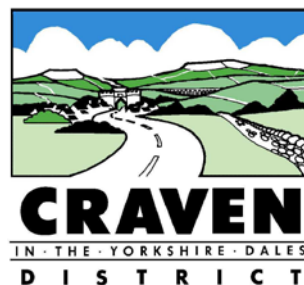


Policy Committee – 7th June 2016

Capital Programme 2015/16– Outturn Report



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

Lead Member – Financial Resilience: Councillor Mulligan

Ward(s) affected: All

1. Purpose of Report

- 1.1 To inform Members of the outturn position of the Council's capital programme for 2015/16 and the sources of financing.

2. Recommendations

Members are recommended to:

- 2.1 Note the outturn position of the 2015/16 capital programme;
- 2.2 Note how the 2015/16 capital programme has been financed.
- 2.3 Confirm the carry forward of £1,560,000 for completion of 2015/16 projects in 2016/17

3. Background Information

- 3.1 The Council agreed the 2015/16 Capital Programme of £1,330k 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 £547k to the programme. This gave a total capital programme of £3,192k.
- 3.2 Members have been updated with quarterly programme monitoring reports throughout the year, the last of which showed the position as at 31st December 2015 (quarter 3) when total expenditure was forecast to be £2,535k
- 3.3 The third quarter report identified a project which would slip and this was included in the 2016/17- 2018/19 programme. The report indicated further projects that could be subject to slippage. As part of the year end process the projects needing to be slipped into 2015/16 have been confirmed at £1,560k.

4. **Final Outturn**

- 4.1 Total expenditure for 2015/16 is £1,329,839. Appendix A shows the outturn against budget for projects within the programme.
- 4.2 Managers of projects on which expenditure totalling £1,064,820 has been committed but not fully defrayed or commenced have submitted requests for this to be budget carried forward to 2016/17 and these are shown at Appendix A. This information is summarised in Table 1.

Table 1: Planned Capital Programme Outturn

	Approved Budget 2015/16 £	Actual Outturn 2015/16 £	Variance 2015/16 £	Slippage Requested 2015/16 £
Council Properties	1,155,630	453,847	(701,783)	653,830
Recreation & Leisure	167,300	134,703	(32,597)	64,200
Vehicle replacements	742,650	257,541	(485,109)	485,100
IT facilities	267,020	54,490	(212,530)	147,860
Private Sector Housing	858,950	429,258	(429,692)	209,010
Total Capital Programme Costs	3,191,550	1,329,839	(1,861,711)	1,560,000

5. **Capital Programme Financing**

- 5.1 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.
- 5.2 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 2015/16 year end, additional contributions are intended from the in-year savings to the IT, Buildings and Vehicle reserves. The exact amounts will be confirmed as part of the Revenue Budget Outturn report,
- 5.3 The Council forecast that it would receive £475k in capital receipts during 2015/16. To date £542k has been received, an additional £67k. 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 £2,766k.

Table 2: Analysis of Capital Receipts

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

- 5.4 A summary of the resources available to fund the capital programme are shown in table 3. The information in the table includes the funding for slippage to be carried forward to the 2015/16 programme.

Table 3: Capital Resources Utilised to Fund 2015/16 Programme

	2015/2016 Estimated Resources Available £'000	2015/2016 Actual Resources Available £'000	2015/2016 Actual Resources Utilised £'000	2015/2016 Resources Available to Carry Forward £'000
Capital Receipts brought forward from prior years	2,226	2,226	0	2,226
Grants & Contributions brought forward	0	0	0	0
In Year disposals (Capital Receipts)	475	542	182	360
In Year – grants and contributions	548	548	388	160
Contribution From Efficiencies Reserve	51	51	0	51
Contribution from IT Reserve	265	265	54	211
Contribution from Buildings Reserve	98	98	35	63
Contributions from Vehicles Reserve	225	225	200	25
Contributions from New Homes Bonus Reserve	241	241	186	55
Contributions from Revenue Budget	4	10	10	0
Utilisation of Borrowing (MRP Capacity)	575	575	275	300
Capital expenditure in year (* value of slippage)	(3,393)	(1,330)	(1,330)	*(1,560)
Resources available for future year programmes	1,315	3,451	(0)	1,891

- 5.5 It was agreed that the 2015/16 programme would be funded using resources from Capital Receipts, Grants and Contributions, Earmarked Reserves and Borrowing. In addition £10k of funding towards the costs of the Skate Park and Car Parking Machines projects has been taken from maintenance budgets within the revenue account.

6. **Implications**

6.1 **Financial and Value for Money Implications**

At the start of 2015/16 the Council had available £2,226k of capital resources to fund its capital programme. During the year £1,090k of additional resources were generated.

- 6.2 The 2015/16 capital programme has required £1,330k of funding, giving £3,451k of funding available to support projects in future years. (It should be noted that of this £1,560k will be required to fund the projects carried forward for completion in 2016/17 to 2018/19). This information is summarised in table 4.

Table 4: Capital Resources Available for Future Years

	£'000
Capital Receipts and Grants brought forward at start of year for capital programme Funding	2,226
Utilisation of brought forward resources	(0)
Unused in-year capital receipts	360
Unused capital grants	160
Unused Contributions from Reserves	405
Minimum Revenue Provision set aside for capital financing	300
Capital Resources carried forward at end of year for Capital Programme Funding	3,451
Slippage of 2014/15 Programme Requiring Resources	(1,560)
Capital Resources Available to Fund Future Capital Programmes	1,891

- 6.3 **Legal implications** – None Relevant

6.4 **Contribution to Council Priorities**

Capital investment in appropriate projects contributes directly to most corporate priorities.

