

Policy Committee – 13th September 2016

CAPITAL PROGRAMME MONITORING REPORT - QUARTER 1 2016/2017



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 1 review of income and expenditure to the end of June 2016.

2. **Recommendations**

- 2.1 Members note the capital budget monitoring position as at 30 June 2016, and the additions to the programme.

3. **Background Information**

- 3.1 The Council agreed the 2016/17 Capital Programme of £1,531k on 16th February 2016. On 7th June 2016 The Council endorsed the recommendation from Policy Committee for the capital programme to include £1,500k of slippage from the 2015/16 Programme. In addition previously approved supplementary estimates were approved, adding a further £382k to the programme. This gives a total capital programme of £3,473k.

4. **Quarter 1 Financial Performance**

- 4.1 The Council approved the 2016/17 capital programme of £1,531 in February and work commenced on elements within the programme from April onwards. The programme has increased by £382k following the commencement of works to the Skipton Town Hall Roof, works in the Kildwick Churchyard, improvements to the Pool's Café & Spinning Bikes, Ingleton Village Plan works, Settle, Ingleton and Skipton Car Parks repairs and relining and a Music system upgrade at the Crematorium.
- 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 June 2016 expenditure on the programme was £383k.

- 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 2016/17 projects would be monitored by CLT, as would progress on projects within the programme.

Table 1: Planned Capital Programme

| | Approved Budget | Expenditure to end of Quarter | Forecasted Outturn |
|--------------------------------------|------------------------|--------------------------------------|---------------------------|
| | 2016/2017 | 2016/2017 | 2016/2017 |
| | £ | £ | £ |
| Vehicle replacements | 795,600 | 16,632 | 795,850 |
| Private Sector Housing & Empty Homes | 371,010 | 0 | 371,010 |
| Recreation | 126,500 | 33,007 | 126,500 |
| IT facilities | 256,560 | 67,808 | 267,295 |
| Council Properties | 1,923,380 | 265,146 | 1,955,646 |
| Total Capital Programme Costs | 3,413,050 | 382,593 | 3,456,301 |

- 4.4 The forecasted outturn for 2016/17 for Council Properties related projects includes the refurbishment of Aireview House. This project progress is reliant on the receipt of funding from the Homes and Communities Agency. The outcome of the bid for HCA funding will be known in December. A further update will be given in quarter 3.

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

| | 2016/2017 Estimate | 2017/2018 Indicative | 2018/2019 Indicative | 2019/2020 Indicative |
|---|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Capital Receipts & Grants at Start of Year | 1,500 | 1,427 | 1,031 | 608 |
| Funding for slipped projects from 15/16 & Supplementary Estimates in 16/17 | 1,942 | 0 | 0 | 0 |
| In Year resources - disposals / Capital Receipts | 330 | 0 | 0 | 0 |
| In Year resources - grants | 370 | 1,876 | 239 | 239 |
| Contribution From Enabling Efficiencies | 68 | 0 | 0 | 0 |
| Contribution From NHB (Empty Property) | 255 | 0 | 0 | 0 |
| Contribution From Vehicles Reserve | 795 | 170 | 50 | 0 |
| Contribution from IT Reserve | 178 | 160 | 110 | 140 |
| Contribution from Buildings Reserve | 353 | 90 | 90 | 90 |

| | | | | |
|---|-------|-------|-------|-----|
| Utilisation of Borrowing (MRP Capacity) | 991 | 100 | 1,000 | 150 |
| Capital expenditure in year as per Appendix A | 3,413 | 2,792 | 1,912 | 742 |
| Capital Resources at end of Year | 1,427 | 1,031 | 608 | 485 |

- 5.2 Slipped projects from 2015/16 had already been allocated funding when they were approved. £1,560k of funding has been brought forward to fund the completion of these. Of the £1,560k there was £115k for the Planning Software, £60k of this has now been identified to slip into 2017/18 based on current project progress.
- 5.3 There has been £382k of supplementary estimates to the Capital programme in 2016/17. This has reduced the forecasted balances for the end of the year and in the following years by £382k.
- 5.4 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.
- 5.5 As part of the 2016/17 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 procedures, additional contributions have been made to reserves.

