

Report of Section 151 Officer

2016-17 Capital Outturn

1 Purpose of report

This report presents members with an overview of the council's capital expenditure against approved budget for the financial year 2016-17.

2 Executive Summary

2.1 The capital programme was agreed by members in February 2016. Approval was given for schemes prioritised as schedule 1 to be funded and they were moved into the approved programme. Those schemes that were still seen as priorities, but where funding was not currently available, were listed in schedule 2 and approved to be included in the programme when additional resources were identified. When later supplementary bids and the re-profiling of schemes between financial years were included, this then produced a total programme for the year of £4.750m.

2.2 Information provided by budget managers throughout the year resulted in an updated forecast outturn of £2.648m being reported to this committee in March 2017. The reasons for the changes to expected levels of spending were considered in that report.

2.3 The final capital programme monitoring statement for 2016-17 (Appendix 1) shows an outturn of £2.051m, which is a variation of £0.597m, compared to the previously revised forecast of £2.648m. Reasons for these final changes to expected spending are included in Appendix 1.

3 Appendices

Appendix 1 Capital Outturn Report to 31 March 2017

Appendix 2 Capital Programme Funding Position

Appendix 3 Analysis of significant capital budget underspends

The Committee is invited to RESOLVE to:

4.1 NOTE the outturn position on the capital programme and the reasons for the variances as shown in Appendix 1

4.2 NOTE the positions on the funding of the capital programme and agree the re-profiling of budgets, as shown in Appendix 2

4.3 NOTE the update on the 2017-18 capital programme, including approved Urgent Actions, as shown in Section 7.

5 Introduction

The capital monitoring position was last reported to the March 2017 Resources Committee. Monitoring is reported four times in the year, with three in year reports and the final out turn position in June of the year following. This report reflects the final outturn position as at 31 March 2017, subject to any changes that may result as part of the audit process.

6 2016-17 Capital Outturn

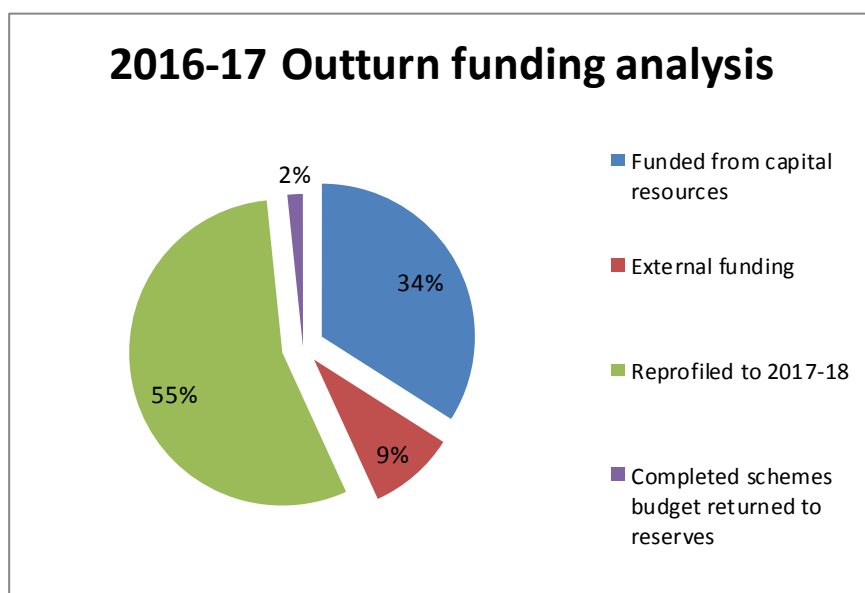
6.1 The revised capital programme for 2016-17 as reported at Resources Committee on 15 March 2017 was £4.549m. Following the update report in March, further amendments were made to the 2016-17 programme to include the following:

- An addition to the Disabled Facilities Grant budget of £194k, to match the total 2016-17 grant allocation, following a query with regards to the distribution from the Better Care Fund.
- Urgent Action – A request for an additional £7k in respect of the Embankment Splash Park scheme was approved on 27 March 2017. This was as a result of unforeseen additional ground works and was required to be completed before the opening at the April bank holiday.

6.2 These additions resulted in a final capital programme budget for 2016-17 of £4.750m.

6.3 The outturn for capital is £2.051m, this leaves a £2.699m under spend compared to the budget, which is outlined in more detail in Appendix 3. The majority of the underspend, subject to review and if approved, will be re-profiled into 2017-18.

