

Briefing Note: Reported Overspend on Replacement of Grand Arcade Car Park Management System

Background

The capital cost of the Replacement of Grand Arcade Car Park Management System, which is already on the Capital Plan (SC506), has increased from a net cost of £400,000 to £436,000. The original project appraisal approved at Environment Scrutiny Committee on 4 October 2011, anticipated the receipt of £34,000 from the sale of the existing equipment which sum was deducted from the capital cost rather than being shown as a funding source against an actual scheme cost of £434,000. Following the award of the contract for the new management system, the sale has fallen through as a result of compatibility problems with some of the software, which is no longer supported by the manufacturer.

Decision Required

It is therefore necessary to approve as an urgent decision additional expenditure of £36,000 funded from the existing Car Park Equipment Repairs and Renewals Fund being the additional net cost of £34,000 plus the anticipated cost of £2,000 for relocation of the back-up server for the new system.

If the old system is eventually sold, the proceeds will be appropriately coded in accordance with the Council constitution, Part 4F (Financial Regulations and Financial Procedure Rules).