

**Policy Committee –  
15 December 2015**

**CAPITAL PROGRAMME MONITORING  
REPORT - QUARTER 2 2015/2016**



Report of the Strategic Manager – Financial Services (s151 Officer)

Lead Member – Finance: Councillor Mulligan

Ward(s) affected: All

**1. Purpose of Report**

- 1.1 To advise members of the capital programme position of the Council, based on the Quarter 2 review of income and expenditure to the end of September 2015.

**2. Recommendations**

Members are recommended to:

- 2.1 Note the capital budget monitoring position as at 30 September 2015, and the additions to the programme.
- 2.2 Approve the amendments to the Capital Programme as mentioned in the report and the associated adjustments to the budget to give a revised Capital Programme of £2,772,700

**3. Background Information**

- 3.1 The Council agreed the 2015/16 Capital Programme of £1,329k on 24 February 2015. On 4 August 2015 the Council endorsed the recommendation from Policy Committee for the capital programme to include £1,315k of slippage from 2014/15. In addition previously approved and new projects have commenced adding a further £443k to the programme. This gave a total capital programme of £3,087k.

**4. Quarter 2 Financial Performance**

- 4.1 The Council approved the 2015/16 capital programme of £1,329k in February and work commenced on elements within the programme from April onwards. The programme has increased by £443k following the

commencement of works to Skate Park and Pump Track in Aireville Park, approval to purchase shared ownership dwellings, continuation of the empty homes scheme and further increased to include £1,315k slippage from 2014/15. Thus giving a capital programme of £3,087k.

- 4.2 A summary of the programme is shown in Table 1 with detailed information together with an update on progress of the programme shown at appendix A. At the 30 September expenditure on the programme was £842k and the forecasted outturn for the capital programme £2,773k.
- 4.3 Due to the continued reliance on capital receipts to fund expenditure over the medium and long term it was agreed that approval to commence 2015/16 projects would be monitored by CLT.

**Table 1: Planned Capital Programme**

	<b>Approved Budget 2015/2016 £</b>	<b>Expenditure to end of Quarter 2 2015/2016 £</b>	<b>Forecasted Outturn 2015/2016 £</b>
Vehicle replacements	742,650	152,166	742,650
Private Sector Housing & Empty Homes	828,950	211,825	828,950
Recreation	143,100	141,450	144,600
IT facilities	252,020	36,100	234,020
Council Properties	1,120,180	300,312	832,480
<b>Total Capital Programme Costs</b>	<b>3,086,900</b>	<b>841,853</b>	<b>2,772,700</b>

- 4.4 At the end of Q2 there are changes to a number of projects as highlighted below:
- (a) Skipton Depot project is now unlikely to commence in 2015/16 as further information is required on waste management service requirements which are currently subject to a review.
  - (b) The project to replace the moveable floors in the pool will need to be delayed to a future year and re-bid. This is due to further information that the work is more complicated than initially envisaged and the costs will now be far greater than the budget of £23k.
  - (c) The implementation of a replacement payroll system is not currently required due to the Council being able to continue with its shared hosting via Richmondshire District Council. There are however, some improvements to the system that formed part of the initial project that need to be implemented. The budget can be reduced to £5k.
  - (d) The project to further rollout document management requires further preparation work and in addition due to IT resources has been postponed to a future year.
  - (e) The changes to software used within Democratic Services is now not

expected to proceed this year and will need to be slipped to a future year.

- 4.5 The Council has just been informed by its Cash Management software supplier that in order for the cash management system to remain supported and viable an urgent upgrade is required to the system early in the new calendar year. The expected cost of this is between £9k and £10k. As there are savings on the Payroll system project it is proposed that this work is funded from that surplus budget. An up to date cash management system is vital if the Council is to remain PSN compliant. The addition of this project increases the forecasted outturn of £2,763k to £2,773k

## 5. **Capital Programme Financing**

- 5.1 Resources available to fund the capital programme together with a forecast of future receipts and programme costs are shown in table 2.

