

Resources Committee

1 November 2017

Report of the Section 151 Officer

CAPITAL PROGRAMME MONITORING**1 Purpose of Report**

This report presents members with the capital programme monitoring information to 30 September 2017.

2 Executive Summary

The total capital budget for 2017-18 of £6.635m was reported at Resources Committee on the 13 September 2017. 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 2017-18 is £4.923m.

3 Appendices

Appendix 1: Capital Outturn Report to 30 September 2017

Appendix 2: Capital Programme Funding Position

Appendix 3: Urgent Action Request – The Castle Theatre

4. Proposed Action:

4.1 The committee is invited to NOTE the projected outturn and anticipated variances as at 30 September 2017 as shown in Appendix 1

4.2 The committee is invited to NOTE the External funding as stated in Appendix 2

4.3 The committee is invited to NOTE the updates and amendments to the 2017-18 capital programme as shown in Section 6.

4.4 The committee is invited to NOTE the update from the capital working group as shown in Section 8 and also to RECOMMEND the following requests:

a) Use of the property contingency budget to fund the new boilers for Tithe Barn and the Swanspool Pavilion as detailed in 8.1

b) Transfer and combine the ICT budgets as detailed in 8.2 & 8.3

c) Approve the request for an additional £96,250 in year budget for the Academy system upgrade as detailed in 8.4 to 8.6

4.5 The committee is invited to NOTE the Urgent Action Request, approved under delegated powers in Section 9.

5. Introduction

- 5.1 Capital monitoring is reported 4 times in the year, 3 in year reports (September, November 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 2017-18 and reflects the monitoring position as at 30 September 2017.
- 5.2 Further financial forecasts will be reported to Committee to show the changes in the monitoring position as at the following dates:
- 31 December 2017
 - 31 March 2018

6. Updates and amendments to the 2017-18 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 2017-18.

Capital Programme	£'000
Original 2017-18 Capital Programme (including brought forward)	6,635
<i>Resources Committee 28 June 2017</i>	
J183 Waendel Leisure Centre Pool Area	300
J182 Finedon Open Space S106	21
J180 Tithe Barn Offices - Roof	17
J181 IDOX EDRMS	35
J037 Wellingborough Road Adoptions	260
<i>Resources Committee 13 September 2017</i>	
J127 Private Sector Housing Grant - homelessness initiative	25
J156 Waste Transfer Station	14
K002 Disabled Facilities Grant	236
J100 Wellingborough Heritage and Shop Front Grant	-1,493
J151 Shop Front Improvements	-174
J144 Queensway Open Space S106	-17
J157 Agresso Upgrade	-24
K001 Renovation grant-Discretionary	-100
K105 Glamis Hall for All	-177
J154 Photovoltaic Panels	-635
Total Revised 2017-18 Capital Programme as per Appendix 1	4,923

- 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. If officers identify delays in the delivery of schemes they will request re-profiling of some of the budgets and associated funding.

- 6.3 A number of updates were reported to this committee at the meeting on 13 September 2017. These amendments have been recommended for approval at the next council meeting on 17 October 2017. Once approved they will be reflected in the future capital programme monitoring reports.
- 6.4 At Resources Committee on 13 September 2017 a query was raised in respect of the Disabled Facilities Grant budget virement of £236k, as shown in the table at 6.1 on the capital programme monitoring report. The £236k (rounded) was the adjustment required to reflect the 2017-18 grant allocation as £264k had previously been forecast as grant income. This figure was based on the 2015-16 grant allocation and had been included in the 2016-17 capital programme monitoring reports at Appendix 2.
- 6.5 The table below shows the breakdown of the virements that result in the 2017-18 budget total of £614,292.

