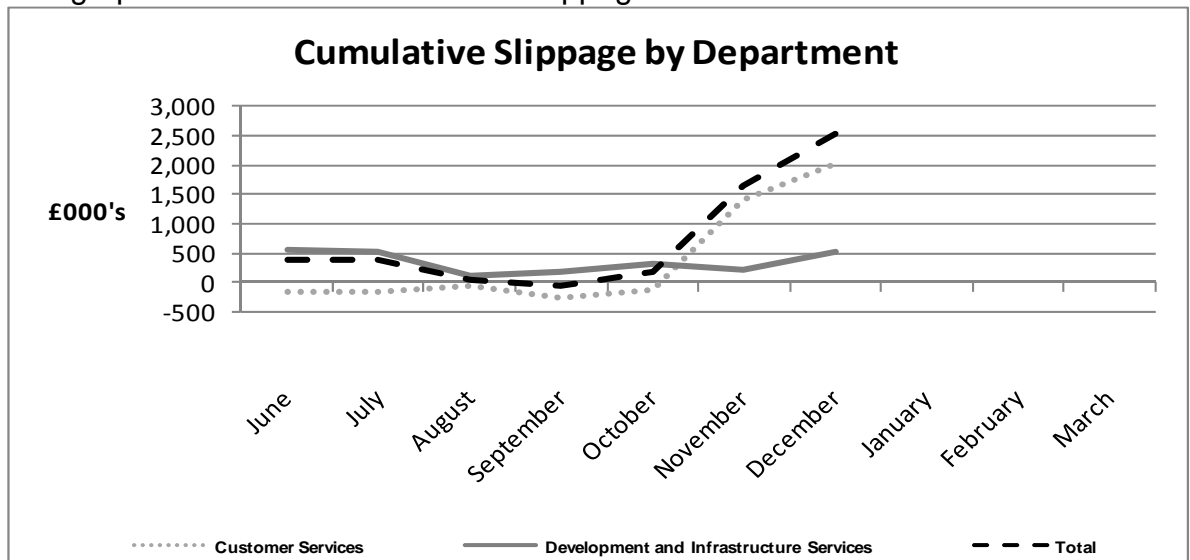
2.4 **The projects listed below show forecast slippage which has been identified since the November monitoring:**

| Project | Variance £000s | Explanation |
|---|---|---|
| Kintyre Renewables Hub | 419 | The contractor now has firmer delivery dates for materials which has put back the start of the project from the beginning of February to the end, which has required an alteration to the payment schedule. The project should still be completed within the overall timescale. |
| Kilmory Biomass Project | Was 149 now 385 (Increase of 236) | Longer than anticipated manufacturing time for Biomass plant. The project will still complete in 2012-13 but in August rather than April. |
| Islay High / Bowmore Primary School Carbon Management Project | Was 189 now 406 (Increase of 217k) | Tender returns now expected in February 2012. Longer than anticipated manufacturing time for Biomass plant. The project will still complete in 2012-13 but in August rather than April. |
| Total | £872k | |

2.5 The graph below shows the forecast outturn and budget per department.



2.6 The graph below shows the trend as slippage.

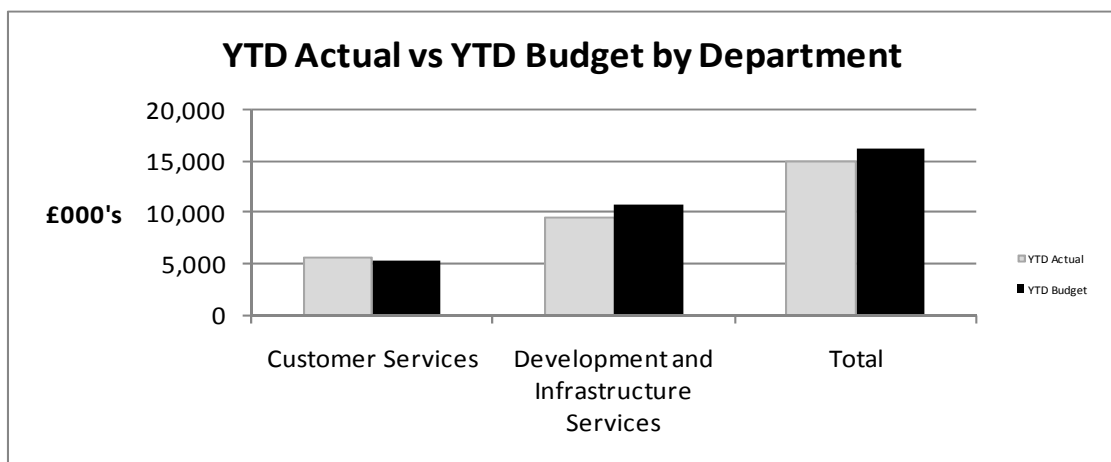


3 3.1 As at 31 December 2011, the year to date actual is less than the budget by £1,246k. Actual expenditure is £14,942k compared to a budget of £16,188k. The main projects contributing to the variance are listed below:

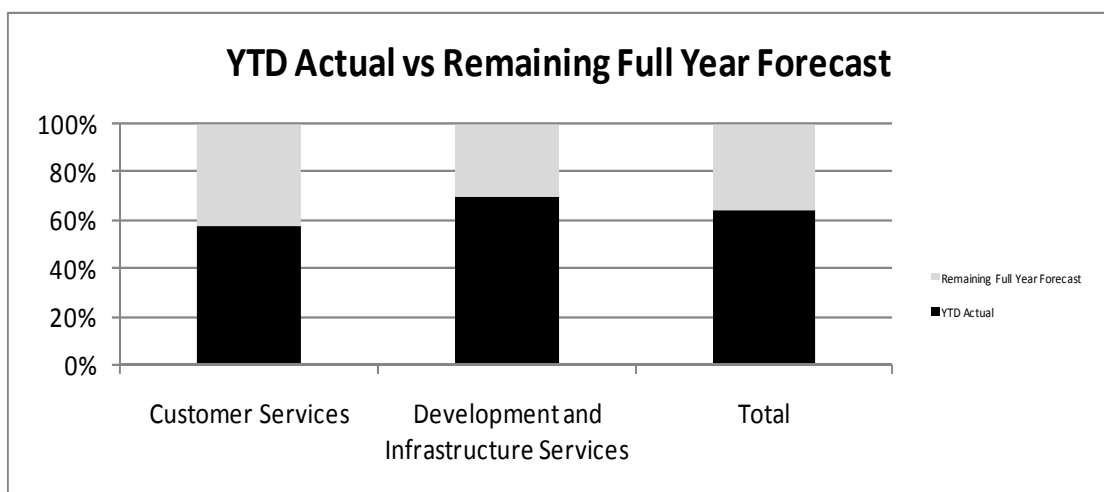
| Project | Variance £000s | Explanation |
|---------------------------------|----------------|---|
| Roads Reconstruction | 676 | Due to competitive rates received for Reconstruction work this has resulted in savings in the programme. Plans are in place to use the saving for additional work on highly deteriorated roads and achieve full year spend. |
| Consolidated Server Replacement | 330 | In addition to the standard approach to replacing servers, opportunities have emerged for a broader range of options for providing the required future server infrastructure. These |

| | | |
|----------------|----------------|---|
| | | options may potentially offer better value for the Council in the future and require to be explored more fully at this stage. There has also been a delay caused by the underlying dependency on the progress of the GWITC server room alterations which are behind schedule. |
| Tayinloan Slip | 294 | Despite earlier delays in securing land permissions and weather related delays, the contractor is confident that the project is on programme to achieve the full year forecast. |
| Total | £1,300k | |

