

Resources Committee

19 September 2018

Report of the Section 151 Officer

CAPITAL PROGRAMME MONITORING

1 Purpose of Report

This report presents Members with the capital programme monitoring information to 31 July 2018.

2 Executive Summary

The total capital budget for 2018-19 of £6.987m was reported at Resources Committee on the 13 June 2018. Subsequent updates and amendments to the budget are reported in the body of this report and are shown in the table at 6.1. The revised capital budget for 2018-19 is £5.927m.

3 Appendices

Appendix 1: Capital Outturn Report to 31 July 2018

Appendix 2: Capital Programme Funding Position

4. The Resources Committee is invited to RESOLVE to:

4.1 Note the projected outturn and anticipated variances as at 31 July 2018 as shown in Appendix 1

4.2 Note the External funding as stated in Appendix 2

4.3 Note the updates and amendments to the 2018-19 capital programme as shown in Section 6.

5. Introduction

5.1 Capital monitoring is reported 4 times in the year, 3 in year reports (September, December and March committees) and the final out turn position in June of the following financial year. This report is the first in year report for 2018-19 and reflects the monitoring position as at 31 July 2018.

5.2 Further financial forecasts will be reported to Committee to show the changes in

the monitoring position as at the following dates:

- 30 September 2018
- 31 December 2018
- 31 March 2019

6. Updates and amendments to the 2018-19 Capital Programme

6.1 The full assessment of the capital monitoring is attached to this report in Appendix 1; the table below provides information on the capital programme movements within 2018-19.

Capital Programme	£'000
Original 2018-19 Capital Programme (including brought forward)	6,987
<i>Resources Committee 7 February 2018</i>	
J100 Wellingborough Heritage and Shop Front Grant Initiative	54
J195 Multi Storey Car Park Express Passenger Lifts	13
<i>Resources Committee 13 June 2018</i>	
J188 Nene Valley Crematorium Memorial Wall	27
J132 Desktop Equipment Replacement and Windows7	-89
J186 ICT Infrastructure	-9
J168 ICT Data Store	-41
J193 IT Strategy Implementation Phase 2	352
<i>Council 17 July 2018</i>	
J194 Redwell 3G pitch	300
<i>Proposals contained within this report</i>	
K002 Disabled Facilities Grant	592
Budget Reprofiling - as shown at 6.3	-2,259
Total Revised 2017-18 Capital Programme	5,927

6.2 The report details the current position for approved schemes. The comments are provided by the individual responsible officers and the financial software Agresso has been updated with profiling of capital schemes, as advised. Whilst officers provide the profiling information at the beginning of the financial year this requires periodic review as some of the schemes are reliant on uncontrollable factors, i.e. liaising with third party contractors. Officers have identified delays in the delivery of some schemes and have therefore requested re-profiling of some of the budgets and associated funding.

6.3 The table below shows the schemes that have been identified as unlikely to complete within this financial year therefore £2.259m has been carried forward into 2019-20.

Cost Centre	Capital Scheme	2018-19 £'000	2019-20 £'000
J100	Wellingborough Heritage and Shop Front Grant Initiative	-727	727
J127	Private Sector Housing Grant - Homelessness Initiative	-40	40
J151	Shop Front Improvements	-47	47
J157	Agresso Upgrade	-25	25
J185	Castle Theatre	-600	600
K001	Renovation Grant - Discretionary	-45	45
K002	Disabled Facilities Grant	-596	596
K007	Empty Properties	-179	179
		-2,259	2,259

6.4 J100 Wellingborough Heritage and Shop Front Grant Initiative – Works continue to progress following the extension to the scheme from Heritage Lottery granted until October 2019. As works will span financial years a request has been made to re-profile some of this budget into 2019-20

6.5 J127 Private Sector Housing Grant – Homelessness Initiative – The availability of properties has been slow but, following the implementation of the Homelessness Reduction Act 2017, a business case for a revised scheme is being prepared which should achieve more units. Based on the timescales likely to be involved in this, part of the budget has been re-profiled into 2019-20.

