

**Policy Committee –  
19<sup>th</sup> November 2013**

**CAPITAL PROGRAMME MONITORING  
REPORT - QUARTER 2 2013/2014**



Report of the Corporate Head of Financial Management

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 2013.

**2. Recommendations**

- 2.1 Members note the capital budget monitoring position as at 30 September 2013.

**3. Background Information**

- 3.1 On 23 July 2013 the Council endorsed the recommendation from Policy Committee for a capital programme of £1,842k. This included £306k of slippage from 2012/13

**4. Quarter 2 Financial Performance**

- 4.1 The Council approved an outline capital programme in February and the detailed programme of £1.842m for 2013/14 was confirmed at the meeting of Policy Committee on 9<sup>th</sup> July this includes £306k slippage from 2012/13.
- 4.2 The current forecast is for expenditure of £1.486m. 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.
- 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 2013/14 projects would be monitored by CLT.
- 4.4 The outline capital programme assumed that £25k of contribution from the capital programme to revenue for administration of projects would be made. Changes in accounting rules and regulations for eligible revenue

administration costs mean there are strict rules on what can and cannot be charged to capital. It is likely that this cost will need to be met from within the revenue budget and this was highlighted in July.

**Table 1: Planned Capital Programme**

	<b>Approved Budget 2013/2014 £</b>	<b>Expenditure to end of Quarter 2013/2014 £</b>	<b>Forecasted Outturn 2013/2014 £</b>
Vehicle replacements	640,350	140,788	590,788
Private Sector Housing	440,290	127,806	376,227
Council Properties	579,340	102,449	373,023
IT facilities	143,030	46,002	133,030
Community Grants	13,850	3,940	13,290
Capital administration (see 4.3)	25,000	0	0
<b>Total Capital Programme Costs</b>	<b>1,841,860</b>	<b>420,985</b>	<b>1,486,358</b>

4.5 It is currently expected that the IT project to upgrade VMware software and the project to resurface Engine Shed Lane will need to be rolled forward into 2014/15.

## **5. Capital Programme Financing**

5.1 At the meeting of Policy Committee on 21<sup>st</sup> May 2013 members approved the creation three earmarked reserves for IT Projects, Vehicles & Buildings.

5.2 It was proposed that £65k from the IT reserve and £40k from the Buildings reserve be used to fund projects in the capital programme.

5.3 The council has £321k of borrowing capacity carried forward from 2012/13 and £316k will be generated in 2013/14 giving a total of £637k for use in either the capital programme or to repay external loans. This borrowing capacity arises through the Minimum Revenue Provision (MRP) charge to the revenue account each year. It is proposed that £385k is utilised to fund the programme.

5.4 In addition £150k from the Enabling Efficiencies Fund has been used to contribute towards the costs of the Waltonwrays Crematorium, PV cells and Skipton Town Hall projects.

5.5 The receipt in April from the sale of Granville Street £660k net is included within the 2013/14 resources together with a receipt following the sale of

former LSVT properties £43k and a vehicle £4k. The balance of in year receipts £650k is a risk for the capital programme.

5.6 The Council is forecasting that it will receive £1,357k in capital receipts during 2013/14 of which £927k will be required to support the capital programme with the balance to be carried forward to support future years. To date £703k has been received.

5.7 Resources available to fund the capital programme together with a forecast of future receipts and programme costs are shown in table 2. The information in the table includes the forecasted slippage within the 2013/14 programme to 2014/15.

**Table 2: Forecast Capital Resources**

	2013/2014 £'000	2014/2015 £'000	2015/2016 £'000	2016/2017 £'000
Capital Receipts & Grants at Start of Year	1,699	2,207	664	519
In Year resources - disposals	1,357	0	475	0
In Year resources – grants and contributions	192	187	187	187
Contribution From Efficiencies Reserve	150	0	0	0
Contribution from IT Reserve	55	10	0	0
Contribution from Buildings Reserve	40	0	0	0
Utilisation of Borrowing	200	485	300	300
Forecast Capital expenditure in year	(1,486)	(2,225)	(1,107)	(959)
Resources at end of Year	2,207	664	519	47
Additional Borrowing Requirement	0	0	0	0

5.8 The capital programme forecast at the end of September currently assumes that there will be £47k of capital resources at the end of 2016/17.