3.2 The graph below shows actual expenditure compared to budget per department.

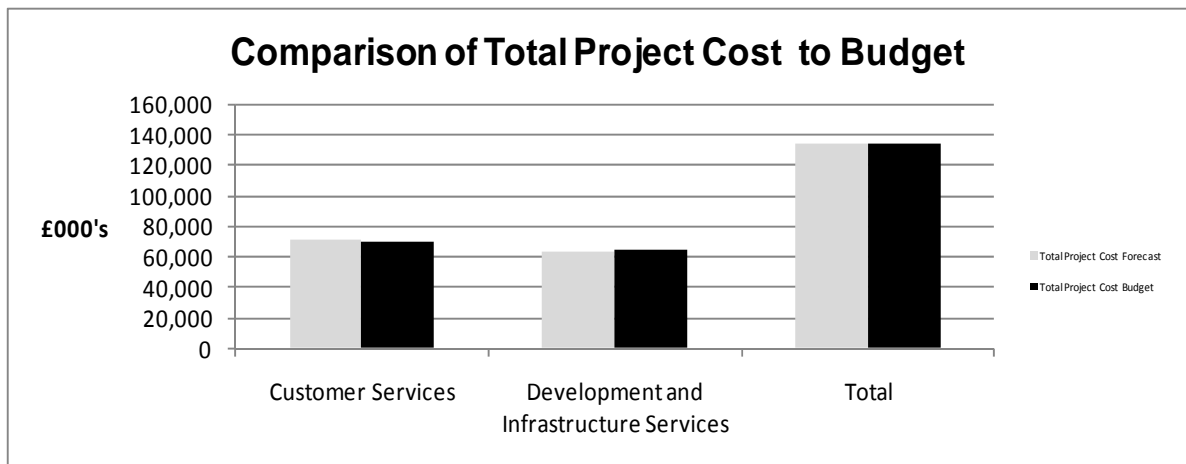


3.3 The graph below compares expenditure to date against forecast outturn to show the annual expenditure still to be incurred.



4 TOTAL PROGRAMME

- 4.1 The current financial outturn position as at the end of December 2011 is for a forecast total project cost underspend of £141k. Current forecast total project cost is £134,568k against a budget of £134,709k.
- 4.2 The main projects forecasting an overspend are Education residual projects. A report is provided in the Departmental Summary.
- 4.3 The graph below shows how the £141k underspend is distributed across the departments. The pale shade represents the forecast total project cost and the darker shade represents the total project cost budget.



5 PROJECT PERFORMANCE

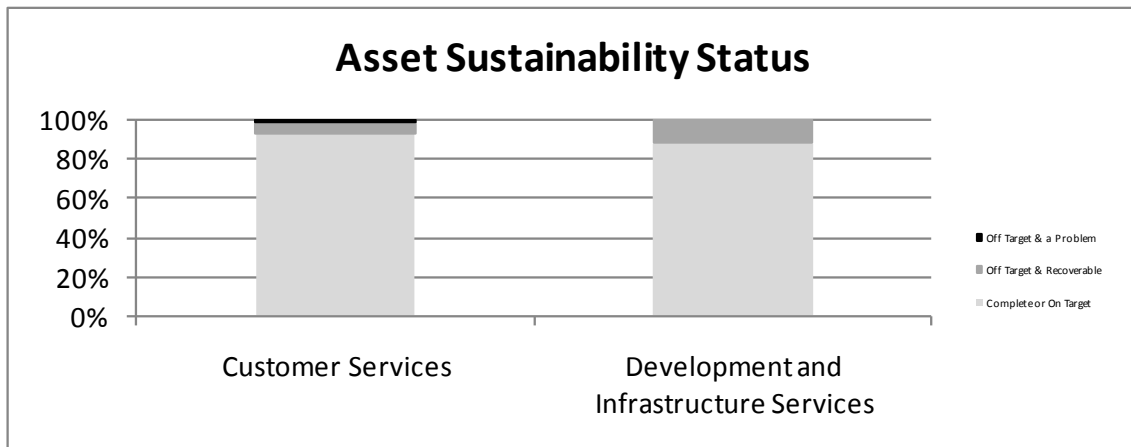
- 5.1 The graph below shows the status of asset sustainability projects shown as Complete or On Target, Off Target & Being Recovered or Off Target & a Problem. At 31 December the position was:

- 1 project Off Target

IT Education – Saving of £185k as a result of duplication on the capital plan.

- 11 projects Off Target & Recoverable
- 180 projects On Target

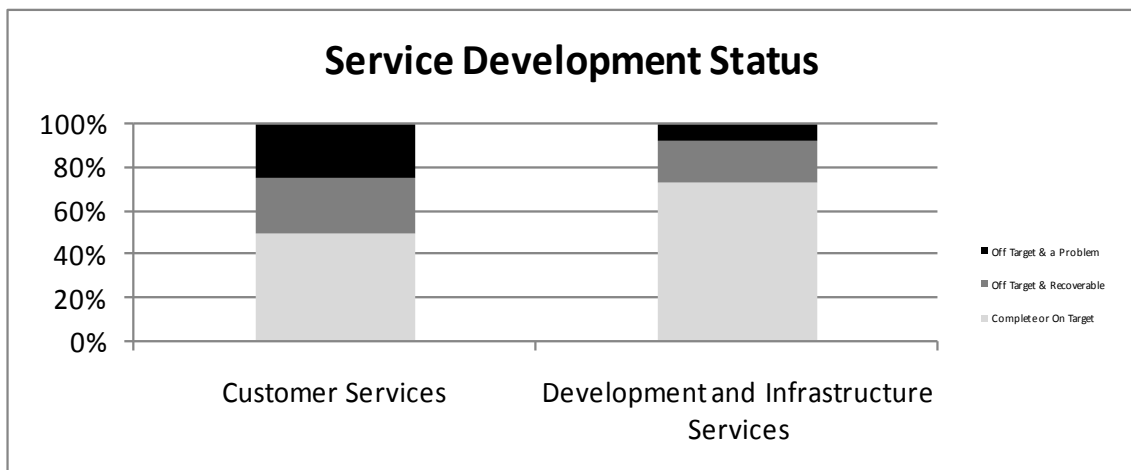
Asset Sustainability



5.2 The graph below shows the status of service development projects shown as Complete or On Target, Off Target & Being Recovered or Off Target & a Problem. At 31 December the position was:

- 6 projects shown as Off Target
 - Consolidated Server Replacement – Dependent on GWITC server room development which is behind schedule.
 - Applications Project – Due to other work pressures for Strategic Finance & Financial Services, slippage of projects has impacted on the range of projects that can be undertaken this year.
 - Dunoon Children’s Unit – Reluctance on behalf of the developer, who is constructing the home, to expedite matters.
 - Dunclutha Bungalow – The developer’s continued inability to progress the project.
 - Milton Burn – Unforeseen ground conditions causing delays.
 - Tayinloan Slip –The contractor has programmed the works such that the expenditure forecast has now accelerated.
- 12 projects shown as Off Target & Recoverable
- 27 projects shown as On Target

Service Development



5.3 The graph below shows the status of strategic change projects shown as Complete or On Target, Off Target & Being Recovered, or Off Target & a Problem. At 31 December the position was:

- 5 projects shown as Off Target

Kilmory Biomass – Longer than anticipated manufacturing time for Biomass plant.
 Islay High/Bowmore Primary School Carbon Management– Longer than anticipated manufacturing time for Biomass plant.