**Table 2: Forecast Capital Resources**

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Capital Programme Costs	2,773	3,887	1,072	1,022
<u>Funding Resources</u>				
Capital Receipts	1,186	1,153	121	121
Capital Grants	534	1,976	191	191
Enabling Efficiencies	51	0	0	0
New Homes Bonus	156	0	0	0
IT, Buildings & Vehicle Reserves	521	90	90	90
Borrowing	325	668	670	620

- 5.2 The Pump track and Skate Park projects are part of the Aireville Park Master plan and are to be funded from grants received for this work, The pump track has £41k of funding available, the project cost marginally more than initially expected and funding has been adjusted accordingly. The New Homes Bonus reserve has an allocation for Empty Homes which is funding the empty homes grants, there is currently £182k remaining.
- 5.3 The capital programme currently assumes utilising all available forecasted capital receipts by the end of 2018/19.
- 5.4 The Council forecast that it would receive £475k in capital receipts during 2015/16. To date £542k has been received, an additional £57k. The current years capital receipts are analysed in table 2. In addition the

Council has £2,226k of receipts carried forward from previous years giving a total of £2,768k. It is estimated that £1,186k will be required to support the capital programme with the balance to be carried forward to support future years.

<b>Description</b>	<b>Amount £'000</b>	<b>Period Received</b>
Granville Street	475	Q1
Vehicle	35	Q1
LSVT Property Covenant	32	Q2
<b>Total</b>	<b>542</b>	

- 5.5 The Council has predominantly used capital receipts or borrowing to fund its capital programme. Capital receipts are a finite resource and the projects identified will eventually exceed the resources available.
- 5.6 As part of the 2015/16 budget setting process it was planned to make contributions to earmarked reserves and which are available to support the capital programme and other projects. The Long Term Financial Strategy assumes that these contributions will need to continue. In addition as part of the 2014/15 year end procedures, additional contributions have been made to reserves.

## **6. Implications**

### **Financial and Value for Money Implications**

- 6.1 All financial implications are contained in the body of the report. The forecasted outturn cost if the capital programme at the end of September is £2,772,700 a reduction of £314,200 compared to the approved budget of £3,086,900.
- 6.2 **Legal implications**  
None as a direct result of this report. The Council set a balanced budget for 2015/16, and going forward it is a further requirement that the budget is balanced.
- 6.3 **Contribution to Council Priorities**  
The delivery of a balanced and managed budget is critical to the well being of the Authority.
- 6.4 **Risk Management**  
Failure to achieve a balanced budget in the financial year would have had serious consequences for the Council.
- 6.5 **Equality Impact Assessment**  
The Council's Equality Impact Assessment Procedure **has been** followed. An Equality Impact Assessment **has not** been completed on the proposals as completion of **Stage 1- Initial Screening** of the Procedure identified that the proposed policy, strategy, procedure or function **does not have** the potential to cause negative impact or discriminate against different groups

