

**Resources Committee**

**21 September 2016**

**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 2016.

**2 Executive Summary**

The total capital budget for 2016-17 of £7.436m was reported at Resources Committee on the 29 June 2016. Subsequent movements in the budget in respect of re-profiling into 2017-18 are reported in the body of this report and are shown in the table at 6.4. The revised capital budget for 2016-17 is £5.948m.

**3 Appendices**

Appendix 1: Capital monitoring report up to 31 July 2016

Appendix 2: Summary of capital resources

Appendix 3: Virement report

**4. The Resources Committee is invited to RESOLVE to:**

**4.1 Note the projected outturn and anticipated variances as at 31 July 2016 as shown in Appendix 1**

**4.2 Note the External funding as stated in Appendix 2**

**4.3 Approve the scheme re-profiling outlined in 6.2.1 to 6.2.5 in the agreed capital programme**

**4.4 Note the variations as per Appendix 3**

**4.5 The Resources Committee is invited to RECOMMEND to approve funding of £300,000 be provided for the installation of a new 3G football pitch and flood lights at Redwell Leisure Centre, as detailed in section 7 of the report.**

## **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 2016-17 and reflects the monitoring position as at 31 July 2016.
- 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 2016
  - 31 January 2017
  - 31 March 2017

## **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.

### **Budget re-profiling**

- 6.2 Officers have identified further delays in The Heritage Initiative and Shop Front Grant scheme and have therefore requested re-profiling of some of the budget and associated funding.
- 6.2.1 J100 Wellingborough Heritage and Shop Front Grant Initiative – The re-profiling request is to accommodate the later than expected works to the Hind Hotel. An experienced conservation architect has been appointed by the owner and together they will draw up a schedule of works to apply for funding. This is proving to be a lengthy process and whilst officers can provide advice and guidance they are unable to progress or conclude matters until agreement is reached between both parties. In the meantime work is progressing with other eligible properties.
- 6.2.2 J151 Shop Front Improvements - The scheme is progressing and tenders have been received in respect of 13 properties. An application package for the works at these properties is being prepared by officers for submission. It is anticipated these works will commence and complete before March 2017. A request has been submitted to transfer the remaining budget to the next financial year (2017-18).
- 6.2.3 The meeting of the capital working group on 15 August 2016 identified the following budgets that are unlikely to complete within this financial year and agreed to re-profile the budgets accordingly.
- 6.2.4 J164 Superfast Broadband – This budget is to support the shortfall in NCC funding for the rollout of superfast broadband across the Borough. This budget has been transferred into the next financial year (2017-18)
- 6.2.5 J174 Waendel Leisure Centre - A solution for the swimming pool is being investigated with initial repair works anticipated whilst a longer term resolution is found. Therefore £200k of the budget has been re-profiled into the next financial year (2017-18).

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.

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 and further re-profiling will be needed.

Therefore there is currently no cause for concern that there appears to be insufficient budget to meet the current profiled expenditure. As we progress through the year and more information becomes available the outturn report will be updated to reflect this knowledge and the expenditure and budget adjusted accordingly.