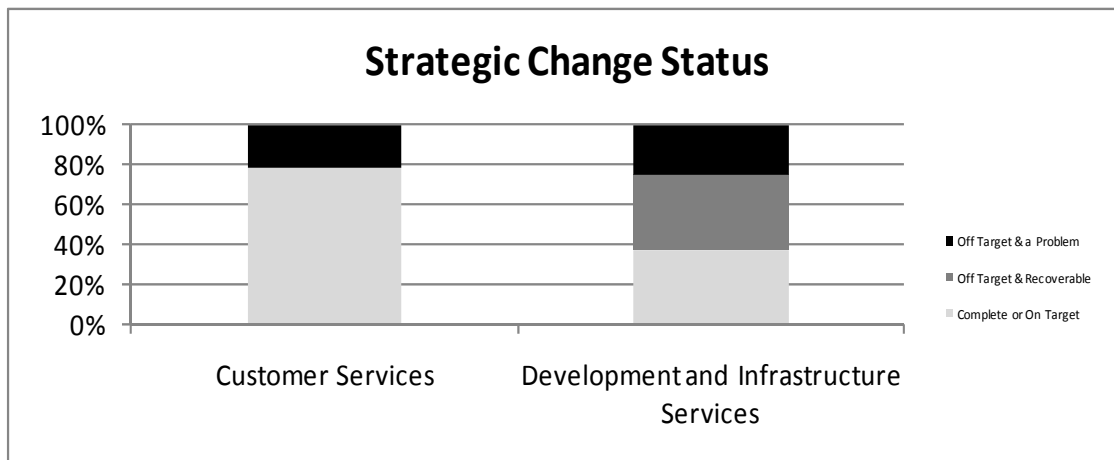
Oban High Biomass – Delays due to regulatory timescale for reinforcing gas network.

Rothesay Harbour Ferry Berth Improvements – Awaits completion of remedial work before a Maintenance certificate can be issued.

Kintyre Renewables Hub - The contractor now has firmer delivery dates for materials which has put back the start of the project, although it should still complete within the overall timescale.

- 3 projects shown as Off Target & Recoverable
- 14 projects shown as On Target

Strategic Change



For further information please contact Bruce West, Head of Strategic Finance 01546-604220

Bruce West
 Head of Strategic Finance
 16 January 2012

ARGYLL AND BUTE COUNCIL - CAPITAL PLAN MONITORING REPORT - OVERALL COUNCIL FINANCIAL SUMMARY - 31 DECEMBER 2011

| | Current Financial Year To Date | | | Full Year This Financial Year | | | Total Project Costs | | |
|--|--------------------------------|-----------------|-------------------|-------------------------------|-----------------|-------------------|---------------------|-----------------|-------------------|
| | Actual £000s | Budget £000s | Variance £000s | Forecast £000s | Budget £000s | Variance £000s | Forecast £000s | Budget £000s | Variance £000s |
| Asset Sustainability | | | | | | | | | |
| Customer Services | 4,126 | 3,808 | -318 | 6,608 | 6,753 | 145 | 45,573 | 44,830 | -743 |
| Development & Infrastructure Services | 8,889 | 9,783 | 894 | 10,764 | 11,023 | 259 | 30,686 | 30,916 | 230 |
| Asset Sustainability Total | 13,015 | 13,591 | 576 | 17,372 | 17,776 | 404 | 76,259 | 75,746 | -513 |
| Service Development Projects | | | | | | | | | |
| Customer Services | 629 | 856 | 227 | 1,660 | 2,321 | 661 | 8,502 | 8,445 | -57 |
| Development & Infrastructure Services | 539 | 759 | 220 | 1,861 | 1,694 | -167 | 7,772 | 8,076 | 304 |
| Service Development Total | 1,168 | 1,615 | 447 | 3,521 | 4,015 | 494 | 16,274 | 16,521 | 247 |
| Strategic Change Projects | | | | | | | | | |
| Primary & Pre 5 Joint Campus in Dunoon | 32 | 1 | -31 | 85 | 132 | 47 | 375 | 375 | 0 |
| Campbeltown Schools Redevelopment | 28 | 0 | -28 | 50 | 75 | 25 | 100 | 100 | 0 |
| Oban Office Rationalisation | 18 | 19 | 1 | 19 | 19 | 0 | 30 | 30 | 0 |
| Dunoon Office Rationalisation | 12 | 15 | 3 | 30 | 30 | 0 | 30 | 30 | 0 |
| Kilmory Biomass Carbon Management | 1 | 0 | -1 | 24 | 409 | 385 | 486 | 486 | 0 |
| Islay HS/Bowmore PS Carbon Management | 1 | 0 | -1 | 34 | 440 | 406 | 465 | 515 | 50 |
| Oban HS Biomass Carbon Management | 9 | 0 | -9 | 46 | 395 | 349 | 118 | 489 | 371 |
| Dalintober PS Carbon Management | 55 | 46 | -9 | 56 | 56 | 0 | 60 | 60 | 0 |
| Campbeltown Grammar | 0 | 0 | 0 | 5 | 5 | 0 | 5 | 5 | 0 |
| Islay Wind Project | 0 | 0 | 0 | 12 | 12 | 0 | 12 | 12 | 0 |
| New Helensburgh Swimming Pool | 2 | 0 | -2 | 2 | 0 | -2 | 154 | 152 | -2 |
| NPDO Capital Requirement - residual payments | 1 | 0 | -1 | 173 | 173 | 0 | 6,102 | 6,102 | 0 |
| Aqualibrium - residual payments | 0 | 0 | 0 | 10 | 10 | 0 | 6,191 | 6,191 | 0 |
| Helensburgh Office Project | 605 | 599 | -6 | 845 | 845 | 0 | 2,689 | 2,689 | 0 |
| Kintyre Renewables Hub | -64 | 219 | 283 | 800 | 1,219 | 419 | 7,162 | 7,162 | 0 |
| Oban Development Road | 1 | 4 | 3 | 5 | 5 | 0 | 368 | 368 | 0 |
| A848 Salen - Tobermory | 0 | 3 | 3 | 0 | 5 | 5 | 268 | 273 | 5 |
| Bruichladdich Pier | 0 | 0 | 0 | 5 | 5 | 0 | 2,088 | 2,088 | 0 |
| Rothesay Harbour Ferry Berth Improvements | 3 | 7 | 4 | 5 | 10 | 5 | 6,434 | 6,422 | -12 |
| Dunoon Pier | 0 | 0 | 0 | 25 | 0 | -25 | 987 | 987 | 0 |
| Port Askaig Pier | 43 | 8 | -35 | 45 | 70 | 25 | 3,807 | 3,802 | -5 |
| Improvements to Landfill Sites Islay & Mull | 12 | 61 | 49 | 61 | 61 | 0 | 4,104 | 4,104 | 0 |
| Strategic Change Total | 759 | 982 | 223 | 2,337 | 3,976 | 1,639 | 42,035 | 42,442 | 407 |
| Total for all Departments | 14,942 | 16,188 | 1,246 | 23,230 | 25,767 | 2,537 | 134,568 | 134,709 | 141 |

Year to date expenditure is £14,942k compared to the year to date budget of £16,188k, resulting in a variance of £1,246k. The forecast for the whole of 2011/12 is for expenditure of £23,230k compared to the budget of £25,767k, giving a variance of £2,537k. In terms of total project costs these are currently forecast to come in under the budget by £141k.

**ARGYLL AND BUTE COUNCIL - CAPITAL PLAN MONITORING REPORT - FINANCIAL PERFORMANCE -CUSTOMER SERVICES
- 31 DECEMBER 2011**

