

Resources Committee

16 September 2015

Report of the Head of Finance

CAPITAL PROGRAMME MONITORING

1 Purpose of Report

This report presents Members with the Capital Programme monitoring information to 31 July 2015.

2 Executive Summary

The total capital budget for 2015-16 of £10.377m was reported at Resources Committee on the 24 June 2015. Subsequent movements in the budget in respect of re-profiling into 2016-17 are reported in the body of this report and are shown in the table at 6.5. The revised capital budget for 2015-16 is £8.458m.

3 Appendices

Appendix 1: Capital monitoring report up to 31 July 2015

Appendix 2: Virement Report

Appendix 3: Summary of capital resources

4. The Resources Committee is invited to RESOLVE to:

4.1 Note the projected outturn and anticipated variances as at 31 July 2015 as shown in Appendix 1

4.2 Note the variations as per Appendix 2

4.3 Note the External funding as stated in Appendix 3

4.4 Agree the inclusion of the schemes outlined in 6.8 in the agreed capital programme

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 2015-16 and reflects

the monitoring position as at 31 July 2015.

- 5.2 Further financial forecasts will be reported to Committee to show the changes in the monitoring position as at the following dates:
- 31 October 2015
 - 31 January 2016
 - 31 March 2016

6. Discussion

- 6.1 The full assessment of the capital monitoring is attached to this report in Appendix 1.

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.

- 6.2 Officers have already identified delays in The Heritage Initiative and Shop Front Grant scheme and have therefore requested re-profiling of some of the budget and associated funding. The budget has been re-profiled into 2016-17, as shown in the table at 6.5, in order to accommodate the later than expected works to the Hind Hotel. Currently the owner is tendering for the services of an experienced conservation architect who will work with the owner to draw up a schedule of works to apply for The Heritage Initiative funding. It is anticipated that works will begin in spring 2016.
- 6.3 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 forecast movement in the programme and no cause for concern that there is insufficient budget to meet profiled expenditure. As we progress through the year and more information becomes available the outturn report will be updated to reflect this knowledge.

Whilst at this early stage within the financial year it is difficult to identify any specific project areas where re-profiling will occur, early indications suggest that some schemes will not progress to completion before year end. The RAG status has been revised to reflect this and will return to the normal financial calculation when forecast outturn information is updated.

- Red - budget re-profiling is likely to be required (see updates below)
- Amber - budget re-profiling may be required
- Green - budget re-profiling is unlikely to be required

- 6.4 Key Project Updates:

- Crematorium

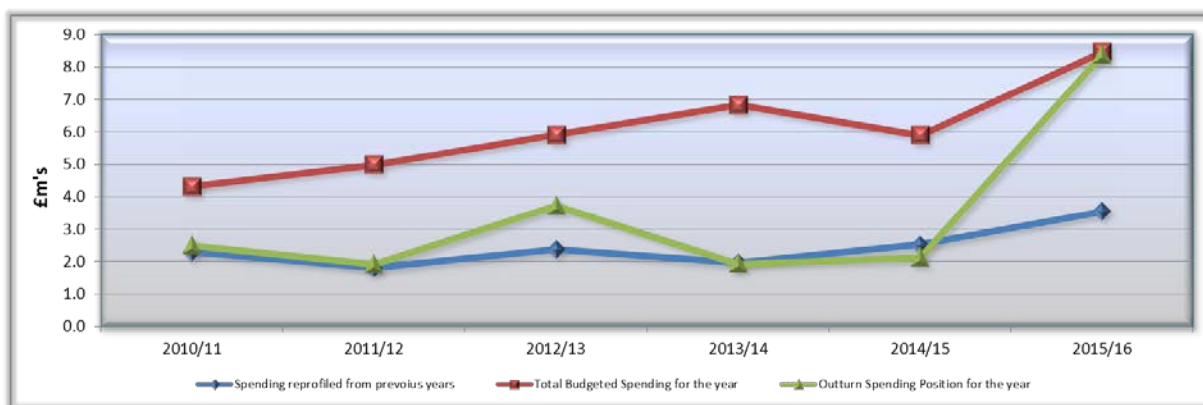
Contractors are on site and the scheme is progressing however completion is planned during 2016 and therefore budget may be carried forward into the new financial year.

