

TRAFFORD COUNCIL

Report to: Executive
Date: 26 November 2012
Report for: Decision
Report of: The Executive Member for Finance and
the Acting Corporate Director Transformation and Resources

Report Title

**CAPITAL INVESTMENT PROGRAMME MONITORING 2012/13
2nd Quarter (April – Sept)**

Summary

This report summarises the findings from the budget monitoring for the period to 30 September 2012. The salient features are:

- The revised 2012/13 budget approved in Q1 monitoring report was £65.5m. Additional external funding of £0.6m has increased the programme to £66.1m.
- Capital expenditure to date is £28.7m, being 43% of the budget (see Appendix 3 for detail by service area). Included within this is £16.1m on schemes already completed. Including :
 - St.Ambrose College – rebuild of school
 - Stretford High School – New sports facilities
 - Longford Park – Improvements to parks buildings & shelters
- Of the amended budget 99% is either already spent or programmed to be spent in year, and no delivery issues have been identified.

Recommendation(s)

1. That the amendments to the 2012/13 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 – None

1. Capital Programme Update

- 1.1 This report summarises the current position and progress of the 2012/13 Capital Investment Programme and its' financing as at 30 September 2012. It takes into account both financial and scheme progress monitoring undertaken with service area project officers.
- 1.2 Capital expenditure in 2012/13 is currently estimated at £66.1m which is £0.6m higher than that reported in the Q1 Monitor in July. The changes are due to:
- £1.2m rephasing of budgets from 2013/14 to reflect the progress made on 2 major school refurbishment schemes ahead of original schedules.
 - £(0.9)m rephasing of budgets to 2013/14 to reflect the continued evaluation of the replacement CRM system.
 - Additional grant funding of £0.1m to provide short breaks for children & young adults with disabilities.
 - Use of £0.2m of S.106 contributions on parks and play areas across the borough.

Details are shown in Appendix 1 and are summarised as follows:-

<i>Capital Investment Programme 2011/12</i>	Q1 Revised 2012/13 £m	Q2 Revised 2012/13 £m	Change £m
Portfolio Analysis :			
Supporting Children & Families	0.1	0.2	+0.1
Economic Growth & Prosperity	32.9	32.9	
Adult Care, Health & Wellbeing	4.1	3.7	(0.4)
Education	17.6	18.9	+1.3
Environmental Services	1.0	1.0	
Highways & Transportation	6.7	6.7	
Safe, Strong Communities	0.5	0.7	+0.2
Transformation & Resources	2.6	2.0	(0.6)
Total	65.5	66.1	+0.6
Service Analysis :			
Children & Young People	17.7	19.1	+1.4
Communities & Wellbeing	4.1	3.7	(0.4)
Economic Growth & Prosperity	32.9	32.9	
Environment Transport & Operations	8.2	8.4	+0.2
Transformation & Resources	2.6	2.0	(0.6)
Total	65.5	66.1	+0.6

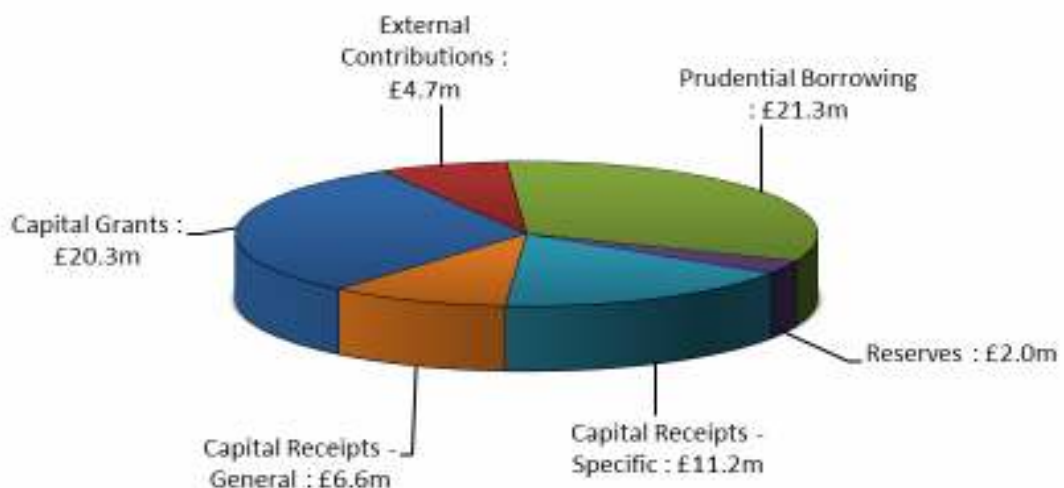
2 Resourcing

- 2.1 A review of the Land Sale Programme agreed by the Executive on 30 July 2012 has been undertaken and the current estimate of capital receipts has been increased to reflect the latest information. An additional £0.7m has been identified, mainly relating to sites at Sinderland Road, Broadheath and Woodsend Circle Flixton. The financing position on the overall three year programme has changed to a surplus of £0.2m.

<i>Impact on 2012/15 Capital Programme</i>	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Resources available :				
Capital receipts estimate	16.3	6.7		23.0
LSVT VAT receipts	2.0			2.0
Total discretionary Resources	18.3	6.7		25.0
Capital Programme requirement	17.8	5.6	1.4	24.8
Current Surplus/(Deficit) at Q1	0.5	1.1	(1.4)	0.2

- 2.2 The chart below shows the types and levels of resource available to finance the capital investment programme. Internal funding of £41.6m equates to 62% of the total funding requirement, whilst external funding makes up the balance (£24.5m). The majority of the external funding is government grants (81%) and 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.

Capital Programme 2012-13 (£66.1m) Financing by Resource Type



- 2.3 The level of available capital resources is assessed throughout the year to ensure the Capital Programme remains affordable.

3. Actual Expenditure – 2nd Quarter (April – Sept)

- 3.1 Actual expenditure for the first quarter of the financial year is shown below, with further details of the service areas in Appendix 3.

<i>Capital Investment Programme : Expenditure at Quarter 2 2011/12</i>	Q2 Spend £m	Projection for Year £m	% of spend to budget
Portfolio Analysis :			
Supporting Children & Families	-	0.2	-
Economic Growth & Prosperity	14.4	32.9	44%
Adult Care, Health & Wellbeing	1.8	3.7	49%
Education	10.5	18.9	55%
Environmental Services	0.2	1.0	20%
Highways & Transportation	1.6	6.7	24%
Safe, Strong Communities	-	0.7	-
Transformation & Resources	0.2	2.0	10%
Total	28.7	66.1	43%
Service Analysis :			
Children & Young People	10.5	19.1	55%
Communities & Wellbeing	1.8	3.7	49%
Economic Growth & Prosperity	14.4	32.9	44%
Environment Transport & Operations	1.8	8.4	22%
Transformation & Resources	0.2	2.0	10%
Total	28.7	66.1	43%

- 3.2 Included in the £28.7m is £16.1m for completed schemes. Included in the schemes completed in Q2 are :
- St.Ambrose College – rebuild of school
 - Stretford High School – New sports facilities
 - Longford Park – Improvements to parks buildings and shelters
- 3.3 Whilst there are low levels of expenditure in the Environment, Transport & Operations schemes to date, schemes have now been approved and preliminary work has started. It is expected that the budget will be fully invested in year.
- 3.4 The budget for Transformation & Resources of £2.0m is predominantly (£1.8m) ICT related schemes. Whilst current levels of expenditure are lower than expected, monitoring has identified that schemes are either in progress or due to start later in the year, with some phased to complete in 2013/14.

4. Status of 2012/13 Projects

- 4.1 There are 286 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 budget were reviewed into the following categories to identify the level of projected expenditure in 2012/13 :

<i>Status of 2012/13 Projects</i>	Q1 £m	Q2 £m	% of Adjusted Budget
Already complete	5.3	16.1	24%
Schemes on site	48.4	45.0	68%
Programmed Schemes – to start later in year	10.0	4.5	7%
Not yet programmed	1.8	0.5	1%
Total	65.5	66.1	100.0%

- 4.2 The first three categories give a good indication of the level of confirmed expenditure that will be undertaken during the year. As can be seen from the table above the Programme as a whole is progressing well with increases, from those reported Q1, in the value of schemes complete and those on site, whilst the value of not yet started and not yet programmed schemes has reduced. An analysis by service area is shown in Appendix 2.

5. Recommendations

- 5.1 That the amendments to the 2012/13 Capital Investment Programme be approved. That the monitoring report be noted.

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Capital expenditure to be contained within available resources in 2012/13.
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 2012/13.
Risk Management Implications	Not Applicable
Health and Safety Implications	A number of schemes are being undertaken in 2012/13 on the grounds of health and safety.

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 2013/14 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 2012/13.

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)*.....MJ.....

Acting Director of Transformation and Resources

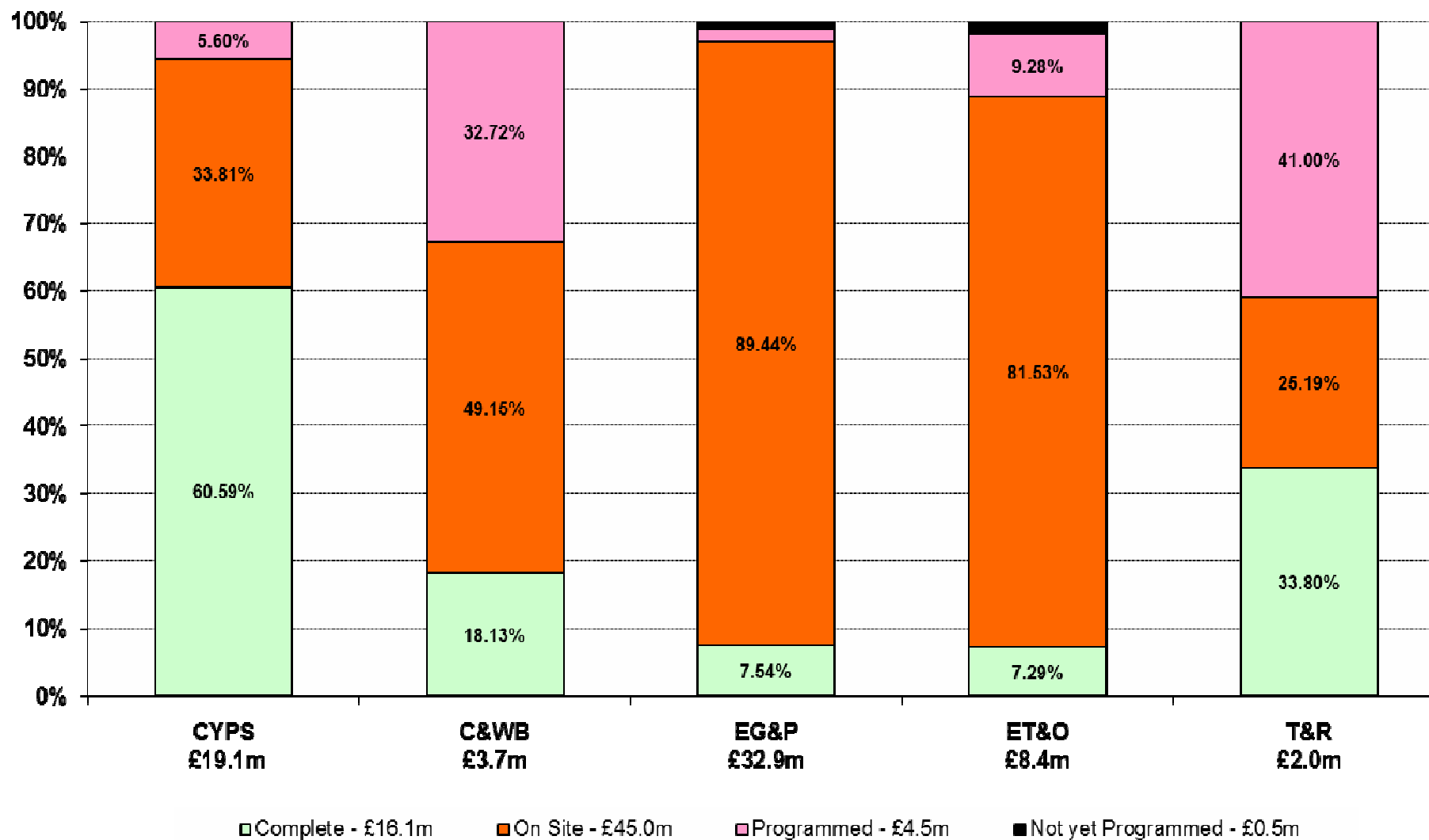
.....

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

Appendix 1

<i>Capital Investment Programme 2012/13 : Budget changes during Quarter 2</i>		Budget 2012/13 £'000	Budget 2012/13 £'000
Budget reported at July 2012			65,509
Amendments during Quarter 2			
New Schemes & Increases	Financed by :		
Parks schemes	Developer	247	
Children Services – Short Breaks Fund	DfE grant	123	
Stretford High School	School	92	
Land compensation – Sale Water Park	Receipts	50	512
Savings			
Coroners Accommodation	Receipts		(67)
Rephasing :			
<i>Brought forward from 2013/14:</i>			
Moorlands Junior School	DfE grant	900	
Worthington Primary School	DfE grant	500	
<i>Re-phased to 2013/14</i>			
Old Trafford Primary School	DfE grant	(150)	
ICT - CRM system upgrade	Reserves	(900)	
Highways – Asset Management Plan	DoT grant	(50)	
Lancashire CCC – Development	Receipts	(126)	174
Budget at 30 September 2012			66,128

Capital Programme 2012/13 - Status of schemes by Service Area



Children & Young People

<i>Capital Investment Programme 2012/13</i>	Number of Schemes	Q2 Budget 2012/13 £m	Q2 Expend 2012/13 £m	% of spend to budget
Quarter 2 Budget		19.1		
Schools				
Primary Schools	14	4.0	1.1	28%
Secondary Schools	11	9.6	7.2	75%
Other Schemes	40	5.2	2.2	42%
Youth Service	3	0.1	-	-
Children's Service	5	0.2	-	-
Total	73	19.1	10.5	55%

The 2012/13 budget approved in February was £17.7m. The Q2 monitoring undertaken has resulted in the budget being increased to current levels of £19.1m.

The increase being re-phasing of £1.2m of budget from 2013/14 to reflect the progress made on major school refurbishment schemes at Moorlands Junior and Worthington primary Schools ahead of original schedules.

A 3rd year of DfE Short Breaks grant of £123k has been awarded. This will continue to help Trafford create better access to short breaks provision for disabled children and young people.

Communities & Wellbeing

<i>Capital Investment Programme 2012/13</i>	Number of Schemes	Q2 Budget 2012/13 £m	Q2 Expend 2012/13 £m	% of spend to budget
Quarter 2 Budget		3.7		
Services for Adults	10	3.7	1.8	49%
Total	10	3.7	1.8	49%

The Q2 budget has remained unchanged from that reported in Q1. Monitoring has identified that the DFG programme (£2.1m) is under pressure with expectation that the budget could be spent by the end of Q3. If approvals continue at current levels it is anticipated that there will be £0.5m commitment on the 2013/14 budget.

The replacement Social Care ICT system is programmed to start in August '12 with it anticipated to "go-live" from the start of 2013/14.

Economic Growth & Prosperity

<i>Capital Investment Programme 2012/13</i>	Number of Schemes	Q2 Budget 2012/13 £m	Q2 Expend 2012/13 £m	% of spend to budget
Quarter 2 Budget		32.9		
Corporate Landlord				
Mechanical & Electrical	20	0.7	0.2	29%
Health & Safety (inc DDA)	16	0.5	0.2	40%
Public Building Repairs	29	0.8	0.3	37%
Long Term Accommodation	2	16.5	6.3	38%
Regeneration	4	11.4	5.3	46%
Strategic Planning	2	0.7	-	-
Housing Services	4	2.3	2.1	91%
Total	77	32.9	14.4	44%

The Q2 budget remains unchanged from that reported in Q1. The monitoring undertaken has shown that whilst the amount of expenditure incurred has not increase too much, the physical progression schemes is better. Most schemes are now either on site or programmed to start in Q3, with the value of un-programmed schemes reducing by 30%.

Environment Transport & Operations

<i>Capital Investment Programme 2012/13</i>	Number of Schemes	Q2 Budget 2012/13 £m	Q2 Expend 2012/13 £m	% of spend to budget
Quarter 2 Budget		8.4		
Highways				
Traffic & Transport	37	2.7	0.6	22%
Highway Maintenance	34	3.5	0.8	24%
Bridges	15	0.5	0.1	20%
Bereavement Services	2	0.7	-	-
Sustainability & Greenspace	11	0.6	0.3	50%
Public Protection	4	0.2	-	-
Waste Management	2	0.2	-	-
Total	105	8.4	1.8	22%

The Q2 budget has increased to current levels of £8.4m. The increase of £0.2m is as a result of minor re-phasing of Highways schemes to 2013/14 and the inclusion of £247km of parks & playground schemes funded from S106 contributions.

Transformation & Resources

<i>Capital Investment Programme 2012/13</i>	Number of Schemes	Q2 Budget 2012/13 £m	Q2 Expend 2012/13 £m	% of spend to budget
Quarter 2 Budget		2.0		
Performance & Improvement	2	0.2		
Information Technology	17	1.2	0.1	8%
SWiTch – HR / Payroll	1	0.6	0.1	17%
Total	20	2.0	0.2	10%

The budget for Transformation & Resources has reduced from Q1 to £2.0m. The reduction is due to re-phasing of £0.5m for the replacement CRM system scheme. ICT developments make up the majority the budget and the major schemes are:

- Electronic Data Records System (EDRMS) : £0.7m
- Web / Customer Strategy : £0.4m

A suitable replacement for the CRM system is still being identified and due to any subsequent procurement and evaluation process it is unlikely this budget will be spent in year.