| | Current Financial Year To Date | | | Full Year This Financial Year | | | Total Project Costs | | |
|--|--------------------------------|-----------------|-------------------|-------------------------------|-----------------|-------------------|---------------------|-----------------|-------------------|
| | Actual £000s | Budget £000s | Variance £000s | Forecast £000s | Budget £000s | Variance £000s | Forecast £000s | Budget £000s | Variance £000s |
| Asset Sustainability | | | | | | | | | |
| Education | 2,314 | 2,345 | 31 | 3,189 | 3,291 | 102 | 3,745 | 3,459 | -286 |
| Non Education | 2 | 0 | -2 | 113 | 145 | 32 | 138 | 145 | 7 |
| PC Replacement | 634 | 478 | -156 | 751 | 751 | 0 | 2,213 | 2,213 | 0 |
| Planning Scanners Replacement | 12 | 12 | 0 | 12 | 12 | 0 | 36 | 36 | 0 |
| Argyll House Heating & Lighting Upgrade | 24 | 58 | 34 | 58 | 58 | 0 | 60 | 60 | 0 |
| Campbeltown Registrars Office | 20 | 17 | -3 | 21 | 28 | 7 | 22 | 29 | 7 |
| Kilmory CWS Tank & Lightning Protection | 1 | 0 | -1 | 53 | 53 | 0 | 55 | 55 | 0 |
| Capital Property Works | 30 | 0 | -30 | 75 | 60 | -15 | 100 | 100 | 0 |
| Rothesay Leisure Pool | 28 | 30 | 2 | 135 | 324 | 189 | 330 | 330 | 0 |
| Residual Projects | 1,061 | 868 | -193 | 2,201 | 2,031 | -170 | 38,874 | 38,403 | -471 |
| Asset Sustainability Total | 4,126 | 3,808 | -318 | 6,608 | 6,753 | 145 | 45,573 | 44,830 | -743 |
| Service Development Projects | | | | | | | | | |
| Graham Williamson IT Centre | 0 | 0 | 0 | 405 | 405 | 0 | 406 | 406 | 0 |
| Property Management System | 32 | 40 | 8 | 80 | 90 | 10 | 90 | 90 | 0 |
| Education Domain Extension | 116 | 145 | 29 | 170 | 145 | -25 | 435 | 435 | 0 |
| Consolidated Server Replacement | 0 | 330 | 330 | 0 | 350 | 350 | 700 | 700 | 0 |
| IT Enablement Process for Change | 68 | 171 | 103 | 483 | 483 | 0 | 931 | 931 | 0 |
| Applications Projects | 12 | 68 | 56 | 37 | 257 | 220 | 703 | 703 | 0 |
| Flexi System Ph 2 extra sites | 0 | 0 | 0 | 4 | 14 | 10 | 33 | 33 | 0 |
| Flexi System HRS Integration | 0 | 0 | 0 | 0 | 37 | 37 | 37 | 37 | 0 |
| Cash Receipting | 0 | 1 | 1 | 1 | 1 | 0 | 86 | 86 | 0 |
| Home Working /Mobile Working Pilot | 0 | 7 | 7 | 11 | 11 | 0 | 72 | 72 | 0 |
| Fleet Management | 0 | 0 | 0 | 10 | 0 | -10 | 57 | 47 | -10 |
| Taynuilt Primary Additional Classroom | 4 | 3 | -1 | 126 | 175 | 49 | 151 | 200 | 49 |
| Southend Primary School (Partial re-build) | 0 | 0 | 0 | 0 | -6 | -6 | 86 | 80 | -6 |
| Class size reduction | 61 | 21 | -40 | 61 | 60 | -1 | 621 | 620 | -1 |
| Tobermory Early Years - Tobermory High | 43 | 10 | -33 | 55 | 10 | -45 | 495 | 450 | -45 |
| Campbeltown Nursery | 16 | 0 | -16 | 26 | 0 | -26 | 552 | 526 | -26 |
| Bowmore PS Gaelic Unit | 5 | 5 | 0 | 5 | 5 | 0 | 25 | 25 | 0 |
| Dunoon Family Mediation Centre | 18 | 0 | -18 | 50 | 55 | 5 | 58 | 55 | -3 |
| Ledaig Replacement of Mobile Home | 0 | 5 | 5 | 5 | 5 | 0 | 61 | 61 | 0 |
| Campbeltown II Weather Pitch | 18 | 0 | -18 | 18 | 0 | -18 | 66 | 48 | -18 |
| Office Rationalisation | 0 | 0 | 0 | 0 | 3 | 3 | 664 | 667 | 3 |
| Mull & Iona Progressive Care Centre | 236 | 50 | -186 | 433 | 433 | 0 | 1,148 | 1,148 | 0 |
| Residential Respite Care Facility | 0 | 0 | 0 | 10 | 10 | 0 | 498 | 498 | 0 |

| | | | | | | | | | |
|--|--------------|--------------|-------------|--------------|---------------|--------------|---------------|---------------|-------------|
| Dunoon Childrens Unit | 0 | 0 | 0 | 0 | -14 | -14 | 0 | 0 | 0 |
| Dunclutha Bungalow | 0 | 0 | 0 | 0 | 122 | 122 | 148 | 148 | 0 |
| Oban High Community Facility | 0 | 0 | 0 | -330 | -330 | 0 | 379 | 379 | 0 |
| Service Development Total | 629 | 856 | 227 | 1,660 | 2,321 | 661 | 8,502 | 8,445 | -57 |
| Strategic Change Projects | | | | | | | | | |
| Primary & Pre 5 Joint Campus in Dunoon | 32 | 1 | -31 | 85 | 132 | 47 | 375 | 375 | 0 |
| Campbeltown Schools Redevelopment | 28 | 0 | -28 | 50 | 75 | 25 | 100 | 100 | 0 |
| Oban Office Rationalisation | 18 | 19 | 1 | 19 | 19 | 0 | 30 | 30 | 0 |
| Dunoon Office Rationalisation | 12 | 15 | 3 | 30 | 30 | 0 | 30 | 30 | 0 |
| Kilmory Biomass Carbon Management | 1 | 0 | -1 | 24 | 409 | 385 | 486 | 486 | 0 |
| Islay HS/Bowmore PS Carbon Management | 1 | 0 | -1 | 34 | 440 | 406 | 465 | 515 | 50 |
| Oban HS Biomass Carbon Management | 9 | 0 | -9 | 46 | 395 | 349 | 118 | 489 | 371 |
| Dalintober PS Carbon Management | 55 | 46 | -9 | 56 | 56 | 0 | 60 | 60 | 0 |
| Campbeltown Grammar | 0 | 0 | 0 | 5 | 5 | 0 | 5 | 5 | 0 |
| Islay Wind Project | 0 | 0 | 0 | 12 | 12 | 0 | 12 | 12 | 0 |
| New Helensburgh Swimming Pool | 2 | 0 | -2 | 2 | 0 | -2 | 154 | 152 | -2 |
| NPDO Capital Requirement - residual payments | 1 | 0 | -1 | 173 | 173 | 0 | 6,102 | 6,102 | 0 |
| Aqualibrium - residual payments | 0 | 0 | 0 | 10 | 10 | 0 | 6,191 | 6,191 | 0 |
| Helensburgh Office Project | 605 | 599 | -6 | 845 | 845 | 0 | 2,689 | 2,689 | 0 |
| Strategic Change Total | 764 | 680 | -84 | 1,391 | 2,601 | 1,210 | 16,817 | 17,236 | 419 |
| Departmental Total | 5,519 | 5,344 | -175 | 9,659 | 11,675 | 2,016 | 70,892 | 70,511 | -381 |

Actual expenditure to date is £5,519k compared to the year to date budget of £5,344k, resulting in a variance of £175k. At this stage it is forecast that actual expenditure this year will be £9,659k compared to a budget of £11,675k resulting in a variance of £2,016k. In terms of total project costs these are currently forecast to exceed the budget by £381k.

