

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 October 2016.

**2 Executive Summary**

The total original capital budget for 2016-17 of £7.436m was reported at Resources committee on 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 £4.438m; this is a reduction of £1.510m from when the programme was last reported to committee in September. An additional £100k was approved at the November resources meeting and is currently awaiting council approval.

**3 Appendices**

Appendix 1: Capital Outturn Report to 31 October 2016

Appendix 2: 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 October 2016 as shown in Appendix 1**

**4.2 Note external funding as stated in Appendix 2**

**4.3 Approve the scheme re-profiling outlined in 6.2.1 to 6.2.6 in the agreed capital programme**

**5 Introduction**

5.1 Capital monitoring is reported four times in the year: three 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 second in year report for 2016-17 and reflects the monitoring position as at 31 October 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 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.

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

### **Budget re-profiling**

- 6.2 Officers have identified schemes that have experienced delays and advise that it is unlikely the budgets will be fully spent in this financial year. Therefore the following requests to re-profile some of the budget into future years alongside associated funding have been received.
- 6.2.1 J037 Wellingborough Road Adoptions – There have been significant delays whilst an invoicing dispute was being resolved. Works are now resuming and profiling will be updated once further information is received from KierWSP.
- 6.2.2 J100 Wellingborough Heritage and Shop Front Grant Initiative – Grant applications have been slow to progress however this is beginning to improve. It has been identified that a further re-profiling of this budget is required along with the associated funding.
- 6.2.3 J153 Bassetts Park Skate Park – Since the scheme was originally submitted the community support group for the skate park has disbanded. Officers are having ongoing discussions with local groups to establish if the scheme is still required and viable and to encourage community support.
- 6.2.4 J154 Photovoltaic Panels – A members' briefing note (2016-17: 025) provided an update in October 2016 regarding the photovoltaic panel scheme. Since that report the structural survey has been completed and confirms that a suitable layout has been designed for an installation at the Waendel Leisure Centre. Costs and a suitable fixing method are being investigated in order to maintain the integrity of the roofing materials.

Whilst it is confirmed that panels can be installed at the Waendel Centre, this is the last of the planned installations. The property manager will propose further investigations if any other suitable properties can be identified.

- 6.2.5 J176 IT Strategy Implementation – The profiling of this significant scheme has been agreed with some budgets being profiled into 2017-18 and 2018-19.
- 6.2.6 K105 Glamis Hall for All – A recent communication from GHFA advised there has been slow progress on the structural improvements at the centre. They advise that the majority of the remaining budget will be required in the summer of 2017, with a small sum likely to be required within this financial year. Therefore they request the budget be re-profiled into 2017-18.
- 6.3 The anticipated forecast outturn of £3.275m reflects the budget position at year end based on the information available in the first half of the financial year. There is currently 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. Re-profiling has taken place as identified in the table at 6.4. Further re-profiling may be required as we progress through the year and more information becomes available.
- 6.4 The table below provides information on the Capital Programme movements within 2016-17:

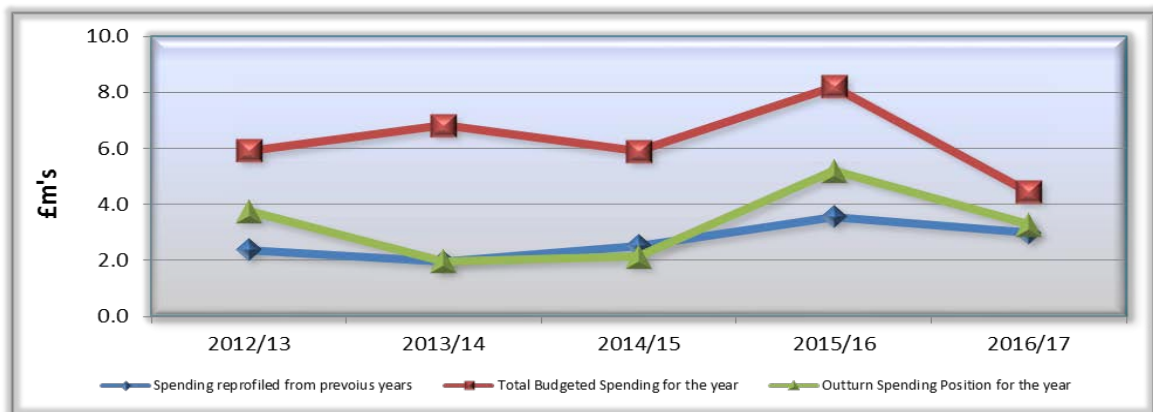
<b>Capital Programme</b>	<b>£'000</b>
<b>Original 2016-17 Capital Programme (including brought forward)</b>	<b>7,436</b>
<b><i>Resources Committee 21 September 2016:</i></b>	
J100 Wellingborough Heritage and Shop Front Grant Initiative	-1121
J151 Shop Front Improvements	-140
J164 Superfast Broadband	-27
J174 Waendel Leisure Centre	-200
J175 Market Layout	17
<b><i>Extraordinary Council 27 October 2016:</i></b>	
J176 IT Strategy Implementation	450
<b><i>Proposals contained within this report:</i></b>	
J037 Wellingborough Road Adoptions	-200
J100 Wellingborough Heritage and Shop Front Grant Initiative	-600
J153 Bassetts Park Skate Park	-110
J154 Photovoltaic Panels	-636
J176 IT Strategy Implementation	-260
K105 Glamis Hall for All	-171
<b>Total Revised 2016-17 Capital Programme as per Appendix 1</b>	<b>4,438</b>
<b><i>Awaiting Council approval 20 December 2016</i></b>	<b>100</b>

6.5 It is recognised that there are three schemes currently forecasting they will have fully spent the budget allocation however this is dependent on external factors for completion. These are:

- Wellingborough Road Adoptions
- PFP Leisure
- Castle Fields Park

Officers are closely monitoring the progress of these and if necessary will request that some re-profiling is approved as soon as the situation is clarified.

6.6 The graph following shows the level of budgeted and committed resources based on planned delivery of schemes and projects compared to the actual spending, it 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**

6.7 A meeting of the capital working group was held on 11 October 2016. The schemes within the current capital programme were reviewed for appropriateness and progress.

6.8 New bids that had been pending further information or recently submitted were considered. Those schemes that could be progressed were detailed in the November committee report and are awaiting approval at council, or if urgent will proceed via an urgent action decision. There were no other schemes that were either fully complete or scored sufficiently to be recommended to committee for funding at this time.

6.9 An update on these schemes will be included in the draft capital programme report elsewhere on the agenda.

**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.

<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.