6.5 Risk Management

There are no risks inherent with the recommendations specified in this report.

6.6 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 detailed analysis

Scheme Description	Budget Manager	Total Capital Programme £	Outturn £	Remaining Budget £	Slippage £	Comments
Skipton Town Hall Refurbishment, Alterations & Boiler Replacement	Hazel Smith	654,620	394,791	259,829	259,830	Balance of funds to complete Phase 2 including landlord works in respect of 17/19 High Street
Skipton Bus Station Public Conveniences	Hazel Smith	49,000	0	49,000	49,000	The two options suggested are not viewed as VfM so further options appraisal is undergoing. Works have therefore been deferred until 2016/17 pending the outcome of this appraisal.
Skipton Depot Project	Hazel Smith	250,000	0	250,000	250,000	Identified in Q3 that the project would slip.
Instal PV Panels at Craven Pool & Airedale Business Park	Hazel Smith	14,000	0	14,000	0	Project closed - no further expenditure
Additional Lighting at Craven Pool	Hazel Smith	34,860	34,862	(2)	0	Project Completed
Skate Park - Aireville Park	Sharon Hudson	110,000	101,603	8,397	0	Project Completed
Pump Track Aireville Park	Sharon Hudson	34,600	33,100	1,500	1,500	Pump Track may need some minor drainage works, currently being assessed. Total of £41k grant received and available.
Ingleton Village Centre Plan	Sharon Sunter	40,000	0	40,000	40,000	Work on-site started in March; however a delay due to adverse weather conditions has resulted in completion overrunning into 2016/17. Inspection of completed work took place on 14th April. Waiting receipt of invoice from the contractor. First stage of approved project - total budget £110k
Settle Town Centre Plan - Whitefriars Public Conveniences Improvements	Sharon Sunter	15,000	0	15,000	15,000	On-site work underway; scheduled for completion by end of April. First phase of project.
Replace pool moveable floor panels and control unit terminal	Lloyd Hancox	22,700	0	22,700	22,700	A new scheme that should allow the Main Pool to remain open is being worked on the previous proposal required both pools to be drained. This should help us keep the cost of the project in budget and reduce disruption.
Craven Pool Software System Replacement	Lloyd Hancox	15,000	0	15,000	5,000	Meeting with access controller company for final stage of project in process of being arranged.
Replacement of Damaged Car Parking Machines	Hazel Smith	18,150	24,194	(6,044)	0	Insurance claim funded project. Balance to be funded from revenue underspends.
Ashfields Toilet Refurbishment for Settle TIC Scheme	Hazel Smith	80,000	0	80,000	80,000	On hold pending options appraisal and Member approval
Upgrade VMware Software	Darren Maycock	10,000	0	10,000	10,000	VMWare upgrade will be required prior to PSN health check in November 2016, these funds were identified for carrying forward in Q3.

Scheme Description	Budget Manager	Total Capital Programme £	Outturn £	Remaining Budget £	Slippage £	Comments
Public Sector Network (PSN) Code of Connection (CoCo)	Darren Maycock	16,500	13,640	2,860	2,860	Further cost for remediation of PCI DSS requirements expected in Q1 2016/17 require carry forward.
Replacement of Planning Software System yr 2	Darren Maycock	130,000	0	130,000	115,000	Project was expected to commence in Q4, funds identified for carrying forward in Q3
Document Management Rollout	Darren Maycock	13,480	0	13,480	0	Residual budget following implementation of document management solutions - budget no longer required identified in Q3
Democratic Services Software	Darren Maycock	17,500	0	17,500	0	Budget no longer required - identified in Q3
Agresso Upgrade (Upgrade of Agresso to version 5.6 Milestone 4)	Nicola Chick	37,520	31,900	5,620	2,500	Project completed. Some residual issues have required additional fixes. Request for £2,500 slippage to provide for consultancy for bank import to be installed and for fixed assets module work being undertaken.
Cash Management System Upgrade	Nicola Chick	10,000	8,950	1,050	500	£500 slippage request to allow for consultancy expenses for go live on site
iTrent Payroll System Implementation & Improvements	Nicola Chick	17,020	0	17,020	12,000	£8,000 to allow for consultancy and additional app software for system improvements and roll out of elements of self serve functionality.
DFG programme	Wyn Ashton	528,950	249,258	279,692	59,010	34 Grants have completed within 2015/16 with a further 5 Grants where work has started on site prior to 31 March and will complete in Q1 2016/17. Carry forward of £59,004 required to fund 11 full applications for grant which have been approved and therefore funds are committed. We have received a total contribution of £ 28,384.51 from Registered Providers towards works. When compared to 2014/15 we have seen a 6% reduction in the number of grants completed and a 14% reduction in spend - partly as a result of a 20% increase in the amount of Registered Provider contributions received.
Empty Homes	Wyn Ashton	180,000	180,000	0	0	We are awaiting the completion of works at Sutcliffe Building, Settle before the final payment is made on the scheme.
Purchase of Shared Ownership Dwellings	Wyn Ashton	150,000	0	150,000	150,000	We are in the process of acquiring 3 shared ownership units (1 at Giggleswick and 2 at Sutton). These acquisitions will be completed in Q1 2016/17. Budget requires carrying forward
Vehicle replacements	Wyn Ashton	742,650	257,541	485,109	485,100	Van fleet replacement has been completed but the purchase of the pick up truck will not be completed until Q1 2016/17. The remaining acquisition of the RCVs remains on hold until 2016/17
TOTAL		3,191,550	1,329,839	1,861,711	1,560,000	