6.6 J151 Shop Front Improvements - Work is currently underway on a number of shop fronts within the town centre. Given that the average timescale to complete each shop unit ranges from 8-12 months, and also to allow for the effect of the extension of the Heritage Grant funding deadline to October 2019, a request has been made to re-profile some of this budget into 2019-20.

6.7 J157 Agresso Upgrade – No further upgrades are scheduled during this financial year and so a request has been received to re-profile this budget into 2019-20.

6.8 J185 Castle Theatre – Upgrade works to the orchestra and stage lifts have been completed and works to the old building roof and the glazed dome link are underway. Project managers have been engaged to progress the majority of the remaining works in Phases 1 & 2, with completion anticipated before the management contract begins in 2019. Based on the expected timescales for completion, a request has been received that an element of the budget be re-profiled into 2019-20.

- 6.9 K001 Renovation Grant Discretionary – Despite recent efforts to promote the scheme, receipt of applications has continued to be slow. A report will be taken to Services Committee in September which will propose some changes to the current policy to allow a wider use of the fund. Based on these factors, a request has been made to re-profile part of the budget into 2019-20.
- 6.10 K002 Disabled Facilities Grant – The Ministry of Housing, Communities and Local Government confirmed the 2018-19 grant allocation for Wellingborough as £540,709 on 16 May 2018 and following an Autumn budget announcement during 2017-18 an additional sum of £51,300 was allocated to the council. The budget has therefore been updated to reflect these amounts. Changes within the current service delivery provider are resulting in some delays in the progress of individual grants and therefore an element of this budget has been re-profiled into 2019-20.
- 6.11 K007 Empty Properties – An application for a Compulsory Purchase Order (CPO) on one property has been made and, given that it is viewed as unlikely that a further purchase will be necessary during 2018-19, a request has been made to re-profile the balance of the budget into 2019-20. This re-profiled budget would remain committed to this scheme and so could be returned to the current financial year should the need to commit funding to another CPO arise before the end of March 2019.

7. Temporary Accommodation Mitigation Fund

- 7.1 Officers have been investigating the available options to mitigate the pressures on the revenue budget due to homelessness using this fund.
- 7.2 To date, offers have been accepted on three properties in Wellingborough at a total cost of £436,000. The properties are 2 bedroomed and will meet the needs of people to whom the council has a statutory homeless or interim duty. Solicitors have been instructed to act on the council's behalf. Properties continue to be sourced to use in this way as an alternative to costly bed and breakfast accommodation.
- 7.3 Arrangements are being investigated with a housing provider for the management and maintenance of the properties once the acquisitions are complete. The revenue costs will need to be met from the rental income.

