

**Report of the Cabinet Member for Finance, Performance and Customer Services**

**CAPITAL PROGRAMME – MONITOR ONE 2013/14**

**Report Summary**

1. The purpose of this report is to set out the projected capital programme outturn position for 2013/14 including any under/ over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
2. The 2013/14 capital programme approved by Council on 28 February 2013 and updated for amendments reported to Cabinet in the July outturn report is £75.7m, financed by £41.1m of external funding and internal funding of £34.6m.

**Consultation**

3. The capital programme was developed under the Capital Resource Allocation Model (CRAM) framework and agreed by Council on 28 February 2013. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals and associated capital receipt sales do follow a consultation process with local Councillors and residents in the locality of the individual schemes.

**Summary of Key Issues**

4. An increase of £1.4 m is detailed in this monitor resulting in a revised capital programme of £77.1m. This net increase of £1.4m is made up of £1.392m external funding and £80k from HRA funds.
5. Table 1 outlines the variances reported against each portfolio area.

<b>Directorate</b>	<b>Department</b>	<b>Current Approved Budget £m</b>	<b>Projected Outturn £m</b>	<b>Variance £m</b>
ACE	Children's, Education and Skills	9.870	9.870	0.000
ACE	Adult Social Services	1.225	1.225	0.000
CES	Strategic Planning & Transport	20.858	20.864	0.006
CES	Community Stadium	1.850	1.850	0.000
CES	Economic Development	0.058	0.058	0.000
CANS	Housing & Public Protection	17.647	18.994	1.347
CANS	Communities, Culture & Public Realm	3.294	3.420	0.126
CANS	Highways, Waste & Fleet	4.660	4.654	(0.006)
CBSS	Asset Management	3.223	3.223	0.000
CBSS	Admin Accom	2.580	2.580	0.000
CBSS	IT Development Plan	0.983	0.983	0.000
CBSS	Contingency	0.676	0.676	0.000
CBSS	Economic Infrastructure Fund	8.787	8.787	0.000
	<b>Total</b>	<b>75.711</b>	<b>77.184</b>	<b>1.473</b>

**Table 1 Capital Programme Forecast Outturn 2013/14**

6. To the mid point in August there was £9.242m of capital spend representing 12% of the revised monitor 1 budget.

### **Analysis**

7. A summary of the key exceptions and implications on the capital programme are highlighted below.

### **ACE - Education and Children's Services**

8. There are no adjustments or re-profiling requests to the Education and Children's Service capital programme as a result of this monitor and the forecast spend remains at £9.673m.

### **ACE – Adult Social Services**

9. There are no adjustments or re-profiling requests to the Adult Social Care capital programme as a result of this monitor and the forecast spend is £1.225m.

### **City & Environmental Services - Strategic Planning and Transport + Economic Development**

10. There are no significant variances to report against current approved budget. The Strategic Planning and Transport capital programme is projected to outturn at £20.864m.
11. The Economic Development capital programme is projected to outturn at £58k on budget.

### **City & Environmental Services – Community Stadium**

12. The Community Stadium Project is expected to outturn to budget at £1.850m.

### **CANS – Housing & Public Protection**

#### **Adjustments**

13. A number of adjustments are proposed as part of this report all of which (with the exception of the property buy back programme are externally funded)
14. This monitor reflects the changes approved in relation to the New Council House Building – Phase 1 programme as reported to Cabinet on 7<sup>th</sup> May 2013 where the use of an additional £1m of commuted sums ring fenced for affordable housing was approved to allow the Council to pursue development of a number of sites within the Housing Revenue Account (HRA) to build between 50 and 70 new homes budgeted at £7m.