- Photovoltaic Panels
Officers are investigating with CEGB / Western Power as to whether the local infrastructure is sufficient for the additional power.
- Project Costs for CPO's
It is a requirement of CPO's that budget is made available at the start of the process and it is unlikely to be spent until the end of the process. However these funds remain committed until required or released.
- Bassetts Park Skate Park
Officers are currently working with the community group to bring forward proposals for the new skate park. Once plans are agreed officers can investigate availability and apply for additional match funding.

6.5 The table below provides information on the Capital Programme movements within 2015-16.

Capital Programme	£'000
Original 2015-16 Capital Programme (including brought forward)	10,364
<i>Resources Committee 24 June 2015:</i>	
J159 Upgrade of Server Infrastructure (Licensing & PSN)	10
J163 Doddington Road Cemetery Parking Improvements	3
Total 2015-16 Capital Programme as reported 24 June 2015	10,377
<i>Budget Re-profiled to 2016-17</i>	
J037 Wellingborough Road Adoptions	(305)
J100 Wellingborough Heritage and Shop Front Grant Initiative	(1,354)
J151 Shop Front Improvements	(260)
Total Revised 2015-16 Capital Programme (including brought forward)	8,458

6.6 The graph below 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. This analysis identified the need for the capital programme review undertaken during 2014-15. The outcomes of the review have informed the capital programme processes to enable officers to improve the profiling of committed budgets between financial years. The capital spending for 2015-16 is now more closely monitored and the reporting of profiled spending improved.



6.7 Virement report – Appendix 2

Final costs for the scheme to replace the roof at Croyland Hall using Collyweston slate have been received. There is no remaining budget for this scheme. Therefore funds will be allocated to cover these costs from the property contingency budget already approved, as reported to this committee on the capital outturn report in June 2015. A virement report to reflect this movement is attached to this report at Appendix 2. The overall impact on the capital programme is nil.

6.8 Additional Funding

There are a number of schemes that have been reviewed by the officer led capital group and are included here for recommendation for inclusion in the agreed capital programme.

Superfast Broadband Funding: The council has made a commitment to fund £150,000 for the roll out of Superfast Broadband across the borough. This was originally to be funded by using the second home discount and Council Tax Support reserves set aside by the county council for jointly agreed projects. The county council has subsequently removed this available resource and as such the borough council will need to use its own capital resources to make up the lost funding. The balance of funding needed is £27,000.

Waste Transfer Station: A capital project has already been agreed for the creation of a waste transfer station, based on previously submitted costings and outline specifications. Subsequently a review of the specification has shown that further enhancements to the original are needed and this adds further costs to the scheme. The estimated increase is currently £100,000 additional funding. A review of the business case is needed to ensure that the project is still viable with the increased costings. It is likely to be so as the contract negotiations for the dry recyclables included significant reduction in fees if a facility of this nature was used. The payback period may however have been extended. This committee is asked to agree in principle that, subject to a revised viable business case, the additional funding be made available and at this stage is ear marked for this scheme.

Boiler replacement: A conditions report on the boilers in Swanspool house has shown that they have reached the end of their useful life and that the best course of action is to replace them. In the previous 2 winter seasons the boilers have failed

and repairs are becoming increasingly difficult due to the age of the boilers and obsolescence of parts. Quotes have been received between £20,000 and £30,000 and are currently being reviewed for best value. The committee is asked to agree a capital budget of £30,000 and should a lower cost be achieved this will be reported as part of the on going monitoring process.

Potential costs for works at Waendel Centre –capital funding for essential health and safety repairs and compliance issues. A number of health and safety issues have been highlighted by Places for People that fall within the responsibilities of the council to repair and ensure compliance. These repairs all relate to the substance of the building and will add to the useful life of the asset. An initial conditions survey has been carried out and estimates received for the most urgent of these issues. An estimated budget of £150,00 is needed to ensure the urgent repairs are made and the councils obligations discharged. The committee is asked to agree for the funding to be made immediately available and to note that further compliance issues and repairs will be needed at a later stage, following an additional conditions survey, when additional funding will be requested.

7 Legal Powers

Local Government Act 1992

8 Financial and Value for Money Implications

These are detailed in this report.

9 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.