8. Forecast Outturn

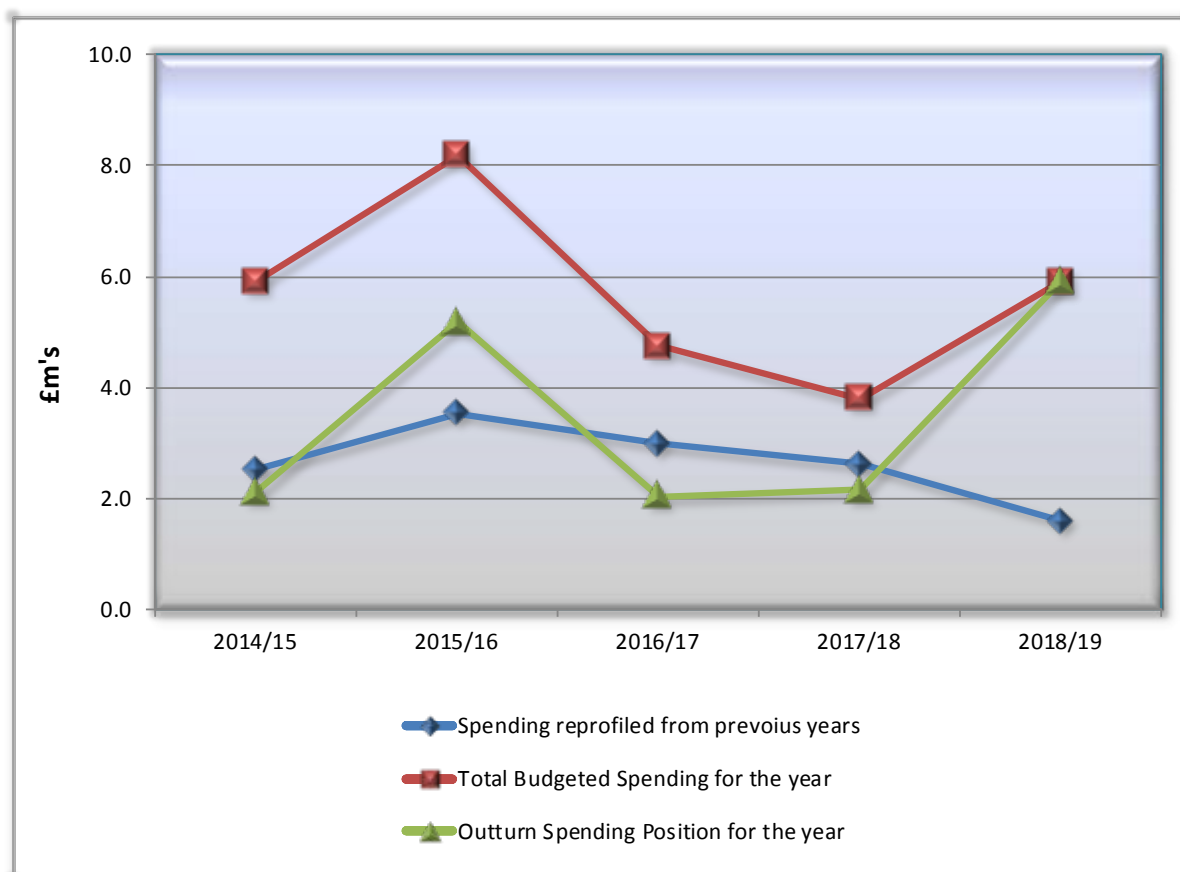
- 8.1 The anticipated forecast outturn reflects the budget position at year end based on the information available in the first quarter of the financial year. There is currently no cause for concern that there is insufficient budget to meet profiled expenditure.
- 8.2 Re-profiling has taken place as identified in the table at 6.1. Further re-profiling may be required as we progress through the year and as more information becomes available and subsequent reports will be updated to reflect this.

The RAG status reflects the financial status of each scheme. The coding is based on the variance between the forecast outturn and the agreed budget for the current year.

- Red - variance is greater than agreed budget
- Amber - variance is greater than -10% of agreed budget
- Green - variance is between 0 and -10% of agreed budget

It should be noted that even where a project is complete, there may be reasons why it is not categorised as 'Green', eg where there has been a significant (greater than 10%) variance against budget or where, although the scheme is complete, invoices for the final costs have not yet been received.

8.3 The graph following shows the level of budgeted and committed resources based on planned delivery of schemes and projects compared to the actual spending, and also highlights the amounts of re-profiling for each year. Officers continue to review the capital programme regularly in order to improve the profiling of committed budgets between financial years. The capital spending is now more closely monitored and the reporting of profiled spending improved.



9. Capital Community Grants

9.1. The Voluntary Sector Funding Working Party met in April 2018 to consider the capital community schemes that had been submitted.

9.2. A further grant application was approved for funding at the meeting. Six schemes have now been approved totalling £49,316.

9.3. Schemes to which this funding has contributed to date include:

- play equipment in Grendon
- outdoor gym equipment in Wilby
- the replacement of railings at Tainty Field in Finedon
- an upgrade of the lighting and heating systems at the Wellingborough Rugby Football Club.

9.4. A further meeting of the working party is being arranged to consider new grant applications that have been received.

