

CAPITAL CONTRACT INCREASES FUND – REQUEST FOR SPEND

1.0 INTRODUCTION

- 1.1 The Council have seen a number of unavoidable and inescapable price increases over the last few years, in particular those increases are affecting construction materials, vehicles and plant. Officers are experiencing an increase in tender returns and are witnessing an increase in costs due to rising inflation which sees some tender prices coming in above the budget set.
- 1.2 At the Council Budget Meeting on 22nd February 2024, the Council agreed to increase the Capital Contract Increases Fund to £3m in order to help protect against capital projects which are already committed by the Council.
- 1.3 This report sets out recommendations for the Council to consider in terms of works which were formally agreed by Council in relation to (1) road works as a result of a landslip at Auchmeanach Farm, also known as the B8001 Claonaig and (2) a Road Marking Machine. The report also requests delegated authority for the use of the Capital Contract Increases Fund.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that Council:
- a. agree to fund £706k from the Capital Contract Increases Fund to contribute towards the landslip works at Claonaig;
 - b. agree to fund £28k from the Capital Contract Increases Fund to contribute towards the purchase of the Road Marking machine; and
 - c. agree that delegated authority be granted for the use of the Capital Contract Increases Fund to the Council's Chief Executive and two Executive Directors.

3.0 DETAIL

3.1 Claonaig Landslip

- 3.1.1 At the Council's Environment, Development and Infrastructure Committee in

- 5.7 Risk – securing road marking contractors can be problematic for Argyll and Bute due to the geography of the area which often sees delays in the delivery of road marking works.

There is a risk to the Council in terms of not delivering the works on the B8001 – to not deliver these works will see the area deteriorate and with that deterioration over time comes increased costs.