15. The Housing Grants & Associated investments programme is an addition to the programme of £385k in 13/14 with funding coming from the Department of Energy and Climate Change split £272k for fuel poverty and £113k for home appreciation/home safety loans.
16. The Disabled Facilities Grant scheme has been adjusted down by £0.153m in line with the forecast resources available from external government funding being reduced.
17. The Contaminated Land scheme has received £35k of external grant funding from the Environment Agency to complete contaminated land investigations on land at Foxwood and shows an addition at this monitor.
18. It is proposed as part of this monitor to add a new scheme HRA Property Buy Back to reflect the obligation for a small number of HRA leasehold properties that the HRA, under specific circumstances, has to buy back the lease. This will result in an addition of £80k in 13/14, £75k in 14/15 and £50k per annum for 15/16 and 16/17. Subject to approval the scheme will be funded from HRA balances.
19. The overall Housing and Public Protection programme is forecast to spend £18.994m in 13/14

### **CANS – Communities, Culture and Public Realm**

#### **Adjustments**

20. The Parks and Open Spaces programme plans are sufficiently progressed and is expected to spend at a level of £120k in 13/14 showing as an addition to the programme at Monitor 1. The £120k will be funded entirely from S106 contributions and is in relation to the Bustardthorpe and Knavesmire protected playing fields programme.
21. The Communities, Culture and Public Realm programme is projecting an outturn of £3.420m.

### **CANS – Highways, Waste & Fleet**

22. There are no significant variances to report at Monitor 1 in relation to the Highways, Waste and Fleet capital programme. The programme is currently projecting a 13/14 spend of £4.654m

## **CBSS - Administrative Accommodation**

23. No changes to the projected spend are proposed at this monitor with in year spend budgeted at £2.580m. This amount relates to final payments to the developer to settle the account. The West Offices project is still expected to be within the overall budget of £43.804m. It is currently expected that the project as a whole will be under spent by approximately £50k and this will be confirmed through further monitoring reports.

## **CBSS – Asset Management / IT Development Plan / Miscellaneous / Economic Infrastructure Fund (EIF)**

24. For these further areas listed above, included under CBSS, there are no expected variances to report from budget.

### **Summary**

25. As a result of the changes highlighted above the revised 5 year capital programme is summarised in Table 2.

<b>Gross Capital Programme</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Current Programme</b>						
<b><u>Adjustments :</u></b>						
ACE - Children's Education & Skills	9.870	5.362	5.125	5.125	5.125	<b>30.607</b>
ACE – Adult Services	1.225	0.515	0.525	0.400	0.400	<b>3.065</b>
CANS – Culture, Leisure & Public Realm	3.420	0.906	0.000	0.000	0.000	<b>4.326</b>
CANS – Highways, Fleet & Waste	4.654	3.637	3.397	2.934	2.693	<b>17.261</b>
CANS – Housing & Community Safety	18.994	9.719	10.019	9.982	10.921	<b>59.635</b>
CES – Strategic Planning & Transport	20.864	3.844	2.713	2.713	2.713	<b>32.847</b>

CES - Community Stadium	1.850	9.050	7.679	0.000	0.000	<b>18.579</b>
CES - (Economic Development)	0.058	0.000	0.000	0.000	0.000	<b>0.058</b>
CBSS – Asset Management	3.223	0.400	0.320	0.100	0.100	<b>4.143</b>
CBSS - IT Development Plan	0.983	0.750	0.750	0.750	0.750	<b>3.983</b>
CBSS – Administration Accommodation	2.580	0.000	0.000	0.000	0.000	<b>2.580</b>
Miscellaneous (Contingency etc)	0.676	0.000	0.000	0.000	0.000	<b>0.676</b>
Economic Infrastructure Fund	8.787	7.071	6.800	5.800	0.000	<b>28.548</b>
<b>Revised Programme</b>	<b>77.184</b>	<b>41.254</b>	<b>37.328</b>	<b>27.804</b>	<b>22.648</b>	<b>206.218</b>

**Table 2 Revised 5 Year Capital Programme**

### **Funding the 2013/14 – 2017/18 Capital Programme**

26. The 2013/14 capital programme of £77.184m is currently being funded from £42.460m external funding and £34.724m of internal funding.

The internal funding is comprised of revenue contributions, revenue reserves, prudential borrowing, right to buy housing capital receipts and general capital receipts.