10 Legal Powers

Local Government Act 1992

11 Financial and Value for Money Implications

These are detailed in this report.

12 Risk Analysis

The following risks and controls have been identified.

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
Error in reported position	Revised outturn, slippage and reserves return figure	Low due to level of quality assurance	Robust financial arrangements.

13 Implications for resources, equalities, and stronger and safer communities

No specific implications

14 Author and Contact Officer

Julie O'Connell, Finance Manager

15 Consultees

Tony Furber, Project and Technical Accountant
Budget Managers
Liz Elliott, Managing Director
Bridget Gamble, Director
Julie Thomas, Director

16 Background Papers

Financial Services budget monitoring working papers

Desired Outcomes	Themes	Reference	Capital Scheme Title	Responsible Officer	Total Capital Programme 2018-19 -2022-23	Capital Programme 2018-19 Including re-profiling	Profiled Budget to P4 31 July	Actual Expenditure to P4 31 July	Variance Year to Date	Commitments	Committed Expenditure to current period	Forecast for the year	Variance Forecast for year against budget	RAG Status	P4 Responsible Officer Comments	
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000			
Current Capital Programme 2018-19 to 2022-23																
Essential for service delivery	Asset maintenance for H&S / Compliance - operational	J041	Non Operational Property	Adrian Piper	23	23	23	-	-23	-	-	23	-	😊	Contingency budget for unforeseen emergency repairs	
		J192	Waendel Leisure Centre Boilers	Adrian Piper	80	80	72	72	-	-	72	72	-8	😊	Complete	
		J195	MSCP lifts	Adrian Piper	13	13	13	-	-13	-	-	-	-13	😊	Awaiting update from Wboro Norse re timetable for works	
		J185	Castle Theatre	Paul Burnett	1,035	168	47	48	-	-	4	52	168	-	😊	Upgrade works to the orchestra and stage lifts have been completed and works to the old building roof and glazed dome link are underway.
		J157	Agresso Upgrade	Samantha Knowles	25	-	-	-	-	-	-	-	-	-	😊	Budget profiled in 2019-20
		J174	Waendel Leisure Centre	Samantha Knowles	51	51	-	-	-	-	4	4	51	-	😊	Awaiting schedule of recharge timetable from P4P Leisure.
		J176	IT Strategy Implementation	Samantha Knowles	20	20	-	-8	-8	-	18	10	20	-	😊	Awaiting final costs re completion of phase 1.
		J187	Payment Services Upgrade	Samantha Knowles	19	19	19	15	-4	-	6	20	19	-	😊	Upgrade implemented on live system in May, minor issues being investigated with final sign off and costs anticipated shortly.
		J193	IT Strategy Implementation Phase 2	Karen Denton	352	352	-	-	-	-	-	-	352	-	😊	Work commencing as per schedule agreed at committee
	Maintenance for H&S / Compliance	J181	IDOX EDRMS	Tim Stubbs	15	15	15	15	-	-	-	15	15	-	😊	Complete
		J037	Wellingborough Road Adoptions Scheme	Victoria Phillipson	287	287	83	83	-	-	158	240	287	-	😊	Works being finished on site, due to complete August 2018. Adoption legal paperwork being completed by KierWSP and District Law. Possible additional cost dependent on whether risk allowance is spent.
		J188	Nene Valley Crematorium Memorial Wall	Adrian Piper	137	137	27	-	-27	-	-	-	137	-	😊	Currently in the design stage
	New assets for operational use	J189	Nene Valley Crematorium Skylight	Adrian Piper	50	50	-	-	-	-	-	-	50	-	😊	Currently in the design stage
		J190	Nene Valley Crematorium Scattering Lawn Memorial	Adrian Piper	30	30	-	-	-	-	-	-	30	-	😊	Currently in the design stage
		J172	Revenue & Benefits EDRMS	Nigel Robinson	136	136	-	-	-	-	25	25	136	-	😊	The memorandum of understanding for the joint project with East Northants has been signed and the project is progressing with Capita.
		J191	Temporary Accommodation Mitigation Fund	Samantha Knowles	725	725	725	-	-725	-	-	-	725	-	😊	Update provided in the body of the report
J107	Telephone System	Tim Stubbs	59	59	59	-8	-67	-	-	-8	51	-	😊	Complete - awaiting final costs		
To generate further revenue resources	Invest to generate income return	J175	Market Layout	Victoria Phillipson	15	15	-	-	-	-	-	15	-	😊	On hold pending the future decision on the operation of the market	
		J194	Redwell 3G pitch	Victoria Phillipson	300	300	3	-	-3	-	-	300	-	😊	Awaiting the outcome of the Football Foundation panel meeting in late October to determine whether our application for funding will be awarded. If we are successful spend is likely to be early 2019.	
	Wellbeing and grants (to avoid revenue costs)	J100	Wellingborough Heritage and Shop Front Grant Initiative	John Udall	1,653	926	82	93	11	58	151	900	-26	😊	Start date for the Hind Hotel not yet confirmed, Possibly Oct/Nov	
		J151	Shop Front Improvements	John Udall	187	141	41	42	2	8	50	140	-1	😊	Spending on target	
		K001	Renovation Grant-Discretionary	Vicki Jessop	111	66	22	12	-10	-	-	12	47	-19	😊	A report is going to Services Committee in September 18 which proposes some changes to the private sector housing policy, widening the use of this fund to assist with bringing empty properties back into use for applicants in housing need.
		K002	Disabled Facilities Grant	Vicki Jessop	905	309	103	121	18	-	-	121	352	43	😊	The current spend in the first 5 months of 2018/19 has been higher than in 2017/18. There may be some service disruption towards the end of 2018/19 as the service is being brought back in house but this is being managed to avoid any negative impacts.