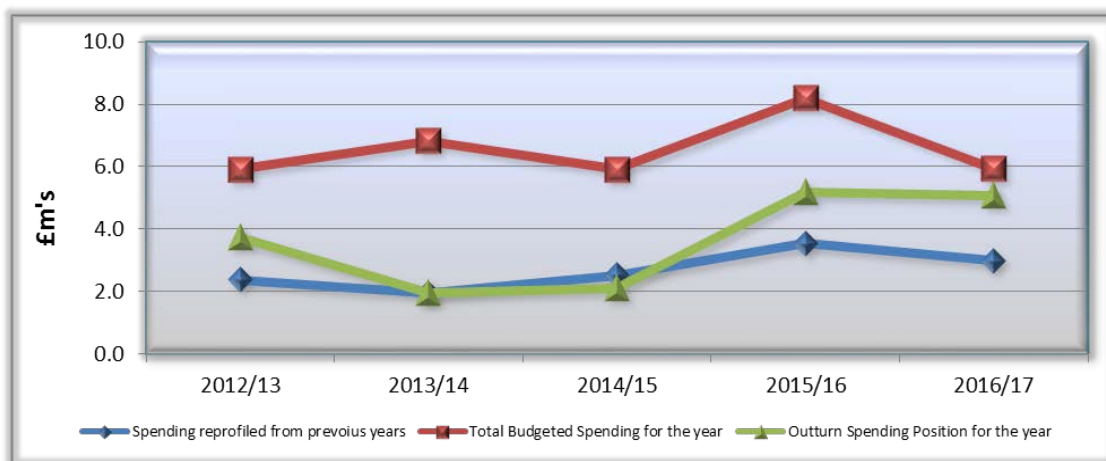
The RAG status reflects the financial status of each scheme. The coding is based on the variance between the forecast outturn and the agreed budget for the current year.

- 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

6.4 The table below provides information on the Capital Programme movements within 2016-17.

<b>Capital Programme</b>	<b>£'000</b>
<b>Original 2016-17 Capital Programme (including brought forward)</b>	<b>7,436</b>
<b><i>Proposals contained within this report:</i></b>	
J100 Wellingborough Heritage and Shop Front Grant Initiative	- 1,121
J151 Shop Front Improvements	- 140
J164 Superfast Broadband	- 27
J174 Waendel Leisure Centre	- 200
<b>Total Revised 2016-17 Capital Programme as per Appendix 1</b>	<b>5,948</b>

- 6.5 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.



### **Capital working group update**

- 6.6 A meeting of the capital working group was held on 15 August 2016. The schemes within the current capital programme were reviewed for appropriateness and progress. It was noted that a supplementary bid for additional funding for the telephone system will be submitted to the December resources meeting. An update on the photovoltaic panels' scheme will also be provided at that time.
- 6.7 All IT schemes are dependent on the IT strategy report that is currently under review and awaiting the consultant's report.
- 6.8 As BCW are currently considering and undertaking some significant capital an update on these projects has been provided separately to committee and can be found elsewhere on the agenda.
- 6.9 New bids that had been pending further information or recently submitted were considered. However none were either fully complete or scored sufficiently to be recommended to committee for funding at this time.
- 6.10 **Virement report – Appendix 3**

A request has been received for additional funding of £5k, to complete the Doddington Road car park – electronic barrier scheme. Initial works identified that there was no available electricity supply for the meter by the barrier. Western Power was carrying out this work; however upon inspection their engineer considered the closest junction point for supply to be unsuitable. He instructed the ground work crew, to redirect the trunking and pick up the electricity supply from another point.

6.11 As this is an operational asset, funds will be allocated to cover these costs from the property contingency budget already approved. A virement report to reflect this movement is attached to this report at Appendix 3. The overall impact on the capital programme is nil.

## **7 Provision of 3<sup>rd</sup> generation sports pitch and upgrade of tennis/netball courts**

7.1 A report was taken to Services Committee on 21 March 2016 where it was 'RESOLVED' to recommend to resources committee the submission of a capital bid to support the installation of a new 3G sports pitch, and for a bid for floodlights and tennis/netball court upgrades at Redwell Leisure Centre'.

7.2 Wellingborough is currently the only borough in the county to not offer the level of facility provided by a 3G pitch. This is a third generation astro turf football or rugby pitch where the pile (artificial grass 'blades') are supported by a thin base layer of sand and by an infill of rubber crumb. This new style of pitch is designed to offer play quality that replicates natural turf, whilst increasing the level of use. It is the current recommended surface for high quality Football Association (FA) approved pitches.

7.3 The open space, sports and recreation audit and assessment which was reported to Services committee on the 7 December 2015 as part of the Local Plan update report, provides the evidence base for the emerging plan for the borough of Wellingborough. This report has identified an overall deficiency in sports provision within the borough, along with a lack of high grade pitches, courts and large scale sports facilities.