Disabled Facilities Grant		
	£	£
2016-17 carry forward		114,940
Previously forecast for 2017-18	264,000	
Virement (rounded to £236k)	235,352	
Total 2017-18 grant allocation	499,352	499,352
2017-18 Budget		614,292

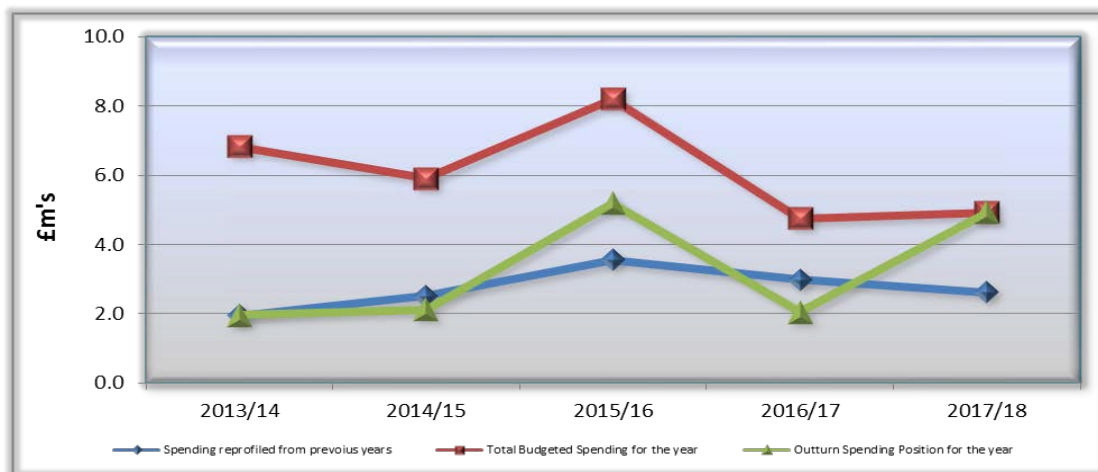
7. Forecast Outturn

- 7.1 The anticipated forecast outturn 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.
- 7.2 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, the outturn report will be updated to reflect this knowledge

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

7.3 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.



8 Capital working group update

8.1 The capital working group have recently received bids in respect of the boiler replacement requirements at Swanspool Pavilion and the Tithe Barn Offices totalling £20,200. We have been advised by Wellingborough Norse that the current boilers have been condemned and that they will need replacing as a matter of urgency. In order to complete these installations at the earliest possible opportunity, funds will be allocated to cover these costs from the property contingency budget (J041) already approved. The overall impact on the capital programme is nil.

8.2 The following ICT capital programme budgets were carried forward from 2016-17 to 2017-18, as reported at Resources Committee on 28 June 2017.

- J128 (ICT Resilience) - £28,418
- J152 (SQL Database) - £5,119
- J159 (Upgrade Servicer Infrastructure) - £2,099
- J166 (ICT Back Up System) - £15,000
- J167 (ICT Services) - £50,701

Total: £101,337

As part of the ICT strategy these projects have been reviewed to ensure they meet the vision and requirements of the scheme and as a result of this it is recommended to transfer these budgets and create 2 new budget codes:

- a) ICT Infrastructure - £76,337
- b) Payment Services Upgrade - £25,000

- 8.3 The upgrade for the payments services system (cash receipting), was originally scheduled for 2018-19, this will now be bought forward to 2017-18. The ICT Strategy recommends an approach for consolidating applications that are in use by the Borough Council of Wellingborough and East Northamptonshire Council to realise efficiencies and ongoing revenue savings. Following further engagement with procurement it was highlighted that the existing contract with Capita posed a risk to the council's compliance with procurement regulations given its length. This led to a soft market testing activity which resulted in the decision to consolidate the existing systems in to a single instance. Procurement compliance and the presence of external project management support currently in place supported the decision to bring this project forward.
- 8.4 The ICT strategy project has also reviewed other key corporate systems and software contracts and has identified the Academy system, used by the Revenue and Benefits team, as one of our most significant systems, both in term of costs and business need. A review of the contract, in conjunction with East Northamptonshire Council, was undertaken and options for sharing services and reducing costs were explored.
- 8.5 Currently both councils pay for separate instances of the Academy software, meaning when system upgrades are required they have to be done twice. The review has identified we could upgrade the software, including an Electronic Data Managements System (EDRMS) whilst only have one instance of the software loaded on the joint hosted servers. This solution would provide two individual databases for each council to operate and maintain.
- 8.6 A capital budget of £40,000 has previously been approved for the Revenue and Benefits EDRMS. In order for this scheme to progress a further capital investment of £96,250 is requested, as the councils 50% contribution towards the project, detailed below:

	TOTAL	BCW (50%)
TOTAL CAPITAL COSTS	272,500	136,250
Budget Already Approved		40,000
Additional Approval Required		96,250
<u>Future Annual Savings</u>		
Current Supplier Costs	132,830	66,415
Revised Supplier Costs	75,000	37,500
Annual Revenue Saving	57,830	28,915
Internal Rate of Return		21%

9 Urgent Action

An urgent action request for £60,000 has been received to replace the heating and air handling controls at The Castle Theatre. The current controls have previously failed and there is a significant risk this could recur over the winter months. In order to mitigate this risk it is prudent to complete the necessary works to upgrade the control system and extend the operational life of the asset at the earliest opportunity.

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
Danny Gorge, Service Accountant
Julie O'Connell, Accountancy Team Leader

15 Consultees
Samantha Knowles, Assistant Director
Budget Managers
Liz Elliott, Managing Director
Bridget Gamble, Director
Julie Thomas, Director

16 Background Papers
Capital Programme Monitoring report 13 September 2017
Capital Programme Monitoring reports 2016-17, Appendix 2

Desired Outcomes	Themes	Reference	Capital Scheme Title	Responsible Officer	Total Capital Programme 2017-18 -2021-22	Capital Programme 2017-18 Including re-profiling	Profiled Budget to P6 30 September	Actual Expenditure to P6 30 September	Variance Year to Date	Commitments	Committed Expenditure to current period	Forecast for the year	Variance Forecast for year against budget	RAG Status	P6 Responsible Officer Comments	
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000			
Essential for service delivery	Asset maintenance for H&S / Compliance - operational	J181	IDOX EDRMS	Alison Curtis	35	35	35	15	-20	20	35	35	-	😊	Implementation underway following urgent action request approved June Resources	
		J128	ICT Resilience	Ian Peters	28	28	-	-	-	-	-	28	-	😊	Budget available for changes to infrastructure at the new data centre, within the overall IT strategy implementation	
		J152	SQL Database replacement/licensing consolidation	Ian Peters	5	5	5	-	-5	-	-	-	5	-	😊	Budget available towards the completion of the overall IT strategy implementation.
		J159	Upgrade of server infrastructure (licensing & PSN)	Ian Peters	2	2	2	-	-2	-	-	-	2	-	😊	Budget available towards the completion of the overall IT strategy implementation.
		J166	ICT Backup System	Ian Peters	15	15	-	-	-	-	-	-	15	-	😊	Budget available towards the completion of the overall IT strategy implementation.
		J167	ICT Servers	Ian Peters	51	51	-	-	-	-	-	-	51	-	😊	Budget available towards the new SAN/Server equipment in the new data centre, within the overall IT strategy implementation
		J168	ICT Data Store	Ian Peters	41	41	-	-	-	-	-	-	41	-	😊	Budget available towards the new SAN/Server equipment in the new data centre, within the overall IT strategy implementation
		J157	Agresso Upgrade	Liz Elliott	25	1	1	-5	-6	-	-	-5	1	-	😞	Complete, final costs anticipated.
		J174	Waendel Leisure Centre	Liz Elliott	219	219	57	115	58	17	133	219	-	-	😊	Complete, the pool reopened on 4.9.17. Final costs anticipated.