**10 Implications for Resources, Equalities, and Stronger and Safer Communities**  
No specific implications

**11 Author and Contact Officer**  
Julie O'Connell, Accountancy Team Leader

**12 Consultees**  
Samantha Knowles, Principal Finance Manager  
Budget Managers  
Senior Management Team

**13 Background Papers**  
None



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 P7 31 October	Committed Expenditure to current period	Forecast for the year	Variance Forecast for year against budget	RAG Status	P7 Responsible Officer Comments
					£'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	17	17	-	😊	Completed
		J171	Trafalgar House Depot - Tarmac	Bernard Gallyot	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	17	11	17	-	😊	All spend now subject to ICT Strategy and agreed transformation programme, profiling to be confirmed.
		J159	Upgrade of server infrastructure (licensing & PSN)	Ian Peters	18	18	16	16	18	-	😊	All spend now subject to ICT Strategy and agreed transformation programme, profiling to be confirmed.
		J166	ICT Backup System	Ian Peters	15	15	-	-	15	-	😊	All spend now subject to ICT Strategy and agreed transformation programme, profiling to be confirmed.
		J167	ICT Servers	Ian Peters	54	54	3	3	54	-	😊	All spend now subject to ICT Strategy and agreed transformation programme, profiling to be confirmed.
		J168	ICT Data Store	Ian Peters	64	64	30	23	64	-	😊	All spend now subject to ICT Strategy and agreed transformation programme, profiling to be confirmed.
		J161	Upgrade of Intranet	Kathryn Rance	11	11	11	-	-	-11	😞	Completed
		J174	Waendel Leisure Centre	Liz Elliott	250	50	-	21	50	-	😊	A solution for the swimming pool is being investigated with initial repair works anticipated whilst larger scale solution is found
	J176	IT Strategy Implementation	Liz Elliott	450	190	-	-	190	-	😊	Strategy approved at extraordinary council meeting of 27 October, profiling updated.	
	J041	Non Operational Property	Paul Burnett	23	23	23	-	23	-	😊	Contingency budget for unforeseen emergency repairs.	
	Maintenance for H&S / Compliance	J037	Wellingborough Road Adoptions Scheme	Victoria Phillipson	459	259	55	92	259	-	😊	Work has recently restarted, further profiling will be provided shortly when provided by KierWSP.
		J169	Bridge and Culvert Repairs	Victoria Phillipson	199	29	-	18	29	-	😊	First phase of work started, further quotes being sought.
		J113	Nest Farm Road Wall	Paul Burnett	7	7	7	2	2	-5	😞	Completed
	New assets for operational use	J107	Telephone System	Alison Curtis	73	73	-	-	73	-	😊	All spend now subject to ICT Strategy and agreed transformation programme.
		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	-	😊	Completed	
J106		Electronic Data Record System	Kathryn Rance	20	20	-	-20	-	-20	😞	In dispute with supplier	
J172	Revenue & Benefits EDRMS	Nigel Robinson	40	40	-	-	40	-	😊	Budget initially profiled in December , awaiting procurement following IT strategy outcomes.		
To generate further revenue resources	Invest to generate income return	J156	Waste Transfer Station	Bernard Gallyot	220	220	220	89	220	-	😊	Building works are in progress with completion expected at the end of November
		J126	Crematorium	Liz Elliott	750	750	750	857	857	107	😞	Completed
		J154	Photovoltaic Panels	Paul Burnett	696	60	-	1	60	-	😊	An update on the scheme is included in the body of the report.
		J175	Market Layout	Victoria Phillipson	17	17	-	-	17	-	😊	Works to be undertaken in January 2017.
		J100	Wellingborough Heritage and Shop Front Grant Initiative	John Udall	1,913	191	141	51	185	-6	😊	Grant applications are now beginning to come in and be approved, to date we now have Grants approved for works of £101k plus scheme costs. Other grant applications are being worked up.
	Wellbeing and grants (to avoid revenue costs)	J151	Shop Front Improvements	John Udall	260	120	30	-	75	-45	😞	Grants approved with a £30k bcw owner contribution , works to follow this year. Other grants are being processed.
		K001	Renovation Grant-Discretionary	Vicki Jessop	174	114	41	18	40	-74	😞	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. Officers are currently promoting the scheme to improve levels of interest.
		K002	Disabled Facilities Grant	Vicki Jessop	528	264	144	136	264	-	😊	28 grants completed to date with a further 21 approved or in progress and 28 in the pipeline anticipated for payment in the current year