6. Implications

6.1 Financial and Value for Money Implications

All financial implications are contained in the body of the report.

6.2 Legal implications

None as a direct result of this report. The Council set a balanced budget for 2016/17, 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

| Ref | Service Unit | Description | Budget Officer | 2016/17 Agreed Programme | Supplementary Estimates | 15/16 Slippage | Total 16/17 programme | Spend as at end Q1 | Remaining Budget | Forecast Outturn | Q1 Comments - including timeline for procurement and delivery |
|-----|----------------------------|--|----------------------------------|--------------------------|-------------------------|----------------|-----------------------|--------------------|------------------|------------------|--|
| 2 | Asset & Facilities Mgt | Skipton Town Hall & Museum Refurbishment & Alterations - Museum HLF Bid Works | Ian Halton | 481,500 | | | 481,500 | 24,125 | 457,375 | 481,500 | No update given |
| | Asset & Facilities Mgt | Skipton Town Hall & Museum Refurbishment & Alterations - Town Hall Roof | Ian Halton | | 180,000 | | 180,000 | 120 | 179,880 | 180,000 | Procurement of roof and other associated works to commence in July with projected completion by end of 2016 to allow tenant to commence their own works in January 2017 |
| 13 | Asset & Facilities Mgt | Skipton Bus Station Toilets | Ian Halton | | | 49,000 | 49,000 | 0 | 49,000 | 49,000 | Local designer is currently being considered following the decision to reduce PI Insurance requirements. Design will be completed by end of August, quotes in September, followed by demolition/reconstruction by end of 2016 |
| 20 | Asset & Facilities Mgt | Ashfields Toilet Refurbishment for Settle TIC Scheme | Ian Halton | | | 80,000 | 80,000 | 0 | 80,000 | 80,000 | Options appraisal currently being undertaken following recent interaction with local ward member. Valuations already received for disposal either as commercial or residential property and several external parties are interested in purchasing. However local member is totally against this. |
| 14 | Asset & Facilities Mgt | Skipton Depot Project | Ian Halton | | | 250,000 | 250,000 | 0 | 250,000 | 250,000 | Options appraisals to be considered to support Policy report required 13th December 2016. Account of bigger picture/ master plan needs to be considered too. |
| | Asset & Facilities Mgt | Skipton Town Hall & Museum Refurbishment & Alterations - Town Hall Works | Ian Halton | | | 259,830 | 259,830 | 5,430 | 254,400 | 259,830 | Procurement of landlord and other associated works to commence in July with projected completion by end of 2016 to allow tenant to commence their own works in January 2017 |
| 1 | Bereavement Services | Health and Safety Works to Crematorium Roof Void | Hazel Smith | 18,000 | | | 18,000 | - | 18,000 | 18,000 | Order placed, Property are awaiting RAMs & scheme of work before works commence |
| | Bereavement Services | Music System | Hazel Smith | | 10,000 | | 10,000 | - | 10,000 | 10,000 | |
| | Bereavement Services | Kildwick Churchyard Wall | Hazel Smith | | 22,000 | | 22,000 | 2,505 | 19,495 | 22,000 | In terms of St Andrews Church, Kildwick the current position is that having now finally received a structural design that has been signed off by NYCC as the highway authority we are now awaiting quotes for the reconstruction. Hopefully this can be undertaken during the school holidays so the budget will be spent within Q2. |
| 15 | Comms & Sports Development | Pump Track Aireville Park - minor drainage works | Sharon Hudson xfer to Ian Halton | | | 1,500 | 1,500 | 0 | 1,500 | 1,500 | Comments - transferred to I Halton under Commercial and Asset Services |
| 3 | Craven Pool | Funding for a new pool cover | Hazel Smith | 15,500 | | | 15,500 | - | 15,500 | 15,500 | 2 quotes obtained. Works to take place during quiet Xmas (2016) period. |
| | Craven Pool | Spinning Bikes | Hazel Smith | | 22,000 | | 22,000 | - | 22,000 | 22,000 | |
| | Craven Pool | Alterations to Café | Hazel Smith | | 50,000 | | 50,000 | - | 50,000 | 50,000 | |
| 19 | Craven Pool | Craven Pool Software System Replacement | Hazel Smith | | | 5,000 | 5,000 | 0 | 5,000 | 5,000 | ongoing discussions re requirements/issues etc. |
| 18 | Craven Pool | Replace pool moveable floor panels and control unit terminal | Hazel Smith | | | 22,700 | 22,700 | 0 | 22,700 | 0 | The indicative costs are higher than the capital allocation for this project, it will not be delivered in 2016/17, therefore the capital allocation can be returned and a new bid will be made for the next financial year. |
| 17 | Economic Development | Settle Town Centre Plan - On-site work underway; scheduled for completion by end of April. First phase of project. | Sharon Sunter | | | 15,000 | 15,000 | 0 | 15,000 | 15,000 | Most of the refurbishment works have been completed; it is expected that the project should be finished by October 2016 |