10 Implications for Resources

No specific implications

11 Implications for Stronger and Safer Communities

No specific implications

12 Implications for Equalities

No specific implications

13 Author and Contact Officer

Julie O'Connell, Service Accountant

14 Consultees

Budget Managers
Senior Management Team

15 Background Papers

None

Desired Outcomes	Themes	Reference	Capital Scheme Title	Responsible Officer	Total Capital Programme 2015/16 -2019/20	Capital Programme 2015-16 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			£'000
Essential for service delivery	Asset maintenance for H&S / Compliance - operational	J128	ICT Resilience	Ian Peters	28	-	-	-	-	-	-	-	-	😊	Budget profiled in 2017-18	
		J152	SQL Database replacement/licensing consolidation	Ian Peters	17	17	-	-	-	-	-	-	17	-	😊	Currently looking to schedule for 3rd quarter 2015 but no resources available at this time.
		J159	Upgrade of server infrastructure (licensing & PSN)	Ian Peters	30	30	-	-	-	-	-	-	30	-	😊	PSN work scheduled for 3rd quarter 2015
		J161	Upgrade of Intranet	Kathryn Rance	20	20	-	-	-	-	3	3	20	-	😊	Scheme is currently on time and within budget
		J041	Non Operational Property	Paul Burnett	40	40	40	-	-40	-	-	-	40	-	😊	Contingency budget for unforeseen emergency repairs.
	Asset maintenance for H&S / Compliance - investment	J116	Croyland Hall Abbey	Paul Burnett	-	-	-	12	12	-	-	12	-	-	😊	The overspend on this scheme was due to unforeseen circumstances. A change request has been submitted to vire budget from the non operational property contingency fund J041.
		J118	29-30 Sheep Street	Paul Burnett	154	154	-	-	-	-	-	-	154	-	😊	Contractor appointed. Programmed for September 2015 start due to availability of specialist thatchers.
		J119	Tithe Barn Roof	Paul Burnett	49	49	9	7	-2	-	-	7	49	-	😊	Contractors have finished on site, some final costs to be paid.
	Maintenance for H&S / Compliance	J037	Wellingborough Road Adoptions Scheme	John Udall	510	205	-	-87	-87	56	-31	205	-	-	😊	The scheme has been delayed by KierWSP. There are still works required on Redhill farm that have been ordered but not started. However the legal work with BCW and NCC has progressed well to date
		J113	Nest Farm Road Wall	Paul Burnett	65	65	50	49	-1	-	-	49	65	-	😊	The scheme is now almost complete. The wall has been repaired and the contractor has been paid. (Less a small retainer £2,258) All that remains is to remove the trees that are adjacent to the wall to prevent further damage. (Approx. £3,500)
	New assets for operational use	J107	Telephone System	Alison Curtis	73	73	-	-	-	-	-	-	73	-	😊	Originally expected to begin some initial work on this project in August but delays to MFD replacement contract has meant this will not start before September. Not anticipating a change to the profile is required at this stage.
		J132	Desktop Equipment Replacement and Windows7	Alison Curtis	89	-	-	-	-	-	-	-	-	-	😊	Budget profiled in 2017-18
		J106	Electronic Data Record System	Kathryn Rance	20	20	-	-20	-20	-	-	-20	20	-	😊	In dispute with supplier
To generate further revenue resources	Invest to generate income return	J156	Waste Transfer Station	Bernard Gallyot	120	120	-	-	-	-	-	120	-	😊	Project is on hold, as the original costings were inadequate for the building, along with no costings allocated for the Grounds works and Weigh Bridge. A new request for increase funding has been placed with Liz Elliott.	
		J126	Crematorium	Liz Elliott	4,213	4,213	1,513	747	-766	1,210	1,957	4,213	-	😊	Contractors are now on site with completion programmed for 2016	
		J154	Photovoltaic Panels	Paul Burnett	760	760	-	-	-	-	-	-	760	-	😊	Berrys are investigating with the electricity suppliers for a number of separate sites the feasibility of installing Solar PV and the likely costs and returns. These results should be due soon at which stage we will move to procurement and installation
	Wellbeing and grants (to avoid revenue costs)	J100	Wellingborough Heritage and Shop Front Grant Initiative	John Udall	1,974	177	17	11	-6	0.48	11	177	-	-	😊	The THI work has been reprofiled mainly due to the delay in the works at the Hind. These are now in progress. The majority of works will occur in the 2016-2018 financial years
		J151	Shop Front Improvements	John Udall	260	-	-	-	-	-	-	-	-	-	😊	This budget profile matches the THI profile and is likely to be spent in 2016-2018
		K001	Renovation Grant-Discretionary	Vicki Jessop	184	64	5	-	-5	-	-	64	-	-	😊	Very few enquiries at present but several Renovation Grant applications to the value of £20,000 in progress. Promotion of British Gas boiler subsidy to be sent to eligible households - expected to generate further grant enquiries.
		K002	Disabled Facilities Grant	Vicki Jessop	802	274	100	105	5	-	-	105	274	-	😊	Expenditure projected to meet target of £500,000 for the year.