ARGYLL AND BUTE COUNCIL - CAPITAL PLAN MONITORING REPORT - PROJECT PERFORMANCE -CUSTOMER SERVICES - 31 DECEMBER 2011

| Asset Sustainability Project Progress | | | | Comments On Asset Sustainability Programmes |
|---|--|-------------------------------------|----------|--|
| Complete or On Target No Of Projects | Off Target & Being Recoverd No Of Projects | Off Target & Problem No Of Projects | | |
| Education | 40 | 1 | 0 | Out of 166 asset sustainability projects there are 157 on target or complete, 8 off target but being recovered and 1 off target. • IT Education - Saving of 185k. |
| Non Education | 5 | 0 | 0 | |
| Argyll House Heating & Lighting Upgrade | 1 | 0 | 0 | |
| Campbeltown Registrars Office | 1 | 0 | 0 | |
| Kilmory CWS Tank & Lightning Protection | 1 | 0 | 0 | |
| Capital Property Works | 1 | 0 | 0 | |
| Rothesay Leisure Pool | 0 | 1 | 0 | |
| Residual Projects | 108 | 6 | 1 | |
| Asset Sustainability Total | 157 | 8 | 1 | |

| Service Development Projects | | | | | | | | | |
|--|---|----------|-------------------|-----------------------|-----------------------|-------------------------------|-------------------|-------------------------|---|
| | Completion of OBC | | Curr Year Exp RAG | Project Total Exp RAG | Benefits Expected RAG | Deliverability Of Project RAG | Project Risks RAG | Exception Report Yes/No | Comments |
| | Due Date | On Track | | | | | | | |
| Graham Williamson IT Centre | 01-Apr-12 | | G | G | G | G | G | No | There is a red flag against 4 of the 22 service development projects. Consolidated Server Replacement and Applications Projects are classed as red against current year spend. Dunoon Children's Unit and Dunclutha Bungalow are classed as red against all categories. |
| Property Management System | | | A | G | G | G | G | No | |
| Education Domain Extension | 22/12/2009 | Yes | A | G | G | G | G | No | |
| Consolidated Server Replacement | | | R | G | G | G | G | Yes | |
| IT Enablement Process for Change | | | A | G | G | G | G | No | |
| Applications Projects | | | R | G | G | G | G | Yes | |
| Flexi System Ph 2 extra sites | Residual projects already approved, no OBC required | | A | G | G | G | G | No | |
| Flexi System HRS Integration | | | A | G | G | G | G | No | |
| Cash Receipting | | | G | G | G | G | G | No | |
| Home Working /Mobile Working Pilot | | | G | G | G | G | G | No | |
| Fleet Management | | | A | A | G | G | G | No | |
| Tobermory Early Years - Tobermory High | | | G | G | G | G | G | No | |
| Southend Primary School (Partial re-build) | | | G | G | G | G | G | No | |
| Class size reduction | | | G | G | G | G | G | No | |
| Campbeltown Nursery - Capital Fund | | | G | G | G | G | G | No | |
| Bowmore Gaelic Unit | | | G | G | G | G | G | No | |
| Ledaig Replacement of Mobile Home | G | G | G | G | G | No | | | |
| Campbeltown All Weather Pitch | A | G | A | G | G | A | No | | |

| | | | | | | | |
|-------------------------------------|--|---|---|---|---|---|-----|
| Office Rationalisation | | G | G | G | G | G | No |
| Mull & Iona Progressive Care Centre | | G | G | G | G | G | No |
| Residential Respite Care Facility | | G | G | G | G | G | No |
| Dunoon Childrens Unit | | R | R | R | R | R | Yes |
| Dunclutha Bungalow | | R | R | R | R | R | Yes |
| Oban High Community Facility | | G | G | G | G | G | No |

Strategic Change Projects

| | Completion of OBC | | Completion of FBC | | Curr Year | Project Total | Benefits | Deliverability | Project |
|--|---|----------|---|----------|-----------|---------------|--------------|----------------|-----------|
| | Due Date | On Track | Due Date | On Track | Exp RAG | Exp RAG | Expected RAG | Of Project RAG | Risks RAG |
| Primary & Pre 5 Joint Campus in Dunoon | 01-Nov-10 | Yes | | | G | G | G | G | G |
| Campbeltown Schools Redevelopment | 01-Nov-10 | Yes | | | G | G | G | G | G |
| Oban Office Rationalisation | 01-Oct-10 | Yes | | | G | G | G | G | G |
| Dunoon Office Rationalisation | 2011/12 | Yes | | | G | G | G | G | G |
| Kilmory Biomass Carbon Management | | | | | R | G | G | G | G |
| Islay HS/Bowmore PS Carbon Management | | | | | R | R | G | G | G |
| Oban HS Biomass Carbon Management | | | | | G | G | G | G | G |
| Dalintober PS Carbon Management | | | | | R | R | G | G | G |
| Campbeltown Grammar | | | | | G | G | G | G | G |
| Islay Wind Project | | | | | G | G | G | G | G |
| Helensburgh Office Project | Mar-09 | Approved | Jun-10 | Yes | G | G | G | G | G |
| NPDO Capital Requirement - residual payments | Residual projects already approved, no OBC required | | Residual projects already approved, no FBC required | | G | G | G | G | G |
| New Helensburgh Swimming Pool | | | | | G | G | G | G | G |
| Aqualibrium - residual payments | | | | | G | G | G | G | G |

Capital Plan Commentary - Key Successes

Achieving expenditure in excess of the forecast amount for education projects during the current period.

Capital Plan Commentary - Key Challenges

Progressing in the most efficient manner the remaining Community Services projects which are to be completed by the end of the current financial year.

Capital Plan Commentary - Key Actions

Review overall spend.

Decisions/Approval Required

None

| | | | | | |
|---|---|---------------|-------------|----------------|---|
| Project Name – Consolidated Server Replacement | | | | | |
| First Added to Capital Plan – 2011/12 | | | | | |
| Project Manager – S.McKenzie | | | | | |
| | Tender Issue | Tender Return | Works Start | Works Complete | Cost £ |
| Original Plan: Gross Exp Income Net Exp | n/a | n/a | Nov 2011 | April 2012 | £350,000 in 2011-12 £350,000 In 2012-13 |
| Current Forecast: Gross Exp Income Net Exp | n/a | n/a | March 2012 | Sept 2012 | £0 in 2011-12 £700,000 in 2012-13 |
| Variance: Gross Exp Income Net Exp | | | | | minus £350,000 in 2011-12 plus £350,000 in 2012/13 |
| Contractor : | To be defined based on options appraisal. | | | | |
| What is this project? | | | | | |
| <p>The Council's ICT service delivers a consolidated server environment that hosts most of the Council's important corporate and service-specific systems - these include most of the online services the Council offers to the public.</p> <p>Growth in the number and complexity in systems has been met since the initial procurement in 2005 by adding components piecemeal. However, added components rely on core units which, by 2012, will have been subject to 7 years 'wear and tear'. With this in mind capital funding has been allocated for the refresh of the server components during financial years 2011/12 and 2012/13. This project seeks to replace the older existing locally-hosted server infrastructure.</p> | | | | | |
| How is this project funded? | | | | | |
| IT Capital Programme. | | | | | |
| Why is this project classified as red? | | | | | |
| Anticipated slippage of £350k slippage to 2012-13. | | | | | |

What has caused the issue outlined above?

In addition to the standard approach to replacing servers, opportunities have emerged for a broader range of options for providing the required future server infrastructure. These options may potentially offer better value for the Council in the future and require to be explored more fully at this stage. There has also been a delay caused by the underlying dependency on the progress of the GWITC server room alterations which are behind schedule.

What action will be taken to rectify this issue?

Server room alterations delay to be escalated with Facility Services. A broader options appraisal is being undertaken for provision of the required server infrastructure.

What are the implications of the action proposed?

Slippage of £350k to 2012/13 resulting in full £700k to be spent in 2012/13.

| | | | | | |
|---|---|---------------|--------------|----------------|---|
| Project Name – Applications Project | | | | | |
| First Added to Capital Plan – 2011/12 | | | | | |
| Project Manager – J Stewart / John McVey | | | | | |
| | Tender Issue | Tender Return | Works Start | Works Complete | Cost £ |
| Original Plan: Gross Exp Income Net Exp | n/a | n/a | January 2011 | March 2011 | £257,000 in 2010-11 |
| Current Forecast: Gross Exp Income Net Exp | n/a | n/a | January 2012 | June 2012 | £37,000 in 2011-12 |
| Variance: Gross Exp Income Net Exp | | | | | Minus £220 in 2011-12 Plus £110,000 in 2012-13 plus £110,000 in 2013-14 |
| Contractor : | Expert services to be procured for implementation of Commitment Accounting; | | | | |
| What is this project? | | | | | |
| Two areas of project expenditure: <ul style="list-style-type: none"> • The purchase and implementation of the Oracle Commitment Accounting module for which a licence has been purchased but requires specialist services for its implementation. • Software and services associated with a Personnel Cost Planning solution. | | | | | |
| How is this project funded? | | | | | |
| IT Capital Programme and earmarked reserves. | | | | | |
| Why is this project classified as red? | | | | | |
| Both projects have slipped. Licences have been purchased for the Commitment Accounting module within Oracle however no services have been secured for its implementation. Progress has not been as expected for securing a Personnel Cost Planning solution. | | | | | |

What has caused the issue outlined above?