Desired Outcomes	Themes	Reference	Capital Scheme Title	Responsible Officer	Total Capital Programme 2018-19 -2022-23	Capital Programme 2018-19 Including re-profiling	Profiled Budget to P4 31 July	Actual Expenditure to P4 31 July	Variance Year to Date	Commitments	Committed Expenditure to current period	Forecast for the year	Variance Forecast for year against budget	RAG Status	P4 Responsible Officer Comments	
To achieve policy objectives	Invest to save	J162	PfP Leisure	Samantha Knowles	240	240	-	-	-	241	241	240	-	😊	Awaiting schedule of recharge timetable from PfP Leisure.	
	CPO / Property regeneration	J127	Private Sector Housing Grant - homelessness initiative	Vicki Jessop	63	22	3	5	2	20	24	28	6	😞	The IMA scheme is being revised following the implementation of the Homelessness Reduction Act 2017. It is intended that with a revised scheme, we will be able to achieve more units to mitigate the current costs of TA, as a revised scheme should be more cost effective for the council. A business case will be submitted to finance by early September 2018 detailing a revised scheme.	
		K007	Empty Properties	Vicki Jessop	366	187	-	1	1	2	2	187	-	😊	An application to CPO one residential property has been made. Additional properties will be considered for CPO with a report going to Services Committee in September 18. It is unlikely that the remaining budget will be spent in 2018/19, but there must be sufficient funds available in the budget for any CPO application to be made.	
		J149	CPO Fund	Victoria Phillipson	594	594	-	-8	-8	1	-6	594	-	😐	Works ongoing to 31-32 Church Street. Further projects being considered, but no resources to progress.	
	Community / S106	J183	Waendel Leisure Centre Pool Area	Gill Chapman	197	197	-	-	-	-	-	197	-	😊	Next phase of works expected to commence under PfP's project management in Sept 2018	
		K008	Capital Community Grants	Gill Chapman	250	175	21	20	-	-	20	175	-	😊	To date 6 schemes totalling approximately £50k have been approved for community grants. Further bids have been received and a meeting of the Voluntary Sector Funding Working Party is being planned to review them.	
		K105	Glamis Hall for All	Samantha Knowles	177	177	30	25	-5	-	25	177	-	😊	Scheme slowly progressing with recent claims for internal restructure work. GHFA advise the schedule for the major refurbishment is almost complete with works anticipated to commence towards year end.	
		J139	Castle Fields Park S106	Victoria Phillipson	246	246	43	44	-	-	18	62	246	-	😊	Further work on hold until Project Co-coordinator in post.
		J140	Eastfields Park S106	Victoria Phillipson	3	3	3	-	-3	-	-	-	3	-	😊	Specific work complete, further work being identified to confirm what future work may be done in this park.
		J141	Croyland Park S106	Victoria Phillipson	2	2	2	1	-1	-	-	1	2	-	😊	Specific work complete, further work being identified to confirm what future work may be done in this park.
		J143	Bassett's Close S106	Victoria Phillipson	21	21	-	-	-	-	-	-	21	-	😊	Conversation held with skateboarding group and an action plan is being developed. Delayed due to the need for additional staff resources.
		J144	Queensway Open Space S106	Victoria Phillipson	17	17	-	-	-	-	-	-	17	-	😊	Project on hold
		J147	Finedon Recreation Projects S106	Victoria Phillipson	2	2	2	-	-2	-	-	-	-	-2	😐	Complete - budget to be returned to S106 pot.
		J148	Allotment Improvements S106	Victoria Phillipson	2	2	-	-	-	-	-	-	2	-	😊	Allotments being encouraged to spend the money this financial year..
	Public Realm	J153	Bassetts Park Skate Park	Victoria Phillipson	110	110	-	-	-	-	-	-	110	-	😊	Conversation held with skateboarding group and an action plan is being developed. Delayed due to the need for additional staff resources.
		J122	Street Furniture	Victoria Phillipson	10	10	-	-	-	-	1	1	10	-	😊	Work on hold BCW need to engage with operators/community groups to see if they are interested in running the market.

