



Belfast City Council

Report to:	Strategic Policy & Resources Committee
Subject:	Capital Programme Update : Dargan Crescent In-Ground Gas Extraction System
Date:	23 March 2012
Reporting Officer:	Gerry Millar, Director of Property & Projects – ext 6217
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Relevant Background Information

In June 2009 the Strategic Policy & Resources Committee approved a budget of £513,000 for the installation of an in-ground gas extraction system on the Dargan Crescent area of the Duncrue Industrial Estate as a capital project.

Financial Regulation D9 permits Chief Officers to approve variations in the approved sum of a capital scheme up to 5% or £15,000 (whichever is lower) and individual spending committees to approve additional sums up to 10% or £50,000 (whichever is lower). The Strategic Policy & Resources Committee is the relevant spending committee for capital projects.

Key Issues

The work has been completed and the final account has recently been agreed; the final outturn cost is £561,250 which exceeds the approved budget by £48,250 or 9.41%. The contract conditions require that the Council pays the outstanding amounts to the contractor.

Reasons for the variation include the relocation of gas manifold units due to legislative requirements, upgrading inspection chamber covers due to Health & Safety requirements, additional gas sampling apparatus and design revisions due to unforeseen ground conditions.

Resource Implications

An initial budget of £513,000 was approved; however, allowance for the increased final expenditure of £561,250 has been advised to the Director of Finance & Resources and can be accommodated within the capital financing budget for the current financial year.

Recommendations

Although this is a retrospective request, formal approval from the Committee is required and therefore it is recommended that the Committee approve the additional cost incurred of £48,250.
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Decision Tracking

This project has been completed and will be closed upon final payment being made to the contractor.

Key to Abbreviations

None

Documents Attached

None