Due to other work pressures for Strategic Finance and Financial Services, slippage of projects (and associated budget), from 2010 including the ORACLE upgrade, Commitment Accounting and integration of HR costing information and FMS have impacted on the range of projects that can be undertaken this year and budget required.

What action will be taken to rectify this issue?

Early engagement with Finance and Strategic Finance in 2011/12.

What are the implications of the action proposed?

Slippage of £220 to be spread evenly across 2012/13 and 2013/14.

| |
|---|
| <p>Project Name – Education and Non Educational First Added to Capital Plan – 2010/2011 Residual Projects Project Manager – A S Redpath</p> |
| <p>What project? Education and Non Education Capital programme</p> |
| <p>How is this project funded? From the above mentioned Programmes</p> |
| <p>Why are projects classified as red?</p> <p>Residual commitments are as follows</p> <p>Educational £569k Non Educational £69k</p> |
| <p>What has caused the issue outlined above?</p> <p>Costs have increased due to work on projects being extended with client agreement. Unforeseen costs have come to light during work in progress. Additional commitments have been entered into where the works are being carried out on isolated island sites where access is expensive for additional future contracts</p> |
| <p>What action will be taken to rectify this issue?</p> <p>Expenditure in the year to the 31 March 2012 will be kept under review prior to contracts being let. We will be reviewing our commitments to further expenditure for this year over the next few weeks and where necessary will commit only such expenditure as required to match overall budgets.</p> |
| <p>What are the implications of the action proposed?</p> <p>Reduced or amended capital expenditure in the year to 31 March 2012 and 2013 Review and reallocate budgets within Education and Non Education programmes. Revised budget spend on certain individual projects.</p> |

| Project Name – Dunoon Childrens Unit First Added to Capital Plan – 04/05 Project Manager – A S Redpath | | | | | |
|---|-------------------|---------------|--------------------------|--------------------------|-------------------------|
| | Tender Issue | Tender Return | Works Start | Works Complete | Cost £ |
| Original Plan: Gross Exp Income Net Exp | n/a | n/a | July 2005 | March 2006 | 464,000 464,000 0 |
| Current Forecast: Gross Exp Income Net Exp | n/a | n/a | Unknown See note a | Unknown See note b | 464,000 464,000 0 |
| Variance: Gross Exp Income Net Exp | | | | | 0 0 0 |
| Contractor | Ecos Construction | | | | |
| What is this project? The replacement of the existing unit. | | | | | |
| How is this project funded? The construction of the home is free of charge to the council as part of the offer for the larger Dunclutha site. | | | | | |
| Why is this project classified as red? The deliverability and project risks are currently classified as high given the Developer's continued inability to progress the project. In addition, the forecast "expenditure" and corresponding income for the current financial year have been reduced to £0. A building warrant has now been issued for the construction of the new home; however there are no indications of an early start on the works. | | | | | |
| What has caused the issue outlined above? Reluctance on the behalf of the developer, who is constructing the home, to expedite matters. | | | | | |
| What action will be taken to rectify this issue? Legal continue to press the Developer to submit a final/revised construction programme for the construction of the facility and to settle on the basis of previous agreements. | | | | | |
| What are the implications of the action proposed? The completion of the facility will be delayed. A new completion date is currently awaited. | | | | | |

Notes

- a) Dates awaited from Governance and Law
- b) Dates awaited from Governance and Law

| Project Name – Dunclutha Bungalow First Added to Capital Plan – 2009/2010 Project Manager – Allan Redpath | | | | | |
|---|--------------------|---------------|-----------------------|-----------------------|-------------------------|
| | Tender Issue | Tender Return | Works Start | Works Complete | Cost £ |
| Original Plan: Gross Exp Income Net Exp | Oct 2009 | Dec 2009 | January 2010 | March 2010 | 148,000 0 148,000 |
| Current Forecast: Gross Exp Income Net Exp | Nov 2009 | Dec 2009 | Unknown See note a | Unknown See note b | 148,000 0 148,000 |
| Variance: Gross Exp Income Net Exp | | | | | 0 0 0 |
| Contractor | Not yet appointed. | | | | |
| What is this project? The conversion of a derelict bungalow adjacent to Dunclutha Children's Home, into a new Social Work Day centre. Access into the new facility is gained from a new entrance road being constructed by the developer who is constructing the new and adjacent children's home. | | | | | |
| How is this project funded? From the Social Work Capital programme | | | | | |
| Why is this project classified as red? The deliverability and project risks are currently classified as high given the Developer's continued inability to progress the project. In addition, expenditure in the current year has been reduced to £0. A building warrant has now been issued for the construction of the new home; however there are no indications of an early start on the works. | | | | | |
| What has caused the issue outlined above? Access to the new Day Centre is gained from an extended access road and car park which serves the new Children's Home. The new home is being constructed by a Developer and construction work is substantially behind programme. (Work has not yet started). Revised timescales are currently awaited from Legal and Protective Services. | | | | | |
| What action will be taken to rectify this issue? Legal continue to press the Developer to submit a final/revised construction programme for the construction of the facility and to settle on the basis of previous agreements. | | | | | |
| What are the implications of the action proposed? The opening of the facility continues to be delayed. | | | | | |

Notes

- a) Dates awaited from Governance and Law
- b) Dates awaited from Governance and Law

ARGYLL AND BUTE COUNCIL - CAPITAL PLAN MONITORING REPORT - FINANCIAL PERFORMANCE - DEVELOPMENT & INFRASTRUCTURE SERVICES - 31 DECEMBER 2011

