

Report of Section 151 Officer

2018-19 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 2018-19.

2 Executive Summary

2.1 The capital programme was agreed by members in February 2018. Approval was given for schemes prioritised as schedule 1 to be funded and they were moved into the approved programme. During the financial year, supplementary bids and the re-profiling of schemes between financial years have been included producing a total programme for the year of £4.023m.

2.2 Information provided by budget managers throughout the year resulted in an updated forecast outturn of £3.719m being reported to this committee in March 2019. The reasons for the changes to expected levels of spending were considered in that report.

2.3 The final capital programme monitoring statement for 2018-19 (Appendix 1) shows an outturn of £3.274m, which is a variation of £0.445m, compared to the previously revised forecast of £3.719m.

3 Appendices

Appendix 1 Capital Outturn Report to 31 March 2019

Appendix 2 Capital Programme Funding Position

Appendix 3 Analysis of significant capital budget underspends

Appendix 4 Nene Valley Crematorium Pathways

Appendix 5 Nene Valley Crematorium Garden Infrastructure

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

The Committee is invited to RECOMMEND to:

4.3 **AGREE** the release of £860k approved in principal 13 June 2018 for future infrastructure development of the crematorium site, as shown in Appendix 4.

4.4 **AGREE** the inclusion of the additional budget requests as detailed in Section 7 in the agreed 2019-20 capital programme.

5 Introduction

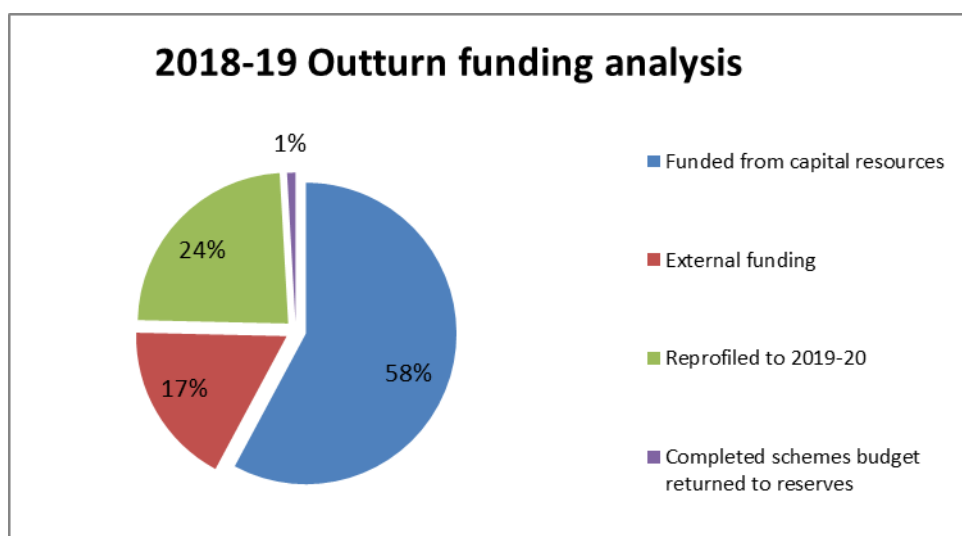
The capital monitoring position was last reported to the March 2019 resources committee. Monitoring is reported four times in the year, with three in year reports and the final out turn position in June of the year following. This report reflects the final outturn position as at 31 March 2019, subject to any changes that may result as part of the external audit process.

6 2018-19 Capital Outturn

6.1 The revised capital programme for 2018-19 as reported at Resources Committee on 20 March 2019 was £4.023m.

6.2 The outturn for capital is £3.274m, this leaves a £0.749m 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 2019-20.

6.3 The following graph details how the 2018-19 capital budget has been allocated/funded:



6.4 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.

