

2 JOINT EQUIPMENT SERVICE STORE - FINANCIAL FRAMEWORK (AN319-2006)

In Committee Report 53-2005 Dundee Joint Equipment Service, it was recommended and agreed by Social Work Committee on 17th January 2005 that a Joint Equipment Store from which equipment and Occupational Therapy services would be co-ordinated and distributed, be developed. The financial framework has been revised in the course of the development of the business plan and the negotiation of the Occupational Agreement. Committee is asked to agree the revised financial framework shown below whereby the balance of capital funding required (net of Scottish Executive Grant) and annual running costs of the service will be apportioned on the basis of 60% to Dundee City Council and 40% to NHS Tayside. The expenditure figures outlined are estimates.

Committee is asked to remit the Depute Chief Executive (Support Services) to conclude the necessary legal formalities.

Provision has been made within the Social Work Department's Revenue Budget to fund Dundee City Council's share of the annual recurring revenue costs.

CAPITAL COSTS:	£
Estimated Building Conversion Costs	1,631,750
Funded By:	
Scottish Executive Grant (via NHS Tayside)	1,276,596
Dundee City Council (60% of balance) *	213,092
NHS Tayside (40% of balance - Net of VAT)	142,062
Total Funding	1,631,750
* Dundee City Council contribution funded from Prudential Borrowing (nb recurring revenue costs for DCC only - total £18,428 per annum for 20 years.)	
REVENUE COSTS:	
Estimated Recurring Revenue Costs Per Annum (excluding Prudential Borrowing costs)	189,437
Funded By:	
NHS Tayside (40% allocation - Net of VAT)	75,775
Dundee City Council (60% allocation)	113,662
	189,437
Note: Total Dundee City Council Annual Revenue Costs Incl Prudential Borrowing	132,090