7.4 The installation of a 3G pitch and floodlights is estimated to cost £600k. If successful, a bid to the Football Association will provide a 50% grant towards the installation of the new pitch (£300k).

7.5 A capital bid has been submitted and an initial feasibility study has been commissioned using existing budgets, however, due to deadline of the funding from the FA, the project needs to be progressed over the next few months to enable the council to have a chance of securing the 50% match funding. Therefore funding of £300k is being sought from the capital programme to enable a bid to be submitted.

7.6 A 10-12 year maintenance plan will ensure the pitch is appropriately maintained and perpetuates a steady income for the council from hire of the facilities. If football foundation funding was secured, specialist contractors would be required to maintain the pitch in order to comply with the funding agreement and FA standards. Therefore a revenue budget of £6k is suggested per year to support the new and upgraded pitches and courts but this would be recovered from income generated.

7.7 There is also a requirement from the FA to demonstrate a £20k - £25k per annum retained revenue budget to enable a suitable upgrade after 10 years. The new pitch is estimated to generate an annual income of around £39k, which would cover the retained revenue budget of £25k, the £6k maintenance costs and provide approximately £8k to supplement management, staffing and timetabling.

7.8 If the proposal were to be approved the feasibility study will be completed as well as a sports development programme plan which aligns to a business development plan. Once this has been completed a further report would be presented to members to include how management arrangements would be put in place.

**8 Legal Powers**

Local Government Act 1992

**9 Financial and Value for Money Implications**

These are detailed in this report.

**10 Risk Analysis**

The following risks and controls have been identified.

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

**11 Implications for Resources**

No specific implications

**12 Implications for Stronger and Safer Communities**

No specific implications

**13 Implications for Equalities**

No specific implications

**14 Author and Contact Officer**

Julie O'Connell, Service Accountant

**15 Consultees**

Samantha Knowles, Principal Finance Manager  
Budget Managers  
Senior Management Team

**16 Background Papers**

The open space, sports and recreation audit and assessment (2015)  
Service Committee Report - Provision of 3<sup>rd</sup> generation sports pitch and upgrade of tennis/netball courts

