

TRAFFORD COUNCIL

Report to: Executive
Date: 25 July 2011
Report for: Decision
Report of: The Executive Member for Finance and
the Director of Finance

Report Title

CAPITAL INVESTMENT PROGRAMME MONITORING 2011/12
1st Quarter (April – June)

Summary

This report summarises the findings from the budget monitoring for the period to 30 June 2011. The salient features are:

The original 2011/12 budget approved in February 2011 was £71.8m. Following a review of all projects, planned expenditure in 2011/12 is estimated at £67.6m due to :

- £1.2m of re-phasing of budgets from 2010/11
- £(6.3)m of re-phasing of budgets to 2012/13 and later years.
- £1.3m for new or additional funding for capital schemes.
- £(0.4)m in reductions to capital schemes
(see Appendix 1 for a full breakdown of movements)

The £(6.3)m of re-phasing includes :

- Schools Basic Need Programme £(3.3)m
- Schools – Maintenance Grant £(1.2)m
- A56 / West Timperley – Highways Imps £(1.4)m
- Other projects £(0.4)m

Capital expenditure to date is £5.3m, being 8% of the projected capital expenditure in 2011/12 (see Appendix 4 for detail by service area).

Recommendation(s)

1. That the amendments to the 2011/12 Capital Investment Programme be approved.
2. That the monitoring report be noted.

Contact person for access to background papers and further information:

Name: Graeme Bentley

Extension: 4336

Background Papers – Capital Budget Report 2011-14 and Capital Outturn Report 2010/11

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Capital expenditure to be been contained within available resources in 2011/12.
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Staffing/E-Government/Asset Management Implications	A number of improvement schemes are being undertaken in 2011/12.
Risk Management Implications	Not Applicable
Health and Safety Implications	A number of schemes are being undertaken in 2011/12 on the grounds of health and safety.

1. Summary

- 1.1 This report summarises the current position and progress of the 2011/12 Capital Investment Programme and its' financing as at 30 June 2011. It takes into account both financial and scheme progress monitoring undertaken with service area project officers.
- 1.2 Capital expenditure in 2011/12 is currently estimated at £67.6m which is £4.2m lower than the original estimate agreed by the Executive in February 2011. The changes to the budget are detailed in Appendix 1 and are summarised as follows:-

<i>Table 1 – Changes to the 2011/12 Capital Budget</i>	£m
Original Budget	71.8
Rephasing from 2010/11 (*)	1.2
Adjusted Budget	73.0
Quarter 1 Changes:-	
New schemes	1.3
Reductions due to changes in grant support	(0.4)
Rephasing to later years	(6.3)
Current Projected Expenditure	67.6

(*) Note the amount of rephasing reported in the Capital Outturn Report was £8.1m, of which £1.2m was rephased to 2011/12 and £6.9m to later years.

- 1.3 The original budget for 2011/12 as agreed by the Executive in February 2011 was £71.8m. This has since been updated to £73.0m to include budgets rephased from 2010/11 and is significantly higher than capital programmes in previous years. In view of the past years' spending performance against budget each individual scheme in the programme has been reviewed to identify the key delivery dates. The objective of this was to identify those budgets that would be utilised and more importantly those that would not, thus identifying the scope for identifying new projects that could be delivered in the year.

2. Status of 2011/12 Projects

- 2.1 There are just under 300 individual schemes currently allocated in the programme. These include some major projects including the rebuild of St Ambrose College and the Long Term Accommodation scheme. All schemes in the original budget, together with those that were rephased into 2011/12 were reviewed into the following categories to identify the level of projected expenditure in 2011/12:-

- Already complete £2.0m
- Schemes on site £46.6m
- Programmed Schemes - Schemes not yet committed but programmed to start later in the year £15.4m
- Not yet programmed £9.0m

- 2.2 The first three categories give a good indication of the level of confirmed expenditure that will be undertaken during the year. An analysis by service area is shown in Appendix 2 and shows confirmed expenditure totalling £64.0m in 2011/12 leaving a balance of £9.0m on other budgets. An analysis of the

schemes not yet programmed is shown below with more detail on the major schemes given in Appendix 3.

Table 2 Analysis of unprogrammed budgets		
	£m	% of Adjusted Budget
Budgets not yet allocated		
CYPS (Schools)	5.0	13.2
C&WB	1.2	25.0
EGP	0.0	0.0
ETO	1.7	24.6
T&R	1.1	34.4
Total	9.0	13.3

2.3 Regular monitoring will be undertaken to ensure schemes are delivered in accordance with current planned milestones.

3. Changes to Current Capital Investment Programme.

3.1 Projected expenditure for the year is £67.6m and is £4.2m lower than the original budget. The table below gives a comparison of the current programme compared to the original programme approved in February 2011.

Table 3 - Capital Investment Programme 2011/12	Original 2011/12 £m	Q1 Revised 2011/12 £m
Portfolio Analysis :		
Supporting Children & Families	0.0	0.3
Economic Growth & Prosperity	14.4	14.7
Adult Care, Health & Wellbeing	3.9	4.8
Education	44.4	37.6
Environmental Services	1.0	1.3
Highways & Transportation	5.8	5.1
Safe, Strong Communities	0.3	0.6
Transformation & Resources	2.0	2.2
Finance	0.0	1.0
Total	71.8	67.6
Service Analysis :		
Children & Young People	44.5	37.9
Communities & Wellbeing	3.9	4.8
Economic Growth & Prosperity	14.5	14.7
Environment Transport & Operations	6.8	6.9
Transformation & Resources	2.1	3.3
Total	71.8	67.6

3.2 The table shows that the budget for 2011/12 has reduced by £4.2m from that approved in the budget setting report. The reasons for this are summarised below with more detail given in Appendix 1:

- **£1.2m** – budgets re-phased from 2010/11 for incomplete schemes.
- **£1.3m** – for new or enhanced schemes financed from external resources.
- **(£0.4m)** – reductions due to changes in financial support

- **(£6.3m)** - Re-phasing of budgets to 2012/13 & later years to account for changes in project programmes and start dates advised by Service Areas as part of Q1 monitoring.

3.3 The major areas of re-phasing relate to :

- **Schools £4.4m** – two major projects are to be funded from recently announced capital allocations. The size and complexity of the schemes is such that they cannot be undertaken in the current financial year due to planning, consultation and logistical reasons. The schemes are a primary capital scheme for the replacement of Worthington Primary School (£3.2m rephasing) and a major refurbishment scheme at Moorlands Junior School (£1.2m rephasing) which is still at the preliminary stages and the project is now not expected to start in early 2012. Both projects will be financed by capital grant.
- **A56 / West Timperley – Highway Improvements - £1.4m** : Due to the ongoing negotiations with the developers and National Trust in respect of the contributions to be made toward the project means that the project is not expected to start until 2012/13.
- **Other projects - £0.5 m**

4. Actual Expenditure – 1st Quarter (April – June)

4.1 Actual expenditure for the second quarter of the financial year is shown below, with further details of the service areas in Appendix 4.

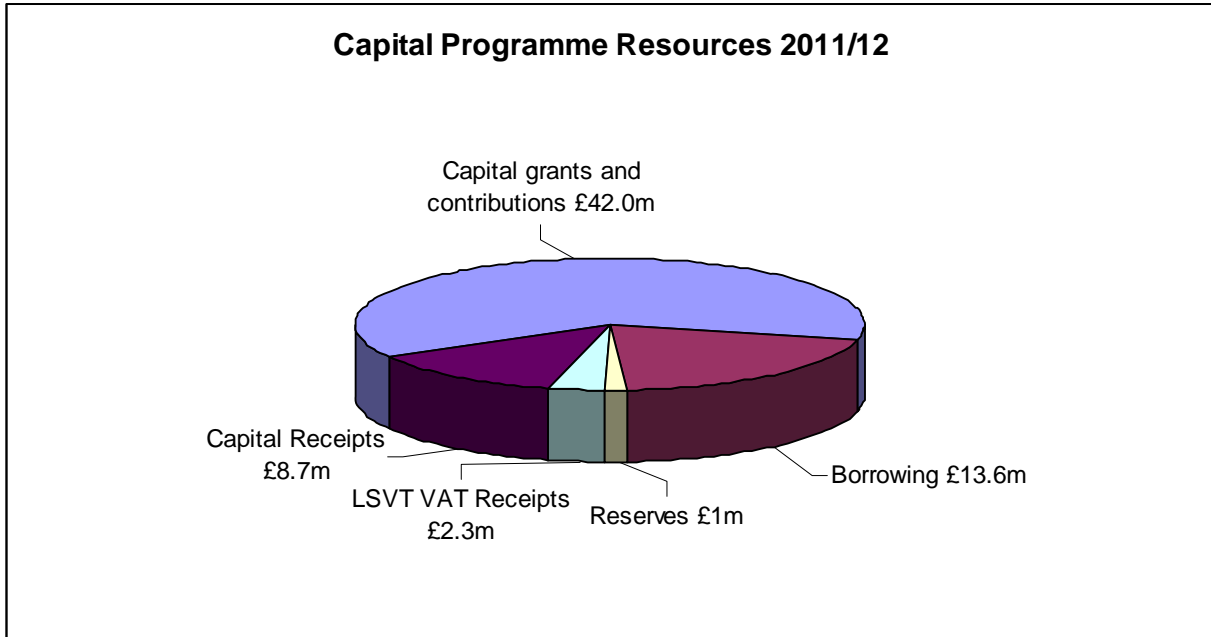
<i>Table 4 Capital Investment Programme Expenditure at Quarter 1 2011/12</i>	Q1 Spend £m	Projection for Year £m	% of spend to budget
Portfolio Analysis :			
Supporting Children & Families	-	0.3	-
Economic Growth & Prosperity	0.4	14.7	2.7%
Adult Care, Health & Wellbeing	-	4.8	-
Education	4.9	37.6	13.0%
Environmental Services	-	1.3	-
Highways & Transportation	-	5.1	-
Safe, Strong Communities	-	0.6	-
Transformation & Resources	-	2.2	-
Finance	-	1.0	-
Total	5.3	67.6	7.8%

4.2 The table above shows the current level of expenditure is £5.3m. The monitoring undertaken with Service Area project officers has identified that the expected levels of expenditure in year will reach the £67.6m reported.

5 Resourcing

5.1 The chart below shows the types and levels of resource available to finance the capital investment programme. As can be seen there is a heavy reliance on external grants and contributions, which make up 62% of the requirement. Whilst a number of these are no longer ring-fenced they support some major programmes, particularly on the schools programme, hence there is limited

discretion over the application of these resources. The borrowing planned during 2011/12 relates mainly to the long term accommodation project.



- 5.2 The current estimate of capital receipts has been updated to reflect that reported to the Executive in June 2011 as part of the Land Sales Report. The deficit position on the overall three year programme has reduced from £2m in February to £1.4m now. This position will be monitored during the course of the year.

<i>Impact on 2011/14 Capital Programme</i>	2011/12 £m	2012/13 £m	2013/14 £m	Total £m
Resources available :				
Capital receipts estimate	8,724	1,006	3,532	13,262
LSVT VAT receipts	2,308			2,308
Total discretionary Resources	11,032	1,006	3,532	15,570
Capital Programme requirement	10,999	5,870	100	16,969
Current Surplus/(Deficit) at Q1	33	(4,864)	3,432	(1,399)

- 5.3 The level of available capital resources is assessed throughout the year to ensure the Capital Programme remains affordable. The level of deficit in 2011/12 and 2012/13 will be monitored to ensure the Council's investment plans remain affordable.

6. Recommendations

- 6.1 That the amendments to the 2011/12 Capital Investment Programme be approved. That the monitoring report be noted.

Other Options

The Executive could decide to put a hold on any new commitments where potential schemes are supported by Trafford’s internal resources. This would provide some benefit to the revenue account as interest costs would be avoided and also provide a source of capital resources that could be used to support any invest to save proposals that come forward as part of the 2012/13 revenue budget process.

Consultation

Consultation has taken place with budget holders, responsible officers and professional services to ascertain the best projection of capital expenditure to be incurred in 2011/12.

Reasons for Recommendation

The Authority is regularly assessed on the performance of its Capital Investment Programme and how delivery matches corporate policies and proposed spending plans. To reflect budgets in line with revised expectations will assist in evidencing that compliance with the above criteria is being met.

Finance Officer Clearance (type in initials).....GB.....

Legal Officer Clearance (type in initials).....

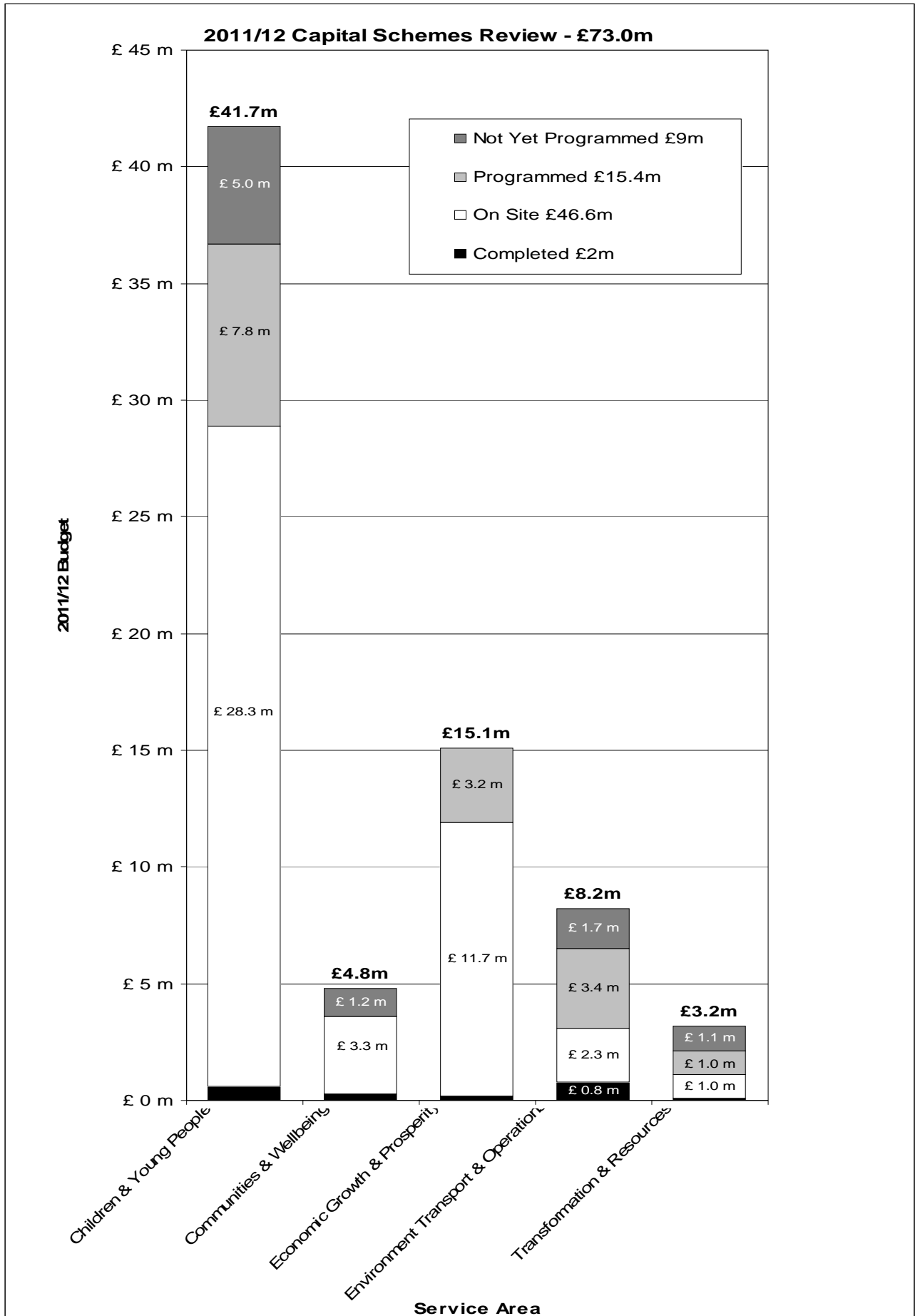
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To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

Capital Investment Programme 2011/12 : Budget changes during Quarter 1		Budget 2011/12 £'000	Budget 2011/12 £'000
Budget reported at February 2011			71,774
Amendments during Quarter 1			
	Rephasing from 2010/11(*)		1,154
	New Schemes & Increases	Financed by :	
	Aiming Higher – Short Breaks Fund	DfE	123
	Performance Reward Grant	CLG	677
	Bridgewater Circle – Pedestrian Works	S.106	83
	Rock Salt Protection Barn	NWEIP	250
	Parks – Community Spaces schemes	Lottery	100
	Lostock Park – Benches & toilets	FOG contrib.	13
	Highway Maintenance	S.106	85
	Old Trafford – Event Day Parking	Man Utd S.106	15
			1,346
	Reductions		
	Schools Modernisation Grant	DfE	(193)
	SWiTch – HR Payroll Project	NWEIP	(158)
			(351)
	Rephasing to/from later years		
	Schools Basic Need Programme		(3,250)
	Stretford High School – Sports Facilities		600
	Schools Capital Maintenance Grant		(1,200)
	St.Ambrose College - Rebuild		(591)
	Highways – AMP		(50)
	Highways Structural Maintenance		(160)
	A56 / West Timperley Highways Imps		(1,379)
	Highways – Framework Agreement		(35)
	Waste Infrastructure Grant		(220)
			(6,285)
	Budget at 30 June 2011		67,638

(*) Note the amount of rephasing reported in the Capital Outturn Report was £8.1m, of which £1.2m was rephased to 2011/12 and £6.9m to later years.

Chart showing the status of capital projects planned for 2011/12



Explanation of major schemes not yet programmed

Service Area	Scheme	£000	Explanation
Children and Young Peoples Service			
	Rebuild of Worthington PS, Sale	3,750	Relates to a planned project for the rebuild of Worthington Rd PS, Sale – scheme now programmed for a start in 2012. Rephase £3.2m to 2012/13 and later years. This is an un-ringfenced grant.
	Major refurbishment of Moorlands JS, Sale	1,200	Relates to a planned project for the rebuild of Moorlands JS, Sale – scheme now programmed for a start in 2012. Rephase to 2012/13 and later years. This is an un-ringfenced grant.
Communities and Wellbeing			
	Mental Health and Operational Services	423	Schemes not yet allocated
	Market Accommodation Transformation	245	Schemes not yet allocated
	PSS Grant	496	Schemes not yet allocated. This is an un-ringfenced grant
Environment, Transport and Operations			
	Waste Infrastructure Grant	220	Currently looking at refuse and recycling options for the future. Rephase to 2012/13. This is an un-ringfenced grant.
	A56 West Timperley/Park Rd Junction Improvements	1,379	Scheme reliant on major levels of S106 developer contributions currently being negotiated with the developer. Rephase to 2012/13.
Transformation and Resources			
	Coroners Accommodation	300	Options to relocate the coroner currently being evaluated but anticipate a saving in the region of £200k on this budget.
	Performance Reward Grant	677	Schemes to be agreed by Trafford Community Partnership
	Agile Working Pilot	80	The impact of LTA mobile working is now clear. Budget saving £50k.
	Other Minor Projects	264	
	Total	9,034	

Children & Young People

Capital Investment Programme 2011/12	Number of Schemes	Q1 Budget 2011/12 £m	Q1 Expend 2011/12 £m	% of spend to budget
Budget approved Feb 2011		44.5		
Q1 Adjustments :				
Accelerate 2010/11 budgets		(2.0)		
Increase to schemes		0.1		
Reduction to schemes		(0.2)		
Re-phasing to 2012/13		(4.5)		
Revised Budget		37.9		
Schools				
Primary Schools	12	6.5	1.1	16.9%
Secondary Schools	15	24.7	3.7	15.0%
Other Schemes	27	6.4	0.1	1.6%
Youth Service	1	0.2	-	-
Children's Service	3	0.1	-	-
Total	58	37.9	4.9	12.9%

The 2011/12 budget approved in February was £44.5m. The Q1 monitoring undertaken has resulted in the budget being reduced to current levels of £37.9m. The majority of this being re-phasing of budgets to 2012/13 and later years.

Major Projects in 2011/12:-	Budgeted Expenditure in 2011/12 £m
Schemes Already Complete (Various)	0.6
Schemes on site:-	28.3
St Ambrose College Rebuild	18.7
Bollin PS Bowdon – Primary Capital Strategy (PCS)	1.3
Partington PS – PCS	0.7
Woodheys PS, Sale PCS	1.3
Altrincham College of Arts – 6 th Form	1.9
Devolved Formula Capital	3.0
Programmed Schemes not yet on site	7.8
Primary Schools – Additional Places	1.0
St Hughs PS Classrooms – Basic Need	0.9
Stretford HS Community Sports Provision	1.2
Targeted Capital Fund - PCS	1.7
Schools Access Initiative	0.3
Capital Maintenance & Modernisation Grant (Various)	2.0

Increases / Reductions to Schemes:

Additional Aiming High - Short breaks funding of £123k received as well as a reduction in Modernisation Grant from Partnerships for Schools of £193k, due to change in funding as part of CSR.

The major areas of re-phasing include:

- **Schools - Basic Need Works - £3.2m** : The replacement of Worthington Primary School is still at the preliminary stages and the project is now not expected to start until summer 2012.
- **Schools Capital Maintenance Programme - £1.2m** : The major project at Moorlands Junior school is only at preliminary design stage and works are not expected to commence until summer 2012.

Communities & Wellbeing

Capital Investment Programme 2011/12	Number of Schemes	Q1 Budget 2011/12 £m	Q1 Expend 2011/12 £m	% of spend to budget
Budget approved Feb 2011		3.9		
Q1 Adjustments :				
Re-phasing from 2010/11		0.9		
Revised Budget		4.8		
Community Safety, Culture & Sport	-	-	-	
Services for Adults	10	4.8	-	0.0%
Total	10	4.8		0.0%

The 2011/12 budget approved in February was £3.9m. The Q1 monitoring undertaken has resulted in the budget being increased to current levels of £4.8m.

Major Projects in 2011/12:-	Budgeted Expenditure in 2011/12 £m
Schemes Already Complete	0.3
Specialist Housing Scheme – Shawe View	0.3
Schemes on site/in progress	3.3
DFGs	3.0
Social Care ICT Upgrade	0.2
Programmed Schemes not yet on site	0

Economic Growth & Prosperity

Capital Investment Programme 2011/12	Number of Schemes	Q1 Budget 2011/12 £m	Q1 Expend 2011/12 £m	% of spend to budget
Budget approved Feb 2011		14.5		
Q1 Adjustments :				
Re-phasing from 2010/11		0.7		
Service transfer to ETO		(0.5)		
Revised Budget		14.7		
Corporate Landlord				
Mechanical & Electrical	11	1.0	-	-
Health & Safety	25	0.7	-	-
Public Building Repairs	16	0.9	-	-
Long Term Accommodation	1	10.8	0.4	3.7%
Regeneration	1	0.1	-	-
Strategic Planning	1	1.2	-	-
Total	55	14.7	0.4	2.7%

The 2011/12 budget approved in February was £14.5m. The Q1 monitoring undertaken has resulted in the budget being increased to current levels of £14.7m. This includes moving the Strategic Planning & Housing Service within the Environment, Transport & Operations service area (£0.5m) and re-phasing from £0.7m from 2010/11.

Major Projects in 2011/12:-	Budgeted Expenditure in 2011/12 £m
Schemes Already Complete	0.2
Schemes on site	11.7
Long Term Accommodation	10.8
Public Building Repairs (Various)	0.4
M&E Works/Energy Efficiency (Various)	0.4
Programmed Schemes not yet on site	3.2
Altair – land compensation	1.2
Old Trafford Small Grants Programme	0.1
Public Building Repairs (Various)	0.3
DDA Compliance Schemes (Various)	0.4
M/E Schemes (Various)	0.7
Housing Growth and S106 schemes	0.4

Environment Transport & Operations

Capital Investment Programme 2011/12	Number of Schemes	Q1 Budget 2011/12 £m	Q1 Expend 2011/12 £m	% of spend to budget
Budget approved Feb 2011		6.8		
Q1 Adjustments :				
Re-phasing from 2010/11		1.2		
New / additions to schemes		0.2		
Service transfer from EGP		0.5		
Re-phasing to 2012/13		(1.8)		
Revised Budget		6.9		
Highways				
Traffic & Transport	24	1.6	-	
Highway Maintenance	50	3.2	-	
Bridges	13	0.3	-	
Sustainability & Greenspace	18	0.5	-	
Public Protection	4	0.6	-	
Waste Management	2	0.2	-	
Strategic Planning & Housing	3	0.5	-	
Total	114	6.9	0.0	0.0%

The 2011/12 budget approved in February was £6.8m. The Q1 monitoring undertaken has resulted in the budget being increased to current levels of £6.9m. This includes re-phasing from 2010/11 (£1.2m) , moving the Strategic Planning & Housing Service within the Environment, Transport & Operations service area (£0.5m) and re-phasing of budgets to 2012/13 and later years of £1.8m.

Major Projects in 2011/12:-	Budgeted Expenditure in 2011/12 £m
Schemes Already Complete	0.8
Altrincham Interchange – Contribution to Canopy	0.2
Congestion Performance Works – Barrington Rd, Altrincham	0.1
Waste and Rock Salt Protection Scheme	0.2
Schemes on site	2.3
Highway Structural Maintenance and Bridges (Various)	1.5
Programmed Schemes not yet on site	3.8
Pay and Display Equipment	0.1
Highways Schemes (Various)	1.3
Carrington Ln/Flixton Rd Jct Impts	0.6
Parks Projects (Various)	0.4
Additional Burial Land	0.3
Integrated Transport	0.5
Housing Growth and S106 schemes	0.4

The major areas of re-phasing include:

- **A56 / West Timperley – Highway Improvements - £1.4m** : Due to the ongoing negotiations with the developers and National Trust in respect of the contributions to be made toward the project means that the project is not expected to start until 2012/13.

Transformation & Resources

Capital Investment Programme 2011/12	Number of Schemes	Q1 Budget 2011/12 £m	Q1 Expend 2011/12 £m	% of spend to budget
Budget approved Feb 2011		2.1		
Q1 Adjustments :				
Re-phasing from 2010/11		0.5		
New / additions to schemes		0.7		
Revised Budget		3.3		
Performance & Improvement	2	1.0	-	
Information Technology	19	1.9	-	
SWiTch – HR / Payroll	1	0.4	-	
Total	22	3.3	-	0.0%

The 2011/12 budget approved in February was £2.1m. The Q1 monitoring undertaken has resulted in the budget being increased to current levels of £3.3m. The majority of the increase is due to re-phasing from 2010/11 and the award of Performance Reward

Major Projects in 2011/12:-	Budgeted Expenditure in 2011/12 £m
Schemes Already Complete	0.1
Schemes on site	1.0
CRM Upgrade	0.6
SWiTch Project	0.4
Programmed Schemes not yet on site	1.0
Thin Client Platform	0.1
Content Management System	0.1
EDRMS	0.7