27. Table 3 shows the projected call on Council resources going forward.

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Gross Capital Programme</b>	<b>77.184</b>	<b>41.254</b>	<b>37.328</b>	<b>27.804</b>	<b>22.648</b>	<b>206.218</b>
Funded by:						
External Funding	42.460	24.817	24.537	17.556	16.242	<b>125.613</b>
Council Controlled Resources	34.724	16.436	12.791	10.248	6.406	<b>80.605</b>
<b>Total Funding</b>	<b>77.184</b>	<b>41.254</b>	<b>37.328</b>	<b>27.804</b>	<b>22.648</b>	<b>206.218</b>

**Table 3 – 2013/14 –2017/18 Capital Programme Financing**

28. The Council controlled figure is comprised of a number of resources that the Council has ultimate control over how it chooses to apply them, these include Right to Buy receipts, Revenue Contributions, Supported (government awarded) Borrowing, Prudential (Council funded) Borrowing, Reserves (including Venture Fund) and Capital Receipts.
29. It should be recognised that capital receipts which form part of the Council Controlled Resources should be considered at risk of not being realised within set time frames and to estimated values until the receipt is received. The capital programme is predicated on a small number of large capital receipts, which if not achieved would cause significant funding pressures for the programme. The Director of Customer and Business Support closely monitors the overall funding position to ensure that over the full duration of the capital programme it remains balanced, any issues with regard to financing will be reported as part of the standard reporting cycle to the Cabinet.

## **Council Plan**

30. The capital programme is decided through a formal process, using a Capital Resource Allocation Model (CRAM). CRAM is a tool used for allocating the Council's scarce capital resources to schemes that contribute toward the achievement of the Council Plan. The Capital Asset Board (CAB) meet monthly to ensure the capital programme targets the Councils Plan. The capital programme addresses all 5 priorities of the Council Plan due to its varied and numerous schemes as shown in the main body of the report.

## **Implications**

### **Financial Implications**

31. The financial implications are considered in the main body of the report.

### **Human Resources Implications**

32. There are no HR implications as a result of this report

### **Equalities Implications**

33. There are no equalities implications as a result of this report

## **Legal Implications**

34. There are no legal implications as a result of this report

## **Crime and Disorder**

35. There are no crime and disorder implications as a result of this report

## **Information Technology**

36. There are no information technology implications as a result of this report

## **Property**

37. The property implications of this paper are included in the main body of the report.

## **Risk Management**

38. The capital programme is regularly monitored as part of the corporate monitoring process. In addition to this the Capital Asset Board (CAB) meets regularly to plan monitor and review major capital schemes to ensure that all capital risks to the Council are minimised.

## **Recommendations**

39. The Cabinet is requested to:

- Recommend to Full Council the adjustments in the Capital programme of an increase of £1.473m in 2013/14 as detailed in the report and contained in Annex A.
- Note the 2013/14 revised budget of £77.184m as set out in paragraph 6 and Table 1.
- Note the restated capital programme for 2013/14 – 2017/18 as set out in paragraph 28, Table 2 and detailed in Annex A.
- Recommend to Full Council approval of the following Housing & Public Protection schemes:
  - (i) The allocation of £385k of external grants for Housing Grants & Associated investments programme



- (ii) The use of £255k of housing balances to fund the HRA Property Buy Back scheme
- (iii) Note the removal of £153k of grant resulting in a reduction of the Disabled Facilities Grant programme of works

Reason: To enable the effective management and monitoring of the Council's capital programme.

**Contact Details**

<b>Authors:</b>	<b>Cabinet Member &amp; Chief Officer Responsible for the report:</b>		
Ross Brown Principal Accountant Ext 1207	Cllr Dafydd Williams, Cabinet Member for Finance, Performance and Customer Services		
Debbie Mitchell Corporate Finance Manager Ext 4161	Ian Floyd Director of Customer & Business Support Services		
	Tracey Carter Assistant Director of Finance, Asset Management and Procurement		
	<b>Report Approved</b>	√	<b>Date</b> 21/08/13
<b>Wards Affected:</b> All			
<i>For further information please contact the authors of the report</i>			

Specialist Implications:
<i>Legal – Not Applicable</i>
<i>Property – Philip Callow</i> Head of Asset and Property Management Extension - 3362
<i>Information Technology – Not Applicable</i>

**Background Papers:**

Budget Control 2013/14 Mon 1

**Annexes**

Annex A –Capital Programme 2013/14 to 2017/18