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| 16 | Economic Development | Ingleton Village Plan - Work on-site started in March; however a delay due to adverse weather conditions has resulted in completion overrunning into 2016/17. | Sharon Sunter | | 70,000 | 40,000 | 110,000 | 33,007 | 76,993 | 110,000 | The works have been completed; awaiting invoice from North Yorkshire County Council for new lighting columns. |
| 4 | Environmental Health & Housing Services | Disabled Facilities Grants to help private home owners make adjustments to their property | Wyn Ashton | 312,000 | | 59,010 | 371,010 | - | 371,010 | 371,010 | Expenditure is based on demand. We are currently in dispute with NYCC regarding the DFG allocation from DCLG which has increased significantly in 16/17, up from £23,818 to £433,307. The money from NYCC has as yet not been passported to the Council. |
| 27 | Environmental Health & Housing Services | For acquisition of 3 shared ownership units (1 at Giggleswick and 2 at Sutton). | Wyn Ashton | | | 150,000 | 150,000 | 199,959 | (49,959) | 199,959 | One shared ownership dwelling has been purchased in Giggleswick with a sale imminent. Completion for the purchase of the 2 shared ownership units in Sutton will be completed in July (Q2) |
| 12 | Environmental Health and Housing | Refurbishment of an existing self-contained flat, and repair & conversion of unfit bedsit accommodation into eight self-contained flats, plus office and meeting room. | Wyn Ashton | 200,000 | | | 200,000 | | 200,000 | 200,000 | This budget will have to be slipped in the main to 2017/18. The slowdown in the capital project is primarily due to the determination of funding from the HCA. When the capital bid was made for the remodelling funds the HCA prospectus for funding had not been published and obviously we require HCA funding with our own to deliver the project. The prospectus has now been published with all bids needing to be made by the 2nd September. The results of the bid will not be known until December and thereafter there will be the issue of the procurement of contractors etc. However in the meantime some parallel work will continue in relation to structural surveys of the existing, drawing of plans and planning application submission for the re-modelling. |
| 25 | Finance | Cash Management System Upgrade - Slippage request to allow for consultancy expenses for go live on site | Claire Hudson | | | 500 | 500 | 455 | 45 | 455 | Now completed. |
| 24 | Finance | Agresso Upgrade Project - slippage to provide for consultancy for bank import to be installed and for fixed assets module work being undertaken. | Claire Hudson | | | 2,500 | 2,500 | 0 | 2,500 | 2,500 | Bank import fix on hold pending upgrade to Lloyds Link online to ensure any potential changes to download formats fully addressed - current work around in place. Awaiting timeline from Lloyds Bank on upgrade to enable work to be planned in. |
| 26 | Finance | Payroll System improvements - Consultancy and additional app software for system improvements and roll out of elements of self serve functionality. | Claire Hudson | | | 12,000 | 12,000 | 0 | 12,000 | 12,000 | Project not yet commenced Sep 2016 - Review options and benefits for self serve pilot scheme Nov 2016 - Implement pilot scheme Feb 2017 - Review of pilot and decision on wider roll out |
| | IT | VDI Infrastructure | Darren Maycock | 40,000 | | | 40,000 | 31,963 | 8,037 | 40,000 | Replacement PC's purchased, standard build created and testing underway prior to rollout, software & training charges expected Q2. |
| | IT | Computer Replacement Programme | Darren Maycock | 50,000 | | | 50,000 | 5,750 | 44,250 | 50,000 | CLT equipment purchased, remaining portable equipment to be sourced Q3. Servers Q4. |
| | IT | Public Sector Network (PSN) Code of Connection (CoCo) | Darren Maycock | | | 2,860 | 2,860 | 13,640 | (10,780) | 13,640 | Remediation ongoing, charges expected Q2. |
| | IT | Upgrade VM ware Software | Darren Maycock | | | 10,000 | 10,000 | - | 10,000 | 10,000 | Q3 prior to PSN Renewal January 2017. |
| | IT | Replacement Planning Software System | Darren Maycock | | | 55,000 | 55,000 | - | 55,000 | 55,000 | Procurement Exercise to commence Q4, Professional Services commenced Q2 (to be billed quarterly) £60k of the £115k slipped into 16/17 has been slipped into 17/18 as per revised timeline for project implementation |

