

## Policy Committee – 3<sup>rd</sup> March 2015

### CAPITAL PROGRAMME MONITORING REPORT - QUARTER 3 2014/2015



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

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 3 review of income and expenditure to the 31 December 2014.

#### **2. Recommendations**

- 2.1 Members note the capital budget monitoring position as at 31 December 2014.

#### **3. Background Information**

- 3.1 The Council had an agreed Capital Programme for 2014/15 of £2,530k which included a supplementary estimate of £49k for work at Skipton Bus Station Conveniences and £873k of slippage from 2013/14.
- 3.2 The Council subsequently approved Phase 2 of the Town Hall Project which added a further £774k to the programme.
- 3.3 The plan to commence work on the improvements to Skipton Depot (budget £250k) was subsequently deferred to concentrate on the Town Hall. The project has now been included within the 2015/16 capital programme and removed from 2014/15.
- 3.3 In addition the Council has provided £11k of repairs assistance loans to private householders this gives a revised programme of £3,065k as shown at Appendix A.

#### **4. Quarter 3 Financial Performance**

- 4.1 The Council approved the 2014/15 capital programme of £1,608k in

February and work commenced on elements within the programme from April onwards. The programme was increased by £49k for works to the Bus Station Toilets, £873k slippage from 2013/14. The approval of phase 2 for the Town Hall project adds a further £774k. The Council provides repairs assistance loans which are repayable. The funding for these loans originally came from Government Grant as the loans are repaid the Council is able to relend the funds. At the end of the quarter £11k of loans had been made.

- 4.2 The Quarter 2 report forecast that expenditure on the capital programme would be £3,300k. It identified additional cost pressures on refuse vehicle replacement and the website development. The PV panel installation project at Whitefriars public conveniences was deemed not feasible. The impact of these changes has been included in the Quarter 3 update.
- 4.3 During the preparation of the Capital Programme for 2015/16 it was proposed to defer the work to Skipton Depot until 2015/16. The budget of £250k has therefore been included within the 2015/16 capital programme. The budget for 2014/15 has been adjusted accordingly. Removal of the Skipton Depot project reduces the programme by £250k giving total capital programme of £3,065k.
- 4.4 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 31 December expenditure on the programme was £704k. The forecast to the end of the year is expenditure of £1,988k, and estimated slippage of £981k to 2015/16.
- 4.5 Due to the continued reliance on capital receipts to fund expenditure over the medium and long term it was agreed that approval to commence 2014/15 projects would be monitored by CLT.

**Table 1: Planned Capital Programme**

	<b>Revised Budget</b>	<b>Expenditure to end of Quarter</b>	<b>Forecasted Outturn</b>	<b>Estimated Slippage</b>
	<b>2014/2015</b>	<b>2014/2015</b>	<b>2014/2015</b>	<b>2014/2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Vehicle replacements	919,000	102,750	862,515	56,485
Private Sector Housing	447,945	199,422	256,147	105,000
Plant & Equipment	307,650	53,523	290,733	20,000
IT facilities	215,695	37,123	102,882	100,980
Council Properties	1,175,115	311,076	476,115	699,000
<b>Total Capital Programme Costs</b>	<b>3,065,405</b>	<b>703,894</b>	<b>1,988,392</b>	<b>981,465</b>

## 5. Capital Programme Financing

- 5.1 The Council forecast that it would receive £650k in capital receipts during 2014/15. In addition the Council has £1,767k of receipts carried forward from previous years. To date £803k has been received an additional £153k giving a total of £2,570k. The current years capital receipts are analysed in table 2.

**Table 2: Analysis of Capital Receipts**

<b>Description</b>	<b>Amount £'000</b>	<b>Period Received</b>
9 High Street	650	Q1
9 High Street – Public Realm Contribution	10	Q1
Garage Site Cononley	65	Q1
Garage Site Ingleton	55	Q2
Vehicle	23	Q3
<b>Total</b>	<b>803</b>	

- 5.2 It is estimated that £1,008k of receipts will be required to support the capital programme with the balance to be carried forward to support future years.
- 5.3 Resources available to fund the capital programme together with a forecast of future receipts and programme costs are shown in table 3. The future programme costs have been updated to reflect the information from the 2015/16 capital programme approved by Council on 24 February 2015. The potential slippage from the 2014/15 programme identified in this report has not been included in the estimate for 2015/16. It will need to be confirmed as part of the 2014/15 year end reports.
- 5.4 The capital programme currently assumes utilising all available forecasted capital receipts by the end of 2017/18.
- 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 2014/15 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 2013/14 year end procedures, additional contributions of £595k were made to the IT, Buildings and Vehicle reserves.