Desired Outcomes	Themes	Reference	Capital Scheme Title	Responsible Officer	Total Capital Programme 2015/16 -2019/20	Capital Programme 2015-16 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	J160	Fuel storage tank replacement - Norse	Bernard Gallyot	40	40	-	-	-	-	-	40	-	😊	Fuel Storage Tank Replacement. Contract to be awarded to Ideal Pumps, completion in January 2016	
		J162	PFP Leisure	Liz Elliott	617	410	-	-	-	-	-	410	-	😊	Awaiting schedule of works in order to profile payments	
		K302	Kick Start Housing Development	Vicki Jessop	100	100	69	69	-	-	-	69	100	-	😊	EMH are looking to use the remaining £31,000 of the Kickstart money to carry out works to improve energy efficiency at their new scheme at the Embankment. They advised that they would obtain costings for providing photovoltaic panels on all 12 rented properties at the development, as in the interest of fairness to all the tenants they did not want to provide these on some units only. The total cost of providing the photovoltaic panels on 12 units will be £60,000, EMH can contribute £20,000 but have asked if we could increase our contribution by £9,000 to a total of £40,000.
	CPO / Empty properties	J127	Private Sector Housing Grant - homelessness initiative	Vicki Jessop	85	40	10	11	1	6	17	40	-	😊	The scheme to provide temporary accommodation and reduce the use of B&B has increased momentum with Wellingborough Homes providing the majority of units. £19,500 has been committed for this 6 months period with an expected spend of £40K by the year end.	
		K007	Empty Properties	Vicki Jessop	367	367	2	-	-2	2	2	367	-	😞	The council is required to identify funds to carry out acquisition and compensation for CPO. This budget is committed to the purchase of 111 Midland Road, Wellingborough (indicative value £110,000) 141 Gold Street, Wellingborough (indicative value £110,000) and 47 Albert Road, Wellingborough (85,000), a total committed expenditure of £305,000 plus costs. 111 Midland Road is being purchased and will be re-occupied and it is recommended the HoS use delegated powers to withdraw this CPO. A further property is to be identified against this budget and a programme of properties which could come forward with indicative costs, as it is not anticipated all these properties will proceed to acquisition and the budget spent. Funds must be available for a property CPO to be approved at the outset – any costs incurred in respect of a CPO where we do not complete and acquire the asset will become a revenue cost.	
		J149	CPO Fund	Victoria Phillipson	860	305	72	60	-12	-	60	305	-	😞	31-32 Church Street purchased. Contractors to be appointed to procure a demolition contractor.	
	Community / S106	J155	Town Centre CCTV Equipment replacement	Gill Chapman	8	8	-	-	-	-	-	-	8	-	😊	The specification for the remainder of the equipment needs to be finalised before the order can be placed but the project remains on time and within budget
		K105	Glamis Hall for All	Liz Elliott	250	250	-	-	-	-	-	-	250	-	😞	Awaiting completion of legal paperwork to transfer asset and allocate grant accordingly
		K221	Parish Council Irchester	Liz Elliott	7	7	7	2	-5	-	-	2	2	-5	😊	Completed.
		J139	Castle Fields Park S106	Victoria Phillipson	266	266	-	-	-	-	-	-	266	-	😞	Options considered for the pavilion. Waiting for data from Open Space Audit and community survey to put forward a proposal.
		J140	Eastfields Park S106	Victoria Phillipson	27	27	-	-	-	-	-	-	27	-	😊	Norse prioritising. Update expected in the near future.
		J141	Croyland Park S106	Victoria Phillipson	29	29	-	-	-	-	-	-	29	-	😊	Pavilion repairs partly completed. Norse prioritising completion for Aug/Sept 15
		J143	Bassett's Close S106	Victoria Phillipson	22	22	-	-	-	-	-	-	22	-	😊	Working with community group to bring forward proposals for new skate park in order to apply for additional match funding.
		J144	Queensway Open Space S106	Victoria Phillipson	17	17	-	-	-	-	-	-	17	-	😊	Waiting for data from Open Space audit.
		J147	Finedon Recreation Projects S106	Victoria Phillipson	25	25	-	-	-	-	-	-	25	-	😊	Norse working with Parish to provide new proposal for play area. Expecting proposal for next S106 meeting - July 15, update to follow.
		J148	Allotment Improvements S106	Victoria Phillipson	7	7	-	-	-	-	-	-	7	-	😊	Brook farm allotment expected to spend £400 in Aug 15 and £3298 by Apr 16. Ladywell and expected spend by Sept 15 on Fencing. Review of S106 needed re: eligible spend.
	Public Realm	J153	Bassetts Park Skate Park	Victoria Phillipson	110	110	-	-	-	-	-	-	110	-	😞	Working with community group to bring forward proposals for new skate park in order to apply for additional match funding.
		J163	Doddington Road Cemetery Parking Improvements	Victoria Phillipson	31	31	31	29	-1	-	-	29	29	-1	😊	Completed.
		J042	High Street Development	Jennifer Bell	72	72	5	5	-	-	-	5	5	-67	😊	Funds no longer required.
	J122	Street Furniture	Jennifer Bell	46	46	13	14	1	13	13	27	46	-	😊	Repairs to the mosaics in Market Street are programmed to take place in September 2015.	