		J176	IT Strategy Implementation	Liz Elliott	305	305	127	75	-52	205	280	305	-	-	😊	IT strategy implementation ongoing, monthly updates available via the intranet
		J041	Non Operational Property	Paul Burnett	23	23	23	-	-23	-	-	-	23	-	😊	Contingency budget for unforeseen emergency repairs.
	J180	Tithe Barn Roof	Paul Burnett	17	17	17	17	-	-	-	17	17	-	😊	Complete	
	Maintenance for H&S / Compliance	J037	Wellingborough Road Adoptions Scheme	Victoria Phillipson	672	672	210	60	-150	443	503	672	-	-	😊	Work started and progressing to target completion date. NCC have provided plans, further works to be undertaken on land ownerships etc.
		J169	Bridge and Culvert Repairs	Victoria Phillipson	162	60	-	47	47	5	52	60	-	-	😊	Works being undertaken to target.
New assets for operational use	J107	Telephone System	Alison Curtis	70	70	-	-	-	-	-	-	70	-	😊	The tender process has been completed. A supplier has been identified and the contract has been signed. Implementation is scheduled for December 2017.	
	J132	Desktop Equipment Replacement and Windows7	Alison Curtis	89	89	-	-	-	-	-	-	89	-	😊	Budget to be used for any desktop refresh requirements as part of the new Office 365 migration, within the overall IT strategy implementation	
	J172	Revenue & Benefits EDRMS	Nigel Robinson	40	40	-	-	-	-	-	-	40	-	😊	Budget ring-fenced for delivery of EDRMS system within the overall IT strategy implementation	
To generate further revenue resources	Invest to generate income return	J156	Waste Transfer Station	Bernard Gallyot	14	14	14	14	-	-	14	14	-	😊	Complete	
		J154	Photovoltaic Panels	Paul Burnett	60	60	60	54	-6	4	58	60	-	😊	Complete, final costs anticipated.	
		J175	Market Layout	Victoria Phillipson	17	17	-	-	-	-	-	-	17	-	😊	A detailed scheme plan is being drawn up in order to progress.
	Wellbeing and grants (to avoid revenue costs)	J100	Wellingborough Heritage and Shop Front Grant Initiative	John Udall	1,796	303	105	87	-18	50	137	303	-	😊	It is anticipated that a THI application in respect of The Hind Hotel can be commenced soon. An application for an extension of 2 years for the THI scheme has been approved and the budget will be reviewed and re-profiled over the 2 years ending October 2019.	
		J151	Shop Front Improvements	John Udall	236	62	30	30	-	16	46	62	-	😊	There are schemes about to begin for which new Purchase Orders are to be issued. It is anticipated that the budget for 2017-18 will be fully spent.	
		K001	Renovation Grant-Discretionary	Vicki Jessop	151	51	25	18	-7	-	18	43	-8	😊	Following some ongoing promotional work over the last 6 months, the numbers of requests for renovation grants has increased. Consideration is being given to directing this more towards owners of empty homes. This budget is likely to have increased spend over the winter months as the amount of enquiries is likely to increase due to cold weather.	
K002	Disabled Facilities Grant	Vicki Jessop	614	614	186	108	-78	-	108	614	-	😊	It is anticipated that the DFG budget for 2017-18 will be fully committed			