6.4 The following graph details how the 2016-17 capital budget has been allocated/funded:



- 6.5 The capital programme covers more than one year and shows both the expected spend in the current financial year as well as the spending that has been profiled to be spent in following years. When project delivery is delayed or brought forward, then the spending is re-profiled accordingly between financial years, subject to maintaining the minimum level of £5m of capital reserves.
- 6.6 The total projected spending on an approved project has been committed in full regardless of its profiling between financial years and so the movement of predicted spending between years does not release any net resources within the overall amount of capital funding available. However, it may provide the opportunity to bring agreed schemes, with profiled spending in later years, forward to be delivered earlier, if appropriate and achievable.

7 Capital Programme 2017-18 Update

- 7.1 In addition to the previously approved budget for 2017-18 and the carry forward of the 2016-17 underspend (Appendix 2), if approved, the following variations have been agreed and will be incorporated into the first monitoring report to this committee in September 2017.
- 7.2 As part of The Efficiency Plan and Key Projects update reported to this committee on 15 March 2017, £300,000 was approved in principal for a redesign of the pool side at The Waendel Centre to include a sauna / steam room. Initial costings provided by Places for People (PfP) Leisure suggest the full allocation of this budget will be required and regular updates will be provided in the monitoring reports throughout the year. PfP Leisure will make a similar investment in the centre by refurbishing the changing room area.
- 7.3 Urgent Action – An urgent action was approved on 3 April 2017 in respect of two projects in Finedon, to be funded from a S106 contribution. The funds will be allocated from WP/2009/0453 for the provision of open space in Finedon. The projects will provide lighting at the recreation ground and new play equipment at The Banks play area and will offer much needed improvements to community facilities for families in Finedon.
- 7.4 Urgent Action – An urgent action was approved on 22 May 2017 for £16,995 to provide a membrane roof covering at the Tithe Barn office block. The completion of these works will ensure there is no ingress of water to the offices and will extend the life of the roof itself. The matter has been addressed in this way in order to take advantage of the fine weather, rather than await approval at the next committee in September.
- 7.5 Urgent Action – When the IDOX EDRMS system was implemented in March 2014, a reduced version of the software was installed. With only one license available users are experiencing problems in accessing the system. The module needs to be updated and it has been identified that to expand the system as part of the IT strategy cloud migration, the cost would be £35,000. This cost could only be maintained until the end of May 2017, otherwise it would rise to approximately £71,000. In view of the cost increase and the timescales given, an urgent action was approved on 22 May 2017.

8. Legal Powers
Local Government Act 2003

9. Financial and Value for Money Implications
The financial and value for money implications of each individual capital scheme are assessed within the approval process. The implications of subsequent changes are outlined in the body of this report.

10. Risk Analysis

| Nature of risk | Consequences if realised | Likelihood of occurrence | Control measures |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------|-------------------------------------------|
| Error in reported position | Revised outturn, budget re-profiling and reserves return figure | Low due to level of quality assurance | Robust financial arrangements. |
| Increased costs relating to project due to delays (budget re-profiling) in the project | Additional drain on resources | Low due to level of quality assurance. | Robust financial monitoring arrangements. |

11. Implications for Resources
None identified.

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, Accountancy Team Leader
Samantha Knowles, Principal Finance Manager

15. Consultees
Liz Elliott, Managing Director (Head of Paid Service)
Bridget Gamble, Director (Returning Officer and Electoral Registration Officer)
Julie Thomas, Director