Desired Outcomes	Themes	Reference	Capital Scheme Title	Responsible Officer	Total Capital Programme 2016/17 -2020/21	Capital Programme 2016-17 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			
Essential for service delivery	Asset maintenance for H&S / Compliance - operational	J170	Doddington Road Car Park - Electronic Barrier	Bernard Gallyot	17	17	-	-	-	-	-	17	-	😊	We are currently awaiting Western Power to connect the electricity supply to enable to scheme to be completed	
		J171	Trafalgar House Depot - Tarmac	Bernard Gallyot	19	19	19	19	-	-	19	19	-	😊	Completed	
		J128	ICT Resilience	Ian Peters	28	-	-	-	-	-	-	-	-	-	😊	Budget profiled in 2017-18
		J152	SQL Database replacement/licensing consolidation	Ian Peters	17	17	11	11	-	-	-	11	17	-	😊	Remaining work scheduled to be completed by October 2016.
		J159	Upgrade of server infrastructure (licensing & PSN)	Ian Peters	18	18	16	16	-	-	-	16	18	-	😊	Remaining work scheduled to be completed by February 2017. To be informed by new ICT Strategy, once agreed (anticipated Sept 2016).
		J166	ICT Backup System	Ian Peters	15	15	-	-	-	-	-	-	15	-	😊	Work forecast to start in January 2017. To be informed by new ICT Strategy, once agreed (anticipated Sept 2016).
		J167	ICT Servers	Ian Peters	54	54	3	3	-	-	-	3	54	-	😊	Some work completed but majority to start in January 2017. To be informed by new ICT Strategy, once agreed (anticipated Sept 2016).
		J168	ICT Data Store	Ian Peters	64	64	-	-	-	-	-	-	64	-	😊	Phase 1 of work scheduled for September 2016. Phase 2 anticipated to start in January 2017. Both phases to be informed by new ICT Strategy, once agreed (anticipated Sept 2016).
		J161	Upgrade of Intranet	Kathryn Rance	11	11	11	-	-11	-	-	-	-	-11	😞	Completed
		J174	Waendel Leisure Centre	Liz Elliott	250	50	-	-	-	-	-	-	50	-	😊	A solution for the swimming pool is being investigated with initial repair works anticipated whilst larger scale solution is found
	J041	Non Operational Property	Paul Burnett	23	23	23	-	-23	-	-	-	23	-	😊	Contingency budget for unforeseen emergency repairs.	
	Maintenance for H&S / Compliance	J037	Wellingborough Road Adoptions Scheme	Victoria Phillipson	459	459	-	-	-	-	87	87	459	0	😊	Work has been on hold due to an invoice dispute with NCC, this has now been resolved. Therefore work has recently restarted and works to man holes need to be completed to satisfy Anglian Water in addition to some other minor repairs on Redhill Farm as soon as this work is complete the legal process of adoption. Once Redhill Farm has been completed the remaining roads will be progressed.
		J169	Bridge and Culvert Repairs	Victoria Phillipson	199	29	-	-	-	-	-	-	29	0	😊	Work to be tendered and managed by Wellbngborough Norse.
		J113	Nest Farm Road Wall	Paul Burnett	7	7	7	2	-5	-	-	2	2	-5	😞	Completed
	New assets for operational use	J107	Telephone System	Alison Curtis	73	73	-	-	-	-	-	-	73	-	😊	Discovery day took place at the end of June. Procurement timetable has been drafted, schedule to award contract by the end of November.
		J132	Desktop Equipment Replacement and Windows7	Alison Curtis	89	-	-	-	-	-	-	-	-	-	😊	Budget profiled in 2017-18
		J173	Provision of waste receptacles	Bernard Gallyot	15	15	15	15	-	-	-	15	15	-	😊	Completed
J106		Electronic Data Record System	Kathryn Rance	20	20	-	-20	-20	-	-	-20	-	-20	😞	In dispute with supplier	
J172		Revenue & Benefits EDRMS	Nigel Robinson	40	40	-	-	-	-	-	-	40	-	😊	Revised budget profile to December , procurement awaiting IT strategy outcomes.	
To generate further revenue resources	Invest to generate income return	J156	Waste Transfer Station	Bernard Gallyot	220	220	-	-	-	4	4	220	-	😊	The weighbridge works have commenced on the 25th July with a completion date of the 12th of August subject to weather conditions. The Waste Transfer Station will then commence on the 5th of September 2016.	
		J126	Crematorium	Liz Elliott	750	750	750	840	89	18	857	857	107	😞	An update of the scheme is included in the key projects report elsewhere on the agenda	
		J154	Photovoltaic Panels	Paul Burnett	696	696	-	-	-	1	1	150	-546	😞	Investigations ongoing. Weandel Centre only likely scheme available in current buiding stock.	
	Wellbeing and grants (to avoid revenue costs)	J100	Wellingborough Heritage and Shop Front Grant Initiative	John Udall	1,913	791	36	24	-12	3	27	791	-	😊	Work has almost been completed on the THI properties on Church Street and work is progressing with the Hind Hotel and other eligible properties to draw up a schedule of works and allow them to apply for funding. Work is also progressing on tendering for works to council owned shops and plans are being developed for public realm projects.	
		J151	Shop Front Improvements	John Udall	260	120	-	-	-	-	-	120	-	😊	The Shop Front Grant Scheme is progressing and tenders have been received in respect of 13 properties. An application package for the works at these properties is being prepared by officers for submission to the Heritage lottery Fund. It is likely these works will commence and complete before March 2017.	
K001	Renovation Grant-Discretionary	Vicki Jessop	174	114	5	3	-2	-	-	3	100	-14	😞	The maximum grant of £5,000 has proved insufficient to enable local residents and landlords to cover the costs of the major repairs. Officers will be seeking member approval, in due course to increase the grant amount to £10,000 to incentivise bringing empty properties back into use.		