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|--------------|------------------|---|----------------|--------------------------|-------------------------|------------------|-----------------------|--------------------|------------------|------------------|---|
| 5 | Parking Services | Parking payment machine replacement | Hazel Smith | 40,000 | | | 40,000 | - | 40,000 | 40,000 | order placed for 4 new parking machines - Cavendish St & Waller Hill, existing machines to be reused in Ingleton where current machines are very old. |
| 8 | Parking Services | Introduction/changes to 3 areas within the Council's car parks | Hazel Smith | 44,850 | | | 44,850 | - | 44,850 | 44,850 | decision taken on infrastructure to be used for introduction of P&D at Pool Car Park. Mostly dependant on Parking Order amendment timescales for implementation, likley timescales - September/October 2016. |
| | Parking Services | Repairs & Relining Ingleton, Settle, Skipton Car Parks | Hazel Smith | | 28,000 | | 28,000 | 33,007 | (5,007) | 33,007 | Improvements to community centre car park, ingleton £33k |
| 6 | Waste Management | Vehicle replacements | Wyn Ashton | 280,000 | | 485,100 | 765,100 | 16,632 | 748,468 | 765,100 | On hold until a final decision is made by Policy Committee on the Council adopting full co-mingling. If they were to adopt there is every possibility that Fleet size would ecrease and the number of replacement vehicles required would decrease. Policy Committee to make a dec ision on whether to adopt full co-mingling in Decemeber 2016 |
| 11 | Waste management | Route optimisation software to help with waste collections | Wyn Ashton | 18,700 | | | 18,700 | 16,000 | 2,700 | 18,700 | This software has been procured |
| 9 | Waste Management | Waste Management Vehicle Reversing Equipment Aid and 360 Degree Camera System | Wyn Ashton | 30,500 | | | 30,500 | - | 30,500 | 30,750 | The purchase of the vehicle reversing equipment etc is on track and will be completed in Q2 |
| TOTAL | | | | 1,531,050 | 382,000 | 1,500,000 | 3,413,050 | 382,593 | 3,030,457 | 3,456,301 | - |