6.5 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 2019-20 Update

7.1 In addition to the previously approved budget for 2019-20 and the carry forward of the 2018-19 variance (Appendix 2), if approved, the following new capital schemes have been submitted by officers:

- 1a High Street – the retaining wall at the rear of the property has been assessed by a structural engineer and will need to be rebuilt in order to address health and safety issues. Cost £49k
- 2a High Street – conversion of the void first floor area into a two bedroom flat and studio, the proposed use to be decided. Cost £127k
- 16a Market Street – conversion of the void first and second floor areas into a three bedroom flat and a two bedroom flat, the proposed use to be decided. Cost £196k
- 17 Market Street – conversion of the void first and second floor areas into a two bedroom flat and studio, the proposed use to be decided. Cost £132k

7.2 The property conversion schemes would provide an estimated saving for the council of £14k per annum, per property by providing temporary accommodation.

7.3 These schemes have been assessed and prioritised using the service assessment criteria previously reported to and agreed by Resources Committee.

7.4 Each scheme has scored sufficiently against the corporate criteria to be recommended for inclusion in the capital programme.

7.5 There has also been a request for a further £100k for the IT Transformation scheme. This is to cover a combination of matching the contributions put into the ICT programme by our partners East Northants, a 50/50 share of expected costs to ensure the remediation works are completed on time and as required for BCW and East Northants and external support to complete the final stages of the Rev's and Ben's IT Project supporting our joint working and providing the platform to grow this in readiness for LGR.

8 Crematorium Update

8.1 Requests have been received from Nene Valley Crematorium to release a total sum of £860k into the current capital programme, from the previously approved in principal budget, of £1.247m.

8.2 Two business cases, which outline the planned use of the funds in more detail, are included as Appendices 4 and 5.

9. Legal Powers

Local Government Act 2003

10. 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.

11. 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.

12. Implications for Resources

None other than those already identified within the body of the report.

13. Implications for Stronger and Safer Communities

No specific implications.

14. Implications for Equalities

No specific implications.

15. Author and Contact Officer

Julie O'Connell, Finance Manager

16. Consultees

Shaun Darcy, Director – Section 151 Officer

Liz Elliott, Managing Director

Julie Thomas, Director

Eric Symons, Assistant Director – Deputy Section 151 Officer

17. Background Papers

Capital programme budget monitoring and closedown working papers.