Desired Outcomes	Themes	Reference	Capital Scheme Title	Responsible Officer	Total Capital Programme 2016/17 -2020/21	Capital Programme 2016-17 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
		K002	Disabled Facilities Grant	Vicki Jessop	528	264	64	41	-24	-	41	264	-	😊	Expenditure reduced by year end accruals allocating budget to 2014/15. Build up of demand through Wellingborough Homes due to completion of schemes funded from 2014/15 and setting up new processes for their DFG applications. Likely problem as the year progresses of having no identified budget from NCC until 16/17 had commenced and likely to lead to some work spanning the two financial years of 2016/2017 and 2017/2018.
To achieve policy objectives	Invest to save	J162	PFP Leisure	Liz Elliott	251	251	-	-	-	253	253	251	-	😊	A solution for the swimming pool is being investigated with initial repair works anticipated whilst larger scale solution is found
	CPO / Property regeneration	J127	Private Sector Housing Grant - homelessness initiative	Vicki Jessop	40	40	12	11	-2	-	11	40	-	😊	5 properties are to be made available during August and end of September with a spend of £7500 anticipated. 4 properties in the scheme have been recycled to create accommodation for a further 4 tenants.
		K007	Empty Properties	Vicki Jessop	367	367	-	-	-	-	-	-	-367	😞	The budget has been allocated to the compulsory purchase of 3 properties. Delegated authority to the Head of Service has been instigated to withdraw two of these properties as they have been sold. The third is the subject of a renovation grant application. Committee approval will be sought for a further two new properties to commence compulsory purchase action. The budget is unlikely to be spent due to the length of time required to CPO.
		J149	CPO Fund	Victoria Phillipson	746	746	0	0	-	-	31	31	746	-	😊
	J164	Superfast Broadband	Liz Elliott	27	0	-	-	-	-	-	-	-	-	😊	Budget to support the shortfall in NCC funding for the rollout of superfast broadband across the borough, re-profiled into 2017-18.
	K105	Glamis Hall for All	Liz Elliott	192	192	-	-	-	-	-	-	192	-	😊	Approved funding available to GHFA as works at the centre progress. Awaiting timescales from organisation to advise profiling
	J139	Castle Fields Park S106	Victoria Phillipson	266	266	-	-	-	-	-	-	266	-	😊	This project is currently on hold due to lack of staff resources to undertake project work, recruitment will take place in the next few weeks for a Project Co-ordinator to undertake this work.
	J140	Eastfields Park S106	Victoria Phillipson	3	3	-	-7	-7	-	-	-7	3	-	😊	Majority of work complete, bulb planting remaining.
	J141	Croyland Park S106	Victoria Phillipson	2	2	-	-15	-15	17	2	2	2	-	😊	Majority of work complete, bulb planting remaining.
	J143	Bassett's Close S106	Victoria Phillipson	21	21	-	-	-	1	1	1	21	-	😊	Discussions ongoing to try and get a community organisations involved.
	J144	Queensway Open Space S106	Victoria Phillipson	17	17	-	-	-	-	-	-	17	-	😊	Work to be re-started when Project Co-ordinator in place.
	J147	Finedon Recreation Projects S106	Victoria Phillipson	25	25	-	-	-	-	-	-	25	-	😊	Wellingborough Norse are discussing improvements with Finedon Parish Council.
	J148	Allotment Improvements S106	Victoria Phillipson	6	6	1	1	-	-	-	1	6	-	😊	Work progressing due to the speed of getting quotes from Allotment Associations.
	J153	Bassetts Park Skate Park	Victoria Phillipson	110	110	-	-	-	-	-	-	110	-	😊	Discussions ongoing to try and get a community organisations involved.
	Public Realm	J122	Street Furniture	Victoria Phillipson	17	17	17	0	-17	-	-	0	17	-	😊