| | Current Financial Year To Date | | | Full Year This Financial Year | | | Total Project Costs | | |
|--|--------------------------------|-----------------|-------------------|-------------------------------|-----------------|-------------------|---------------------|-----------------|-------------------|
| | Actual £000s | Budget £000s | Variance £000s | Forecast £000s | Budget £000s | Variance £000s | Forecast £000s | Budget £000s | Variance £000s |
| Asset Sustainability | | | | | | | | | |
| Flood Prevention | 124 | 98 | -26 | 150 | 522 | 372 | 1313 | 1499 | 186 |
| Bridge Strengthening | 344 | 274 | -70 | 420 | 420 | 0 | 2349 | 2349 | 0 |
| Roads Reconstruction | 6371 | 7047 | 676 | 7440 | 7120 | -320 | 15720 | 15720 | 0 |
| Lighting | 474 | 600 | 126 | 600 | 600 | 0 | 1800 | 1800 | 0 |
| Environmental | 72 | 222 | 150 | 202 | 252 | 50 | 597 | 597 | 0 |
| PC Upgrades | 29 | 90 | 61 | 40 | 100 | 60 | 150 | 200 | 50 |
| HITRANS | 202 | 250 | 48 | 250 | 250 | 0 | 933 | 933 | 0 |
| Traffic Management | 59 | 206 | 147 | 206 | 206 | 0 | 406 | 406 | 0 |
| Zero Waste Fund | 0 | 0 | 0 | 51 | 51 | 0 | 221 | 221 | 0 |
| Port Askaig Berth Protection | 0 | 0 | 0 | 20 | 20 | 0 | 300 | 300 | 0 |
| Kidston Park PC | 2 | 100 | 98 | 2 | 100 | 98 | 123 | 123 | 0 |
| Fleet Management | 779 | 408 | -371 | 773 | 769 | -4 | 5455 | 5451 | -4 |
| Residual Projects | 433 | 488 | 55 | 610 | 613 | 3 | 1319 | 1317 | -2 |
| Asset Sustainability Total | 8,889 | 9,783 | 894 | 10,764 | 11,023 | 259 | 30,686 | 30,916 | 230 |
| Service Development Projects | | | | | | | | | |
| A83 South of Muasdale | 40 | 12 | -28 | 60 | 17 | -43 | 590 | 590 | 0 |
| A849 Pennyghael Bridge Mull | 2 | 0 | -2 | 3 | 3 | 0 | 135 | 135 | 0 |
| A816 Oude Bridge Realignment | 0 | 0 | 0 | 1 | 3 | 2 | 135 | 135 | 0 |
| A816 Tibertich No 1 Bridge | 0 | 0 | 0 | 1 | 3 | 2 | 40 | 40 | 0 |
| A816 Ford Rd End to Mill Brae | 0 | 1 | 1 | 1 | 1 | 0 | 273 | 273 | 0 |
| Tayinloan Slip | 17 | 311 | 294 | 665 | 1,011 | 346 | 2,150 | 2,650 | 500 |
| Preliminary design for Regional Transport projects | 0 | 0 | 0 | 0 | 5 | 5 | 221 | 221 | 0 |
| A814 Bend at Mollandhu | 2 | 2 | 0 | 2 | 2 | 0 | 153 | 153 | 0 |
| Cycleways | 8 | 0 | -8 | 10 | 0 | -10 | -303 | -313 | -10 |
| Milton Burn | 439 | 403 | -36 | 1,000 | 501 | -499 | 2,486 | 2,300 | -186 |
| Dunoon Town Centre Regeneration | 0 | 0 | 0 | 0 | 0 | 0 | 501 | 501 | 0 |
| Bowmore Town Centre Regeneration | 0 | 0 | 0 | 0 | 0 | 0 | 480 | 480 | 0 |
| Campbeltown Old Quay | 8 | 30 | 22 | 30 | 60 | 30 | 800 | 800 | 0 |
| Portnacroish to Inverfolla cycle route | 0 | 0 | 0 | 7 | 7 | 0 | 0 | 0 | 0 |
| Safe Streets, Walking and Cycling | 0 | 0 | 0 | 11 | 11 | 0 | 0 | 0 | 0 |
| B836 Sandbank - Dunoon | 0 | 0 | 0 | 8 | 8 | 0 | 0 | 0 | 0 |
| Sealife Cnt to Creagan Br Ph 2A | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 |
| Kilmartin to B840 Cycleway | 0 | 0 | 0 | 39 | 39 | 0 | 0 | 0 | 0 |
| Taynuilt Footbridge | 0 | 0 | 0 | 3 | 3 | 0 | 0 | 0 | 0 |
| Marine Access to Nat. Park | 0 | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 0 |
| Ganavan - Park PS Cycleway | 0 | 0 | 0 | 3 | 3 | 0 | 0 | 0 | 0 |

| | | | | | | | | | |
|---|--------------|---------------|--------------|---------------|---------------|-------------|---------------|---------------|------------|
| Garelochhead - 3 Lochs Way Path | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 |
| Oban Sustainable Travel Mapping/Signage | 3 | 0 | -3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Helensburgh Pier | 0 | 0 | 0 | 0 | 0 | 0 | 111 | 111 | 0 |
| SPFT | 20 | 0 | -20 | 13 | 13 | 0 | 0 | 0 | 0 |
| Service Development Total | 539 | 759 | 220 | 1,861 | 1,694 | -167 | 7,772 | 8,076 | 304 |
| Strategic Change Projects | | | | | | | | | |
| Kintyre Renewables Hub | -64 | 219 | 283 | 800 | 1,219 | 419 | 7,162 | 7,162 | 0 |
| Oban Development Road | 1 | 4 | 3 | 5 | 5 | 0 | 368 | 368 | 0 |
| A848 Salen - Tobermory | 0 | 3 | 3 | 0 | 5 | 5 | 268 | 273 | 5 |
| Bruichladdich Pier | 0 | 0 | 0 | 5 | 5 | 0 | 2,088 | 2,088 | 0 |
| Rothesay Harbour Ferry Berth Improvements | 3 | 7 | 4 | 5 | 10 | 5 | 6,434 | 6,422 | -12 |
| Dunoon Pier | 0 | 0 | 0 | 25 | 0 | -25 | 987 | 987 | 0 |
| Port Askaig Pier | 43 | 8 | -35 | 45 | 70 | 25 | 3,807 | 3,802 | -5 |
| Improvements to Landfill Sites Islay & Mull | 12 | 61 | 49 | 61 | 61 | 0 | 4,104 | 4,104 | 0 |
| Strategic Change Total | -5 | 302 | 307 | 946 | 1,375 | 429 | 25,218 | 25,206 | -12 |
| Departmental Total | 9,423 | 10,844 | 1,421 | 13,571 | 14,092 | 521 | 63,676 | 64,198 | 522 |

Actual expenditure to date is £9,423k compared to the year to date budget of £10,844k, resulting in a variance £1,421k. At this stage it is forecast that actual expenditure this year will be £13,571k compared to the budget of £14,092k resulting in a slippage of £521k. In terms of total project costs these are currently forecast to come in under the budget by £522k.

ARGYLL AND BUTE COUNCIL - CAPITAL PLAN MONITORING REPORT - PROJECT PERFORMANCE -DEVELOPMENT & INFRASTRUCTURE SERVICES - 31 DECEMBER 2011

| Asset Sustainability Project Progress | | | | Comments On Asset Sustainability Programmes |
|---------------------------------------|---|---|--|--|
| | Complete or On Target No Of Projects | Off Target & Being Recoverd No Of Projects | Off Target & Problem No Of Projects | |
| Flood Prevention | 0 | 1 | 0 | Out of 26 asset sustainability projects there are 23 on track and 3 off track but being recovered. |
| Bridge Strengthening | 1 | 0 | 0 | |
| Roads Reconstruction | 1 | 0 | 0 | |
| Lighting | 1 | 0 | 0 | |
| Environmental | 1 | 0 | 0 | |
| PC Upgrades | 0 | 1 | 0 | |
| Ulva ferry PC | 1 | 0 | 0 | |
| Fionnophort PC | 1 | 0 | 0 | |
| HITRANS | 1 | 0 | 0 | |
| Traffic Management | 1 | 0 | 0 | |
| Zero Waste Fund | 0 | 0 | 0 | |
| Port Askaig Berth Protection | 1 | 0 | 0 | |
| Kidston Park PC | 1 | 0 | 0 | |
| Fleet Management | 1 | 0 | 0 | |
| Residual Projects | 12 | 1 | 0 | |
| Asset Sustainability Total | 23 | 3 | 0 | |

| Service Development Projects | | | | | | | | | |
|--|-------------------|----------|-------------------------|-----------------------------|-----------------------------|-------------------------------------|-------------------------|-------------------------------|--|
| | Completion of OBC | | Curr Year Exp RAG | Project Total Exp RAG | Benefits Expected RAG | Deliverability Of Project RAG | Project Risks RAG | Exception Report Yes/No | Comments |
| | Due Date | On Track | | | | | | | |
| A83 South of Muasdale | Dec-11 | Yes | A | G | G | A | A | No | There are red flags against 2 of the 19 service development projects. Milton Burn and Tayinloan Slip are flagged as red for current year's costs and total project cost. |
| A849 Pennyghael Bridge Mull | Dec-12 | Yes | G | G | G | G | G | No | |
| A816 Oude Bridge Realignment | Dec-12 | Yes | A | G | G | G | G | No | |
| A816 Tibertich No 1 Bridge | Dec-13 | Yes | A | G | G | G | G | No | |
| A816 Ford Rd End to Mill Brae | Aug-09 | Yes | G | G | G | G | G | No | |
| Tayinloan Slip | Dec-10 | Yes | R | R | G | G | G | Yes | |
| Preliminary design for Regional Transport projects | | | A | A | G | G | G | No | |
| A814 Bend at Mollandhu | | | G | G | G | G | G | No | |
| Cycleways | | | A | A | G | G | G | No | |
| Milton Burn | | | R | R | G | A | R | Yes | |
| Dunoon Town Centre Regeneration | | | G | G | G | G | G | No | |
| Bowmore Town Centre Regeneration | | | G | G | G | G | G | No | |
| Portnacroish to Inverfolla cycle route | | | G | G | G | G | G | No | |
| | Residual projects | | | | | | | | |