Desired Outcomes	Themes	Reference	Capital Scheme Title	Responsible Officer	Total Capital Programme 2018-19 -2022-23	Capital Programme 2018-19 Including re-profiling	Total expenditure 2018-19	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	
Current Capital Programme 2018-19 to 2022-23											
Essential for service delivery	Asset maintenance for H&S / Compliance - operational	J041	Non Operational Property	Adrian Piper	23	23	25	2	23	-2	
		J185	Castle Theatre	Adrian Piper	1,035	103	152	49	100	-52	Overspend carried forward to 2019-20 budget
		J192	Waendal Leisure Centre Boilers	Adrian Piper	80	80	73	-7	72	-1	Complete
		J195	MSCP lifts	Adrian Piper	13	13	10	-3	-	-10	
		J157	Agresso Upgrade	Eric Symons	25	-	-	-	-	-	2019-20 budget
		J174	Waendal Leisure Centre	Gill Chapman	51	1	5	4	1	-4	Overspend carried forward to 2019-20 budget
		J181	IDOX EDRMS	Kathryn Rance	15	15	15	-	15	-	Complete
		J187	Payment Services Upgrade	Nigel Robinson	19	19	15	-4	15	-	Complete
		J176	IT Strategy Implementation	Shaun Darcy	20	20	35	15	17	-18	Scheme funded by flexible use of capital receipts
		J193	IT Strategy Implementation Phase 2	Shaun Darcy	352	352	114	-238	352	238	Scheme funded by flexible use of capital receipts
		J198	Multi Storey Car Park (MSCP)	Victoria Phillipson	2,727	-	4	4	-	-4	2019-20 budget, expenditure carried forward
	J199	Swanspool House Extension Roof	Victoria Phillipson	108	-	-	-	-	-	2019-20 budget	
	Maintenance for H&S / Compliance	J037	Wellingborough Road Adoptions Scheme	Victoria Phillipson	381	381	98	-283	380	282	
	New assets for operational use	J188	Nene Valley Crematorium Memorial Wall	Adrian Piper	137	137	118	-19	137	19	Refer to the Urgent Action report elsewhere on the agenda, underspend to be utilised on J189 Skylight scheme
		J189	Nene Valley Crematorium Skylight	Adrian Piper	50	-	3	3	-	-3	2019-20 budget, expenditure carried forward
J190		Nene Valley Crematorium Scattering Lawn Memorial	Adrian Piper	30	30	27	-3	30	3	Complete	
J208		Purchase of land at Church Street	Adrian Piper	-	-	15	15	-	-15	Complete	
J107		Telephone System	Kathryn Rance	59	59	60	1	59	-1	Complete	
J172		Revenue & Benefits EDRMS	Nigel Robinson	136	110	102	-8	110	8		
	J191	Temporary Accommodation Mitigation Fund	Vicki Jessop	1,725	1,225	909	-316	1,149	240		
To generate further revenue resources	Invest to generate income return	J210	Asset disposal costs	Adrian Piper	-	-	17	17	-	-17	Expenditure carried forward
	Wellbeing and grants (to avoid revenue costs)	J100	Wellingborough Heritage and Shop Front Grant Initiative	John Udall	1,653	226	252	26	200	-52	Overspend carried forward to 2019-20 budget
		J151	Shop Front Improvements	John Udall	187	91	72	-19	75	3	
		J175	Market Layout	Victoria Phillipson	15	15	6	-9	10	4	
		J194	Redwell 3G pitch	Victoria Phillipson	300	100	28	-72	100	72	
		K001	Renovation Grant-Discretionary	Amanda Wilcox	136	36	31	-5	33	2	
		K002	Disabled Facilities Grant	Amanda Wilcox	905	409	472	63	400	-72	Overspend carried forward to 2019-20 budget

Desired Outcomes	Themes	Reference	Capital Scheme Title	Responsible Officer	Total Capital Programme 2018-19 -2022-23	Capital Programme 2018-19 Including re-profiling	Total expenditure 2018-19	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	
To achieve policy objectives	Invest to save	J162	PFP Leisure	Gill Chapman	240	40	33	-7	30	-3	
		J201	Surveillance Cameras (Fly Tipping)	Gill Chapman	12	-	-	-	-	-	2019-20 budget
		J209	LGR Transformation Costs	Shaun Darcy	-	-	227	227	-	-	-227
	CPO / Empty Properties	K007	Empty Properties	Amanda Wilcox	366	37	32	-5	34	2	
		J127	Private Sector Housing Grant - homelessness initiative	Vicki Jessop	63	22	41	18	23	-18	Overspend carried forward to 2019-20 budget
		J149	CPO Fund	Victoria Phillipson	594	94	-7	-101	10	17	
		J204	BCW Property Renovations (shops & other buildings)	Victoria Phillipson	500	-	-	-	-	-	2019-20 budget
		J205	43a/44a High Street (conversion to residential accommodation)	Victoria Phillipson	150	-	-	-	-	-	2019-20 budget
		K105	Glamis Hall for All	Eric Symons	177	92	72	-20	80	8	
	Community / S106	J183	Waendel Leisure Centre Pool Area	Gill Chapman	197	102	102	-	102	-	
		K008	Capital Community Grants	Gill Chapman	250	95	49	-46	90	41	
		J139	Castle Fields Park S106	Victoria Phillipson	246	66	61	-4	62	1	
		J140	Eastfields Park S106	Victoria Phillipson	3	3	-	-3	1	1	
		J141	Croyland Park S106	Victoria Phillipson	2	2	1	-1	1	-	
		J143	Bassett's Close S106	Victoria Phillipson	21	1	-	-1	1	1	
		J144	Queensway Open Space S106	Victoria Phillipson	17	-	-	-	-	-	2019-20 budget
		J147	Finedon Recreation Projects S106	Victoria Phillipson	2	2	-	-2	-	-	
		J148	Allotment Improvements S106	Victoria Phillipson	2	2	2	-	2	-	Complete
		J153	Bassetts Park Skate Park	Victoria Phillipson	110	10	1	-9	2	1	
		J202	Open Space Barriers	Victoria Phillipson	16	-	-	-	-	-	2019-20 budget
		J203	Park Improvement in the Town	Victoria Phillipson	268	-	-	-	-	-	2019-20 budget
		Public Realm	J122	Street Furniture	Victoria Phillipson	10	10	3	-7	3	-
	J200		Street Lighting	Victoria Phillipson	171	-	-	-	-	-	2019-20 budget
	J206		Croyland Gardens landscaping & public realm improvement	Victoria Phillipson	128	-	-	-	-	-	2019-20 budget
	J207		Tithe Barn Public Realm	Victoria Phillipson	179	-	-	-	-	-	2019-20 budget