16. Background Papers
Capital programme budget monitoring and closedown working papers.

| Desired Outcomes | Themes | Reference | Capital Scheme Title | Responsible Officer | Total Capital Programme 2016/17 -2020/21 | Capital Programme 2016-17 Including re-profiling | Total expenditure 2016-17 | Variance Total expenditure against budget | Forecast as at P10 reported to March Resources | Variance P10 forecast against actual spend | Outturn 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 | - | Completed |
| | | J171 | Trafalgar House Depot - Tarmac | Bernard Gallyot | 19 | 19 | 19 | - | 19 | - | Completed |
| | | J177 | Redwell Leisure Centre boilers | Bernard Gallyot | 16 | 16 | 16 | - | 16 | - | Completed |
| | | J128 | ICT Resilience | Ian Peters | 28 | - | - | - | - | - | |
| | | J152 | SQL Database replacement/licensing consolidation | Ian Peters | 17 | 17 | 11 | -5 | 11 | - | |
| | | J159 | Upgrade of server infrastructure (licensing & PSN) | Ian Peters | 18 | 18 | 16 | -2 | 16 | - | |
| | | J166 | ICT Backup System | Ian Peters | 15 | 15 | - | -15 | - | - | |
| | | J167 | ICT Servers | Ian Peters | 54 | 54 | 3 | -51 | 4 | 1 | |
| | | J168 | ICT Data Store | Ian Peters | 64 | 64 | 23 | -41 | 24 | 1 | |
| | | J161 | Upgrade of Intranet | Kathryn Rance | 11 | 11 | - | -11 | - | - | Completed |
| | | J157 | Agresso Upgrade | Liz Elliott | 34 | 34 | 9 | -25 | 34 | 25 | |
| | | J174 | Waendel Leisure Centre | Liz Elliott | 250 | 50 | 31 | -19 | 50 | 19 | |
| | | J176 | IT Strategy Implementation | Liz Elliott | 450 | 190 | - | -190 | 190 | 190 | Scheme to be funded through flexible use of capital receipts |
| | J041 | Non Operational Property | Paul Burnett | 23 | 23 | - | -23 | 23 | 23 | | |
| | Maintenance for H&S / Compliance | J037 | Wellingborough Road Adoptions Scheme | Victoria Phillipson | 459 | 259 | 47 | -212 | 159 | 112 | |
| | | J169 | Bridge and Culvert Repairs | Victoria Phillipson | 199 | 29 | 37 | 8 | 50 | 13 | Overspend carried forward to 2017-18 budget |
| | | J113 | Nest Farm Road Wall | Paul Burnett | 7 | 7 | 2 | -5 | 2 | - | Completed |
| | New assets for operational use | J107 | Telephone System | Alison Curtis | 73 | 73 | 2 | -70 | - | -2 | |
| | | J132 | Desktop Equipment Replacement and Windows7 | Alison Curtis | 89 | - | - | - | - | - | |
| | | J173 | Provision of waste receptacles | Bernard Gallyot | 15 | 15 | 15 | - | 15 | - | Completed |
| J106 | | Electronic Data Record System | Kathryn Rance | 20 | 20 | -20 | -40 | - | 20 | Completed | |
| J172 | | Revenue & Benefits EDRMS | Nigel Robinson | 40 | 40 | - | -40 | - | - | | |