**Current Programme Totals**      **8,047**      **5,948**      **992**      **945**      **-47**      **415**      **1,360**      **5,092**      **-856**

<b>Funded by:</b>		
S106	340	340
Heritage Lottery Fund	1,477	619
Disabled Facilities Grant	528	264
Capital Receipts	5,703	4,725
	<b>8,047</b>	<b>5,948</b>



## Summary of capital resources

**Current Capital Reserves:**

	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000
<b>Capital Reserves Funding Balance B/f</b>	12,604	17,456	20,699	20,324	20,506	20,722
<b>Current Capital Programme (Appendix 1)</b>	8,199	3,818	441	-	-	-
2016-17 New capital programme (February Resources)		636	68	68	34	
2015-16 Outturn underspend reprofiled	-2,982	2,982				
Budget reprofiling requested		-1,488	1,488			
<b>Capital Programme as per Agresso</b>	5,192	5,948	1,997	68	34	-
Approved schemes awaiting available resources		200				
Crematorium Contingency Budget not yet in main programme		212				
DFG Funding approved subject to demand		95				
<b>Capital Programme</b>	5,192	6,455	1,997	68	34	-
External Funding						
Capital S106	52	340				
Disabled facilities Grant	264	264	264			
Heritage Lottery funding	42	619	858			
	5,192	1,223	1,122	-	-	-
<b>Current Capital Programme funded by capital reserves</b>	<b>Funded</b>	<b>5,232</b>	<b>875</b>	<b>68</b>	<b>34</b>	<b>-</b>
Anticipated Capital Receipts						
RTB , VAT Shelter & Asset Sales	688	500	500	250	250	250
2015-16 Sale of land/vehicles	374					
Asset Held for Sale		475				
Negative Capital Financing Requirement	8,624					
Other Anticipated Capital Receipts		10,000				
Income transferred to Capital Investment Reserve		-2,500				
<b>Anticipated New Capital Receipts</b>	<b>Received</b>	<b>8,475</b>	<b>500</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Forecast Capital Reserves Funding Balance C/f</b>	<b>17,456</b>	<b>20,699</b>	<b>20,324</b>	<b>20,506</b>	<b>20,722</b>	<b>20,972</b>

NB - Italics Estimate

<b>Forecast Capital Reserves if income not received</b>	12,724	12,349	12,531	12,747	12,997
<b>Minimum Capital Reserve</b>	5,000	5,000	5,000	5,000	5,000
<b>Available resources for capital programme</b>	7,724	7,349	7,531	7,747	7,997



**Virement report 1 2016-17**

A request has been received for additional funding of £5k, to complete the Doddington Road car park – electronic barrier scheme. Initial works identified that there was no available electricity supply for the meter by the barrier. Western Power was carrying out this work; however upon inspection their engineer considered the closest junction point for supply to be unsuitable. He instructed the ground work crew, to redirect the trunking and pick up the electricity supply from another point.

As this is an operational asset, funds will be allocated to cover these costs from the property contingency budget already approved. The overall impact on the capital programme is nil

**2016/17**

Ref	Scheme	Original budget £000	External Funding £000	BCW Funding £000	Change requested £000	Revised budget £000	External Funding £000	BCW Funding £000
<b>Current Budget</b>								
J041	Non Operational Property	27.7	-	27.7	-5.0	22.7	-	22.7
J170	Doddington Road car park barrier	12.1	-	12.1	5.0	17.1	-	17.1
<b>Total Current Budget</b>		<u>39.8</u>	<u>-</u>	<u>39.8</u>	<u>-</u>	<u>39.8</u>	<u>-</u>	<u>39.8</u>