Current Programme Totals **13,906** **4,023** **3,274** **-749** **3,719** **445**

Funded by:

Funded by:

Scheme

Analysis:

	S106	71	Castle Theatre	-52
	Heritage Lottery Fund	169	IT Strategy Implementation Phase 2	238
	Disabled Facilities Grant	472	Wellingborough Road Adoptions Scheme	282
	Capital Receipts	2,562	Temporary Accommodation Mitigation Fund	240
			Wellingborough Heritage and Shop Front Grant Initiative	-52
		<u>3,274</u>	Redwell 3G pitch	72
			Disabled Facilities Grant	-72
			LGR Transformation Costs	-227
			Net scheme variances	16

445

The roof repair costs have been captured within this financial year which had not been anticipated. The majority of this has been spent in Qtr 1 of 2019/20 on new hardware to ensure BCW can continue working following Windows 7 losing support at the end of the year and to enable agile working as will be required leading up to and post vesting day of the new unitary council. Officers have chased outstanding costings from KierWSP for further works. Completion of two properties was delayed until early April. Housing options update elsewhere on the agenda.

Grant schemes progressed sooner than expected.

Works commenced on site on 21 May after pre-commencement conditions were met.

Adaptations completed sooner than expected.

Expenditure funded by flexible use of capital receipts

Capital Programme Funding Position

Appendix 2

Current Capital Reserves:

	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000
Capital Reserves Funding Balance B/f	17,361	28,673	16,275	15,759	15,984
Current Capital Programme (reported to March committee)	4,023	9,092	766	25	
<i>2018-19 Outturn underspend reprofiled</i>	<i>-717</i>	717			
<i>2018-19 under/overspend/completed schemes</i>	<i>-32</i>				
<i>2019-20 DFG Determination</i>		584			
Capital Programme as per Agresso	3,274	10,393	766	25	-
<i>Crematorium infrastructure - approved in principal Resources 13 June 2018</i>		1247			
<i>Temporary Accomodation Mitigation</i>					
<i>approved in principal Resources 6 February 2019</i>		1000			
<i>Approved schemes awaiting available resources</i>		200			
<i>Capital Investment Reserve - Asset strategy</i>		3,000			
Capital Programme	3,274	15,840	766	25	-
2018-19 Expenditure funded from capital resources	2,562				
External Funding					
Capital S106	71	222			
Disabled Facilities Grant	472	1,017			
Heritage Lottery funding	169	953			
	712	2,192	-	-	-
Current Capital Programme funded by capital reserves	Funded	13,648	766	25	-
<i>RTB , VAT Shelter & Asset Sales</i>	13,874	250	250	250	
<i>Other Anticipated Capital Receipts</i>		1,000			
Anticipated New Capital Receipts	Received	1,250	250	250	-
Forecast Capital Reserves Funding Balance C/f	28,673	16,275	15,759	15,984	15,984

