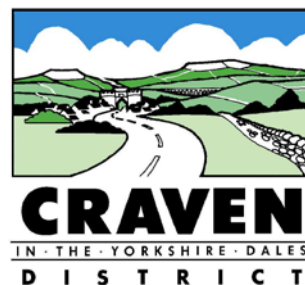


Policy Committee – 17th June 2014

Capital Programme 2013/14 – Outturn Report



Report of the Corporate Head of Financial Management

Ward(s) affected: All

1. **Purpose of Report**

- 1.1 To inform Members of the outturn position of the Council's capital programme for 2013/14 and the sources of financing.

2. **Recommendations**

Members are recommended to:

- 2.1 Note the outturn position of the 2013/14 capital programme;
- 2.2 Note how the 2013/14 capital programme has been financed.
- 2.3 Confirm the carry forward of £873,275 for completion of 2013/14 projects in 2014/15.

3. **Background Information**

- 3.1 On 23 July 2013 the Council endorsed the recommendation from Policy Committee for a capital programme of £1,842k.
- 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 2013 (quarter 3) when total expenditure was forecast to be £1,450k
- 3.3 The second quarter report identified two projects which would slip and they were included in the 2014/15 programme giving a revised programme for 2013/14 of £1,647k. The third quarter report indicated further projects that could be subject to slippage. As part of the year end process the projects needing to be slipped into 2014/15 have been confirmed.

4. **Final Outturn**

- 4.1 The delay in confirming the funding for the capital programme led to delays

in procurement of elements of the programme.

- 4.2 Total expenditure for 2013/14 is £633,699. Appendix A shows the outturn against budget for projects within the programme.
- 4.3 Managers of projects on which expenditure totalling £873,275 has been committed but not fully defrayed or commenced have submitted requests for this to be budget carried forward to 2014/15 and these are shown at Appendix A. This information is summarised in Table 1.

Table 1: Planned Capital Programme Outturn

	Approved Budget 2013/2014 £	Actual Outturn 2013/2014 £	Variance 2013/2014 £	Slippage Requested 2013/14 £
Council Land & Buildings	208,090	114,669	(93,421)	92,215
Plant & Equipment	186,250	26,268	(159,982)	159,950
Vehicle replacements	640,350	140,788	(499,562)	450,000
IT facilities	133,030	73,188	(59,842)	46,195
Private Sector Housing	440,290	267,796,	(172,494)	124,915
Community Grants	13,850	10,990	(2,860)	0
Capital administration (see 4.4)	25,000	0	(25,000)	0
Total Capital Programme Costs	1,646,860	633,699	(1,013,161)	873,275

- 4.4 The capital programme costs assumed £25k of contribution from the capital programme to revenue for administration of projects. It has been highlighted throughout the year that 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. During 2013/14 no projects have incurred costs which can be transferred from revenue to capital.

5. Capital Programme Financing

- 5.1 At the meeting of Policy Committee on 21st May 2013 members approved the creation three earmarked reserves for IT Projects, Vehicles & Buildings.
- 5.2 It was agreed that £45k from the IT reserve and £40k from the Buildings reserve be used to fund projects in the capital programme. In addition £150k from the Enabling Efficiencies reserve was also allocated to the capital programme.

- 5.3 The council has £321k of borrowing capacity carried forward from 2012/13, and £345k has been generated in 2013/14 giving a total of £666k 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 was estimated that £385k would be available to fund the programme, and £250k used to repay part of an external loan in November (total £635k).
- 5.4 The balance of the programme was to be funded from government grant £274k and capital receipts. The slippage in the programme means that not all of this resource has been utilised and it will therefore be carried forward to fund the programme slippage and future year's programmes.
- 5.5 The Council forecast that it would receive £1.357m in capital receipts in 2013/14. £650k was originally expected from the sale of 9 High Street Skipton on the completion of the development at Albion Place Skipton. However, due to delays in the completion of the development payment of this receipt was put back until 2014/15 and has recently been received. Capital receipts in 2013/14 therefore amounted to £710k.
- 5.6 A summary of the resources available to fund the capital programme together are shown in table 2. The information in the table includes the funding for slippage to be carried forward to the 2014/15 programme.

