

TRAFFORD COUNCIL

Report to: Executive
Date: 29 July 2013
Report for: Decision
Report of: The Executive Member for Finance and
the Director of Finance

Report Title

CAPITAL INVESTMENT PROGRAMME MONITORING 2013/14
1st Quarter (April – June)

Summary

This report summarises the findings from the budget monitoring for the period to 30 June 2013. The salient features are:

- The original 2013/14 budget approved in February 2013 was £38.7m. Taking into account 2012/13 outturn and additional schemes in the first quarter the programme has increased to £41.0m.
- Capital expenditure to date is £7.0m, being 17% of the budget (see Appendix 2 for detail by service area).
- The level of available resources has been updated to reflect the latest Land Sale Programme and surplus resources of £3.4m are available to support future capital priorities.

Recommendation(s)

1. That the amendments to the 2013/14 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

1. Capital Programme Update

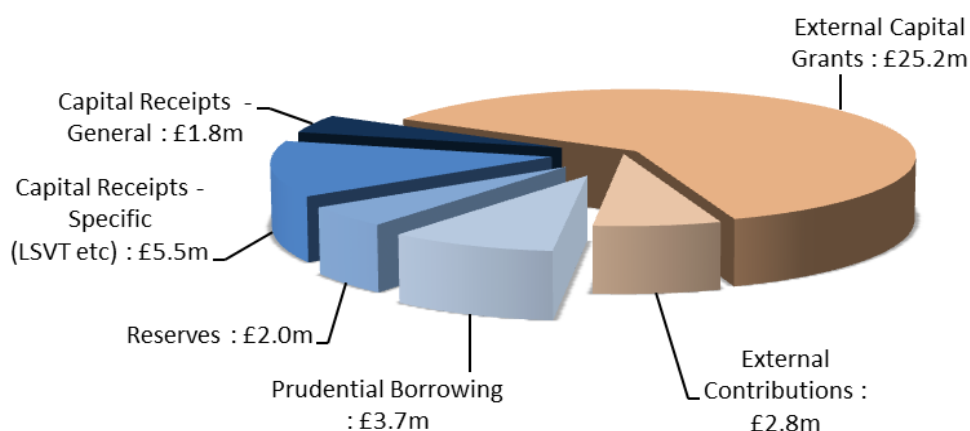
- 1.1 This report summarises the current position and progress of the 2013/14 Capital Investment Programme and its financing as at 30 June 2013. It takes into account both financial and scheme progress monitoring undertaken with service area project officers.
- 1.2 Capital expenditure in 2013/14 is currently estimated at £41.0m which is £2.3m higher than the original estimate agreed by the Council in February 2013. The changes to the budget are detailed in Appendix 1 and are summarised as follows:-

| <i>Capital Investment Programme 2013/14</i> | Original 2013/14 £m | Q1 Revised 2013/14 £m | Change £m |
|---|------------------------------------|--|----------------------|
| Portfolio Analysis : | | | |
| Supporting Children & Families | 0.3 | 0.3 | - |
| Economic Growth & Prosperity | 5.7 | 7.5 | +1.8 |
| Adult Care, Health & Wellbeing | 3.1 | 2.9 | -0.2 |
| Education | 20.0 | 19.0 | -1.0 |
| Environmental Services | 1.5 | 1.6 | +0.1 |
| Highways & Transportation | 6.5 | 7.4 | +0.9 |
| Safe, Strong Communities | 0.1 | 0.3 | +0.2 |
| Transformation & Resources | 1.5 | 2.0 | +0.5 |
| | | | |
| Total | 38.7 | 41.0 | +2.3 |
| Service Analysis : | | | |
| Children, Families & Wellbeing | 23.4 | 22.2 | -1.2 |
| Economic Growth & Prosperity | 5.7 | 7.5 | +1.8 |
| Environment Transport & Operations | 8.1 | 9.3 | +1.2 |
| Transformation & Resources | 1.5 | 2.0 | +0.5 |
| Total | 38.7 | 41.0 | +2.3 |

2 Resourcing

- 2.1 The chart below shows the types and levels of resource available to finance the capital investment programme. Internal funding of £13.0m equates to 32% of the total funding requirement, whilst external funding makes up the balance (£28.0m), 90% of this being government grants (£25.2m).