NB - Italics Estimate

Forecast Capital Reserves if anticipated income not received	15,025	15,509	15,734	15,984
Minimum Capital Reserve	5,000	5,000	5,000	5,000
Available resources for capital programme	10,025	10,509	10,734	10,984

Underspend brought forward £'000	2018-19 Approved / Virements	Total 2018-19 budget	Scheme	Responsible Manager	Underspend carry forward £'000	Responsible Manager comments
-	352	352	J193 - IT Strategy Implementation Phase 2	Shaun Darcy	-238	The majority of this has been spent in Qtr 1 of 2019/20 on new hardware to ensure BCW can continue working following Windows 7 losing support at the end of the year and to enable agile working as will be required leading up to and post vesting day of the new unitary council.
187	194	381	J037 - Wellingborough Road Adoptions Scheme	Victoria Phillipson	-283	Delays with progress has been impacted by external partners. S38 and sewer adoption agreements are now being reviewed.
325	900	1,225	J191 - Temporary Accommodation Mitigation Fund	Vicki Jessop	-316	Completion of two properties was delayed until early April.
-	100	100	J194 - Redwell 3G pitch	Victoria Phillipson	-72	Pre-commencement conditions have now been completed and works started on site on 21 May.
-6	100	94	J149 - CPO Fund	Victoria Phillipson	-101	Further works under consideration and budget must be available at outset of process, however there are limited resources to undertake this task.
		2,152			-1,010	
		1,523	<i>Net scheme reprofiling</i>		56	
		348	<i>Under/Overspends to be returned to capital reserves</i>		205	
		4,023			-749	

Business Case – Pathways

Executive summary

This business case is in support of a previously agreed in principle capital bid. Nene Valley Crematorium is a great legacy for Wellingborough Council and the completion of the infrastructure is essential in ensuring its future.

It would enable the site to be accessible and would provide multiple memorial opportunities. It would also improve the overall look and appeal of the site.

Introduction

In July 2018 we submitted capital requests totalling £1.247 million for essential services and developments at Nene Valley Crematorium with this work to be carried out over 2/3 years. These requests have been agreed in principle and this business case outlines the infrastructural pathways across the site. This would be the first phase of this capital investment and is necessary to provide the layout and structure for the site which will support all future developments.

Currently a large proportion of the site is inaccessible, and the landscaping hasn't been completed. This project would ensure that we make the site accessible and it would provide some landscaping opportunities which the community has said is important for the site.

Initial costings have been gathered and new plans submitted (appendix A) in readiness for the tender process.

Financials

Initial costs for install and implementation of the infrastructure pathways will be £480,000+vat

This phase of development would require a drawdown of £480k against the previously agreed (in principle) funding.

This covers all planning and implementation of all the pathways across the site and for future memorials garden pathways. It will also ensure that the pathways around the scattering lawn pillars is completed, making the memorial plaques accessible.

It includes the relevant surveys needed to ensure that the key areas of the site are DDA compliant and the supporting work necessary for this. This is essential given that the site has various gradients and is predominately on a slope.

Risks

Risks associated with not installing the infrastructure pathways is that there will be no access across the site. This will limit options and appeal. It would negatively impact memorial offerings and growth of cremations. Should this happen then the projected profit opportunity would not be realised, and this would limit the return that the council sees, affecting the council income and spend.

Project implementation

The project will be managed by Lisa Sheppard to ensure timescales and requirements are met. It will be further supported by the operational team at Nene Valley Crematorium site.

The project will deliver all pathways around the site, through the woodland and provide access to future gardens.

