

Circular L8/06

Closing Date for Recoupment Claims under the Water Services Investment Programme

Dear Manager

I wish to inform you that the final date this year for receipt in the Department of claims for recoupment of project expenditure is Monday, 11 December. It would be appreciated if you would ensure that all recoupment claims for the remainder of the year are submitted to Water Services Section promptly so that your local authority is reimbursed in full in respect of expenditure incurred during 2006.

Recoupment of Certified Expenditure

In order that claims may be processed efficiently please ensure that:

- consultants are asked to provide certification promptly on completion of works,
- all claims in respect of recoupments due up to that date are submitted to the Department immediately on certification by the consultants, and
- claims for land acquisition costs, fees, and other non-contract expenditure are submitted as soon as the costs are incurred.

Attention is drawn to the requirements in place relating to recoupment of expenditure falling under the following headings:

Recoupment of Preliminary Expenditure on Projects

Arrangements in place relating to recoupment of preliminary expenditure are set out in paragraph 9 of Circular L1/06. To recoup planning stage expenditure where the Preliminary Report has yet to be approved by the Department, an application for a Planning Stage Budget should be submitted to the Department. Appendix III of Circular L1/06 should be used for this purpose. A claim for recoupment of expenditure already incurred should accompany the application for the Planning Stage Budget. This claim should be submitted in accordance with Section 3 of Circular L18/03 of 11 November 2003 and should be accompanied by a brief description of the expenditure.

Staged Payments

In accordance with Paragraph 8(a) of Circular L18/03, the Department will pay 5% of the approved cost of a contract to a local authority on commencement of

work/signing of the contract. This 5% is carried through the life of the project and does not affect subsequent payment claims until 97.5% of the approved cost is reached. Claims for this 5%, both in the case of projects commencing now and those already in progress where the 5% has not yet been claimed will be met provided that they are submitted by 11 December.

Anticipated Expenditure

Where consultants' certificates will not be available in time to meet the 11 December deadline, a claim based on anticipated expenditure to the end of 2006 may be made before the deadline. Claims, in this case, should be made on form WSIP/04 and will be subject to the conditions set out in Paragraphs 3 (b) and (d) of Circular L18/03. In all such cases, certificates of actual expenditure from the relevant consultant and the submission of supporting details in forms WSIP/02 and/or WSIP/03 must be submitted to the Department no later than 26 January 2007.

Yours sincerely

Terry Allen
Principal Officer
Water Services Section

November, 2006.

To: City/County Managers
CC: Directors of Services (Water Services and Finance)