Current Programme Totals 12,393 8,458 1,943 1,014 -929 1,290 2,303 8,384 -74

Funded by:
 S106 402 402
 Heritage Lottery Fund 1,519 120
 Disabled Facilities Grant 792 264
 Capital Receipts 9,680 7,672

12,393 8,458

Virement report 1 2015-16

Final costs for the scheme to replace the roof at Croyland Hall using Collyweston slate have been received. There is no remaining budget for this scheme. The overspend on the scheme is mainly due to unforeseen additional works required to conform to Building Control Officer comments. A virement of £12,185 to cover these costs will be made from the property contingency budget already approved, as reported on the 2014-15 Capital Outturn Report. The overall impact on the capital programme is nil.

The overall impact on the capital programme is nil.

Ref	Scheme	2015/16			Change requested £000	Revised budget £000	External Funding £000	BCW Funding £000
		Total cost £000	External Funding £000	BCW Funding £000				
Current Budget								
J041	Non Operational Property	39.9	-	39.9	-12.2	27.7	-	27.7
J116	Croyland Hall Abbey	-	-	-	12.2	12.2	-	12.2
Total Current Budget		<u>39.9</u>	<u>-</u>	<u>39.9</u>	<u>-</u>	<u>39.9</u>	<u>-</u>	<u>39.9</u>

Summary of Capital Resources

Current Capital Reserves:

	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
Capital Reserves Funding Balance B/f	12,604	14,157	13,446	14,289	14,789
Current Capital Programme (Appendix 1)	4,919	3,494	441	-	
<i>Approved June</i>	13				
<i>2014-15 Outturn underspend reprofiled</i>	3,526				
<i>Approved schemes awaiting available resources</i>		130	230		
Capital Programme	8,458	3,624	671	-	-
External Funding					
Capital S106	402				
Disabled facilities Grant	264	264	264		
Heritage Lottery funding	120	1,399			
	786	1,663	264	-	-
Current Capital Programme funded by capital reserves	7,672	1,961	407	-	-
Anticipated Capital Receipts					
<i>RTB & VAT Shelter</i>	1,250	1,250	1,250	500	
<i>Asset Held for Sale</i>	475				
<i>Other Anticipated Capital Receipts</i>	10,000				
Income transferred to Capital Investment Reserve	-2,500				
Anticipated New Capital Receipts	9,225	1,250	1,250	500	-
Forecast Capital Reserves Funding Balance C/f	14,157	13,446	14,289	14,789	14,789

Subject to future funding changes

NB - Italics Estimate