Desired Outcomes	Themes	Reference	Capital Scheme Title	Responsible Officer	Total Capital Programme 2017-18 -2021-22	Capital Programme 2017-18 Including re-profiling	Profiled Budget to P6 30 September	Actual Expenditure to P6 30 September	Variance Year to Date	Commitments	Committed Expenditure to current period	Forecast for the year	Variance Forecast for year against budget	RAG Status	P6 Responsible Officer Comments	
To achieve policy objectives	Invest to save	J162	PFP Leisure	Liz Elliott	240	240	-	-	-	241	241	240	-	😊	Awaiting profiling information from PFP leisure, a further email requesting an update has been sent.	
	CPO / Property regeneration	J127	Private Sector Housing Grant - homelessness initiative	Vicki Jessop	37	37	30	14	-16	5	18	37	-	😊	An urgent action was approved for £25,500 to provide self contained accommodation to families to whom the council has a statutory duty. A further capital bid of £60k is awaiting approval at Council on 17.10.17. Homeless applications are at their highest for over 5 years and the consequent need for temporary accommodation remains high. B&B is not suitable for families and only to a max of 6 wks. This scheme provides the council with a self contained temporary accommodation scheme.	
		K007	Empty Properties	Vicki Jessop	366	366	-	-	-	-	-	120	-246	😊	A new CPO procedure and an updated Private Sector Housing policy which contains the Empty Homes Strategy was approved at Services Committee in Sept 17. The corporate CPO group will continue to monitor empty homes and new processes will improve data collection across council services. A forecast has been made for a limited spend by the end of the financial year.	
		J149	CPO Fund	Victoria Phillipson	668	668	5	5	-	20	25	668	-	😊	Projects are currently being considered, however a lack of resources to deliver the scheme means approximately £300k budget is likely to be reprofiled but must remain available should any further CPO be identified.	
		J178	Fencing for parks	Bernard Gallyot	50	50	31	15	-16	-	15	50	-	😊	The fencing project is ongoing and is due to be completed by the end of 2017.	
	Community / S106	J183	Waendel Leisure Centre Pool Area	Gill Chapman	300	300	96	-	-96	-	-	300	-	😊	Project on track to date 30.9.17 but not yet invoiced by PFP Leisure who are commissioning the work.	
		K105	Glamis Hall for All	Liz Elliott	177	-	-	-	-	-	-	-	-	-	😊	Budget profiled into 2018-19.
		J139	Castle Fields Park S106	Victoria Phillipson	261	261	50	-	-50	-	-	261	-	😊	Wellingborough Norse are providing costs for the demolition of the changing facility, upgrade of the toilets and improvements to the play area.	
		J140	Eastfields Park S106	Victoria Phillipson	3	3	-	-	-	-	-	3	-	😊	Wellingborough Norse are looking at options for this.	
		J141	Croyland Park S106	Victoria Phillipson	3	3	-	-	-	-	-	3	-	😊	Wellingborough Norse will be planting seed as soon as possible.	
		J143	Bassett's Close S106	Victoria Phillipson	21	21	-	-	-	-	-	21	-	😊	Conversation held with skateboarding group and an action is being developed. Wellingborough Norse are looking at options for the wildflower seed planting.	
		J144	Queensway Open Space S106	Victoria Phillipson	17	-	-	-	-	-	-	-	-	-	😊	Project on hold budget re profiled to 2018-19.
		J147	Finedon Recreation Projects S106	Victoria Phillipson	25	25	25	23	-2	2	25	25	25	-	😊	Complete
		J148	Allotment Improvements S106	Victoria Phillipson	3	3	1	1	-	-	1	3	3	-	😊	Allotments are being encouraged to progress the scheme and spend the remaining budget.
		J153	Bassetts Park Skate Park	Victoria Phillipson	110	110	-	-	-	-	-	-	110	-	😊	Conversation held with skateboarding group and an action is being developed.
		J179	Embankment Splash Pool S106	Victoria Phillipson	2	2	2	2	-	-	-	-	2	-	😊	Complete (small overspend of £22)
		J182	Finedon Open Space S106	Victoria Phillipson	21	21	21	21	-	-	-	21	21	-	😊	Complete
	Public Realm	J122	Street Furniture	Victoria Phillipson	17	17	5	5	-	-	5	17	-	😊	Plans being drawn up which will identify costs.	

Current Programme Totals **7,011** **4,923** **1,163** **721** **-442** **1,028** **1,747** **4,669** **-254**

Funded by:	
S106	358 341
Heritage Lottery Fund	1,221 206
Disabled Facilities Grant	614 614
Capital Receipts	4,818 3,762
	7,011 4,923





Current Capital Reserves:

	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000
Capital Reserves Funding Balance B/f	17,634	24,015	23,244	23,460	23,710
Current Capital Programme (Appendix 1)	4,014	68	34	-	-
<i>2017-18 New capital programme (June Resources)</i>	633				
<i>2016-17 Outturn underspend reprofiled</i>	2,621				
Resources 13 September 2017					
<i>Urgent Action dated 24.8.17 - J127</i>	25				
<i>Adjustments as contained in this report</i>	250				
<i>Approved budget no longer required</i>	-635				
<i>Budget re-profiled</i>	-1,985	1,985			
Capital Programme as per Agresso	4,923	2,053	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	5,430	2,053	34	-	-
2017-18 Expenditure funded from capital resources					
External Funding					
Capital S106	341	17			
Disabled Facilities Grant	614	-			
Heritage Lottery funding	206	1,015			
	1,161	1,032	-	-	-
Current Capital Programme funded by capital reserves	4,269	1,021	34	-	-
Anticipated Capital Receipts					
<i>RTB , VAT Shelter & Asset Sales</i>	500	250	250	250	250
<i>2016-17 Sale of land/vehicles</i>					
<i>Asset Held for Sale</i>	450				
<i>Other Anticipated Capital Receipts</i>	12,700				
Income transferred to Capital Investment Reserve	-3,000				
Anticipated New Capital Receipts	10,650	250	250	250	250
Forecast Capital Reserves Funding Balance C/f	24,015	23,244	23,460	23,710	23,960

NB - Italics Estimate

Forecast Capital Reserves if anticipated income not received	13,865	13,094	13,310	13,560	13,810
Minimum Capital Reserve	5,000	5,000	5,000	5,000	5,000
Available resources for capital programme	8,865	8,094	8,310	8,560	8,810

REQUEST FOR URGENT ACTION
(In accordance with Section 3.4.09 Urgent Action of the Constitution)

REPORTING COMMITTEE: RESOURCES
DATE OF NEXT MEETING: 1 NOVEMBER 2017
PURPOSE OF REPORT: TO PROGRESS WORKS AT THE CASTLE THEATRE, AND IN PARTICULAR THE HEATING AND AIR HANDLING CONTROLS
REASON FOR URGENCY: THE CONTROLS HAVE FAILED AND BEEN REPAIRED A NUMBER OF TIMES SINCE THE COUNCIL TOOK OVER THE MAINTENANCE OF THE CASTLE THEATRE IN JUNE 2016. THERE IS A SIGNIFICANT RISK THAT THE CONTROLS COULD FAIL OVER THE WINTER AND RESULT IN COMPLAINTS ABOUT TEMPERATURE/REFUNDS TO CUSTOMERS.
KEY FACTS: THE CONTROLS TO THE HEATING AND AIR HANDLING UNITS FOR THE AUDITORIUM, STUDIOS AND RESTAURANT ARE NOT EFFECTIVE AND HAVE ALREADY FAILED SEVERAL TIMES OVER THE PAST YEAR. THEY HAVE NOT BEEN MAINTAINED OVER THE YEARS, AND – TO ENSURE THAT CUSTOMERS DO NOT SUFFER EXCESSIVE COLD IN THE WINTER AND HEAT IN THE SUMMER – THESE NEED TO BE REPLACED. WAITING UNTIL THE NEXT RESOURCES COMMITTEE WILL DELAY THE START OF THE WORKS, AND BY THEN THE WEATHER WILL BE SIGNIFICANTLY COOLER.
FINANCIAL IMPLICATIONS (SEE BELOW): THIS IS SPECIALIST WORK AND THE ADVICE OF CONSULTING ENGINEERS HAS BEEN SOUGHT. THREE QUOTATIONS WERE REQUESTED, BUT ONLY TWO RECEIVED. THE CONSULTING ENGINEERS RECOMMENDED THAT THE QUOTATION DEMONSTRATING THE BEST UNDERSTANDING OF THE REQUIREMENTS BE APPOINTED. IT IS THEREFORE RECOMMENDED THAT A CAPITAL SUM OF £60,000 BE APPROVED TO COVER THE COSTS.
SIGNATURES: <ul style="list-style-type: none">• REPORT AUTHOR:  DATE: 2.10.17• CORPORATE DIRECTOR:  DATE: 2.10.2017• CHAIRMAN/VICE-CHAIRMAN OF COMMITTEE:  DATE: 2.10.2017
IF FINANCIAL IMPLICATIONS SIGNATURE OF: <ul style="list-style-type: none">• CHAIRMAN/VICE-CHAIRMAN OF RESOURCES COMMITTEE:  DATE: 2.10.2017

NB: To comply with the Constitution this signed urgent action pro forma must be attached to a report to the next meeting of the Committee concerned.