It will take approx. 6 months from date of order (this is dependent on current work already within the mix for the supplier) to complete the initial 85% of the pathways. This gives us a timescale of March 2020. The remainder of the pathways will be completed through April and May. These timelines will be confirmed once the tender has been completed and awarded.

Next steps

Once capital has been finalised the tender will be completed and will go live in July. It is estimated that the tender will be awarded in September and work to commence in October /November (supplier dependant).

As previously mentioned, we are aiming for 85% of the pathways to be completed by March 2020 and the remainder through April and May. Of course, this will be finalised once the tender is awarded and schedule agreed with the chosen supplier.

All pricing is exclusive of VAT

Appendix A



Executive summary

Business Case – Garden Infrastructure

This business case is in support of a previously agreed in principle capital bid. Nene Valley Crematorium is a great legacy for Wellingborough Council and the completion of the infrastructure is essential in ensuring its future.

It would provide multiple memorial opportunities and improve the overall look, facilities and appeal of the site.

Introduction

In July 2018 we submitted capital requests totalling £1.247 million for essential services and developments at Nene Valley Crematorium with this work to be carried out over 2/3 years. These requests have been agreed in principle and this business case outlines the infrastructural elements of the first phase of memorial gardens.

This project would ensure that the site offers a wider range of memorial offering and allow Nene Valley to invest in its own soft landscaping and maintenance. This infrastructure is the base for their future work.

Initial costings have been gathered in readiness for the tender process.

Financials

Initial costs for install and implementation of the infrastructure for the first phase of memorial gardens will be £380,000 + VAT

This phase of development would require a drawdown of £370k against the previously agreed (in principle) funding.

This covers all planning and implementation of all the infrastructural elements for the first phase memorial gardens. See appendix a for locations.

These gardens are located along the same side as the current Scattering Lawn and includes a family and friends garden. In addition, a memorial garden will be created in the woodland area, providing a unique memorial offering.

It includes the relevant surveys needed to ensure that the key areas of the gardens are DDA compliant and the supporting work necessary for this. This is essential given that the site has various gradients and is predominately on a slope.

The other side of the site is occupied by the prison (loaned to them during construction) so this land cannot be used until construction is complete. Additional Memorial gardens will be added at this stage. We anticipate this to be in 2022/23, possibly earlier depending on schedules.

Another aspect to this project is the installation of standpipes to provide a pressured and accessible water supply for the maintenance of the grounds. A quote for this has been received at £9,000.

Risks

Risks associated with not installing the infrastructure for the gardens is that the memorials will not be available, and the future soft landscaping will not take place. This will limit options and appeal. It

would negatively impact memorial offerings and growth of cremations. Should this happen then the projected profit opportunity would not be realised, and this would limit the return that the council sees, affecting the council income and spend.

The risks of not installing the standpipes will put the landscaping at risk. Current watering arrangements are resource intensive and the standpipes will mitigate much of this.

Project implementation

The project, with the exception of the standpipes installation which will be managed by BCW, will be managed by Lisa Sheppard to ensure timescales and requirements are met. It will be further supported by the operational team at Nene Valley Crematorium site.

The project will deliver all infrastructural elements for the first phase memorial gardens.

It will take approx. 12 months to complete the necessary work (this is dependent on current work already within the mix for the suppliers). We anticipate that work will begin in April 2020 so that gives us a completion date of March 2021. These timelines will be confirmed once the tender has been completed and awarded.

Next steps

Once capital has been finalised, we expect the tenders to begin later this year. It is estimated that the first tender will be awarded in December with work to commence in April / May 2020 (supplier dependent).

We are aiming for this first group of memorial gardens to be completed by March 2021. Of course, this will be finalised once the tenders are awarded and schedules agreed with the chosen suppliers.

Once the infrastructure has been installed in each area Nene Valley Crematorium will be responsible for the soft landscaping and the schedule for those works.

A quote for the standpipe installation has been received and if approved by members will commence at the earliest opportunity.

All pricing is exclusive of VAT

Appendix A