| | | | | | | | |
|---|-----------------------------------|---|---|---|---|---|----|
| Safe Streets, Walking and Cycling | already approved, no OBC required | G | G | G | G | G | No |
| B836 Sandbank - Dunoon | | G | G | G | G | G | No |
| Sealife Cnt to Creagan Br Ph 2A | | G | G | G | G | G | No |
| Kilmartin to B840 Cycleway | | G | G | G | G | G | No |
| Taynuilt Footbridge | | G | G | G | G | G | No |
| Marine Access to Nat. Park | | G | G | G | G | G | No |
| Oban Sustainable Travel Mapping/Signage | | G | G | G | G | G | No |
| SPFT 08/09 | | G | G | G | G | G | No |

Strategic Change Projects

| | Completion of OBC | | Completion of FBC | | Curr Year | Project Total | Benefits | Deliverability | Project | |
|---|---|----------|---|----------|-----------|---------------|--------------|----------------|-----------|---|
| | Due Date | On Track | Due Date | On Track | Exp RAG | Exp RAG | Expected RAG | Of Project RAG | Risks RAG | |
| Kintyre Renewables Hub | Jan-00 | | Sep-10 | | R | G | G | G | G | |
| Oban Development Road | Residual projects already approved, no OBC required | | Residual projects already approved, no FBC required | | G | G | G | G | G | |
| A848 Salen - Tobermory | | | | | A | A | G | G | G | G |
| Bruichladdich Pier | | | | | G | G | G | G | G | G |
| Rothesay Harbour Ferry Berth Improvements | | | | | R | A | G | G | G | G |
| Dunoon Pier | | | | | A | G | G | G | G | G |
| Port Askaig Pier | | | | | A | A | G | G | G | G |
| Improvements to Landfill Sites Islay & Mull | | | | | G | G | G | G | G | |

Capital Plan Commentary - Key Successes

Major programme of road reconstruction is being successfully delivered through a combination of in house and external partner resources

Capital Plan Commentary - Key Challenges

Increased road reconstruction programme has resulted in a work load over and above that planned for with current structure
Project risk for Milton Burn of unforeseen ground conditions has been realised.

Work on Tayinloan Slip disrupted by December storms

Capital Plan Commentary - Key Actions

External assistance being procured through framework agreement. This assistance will concentrate on project management
Contractor and Engineer's staff worked together to devise alternative construction method. Project is on programme. Anticipated additional costs will be met by viring from Flood Prevention allocation.
Contractor increasing resources but we do not believe this will prevent work slipping to 2012-13.
£50k of PC Upgrade budget reallocated to specific PC project in 2012-13.
£50k of Environment allocation slipped due to delays in match funding for Kilmun Mausoleum project

Decisions/Approval Required

| |
|--|
| |
|--|

Project Name – Tayinloan ferry berth improvements**First Added to Capital Plan – 2008/9****Project Manger: Martin Gorringe**

| | Tender Issue | Tender Return | Works Start | Works Complete | Cost £ |
|---|--------------|---------------|--------------|----------------|-----------------------------------|
| Original Plan: Gross Exp Income Net Exp | Jan 2010 | Feb 2010 | March 2010 | October 2010 | 2,650,000 0 2,650,000 |
| Current Forecast: Gross Exp Income Net Exp | June 2011 | August 2011 | October 2011 | May 2012 | 2,650,000 500,000 2,150,000 |
| Variance: Gross Exp Income Net Exp | 17 months | 18 months | 19 months | 19 months | 0 -500,000 500,000 |

Contractor Contractor now appointed

What is this project?

The construction of a suspended slab access-way and a sand bypass which will extend the width of the slipway and prevent future silting. The project will improve the connectivity and resilience of the life line ferry service provided by Calmac to the island of Gigha.

How is this Project Funded?

Funded from Council's Capital Budget and an award of £500,000 has been made from the ERDF.

Why is this project classified as red?

The project is now on site with a programmed completion scheduled for June 2012. The contractor has programmed the works such that the expenditure forecast has now accelerated with a view to exceeding the original forecast.

What has caused the issue outlined above?

The approved work programme shows an accelerated timescale.

What action will be taken to rectify this issue?

The project is being managed on site with a commitment by the contractor to complete to the proposed programme

What are the implications of the action proposed?

Continued monitoring is required and communication with stakeholders to ensure they are advised of any disruptions

Project Name – Milton Burn, Dunoon – Flood Prevention Scheme

First Added to Capital Plan – 2000

Project Manger: Arthur McCulloch

| | Tender Issue | Tender Return | Works Start | Works Complete | Cost £ |
|-------------------|--------------|---------------|-------------|----------------|-----------|
| Original Plan: | John St. | John St. | John St. | John St. | |
| Gross Exp | Mar 11. | April 11. | May 11. | Dec 11. | 2,300,000 |
| Income | Milton | Milton | Milton | Milton Burn | 0 |
| Net Exp | Burn | Burn | Burn | Sept 12 | 2,300,000 |
| | Oct 11 | Nov 11 | Jan 12 | | |
| Current Forecast: | John St. | John St. | John St. | John St. | |
| Gross Exp | Mar 11. | April 11. | June 11. | Mar 12. | 2,486,000 |
| Income | Milton | Milton | Milton | Milton Burn | 0 |
| Net Exp | Burn | Burn | Burn | Sept 12. | 2,486,000 |
| | Oct 11 | Nov 11 | Jan 12 | | |
| Variance: | None | None | John | John Street | |
| Gross Exp | | | Street 1 | 3 months; | 186,000 |
| Income | | | month; | Milton Burn | 0 |
| Net Exp | | | Milton | none. | 186,000 |
| | | | Burn | | |
| | | | none. | | |

Contractor
 Storie (Argyll) Ltd for first phase completed in 2009.
 George Leslie Ltd for John Street and for Milton Burn works.

What is this project?
 Flood alleviation measures for the Milton Burn in Dunoon.

How is this Project Funded?
 Council's Capital Budget

Why is this project classified as red?
 Acceleration of expenditure from future years into current year, and predicted overspend in 11-12, also a project risk with ground conditions has been realised and therefore overall increase in expenditure.

What has caused the issue outlined above?
 Unforeseen ground conditions were encountered in the sewer diversion. This has necessitated a change to the contractor's method of working, causing delays and disruption to his programme which will result in a claim for additional costs to be reimbursed.

What action will be taken to rectify this issue?
 The contractor and Engineer's staff have been working closely together to continue to provide the sewer diversion given the unstable nature of the running sand encountered. This has resulted in an auger drilling method has been used to install the sewer rather than the trench construction envisaged. The sewer is 4 metres below ground just a few metres in front of a tenement building so caution is being exercised with the works at this location. The sewer has been completed in November and though the financial consequences are not yet clear it is likely that the allowance for contingencies may be exceeded. As soon as the financial position is clearer, the figures will be reported. The anticipated additional budget (£186,000) for Milton Burn in 11-12 will be vired from Flood Prevention.

What are the implications of the action proposed?

The actions above will allow the next phase of the project (The Burn Works) to be progressed in line with the programme. It is expected that the completion date for the John Street contract will extend beyond December and into February/March 2012. Also, the budget for flooding projects overall can be fully utilised on flooding projects including Milton Burn in 2011/12.