Current Programme Totals	8,528	5,927	1,438	572	-866	564	1,136	5,899	-20
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Funded by:	
S106	293
Heritage Lottery Fund	1,124
Disabled Facilities Grant	905
Capital Receipts	6,206

8,528	5,927
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Capital Programme Funding Position

Appendix 2

Current Capital Reserves:

	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000
Capital Reserves Funding Balance B/f	17,361	21,132	19,921	20,146	20,371
Current Capital Programme (Appendix 1)	5,382	292	25	25	
<i>2018-19 New capital programme (February Resources)</i>	67				
<i>2017-18 Outturn underspend reprofiled</i>	1,605				
<i>Approved Resources 13 June 2018</i>	240				
<i>Approved Council 17 July 2018</i>	300				
<i>Adjustment as contained within this report</i>	592				
<i>Re-profiling as contained within this report</i>	-2,259	2,259			
Capital Programme as per Agresso	5,927	2,551	25	25	-
<i>Crematorium infrastructure - approved in principal Resources 13 June 2018</i>	1247				
<i>Approved schemes awaiting available resources</i>	200				
Capital Programme	7,374	2,551	25	25	-
External Funding					
Capital S106	293				
Disabled Facilities Grant	309	596			
Heritage Lottery funding	593	494			
	1,195	1,090	-	-	-
Current Capital Programme funded by capital reserves	6,179	1,461	25	25	-
Anticipated Capital Receipts					
<i>RTB , VAT Shelter & Asset Sales</i>	250	250	250	250	
<i>Other Anticipated Capital Receipts</i>	12,700				
Income transferred to Capital Investment Reserve	-3,000				
Anticipated New Capital Receipts	9,950	250	250	250	-
Forecast Capital Reserves Funding Balance C/f	21,132	19,921	20,146	20,371	20,371

NB - Italics Estimate

Forecast Capital Reserves if anticipated income not received	11,182	9,971	10,196	10,421	10,671
Minimum Capital Reserve	5,000	5,000	5,000	5,000	5,000
Available resources for capital programme	6,182	4,971	5,196	5,421	5,671