in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

7. **Consultations with Others**

None

8. **Access to Information : Background Documents**

None

9. **Author of the Report**

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10. **Appendices**

Appendix A – Capital Programme

**2015/16 CAPITAL PROGRAMME**

<b>Scheme Description</b>	<b>Budget Manager</b>	<b>2015/16 Total Capital programme £</b>	<b>Spend to Date £</b>	<b>Remaining Budget £</b>	<b>Forecast Outturn £</b>	<b>Q2 Comments</b>
Skipton Town Hall Works	Hazel Smith	529,620	175,312	354,308	529,620	Final invoices associated with phase 1 paid in Q2 for Clerk of Works, decoration & carpeting to Museum entrance and safes removal. Next phase works - landlord works for Commercial unit spec to be finalised and progressed within next quarter.
Skipton Bus Station Public Conveniences	Hazel Smith	49,000		49,000	49,000	Only one response received through procurement for professional team received and therefore does not satisfy CDC procurement rules. Now procuring through Yorconsult, should be in a position to progress through November
Biomass Boiler at Skipton Town Hall	Hazel Smith	125,000	125,000	0	125,000	Biomass was not as efficient or practical as hoped, a new gas efficient boiler has therefore been installed.
Skipton Depot Project	Hazel Smith	250,000	0	250,000	0	Project on hold pending options appraisal which is awaiting information on business requirements for service to be determined. Unlikely to commence in 2015/16
Instal PV Panels at Craven Pool & Airedale Business Park	Hazel Smith	14,000	0	14,000	14,000	Awaiting response from contractor on any outstanding costs.
Additional Lighting at Craven Pool	Hazel Smith	34,860	0	34,860	34,860	Contracts sent to contractor for works completion, lilly to be completed in December 2015
Skate Park - Aireville Park	Sharon Hudson	110,000	106,950	3,050	110,000	Completed
Pump Track Aireville Park	Sharon Hudson	33,100	34,500	-1,400	34,600	Completed - a budget of £41k (s106 monies) allocated to the Pump Track project. Balance £5,400 to be kept for project maintenance.
Replace pool moveable floor panels and control unit terminal	Lloyd Hancox	22,700	0	22,700	0	After seeking further advice, it is recommended to delay this project. It is anticipated that the costs will be significantly higher than originally calculated. It is also likely that we will need to drain both pools to allow this work to take place and it may take up to 1 month to complete. It is likely that we will need to programme this within the next 24 months either Xmas 2017 or 2018
Craven Pool Software System Replacement	Lloyd Hancox	15,000	0	15,000	15,000	Swimming lessons have been integrated and we will be ready to go live with the swimming software on the next block of lessons 7/12/15.
Ashfield Public Conveniences Refurbishment	Sharon Sunter / Hazel Smith	80,000	0	80,000	80,000	Awaiting feasibility works from Ec.Dev, plus agreements with Ward Reps as to scheme Property are to progress and procure
Upgrade VMware Software	Darren Maycock	10,000	0	10,000	10,000	VMWare upgrade needs to be co-ordinated with Selby otherwise it will beak Cravens DR arrangements, Working with North Yorkshire to co-ordinate the upgrade but this is not expected to commence until Q4.
Public Sector Network (PSN) Code of Connection (CoCo)	Darren Maycock	16,500	4,900	11,600	16,500	Further cost for remediation expected in Q4.
Replacement Planning System	Darren Maycock	100,000	0	100,000	100,000	Project expected to commence in Q4 with recruitment of Project Manager.
LLPG System Replacement	Darren Maycock	30,000	0	30,000	30,000	To be incorporated as part of the planning system replacement project - £130k combined project
Document Management Rollout	Darren Maycock	13,480	0	13,480	0	Requires further investigation, project will not commence this year

**2015/16 CAPITAL PROGRAMME**

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Democratic Services Software	Darren Maycock	17,500	0	17,500	0	Project not expected to commence this financial year budget will need to slip to future year.
Financial Management System Upgrade (Agresso)*	Claire Hudson	37,520	31,200	6,320	37,520	Project commenced, System live mid November and to be completed by Christmas. Committed spend £31,200 consultancy. Estimate £2k for server licences (to be confirmed) . Remaining budget for training / contingency.
Payroll System Upgrade / Replacement*	Claire Hudson	27,020	0	27,020	5,000	Arrangements continued with Richmondshire under a 5 year service level agreement therefore capital no longer required for purchase of system. Self serve roll out cost of £5k included as part project budget to be completed in either Q4 or early 2016/17.
Cash Management System Upgrade	Claire Hudson	0	0	0	10,000	Urgent upgrade to cash management system required January 2016.
Disabled Facilities Grants	Wyn Ashton	528,950	61,825	467,125	528,950	15 grants have completed within Q1-Q2, a further 2 grants where interims have been made. There are currently 18 Full Applications with works totalling £133,238 due for completion Q3/Q4. In the pipeline there are 11 grants at enquiry stage with an estimated cost of works at £ 64,500.
Empty Homes	Wyn Ashton	150,000	150,000	0	150,000	Completed
Purchase of Shared Ownership Dwellings	Wyn Ashton	150,000	0	150,000	150,000	Approval to use commuted sums to purchase shared ownership dwellings. Funding to be recycled
Replacement Vehicles	Paul Florentine	742,650	152,166	590,484	742,650	2 Refuse Vehicles on hold until Mitigating of loss of income on recycle contract report concluded. Sweeper procurement subject to A and G exemption report November 2015
<b>TOTAL</b>		<b>3,086,900</b>	<b>841,853</b>	<b>2,245,047</b>	<b>2,772,700</b>	