Capital Investment Programme 2013-14 (£41.0m) Financing by Resource Type



- 2.2 The current estimate of capital receipts has been updated to reflect the latest information from the Land Sales Programme, included elsewhere on the Agenda. An additional £3.1m has been identified, being the inclusion of a number of new sites and changes to valuation estimates. As can be seen in the table below the surplus position on the overall programme is now £3.4m.

| <i>Impact on 2013/15 Capital Programme</i> | 2013/14 £m | 2014/15 £m | Total £m |
|--|-----------------------|-----------------------|---------------------|
| Resources available : | | | |
| Capital receipts available from Land Sales | 3.7 | 8.0 | 11.7 |
| Capital Programme requirement | (1.8) | (6.5) | (8.3) |
| Current Surplus/(Deficit) at Q1 | 1.9 | 1.5 | 3.4 |

- 2.3 A number of Section 106 developer contributions have been received and whilst progress has been made to utilise these, a full review of available balances will be undertaken and reported as part of the quarter 2 monitor.
- 2.4 Capital expenditure priorities in future years will be reviewed as part of the budget process.

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

3.1 Actual expenditure for the first quarter of the financial year is shown below, with further details of the service areas in Appendix 2.

| Capital Investment Programme : Expenditure at Quarter 1 2013/14 | Q1 Spend £m | Projection for Year £m | Proportion of budget |
|--|-------------------|------------------------------|-------------------------|
| Portfolio Analysis : | | | |
| Supporting Children & Families | 0.1 | 0.3 | 33% |
| Economic Growth & Prosperity | 2.5 | 7.5 | 35% |
| Adult Care, Health & Wellbeing | - | 2.9 | - |
| Education | 3.7 | 19.0 | 19% |
| Environmental Services | 0.1 | 1.6 | 6% |
| Highways & Transportation | 0.6 | 7.4 | 8% |
| Safe, Strong Communities | - | 0.3 | - |
| Transformation & Resources | - | 2.0 | - |
| Total | 7.0 | 41.0 | 17% |
| Service Analysis : | | | |
| Children, Families & Wellbeing | 3.8 | 22.2 | 17% |
| Economic Growth & Prosperity | 2.5 | 7.5 | 34% |
| Environment Transport & Operations | 0.7 | 9.3 | 8% |
| Transformation & Resources | - | 2.0 | - |
| Total | 7.0 | 41.0 | 17% |

3.2 There are 234 individual schemes currently allocated in the programme. These include some major programmes of work, including

- Additional school places : £12.6m
- Maintenance of schools (inc Devolved formula capital) : £4.7m
- Lancashire Cricket Ground – development : £2.9m
- Town centre regeneration : £1.5m
- Corporate Landlord schemes : £1.6m
- Housing grants (inc DFGs, LAMS etc.) : £2.7m
- Highways & transportation works : £7.4m
- Environmental schemes (inc bereavement, waste and greenspace services) : £1.9m
- Upgrade and replacement of ICT provision: £3.1m.

All schemes in the budget were reviewed. A summary is shown below with further details in Appendix 2.

3.3 **Children, Families & Wellbeing** – Schools related schemes have now been agreed and a number will be commencing over the summer holidays. Of the £3.8m incurred to date £3.7m relates to a number of ongoing School Places and School Condition schemes which started in 2012/13.

- 3.4 **Economic Growth & Prosperity** – £2.3m of the £2.5m incurred to date relates to the completion of the development work at Lancashire County Cricket Ground. The balance relates to the completion of Corporate Landlord schemes started last year.
- 3.5 **Environment, Transport & Operations** - Whilst there are low levels of expenditure in this service area, the Highways & Transport schemes have now been approved and preliminary work has started. It is expected that the budget will be fully invested in year. The Food Waste Collection scheme continues to be rolled-out with new purchases of £138k.
- 3.6 **Transformation & Resources** - The budget of £2.0m is predominantly (£1.9m) ICT related schemes. There has been little expenditure incurred so far in 2013/14. However the CRM Replacement project will go out to tender shortly and work is expected to start this year.

4. **Recommendations**

- 4.1 That the amendments to the 2013/14 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 2013/14. |
| 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 2013/14. |
| Risk Management Implications | Not Applicable |
| Health and Safety Implications | A number of schemes are being undertaken in 2013/14 on the grounds of health and safety. |

Other Options

The Executive could decide to utilise surplus capital receipts to repay debt rather than support new capital investment.

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 2013/14.

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).....IK.....

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

Director of Finance

.....ID.....

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

Appendix 1

| Capital Investment Programme 2013/14 : Budget changes during Quarter 1 | | Budget 2013/14 £'000 | Budget 2013/14 £'000 |
|---|-----------------|-------------------------------------|-------------------------------------|
| Budget reported at February 2013 | | | 38,712 |
| Amendments during Quarter 1 | | | |
| | | | |
| New Schemes & Increases | Financed by : | | |
| Schools – Basic Need & Capital Maintenance Grant | DfE grant | 2,375 | |
| Local Authority Mortgage Scheme | Borrowing | 1,000 | |
| Parks & Play Area Schemes | S.106 | 191 | |
| Highways & Public Transport Schemes | S.106 | 183 | |
| Bridgewater Way | