

## Report of Head of Finance

## Mid-year supplementary estimate requests

**1 Purpose of report**

To seek approval for a number of mid-year supplementary budget requests for the capital programme and to review the proposed community capital funding scheme arrangements for inclusion in the draft capital programme later in the year.

**2 Executive summary**

The officer capital working group has received a number of mid-year requests for capital schemes to be agreed and added to the current year's capital programme. The group has reviewed the schemes, scored them and now is recommending their inclusion into the current capital programme.

The report also outlines proposed arrangements for a community capital funding scheme that is suggested for inclusion in the draft capital programme to be presented to this committee in December 2016.

**3 Appendices**

Appendix A – Current funding available as per September Resources report

**4 Proposed action: The committee is invited to;**

**4.1 RECOMMEND that the schemes outlined in sections 6.2 to 6.7 of this report be included in the on going agreed capital programme for 2016-17 and beyond.**

**4.2 Review and advise officers on the community capital funding scheme governance arrangements suggested and whether the scheme is put forward as part of the 2017-18 draft capital programme in December 2016.**

**5 Background**

5.1 Capital monitoring is reported to this committee 4 times in the year: 3 in year reports (September, December and March) and the final out turn position in June of the following financial year. Within these reports requests for supplementary estimates are presented for agreement, to be released into the capital programme during the year. The most recent report was presented to this committee in September 2016.

- 5.2 Since the last report a number of in year schemes have been put forward that require commencement before the next financial year and therefore cannot be included in the 2017-18 draft capital programme report due to be presented to committee (December 2016). As such this report is specifically written to request these schemes are added to the current capital programme.
- 5.3 This report also includes a proposal for a community capital funding scheme that will enable schemes to be funded that would normally not score highly enough for inclusion under the current governance arrangements. Such schemes may include parish council and councillor requests for support to local schemes or investment in specific wards. This has been mentioned at previous committee meetings.

## **6 Discussion**

- 6.1 A meeting of the capital working group was held on 11 October 2016. This meeting discussed a number of new proposed schemes for inclusion in the current year's capital programme and some for future years. The majority of the in year schemes are detailed below. However, due to the urgency and strategic importance of the IT strategy scheme it has been sent as a separate report directly to council for consideration on 27<sup>th</sup> October 2016.

### **Proposed new schemes for 2016-17**

#### **Agresso Upgrade £34,375**

- 6.2 In order to maintain PSN compliance, which is a legal requirement on the council, an upgrade to the latest version of the Agresso financial system is needed. The system is integral to all the council's financial management and reporting. The system is currently hosted by Kettering Borough Council (KBC); and so this will be a joint project with KBC; costs will be borne equally between the two. £34,375 is the BCW share of this cost.

#### **Redwell Leisure Centre boilers £15,770**

- 6.3 Wellingborough Norse received a request from BCW to install a new boiler at Redwell Leisure centre as one of the boilers had broken down and was beyond reasonable repair. On investigation it is now evident that both boilers need replacing. The need to replace them is now critical, as the winter months are looming. Without the boilers the centre will be without heating and hot water. Wellingborough Norse have carried out a tender exercise. The cost to replace both boilers is £15769.34 + vat. Estimated time scales for implementation is 4 weeks per boiler and Norse will manage the installation and testing of the boilers on site.

#### **Fencing for parks £50,000**

- 6.4 A survey has been carried out of all parks and open spaces to determine the need for estate improvements. The capital programme already includes a similar fund for works/improvements to bridges (including footpaths over and around bridges) and waterways. These schemes are intended to ensure the security and safety of these open spaces and enhance the facilities for the

public. The new scheme is to provide stronger boundaries for areas of parks that pose security problems, and to reduce vandalism caused by vehicles, including cars, caravans and motor cycles accessing these areas. The fences will help to deter vehicles from accessing these parks, thus helping to secure those parks for the residents and users. The estimated completion for this project is 3 months.

- 6.5 The proposed schemes are as follow;
- (a) Boys Club Kingsway barrier/diamond fencing -15 metres of diamond rail fencing plus barrier, supply and install cost - £6431 + vat:
  - (b) Castlefields - 15 metres of hoop top fencing, supply and install cost - £3161 + vat.
  - (c) Bassetts Park railings, West Villa Rd - 80 metres of hoop top railings, supply and install cost - £13080 + vat:
  - (d) Kingsway, Croyland Park - 130 metres of diamond fencing, supply and install cost - £8611 + vat:
  - (e) Eastfield Park - supply and fit 230 metres of diamond metal rail fencing - £10,682.00 + vat.
- 6.6 A small amount of contingency has been built into this budget to allow for unforeseen expenditure, any contract supervision, or additional requirements that may come to light within the year. An estimated total budget of £50,000 will be sufficient to deliver the above improvements and provide for the contingency element.
- 6.7 Where possible Norse will use local contractors for this work, thus investing in the local economy whilst improving the public facilities.