**Table 3: Forecast Capital Resources**

	Revised Estimate 2014/15 £'000	Forecast Outturn 2014/15 £'000	Estimate 2015/16 £'000	Estimate 2016/17 £'000	Estimate 2017/18 £'000
Capital Programme Costs	3,065	2,638	1,328	3,887	1,072
<u>Funding Resources</u>					
Capital Receipts	1,254	1,008	380	1,153	121
Repaid Loans	11	11	0	0	0
Capital Grants	207	207	239	1,976	191
Enabling Efficiencies	140	140	0	0	0
New Homes Bonus	470	470	0	0	0
IT, Buildings & Vehicle Reserves	408	227	409	90	90
Borrowing	575	575	300	668	670

## 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 2014/15, 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

**CAPITAL PROGRAMME 2014/15**

<b>Scheme Description</b>	<b>Budget Manager</b>	<b>Total Capital Programme £</b>	<b>Spend to Date £</b>	<b>Remaining Budget £</b>	<b>Q3 Forecast Outturn £</b>	<b>Forecast Slippage £</b>	<b>Comments</b>
Skipton Depot Project	Hazel Smith	0	0	0	0	0	Project slipped now included as part of 15/16 capital programme due to reappraisal of options.
Skipton Town Hall / Museum Works	Hazel Smith	276,855	281,523	769,232	440,755	610,000	Works ongoing on site, most Q3 costs associated with preparatory and initial contract works.
Skipton Town Hall Phase 2	Hazel Smith	773,900					Work on phase 2 linked with item above. Completion of this phase scheduled for early 2015/16. Balance of funding will need to slip to 15/16.
Waltonwrays Crematorium Rationalisation of Buildings	Hazel Smith	35,360	29,553	5,807	35,360		Completion of the project scheduled for Q4. All budget forecast to be spent.
Skipton Bus Station Public Conveniences	Hazel Smith	49,000		49,000	0	49,000	This project is likely to be commenced in the 15/16 financial year
Biomass Boiler at Skipton Town Hall	Hazel Smith	125,000		125,000	125,000		Boiler has been delivered ready for installation.
Instal PV Panels at Craven Pool & Airedale Business Park	Hazel Smith	69,510		69,510	69,510		Airedale Business Park PV Installation complete. Part of pool roof under reassessment - further information is being exchanged between the roof manufacturer and the PV company to assess suitability.
Additional Lighting at Craven Pool	Hazel Smith	20,000		20,000	0	20,000	Specification under review, procurement for project scheduled Q4, completion and payment expected early 2015/16
Upgrade of Intruder Alarms	Hazel Smith	20,000		20,000	20,000		Purchase order sent to contractor for final sites - works to be undertaken and completed in Q4
Replacement of Car Park Machines	Hazel Smith	50,440	53,523	(3,083)	53,523		Project completed
Replace pool moveable floor panels and control unit terminal	Lloyd Hancox	22,700		22,700	22,700		Obtaining quotations, specialist nature of work may limit interest in quoting.
Craven Pool Software System Replacement	Lloyd Hancox	49,000	201	48,799	49,000		Phase II of the project to be initiated early Feb. This will include the integration into FMS and swim lesson roll out.
Ashfield Public Conveniences Refurbishment	Sharon Sunter	40,000		40,000	0	40,000	Project in initial stages, assessment of viability of options being undertaken.
Upgrade VMware Software	Heather Eagland	10,000		10,000	0	10,000	Further planning required. Project will slip to 2015-16
Public Sector Network (PSN) Code of Connection (CoCo)	Heather Eagland	20,000	13,460	6,540	13,460		Project complete. No further PSN requirements expected this FY
Replacement Planning System	Heather Eagland	30,000		30,000	0	30,000	Project not started. A tender process is required. Meeting with all stakeholders is arranged for end February. Project expected to commence in 2015-16.
LLPG System Replacement	Heather Eagland	30,000		30,000	0	30,000	Project management resource to start this project available 15/16. Slip to 2015/16
Website Development	Heather Eagland	25,715	9,205	16,510	26,165		Project completed for Garden Waste element. Online payment for car parking next phase.
Upgrade business applications to windows 2008	Heather Eagland	20,000	14,257	5,743	14,257		Project Complete. Saving required for website project
Document Management Rollout	Heather Eagland	13,480		13,480	0	13,480	Project management resource to start this project available 15/16. Funding required 15/16 as part of Information Governance project slip budget.

**CAPITAL PROGRAMME 2014/15**

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Democratic Services Software	Heather Eagland	17,500		17,500	0	17,500	Project management resource available 15/16. Business Case for this project needs review slip to 2015/16 pending review of business case.
Disabled Facilities Grants	Wyn Ashton	436,915	188,392	248,523	245,117	105,000	Slippage required to cover £49k Grants approved and not due to start and/or finish until 2015/16. Plus £55k towards estimated cost of recently commenced grants applications expected early 2015/16
Repair Assistance Schemes	Wyn Ashton	11,030	11,030	0	11,030		Funded from recycled RAS loans balance b/fwd from 13/14 £25.3k. No anticipated spend Q4 2014/15 - Balance on reserve (£14.2k) to carry forward to fund any future loan requests.
Replacement Vehicles	Paul Florentine	919,000	102,750	816,250	862,515	56,485	Road Sweeper purchased, 5 x Refuse Vehicles on order expected delivery March 2015. Replacement of 4 vans £60k, to be deferred until 2015/16.
<b>TOTAL</b>		<b>3,065,405</b>	<b>703,894</b>	<b>2,361,511</b>	<b>1,988,392</b>	<b>981,465</b>	