#### Main Risk Areas

5.9 The main risk area for the sustainability of the capital programme is funding resources to ensure that the council's assets remain fit for delivery of services.

## **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 2013/14, 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**

Nicola Chick – Interim Finance Manager & Deputy s151  
Telephone: 01756 706202  
E-mail: nchick@cravendc.gov.uk

## **10. Appendices**

Appendix A – Capital Programme

**CAPITAL PROGRAMME 2013/14**

<b><u>Scheme Description</u></b>	<b>2013/14 Total Capital Programme £</b>	<b>2013/14 Expenditure to End of Quarter</b>	<b>2013/14 Forecast Outturn £</b>	<b>Comments / Update</b>
Waltonwrays Crematorium Rationalisation of Buildings	114,940	74,233	114,940	Project progressing. Works to buildings completed , Staff relocated and lodge let.
Remodelling of pathways for parking at Waltonwrays	14,450	13,216	14,450	Project Completed
Instal PV Panels at CPLC & ABP	84,510	15,000	63,193	We may have additional works to pay for, beyond forecast outturn figure, at the Pool to connect to the National Grid as part of the G59 application, this will be confirmed in Q3.
Disabled Facilities Grants	440,290	127,806	376,227	Currently 20 applications awaiting approval and costings - estimated value £100k included in forecast.
Community Capital Grants	13,850	3,940	13,290	Funding allocated to projects.
Replacement Vehicles	640,350	140,788	590,788	2 vans purchased from carry forward £60k. Garden waste vehicle purchased £81k. Purchase of 3 remaining vehicles on hold pending outcome of waste service review. Forecast cost for remaining vehicles £450k.
Replace Selected Car Park machines	50,440	0	50,440	To quote through framework. Will be completed during November for project completion by financial year end
Upgrade Intruder Alarms	20,000	0	20,000	Quotes currently being obtained.
Re-surface Engine Shed Lane	185,000	0	0	Not progressing in 2013/14 attempting to obtain funding for as part of South Skipton Employment development as alternative to CDC finance.
Refurbish Health Suite	20,000	0	20,000	PQQ has been drafted and will be going out to tender shortly
PCI DSS Compliance	30,030	30,028	30,030	Project Completed
Upgrade of communications line to Craven Leisure Centre	13,000	0	13,000	Project due to commence, expected completion December 2013
Website Development	35,000	15,974	35,000	New Intranet project underway
Upgrade business applications to Windows 2008	20,000	0	20,000	Projects underway to upgrade servers and Business Applications

<u>Scheme Description</u>	2013/14 Total Capital Programme £	2013/14 Expenditure to End of Quarter	2013/14 Forecast Outturn £	Comments / Update
Upgrade PCs to Windows 7	15,000	0	15,000	Project underway to complete migration to Windows 7 for all desktops
Document Management Rollout	20,000	0	20,000	Budget earmarked to resolve Members Data Protection issues. Business case being formulated currently.
Upgrade VMware Software	10,000	0	0	Project to upgrade Virtual Desktop Infrastructure had to be put back due to other projects. Budget & funding to be rolled forward to 2014/15.
Additional Lighting at CPLC	20,000	0	20,000	Quotes currently being obtained.
Skipton Town Hall / Museum Works	70,000	0	70,000	Planning confirmed can progress window & opening up works. Quote expected during November for completion by financial year end
Capital Administration	25,000	0	0	Expenditure dependant on appropriate projects for allocation of costs from revenue
<b>TOTAL</b>	<b>1,841,860</b>	<b>420,985</b>	<b>1,486,358</b>	