### **The future capital programme**

- 6.8 BCW are currently considering and undertaking feasibility into some significant capital schemes for future years which will progress the council towards more financial stability. These will be presented to members later in the year as part of the draft capital programme.
- 6.9 However, as part of the preparation for the draft capital programme a number of schemes have been submitted by parish councils. Under the current agreed governance and scoring mechanism these schemes are unlikely to score highly enough to be included as part of the officers' recommendations. The current criteria focus on corporate schemes to either mitigate risks, produce efficiencies or reduce costs for BCW.
- 6.10 In addition to this, members have requested a mechanism whereby they can suggest schemes for inclusion into the programme. Where these schemes meet the current scoring and governance arrangements they can be included as part of the capital working group's recommendations. For example, the member working group on parking may make recommendations which will require capital funding and will meet the current criteria. However, as with parish councils, some of the schemes proposed by members may not score highly enough using the current matrix and are unlikely to be included in officer recommendations for new schemes.

6.11 To remedy this, and the parish council funding issues, it is proposed to include a new scheme in the programme from 2017-18 for “Community Capital Funding“ whereby members agree a capital budget for use on schemes which, under the current arrangements, would not normally score highly enough. Each element of the scheme would need to demonstrate that it is capital in nature, and a simple bid form for completion is being developed. It is proposed that this budget be administered in the same way as the current revenue community funding, via the members’ Community Funding Advisory Group, for recommendation to committee for agreement. If members are in agreement with this approach a procedure will be developed for submissions to be made and then considered by the advisory group.

**7 Legal powers**

Local Government Act 1992

**8 Financial and value for money implications**

These are detailed in this report.

**9 Risk analysis**

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
Capital resources are not focussed on members’ priorities	Value for money would not be achieved	Low	Prioritisation methodology and agreement by full council to ensure focus on key areas.

**10 Implications for resources**

As detailed in the report.

**11 Implications for stronger and safer communities**

Potential benefit from the Community Capital scheme, depending on how the funds are allocated in the future.

**12 Implications for equalities**

None at this time, but the advisory group will need to be mindful that the allocation of funds is compliant with equalities legislation.

**13 Author and contact officer**

Liz Elliott Head of Finance

**14 Consultees**

SMT  
Julie O'Connell Service Accountant (Capital)

**15 Background papers**

Previous reports to this committee  
Internal Capital Bid forms



Summary of capital resources

Current Capital Reserves:

	2016-17	2017-18	2018-19	2019-20	2020-21
	£000	£000	£000	£000	£000
<b>Capital Reserves Funding Balance B/f</b>	<b>17,456</b>	<b>22,482</b>	<b>22,107</b>	<b>22,289</b>	<b>22,505</b>
<b>Current Capital Programme (Appendix 1)</b>	7,453	509	68	34	-
Schemes awaiting approval in body of this report	100				
<i>Budget reprofiling requested</i>	<i>-1,488</i>	1,488			
<b>Capital Programme as per Agresso</b>	<b>6,065</b>	<b>1,997</b>	<b>68</b>	<b>34</b>	<b>-</b>
<i>Schemes agreed in principal, pending further action</i>					
<i>Kick Start</i>	200				
<i>Crematorium Contingency Budget not yet in main programme</i>	212				
<i>DFG Funding approved subject to demand</i>	95				
<i>Redwell 3G Pitch funding approved in principal</i>	300				
<b>Capital Programme</b>	<b>6,872</b>	<b>1,997</b>	<b>68</b>	<b>34</b>	<b>-</b>
External Funding					
Capital S106	340				
Disabled facilities Grant	264	264			
Heritage Lottery funding	619	858			
	<b>1,223</b>	<b>1,122</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current Capital Programme funded by capital reserves</b>	<b>5,649</b>	<b>875</b>	<b>68</b>	<b>34</b>	<b>-</b>
Anticipated Capital Receipts					
<i>RTB , VAT Shelter &amp; Asset Sales</i>	500	500	250	250	250
<i>Asset Held for Sale</i>	475				
<i>Other Anticipated Capital Receipts</i>	12,700				
Income transferred to Capital Investment Reserve	<i>-3,000</i>				
<b>Anticipated New Capital Receipts</b>	<b>10,675</b>	<b>500</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Forecast Capital Reserves Funding Balance C/f</b>	<b>22,482</b>	<b>22,107</b>	<b>22,289</b>	<b>22,505</b>	<b>22,755</b>

NB - Italics Estimate

<b>Forecast Capital Reserves if income not received</b>	14,507	14,132	14,314	14,530	14,780
<b>Minimum Capital Reserve</b>	5,000	5,000	5,000	5,000	5,000
<b>Available resources for capital programme</b>	9,507	9,132	9,314	9,530	9,780