## Capital Outturn Report to 31 October 2016

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 P7 31 October	Committed Expenditure to current period	Forecast for the year	Variance Forecast for year against budget	RAG Status	P7 Responsible Officer Comments
To achieve policy objectives	Invest to save	J162	PFP Leisure	Liz Elliott	251	251	125	253	251	-	😊	Approved funding available to PFP as works at the leisure centres progress.
	CPO / Property regeneration	J127	Private Sector Housing Grant - homelessness initiative	Vicki Jessop	40	40	24	17	29	-12	😞	Reduced availability of suitable properties. Anticipated progress as new development due for release December.
		K007	Empty Properties	Vicki Jessop	367	367	-	-	-	-367	😞	Letters are being sent and discussions carried out with the owners of long-term empty properties to encourage and assist bringing them back into use. Where no progress is made prioritised properties will be taken to Services Committee to consider CPO
		J149	CPO Fund	Victoria Phillipson	746	746	-	31	46	-700	😞	Demolition of 31-32 Church Street being undertaken. Two further CPO properties are being considered.
	Community / S106	J164	Superfast Broadband	Liz Elliott	27	0	-	-	-	-	😊	Budget to support the shortfall in NCC funding for the rollout of superfast broadband across the borough.
		K105	Glamis Hall for All	Liz Elliott	192	21	-	-	21	-	😊	Approved funding available to GHFA as works at the centre progress. Advised progress has been slow and it is unlikely the full budget will be spent within this financial year.
		J139	Castle Fields Park S106	Victoria Phillipson	266	266	-	-	266	-	😊	Project delayed, work to be re-started when Project Co-ordinator in place.
		J140	Eastfields Park S106	Victoria Phillipson	3	3	-	-7	3	-	😊	Majority of work complete, bulb planting remaining.
		J141	Croyland Park S106	Victoria Phillipson	2	2	-	2	2	-	😊	Majority of work complete, bulb planting remaining.
		J143	Bassett's Close S106	Victoria Phillipson	21	21	-	1	-	-21	😞	Discussions ongoing to try and get a community organisations involved.
		J144	Queensway Open Space S106	Victoria Phillipson	17	17	-	-	17	-	😊	Project delayed, 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. Further funding being requested through S106 funds.
		J148	Allotment Improvements S106	Victoria Phillipson	6	6	6	1	6	-	😊	Work progressing, delay due to the speed of getting quotes from Allotment Associations.
	J153	Bassetts Park Skate Park	Victoria Phillipson	110	-	-	-	-	-	-	😊	Budget profiled in 2017-18. Discussions ongoing to try and get a community organisations involved.
	Public Realm	J122	Street Furniture	Victoria Phillipson	17	17	-	-	8	-9	😞	Works to be undertaken in January 2017.

<b>Current Programme Totals</b>	<b>8,514</b>	<b>4,438</b>	<b>1,694</b>	<b>1,669</b>	<b>3,275</b>	<b>-1,162</b>
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<b>Funded by:</b>		
S106	340	340
Heritage Lottery Fund	1,477	211
Disabled Facilities Grant	528	264
Capital Receipts	6,170	3,623
	<b>8,514</b>	<b>4,438</b>



## Current Capital Reserves:

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000
<b>Capital Reserves Funding Balance B/f</b>	<b>17,456</b>	<b>23,602</b>	<b>21,657</b>	<b>21,839</b>	<b>22,055</b>
<b>Current Capital Programme (Appendix 1)</b>	7,903	509	68	34	-
Budget reprofiling requested in this report	-1,977	1,977			
Schemes awaiting council approval	100				
<i>Budget reprofiling previously approved</i>	-1,488	1,488			
<b>Capital Programme as per Agresso</b>	<b>4,538</b>	<b>3,974</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>5,345</b>	<b>3,974</b>	<b>68</b>	<b>34</b>	<b>-</b>
External Funding					
Capital S106	340				
Disabled facilities Grant	264	264			
Heritage Lottery funding	212	1,265			
	<b>816</b>	<b>1,529</b>	-	-	-
<b>Current Capital Programme funded by capital reserves</b>	<b>4,529</b>	<b>2,445</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	-3,000				
<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>23,602</b>	<b>21,657</b>	<b>21,839</b>	<b>22,055</b>	<b>22,305</b>

NB - Italics Estimate

<b>Forecast Capital Reserves if income not received</b>	15,627	13,682	13,864	14,080	14,330
<b>Minimum Capital Reserve</b>	5,000	5,000	5,000	5,000	5,000
<b>Available resources for capital programme</b>	10,627	8,682	8,864	9,080	9,330