Capital Outturn Report to 31 March 2017

| Desired Outcomes | Themes | Reference | Capital Scheme Title | Responsible Officer | Total Capital Programme 2016/17 -2020/21 | Capital Programme 2016-17 Including re-profiling | Total expenditure 2016-17 | Variance Total expenditure against budget | Forecast as at P10 reported to March Resources | Variance P10 forecast against actual spend | Outturn Responsible Officer Comments |
|---------------------------------------|-----------------------------------------------|-----------------------------|---------------------------------------------------------|---------------------|------------------------------------------|--------------------------------------------------|---------------------------|-------------------------------------------|------------------------------------------------|--------------------------------------------|-------------------------------------------------|
| To generate further revenue resources | Invest to generate income return | J156 | Waste Transfer Station | Bernard Gallyot | 238 | 238 | 224 | -14 | 238 | 14 | Completed |
| | | J126 | Crematorium | Liz Elliott | 750 | 750 | 861 | 110 | 865 | 5 | Completed |
| | | J154 | Photovoltaic Panels | Paul Burnett | 696 | 60 | 1 | -59 | 60 | 59 | |
| | | J175 | Market Layout | Victoria Phillipson | 17 | 17 | - | -17 | 17 | 17 | |
| | Wellbeing and grants (to avoid revenue costs) | J100 | Wellingborough Heritage and Shop Front Grant Initiative | John Udall | 1,913 | 191 | 117 | -74 | 185 | 68 | |
| | | J151 | Shop Front Improvements | John Udall | 260 | 120 | 24 | -96 | 60 | 36 | |
| | | K001 | Renovation Grant-Discretionary | Vicki Jessop | 174 | 114 | 23 | -91 | 40 | 17 | |
| | | K002 | Disabled Facilities Grant | Vicki Jessop | 722 | 458 | 343 | -115 | 264 | -79 | |
| To achieve policy objectives | Invest to save | J162 | PFP Leisure | Liz Elliott | 251 | 251 | 11 | -240 | 51 | 40 | |
| | CPO / Property regeneration | J127 | Private Sector Housing Grant - homelessness initiative | Vicki Jessop | 40 | 40 | 29 | -12 | 26 | -3 | |
| | | K007 | Empty Properties | Vicki Jessop | 367 | 367 | - | -367 | - | - | |
| | | J149 | CPO Fund | Victoria Phillipson | 746 | 746 | 78 | -668 | 100 | 22 | |
| | Community / S106 | J178 | Fencing for parks | Bernard Gallyot | 50 | - | - | - | - | - | |
| | | J164 | Superfast Broadband | Liz Elliott | 27 | 27 | 75 | 48 | 27 | -48 | Completed (£48k funded from Ear Marked Reserve) |
| | | K105 | Glamis Hall for All | Liz Elliott | 192 | 21 | 15 | -6 | 21 | 6 | |
| | | J139 | Castle Fields Park S106 | Victoria Phillipson | 266 | 266 | 4 | -261 | 10 | 6 | |
| | | J140 | Eastfields Park S106 | Victoria Phillipson | 3 | 3 | -7 | -10 | 3 | 10 | |
| | | J141 | Croyland Park S106 | Victoria Phillipson | 2 | 2 | -15 | -17 | 2 | 17 | |
| | | J143 | Bassett's Close S106 | Victoria Phillipson | 21 | 21 | - | -21 | 1 | 1 | |
| | | J144 | Queensway Open Space S106 | Victoria Phillipson | 17 | - | - | - | - | - | |
| | | J147 | Finedon Recreation Projects S106 | Victoria Phillipson | 25 | 25 | - | -25 | 1 | 1 | |
| | J148 | Allotment Improvements S106 | Victoria Phillipson | 6 | 6 | 2 | -3 | 6 | 3 | | |
| J153 | Bassetts Park Skate Park | Victoria Phillipson | 110 | - | - | - | - | - | | | |
| J179 | Embankment Splash Pool S106 | Victoria Phillipson | 40 | 40 | 38 | -2 | 33 | -5 | | | |
| Public Realm | J122 | Street Furniture | Victoria Phillipson | 17 | 17 | - | -17 | 8 | 8 | | |

Current Programme Totals **8,866** **4,750** **2,051** **-2,698** **2,648** **597**

| Funded by: | Scheme | Analysis: | Description |
|---------------------------|--------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| S106 | IT Strategy Implementation | 190 | The £114,504 expenditure was transferred at year end to revenue in order to be funded by flexible use of capital receipts. |
| Heritage Lottery Fund | Wellingborough Road Adoptions Scheme | 112 | The scheme is slowly progressing following delays at the beginning of 2016-17, due to a dispute over payment with the county council |
| Disabled Facilities Grant | Photovoltaic Panels | 59 | Progress of the installation at the Waendel Centre was delayed whilst a structural survey was undertaken |
| Capital Receipts | Wellingborough Heritage | 68 | Anticipated expenditure delayed with £55k being spent early 2017-18 |
| | Disabled Facilities Grant | -79 | The DFG budget was updated to reflect the full grant allocation late in 2016-17, following a dispute over payment from the Better Care Fund with the county council |
| | Net scheme variances | 247 | |
| | | 2,051 | 597 |

Current Capital Reserves:

| | 2016-17 £000 | 2017-18 £000 | 2018-19 £000 | 2019-20 £000 | 2020-21 £000 |
|-----------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Capital Reserves Funding Balance B/f | 17,456 | 17,634 | 23,164 | 23,346 | 23,562 |
| Current Capital Programme (Appendix 1) | 4,549 | 4,014 | 68 | 34 | - |
| <i>Additional budget allocation 2016-17</i> | 201 | | | | |
| <i>2017-18 New capital programme (February Resources)</i> | - | | | | |
| <i>2016-17 Outturn underspend reprofiled</i> | -2,621 | 2,621 | | | |
| <i>2016-17 under/overspend/completed schemes</i> | -78 | | | | |
| Capital Programme as per Agresso | 2,051 | 6,635 | 68 | 34 | - |
| <i>Approved schemes awaiting available resources</i> | | 200 | | | |
| <i>Crematorium Contingency Budget not yet in main programme</i> | | 212 | | | |
| <i>DFG Funding approved subject to demand</i> | | 95 | | | |
| Capital Programme | 2,051 | 7,142 | 68 | 34 | - |
| 2016-17 Expenditure funded from capital resources | 1,616 | | | | |
| External Funding | | | | | |
| Capital S106 | 22 | 319 | | | |
| Disabled facilities Grant | 343 | 457 | | | |
| Heritage Lottery funding | 70 | 1,221 | | | |
| | 2,051 | 1,997 | - | - | - |
| Current Capital Programme funded by capital reserves | Funded | 5,145 | 68 | 34 | - |
| IT Strategy | 144 | | | | |
| Revenue expenditure funded by flexible use of capital reserves | 144 | | | | |
| | Funded | | | | |
| Anticipated Capital Receipts | | | | | |
| <i>RTB , VAT Shelter & Asset Sales</i> | 1,315 | 500 | 250 | 250 | 250 |
| <i>2016-17 Sale of land/vehicles</i> | 460 | | | | |
| <i>Asset Held for Sale</i> | | 475 | | | |
| <i>Other Anticipated Capital Receipts</i> | 163 | 12,700 | | | |
| Income transferred to Capital Investment Reserve | | -3,000 | | | |
| Anticipated New Capital Receipts | Received | 10,675 | 250 | 250 | 250 |
| Forecast Capital Reserves Funding Balance C/f | 17,634 | 23,164 | 23,346 | 23,562 | 23,812 |

NB - Italics Estimate

| | | | | |
|---------------------------------------------------------------------|--------|--------|--------|--------|
| Forecast Capital Reserves if anticipated income not received | 12,989 | 13,171 | 13,387 | 13,637 |
| Minimum Capital Reserve | 5,000 | 5,000 | 5,000 | 5,000 |
| Available resources for capital programme | 7,989 | 8,171 | 8,387 | 8,637 |

| Underspend brought forward £'000 | 2016-17 Approved / Virements | Total 2016-17 budget | Scheme | Responsible Manager | Underspend carry forward £'000 | Responsible Manager comments |
|----------------------------------|------------------------------|----------------------|-------------------------------------------------------------------|---------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 115 | 76 | 191 | J100 - Wellingborough Heritage and Shop Front Grant Initiative | John Udall | -74 | Variance due to delays with the Market Street scheme, progress early 2017-18 with £55k expenditure. |
| - | 120 | 120 | J151 - Shop Front Improvements | John Udall | -96 | Variance due to delays with the Market Street scheme, progress early 2017-18 with £25k expenditure. |
| 44 | 207 | 251 | J162 - PFP Leisure | Liz Elliott | -240 | Grant available for drawdown by PFP Leisure, awaiting update on the recharge profiling. |
| 54 | 60 | 114 | K001 - Renovation Grant - Discretionary | Vicki Jessop | -91 | There has been considerable promotion of the renovation grant scheme over the last 6 months, however this has been slower to progress into actual grant spend than forecast. Numbers of applications for grant assistance have however continued to rise incrementally. |
| - | 458 | 458 | K002 - Disabled Facilities Grant | Vicki Jessop | -115 | The DFG allocation for the applications approved during the year was fully committed but due to the fact that not all work had been completed and invoiced by the end of March 2017 the budget shows a variance. |
| 367 | - | 367 | K007 - Empty Properties | Vicki Jessop | -367 | Awaiting update from budget manager |
| 153 | 106 | 259 | J037 - Wellingborough Road Adoptions Scheme | Victoria Phillipson | -212 | These work could have commenced during 2016-17 but have been delayed due to ongoing queries on prices. |
| 191 | 555 | 746 | J149 - CPO Fund | Victoria Phillipson | -668 | Contingency to cover any additional work needed on 31-32 Church Street and for any future CPO's. |
| - | 266 | 266 | J139 - Castle Fields Park S106 | Victoria Phillipson | -261 | The need for further work was being considered and potential costs needed to be covered. |
| 924 | 1,848 | 2,772 | | | -2,124 | |
| | | 858 | <i>Net scheme reprofiling</i> | <i>Various</i> | -662 | |
| | | 1,120 | <i>Under/Overspends to be returned to capital reserves</i> | <i>Various</i> | 88 | |
| | | 4,750 | | | -2,698 | |
| | | | | | | |