Table 2: Capital Resources Utilised to Fund 2013/14 Programme

	2013/2014 Estimated Resources Available £'000	2013/2014 Actual Resources Available £'000	2013/2014 Actual Resources Utilised £'000	2013/2014 Resources Available to Carry Forward £'000
Capital Receipts brought forward from prior years	1,294	1,294	0	1,294
Grants & Contributions brought forward	108	108	83	25
In Year disposals (Capital Receipts)	1,357	710	246	464
In Year – grants and contributions	192	205	185	20
Contribution From Efficiencies Reserve	150	150	79	71
Contribution from IT Reserve	45	45	21	24
Contribution from Buildings Reserve	40	40	20	20
Utilisation of Borrowing (MRP Capacity)	385	417	0	417
Capital expenditure in year (* value of slippage)	(1,647)	(634)	(634)	*(873)
Resources available for future year programmes	1,924	2,335	0	1,462

6. **Implications**

6.1 **Financial and Value for Money Implications**

At the start of 2013/14 the Council had available £1,724k of capital resources to fund its capital programme. During the year £1,010k of additional resources were generated. The 2013/14 capital programme has required £634k of funding, giving £2,335k of funding available to support projects in future years. (It should be noted that of this £873k will be required to fund the projects carried forward for completion in 2014/15). This information is summarised in Table 3.

Table 3: Capital Resources Available for Future Years

	£'000
Capital Resources brought forward at start of year for capital programme Funding	1,724,490
Utilisation of brought forward resources	(82,987)
Unused in-year capital receipts	464,298
Unused capital grants	19,721
Unused Contributions from Reserves	114,711
Minimum Revenue Provision set aside for capital financing	94,940
Capital Resources carried forward at end of year for Capital Programme Funding	2,335,173
Slippage of 20213/14 Programme Requiring Resources	(873,275)
Capital Resources Available to Fund Future Capital Programmes	1,461,898

6.2 **Legal implications** – None Relevant

6.3 **Contribution to Council Priorities**

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

6.4 **Risk Management**

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

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 detailed analysis

CAPITAL PROGRAMME 2013/14

<u>Scheme Description</u>	2013/14 Total Capital Programme £	2013/14 Outturn £	2013/14 Variance £	2013/14 Slippage £	Comments
Waltonwrays Crematorium Rationalisation of Buildings	114,940	79,579	(35,361)	35,360	Works continuing on Crematorium Chapel and Book of Remembrance Chapel. Project due to be completed 2014/15.
Remodelling of pathways for parking at Waltonwrays	14,450	13,216	(1,234)	0	Project Completed
Install PV Panels at CPLC & ABP	84,510	15,000	(69,510)	69,510	Project completion delayed due to issues with Craven Pool roof project will now be completed in 2014/15 to be slipped to 2014/15.
Disabled Facilities Grants	440,290	267,796	(172,494)	124,915	Currently 16 applications approved to proceed due for completion in 2014/15. funding required from 2013/14 resources.
Community Capital Grants	13,850	10,990	(2,860)	0	Budget currently allocated - Grant Sub-Committee meeting in March to review allocations.
Replacement Vehicles	640,350	140,788	(499,562)	450,000	2 vans & garden waste refuse vehicle purchased at total cost £141k. Purchase of 3 remaining vehicles on hold pending outcome of waste service review due 2014/15. Forecast cost for remaining vehicles £450k.
Replace Selected Car Park machines	50,440	0	(50,440)	50,440	Assessment of machine condition and suitability undertaken. Machine demonstrations and trials taken. Final order to be placed through ESPO framework in late May. Project will commence in 2014/15.
Upgrade Intruder Alarms	20,000	0	(20,000)	20,000	Liaising with insurers to ensure correct level of alarms installed to satisfy insurance requirements. Project will commence in 2014/15
Refurbish Health Suite	20,000	20,000	0	0	Project completed.
PCI DSS Compliance	30,030	30,028	(2)	0	Project completed.
Upgrade of communications line to Craven Leisure Centre	13,000	0	(13,000)	0	Project completed under contract renewal for NYNET service. Budget not required.
Website Development	35,000	22,282	(12,718)	12,715	New Intranet project underway - Remaining Budget to be carried forward to 2014/15
Upgrade business applications to Windows 2008	20,000	0	(20,000)	20,000	Projects commenced to upgrade servers and Business Applications - Budget to be carried forward to 2014/15.
Upgrade PCs to Windows 7	15,000	14,361	(639)	0	Project completed.

<u>Scheme Description</u>	2013/14 Total Capital Programme £	2013/14 Outturn £	2013/14 Variance £	2013/14 Slippage £	Comments
Document Management Rollout	20,000	6,517	(13,483)	13,480	Budget earmarked to resolve Members Data Protection issues. Project commenced to be completed in 2014/15
Additional Lighting at CPLC	20,000	0	(20,000)	20,000	Final specifications drawn up to be sent out to quote on most cost effective scheme design. Project will be completed in 2014/15.
Skipton Town Hall / Museum Works	70,000	13,143	(56,857)	56,855	Minor building works programme complete. Window procurement requires alternative approach due to value of works having come back from quotes work. Architectural services contract procurement currently underway. Completion of project will slip into 2014/15.
Capital Administration	25,000	0	-25000	0	Expenditure dependant on appropriate projects for justifiable allocation of costs from revenue - none identified.
TOTAL	1,646,860	633,700	(1,013,160)	873,275	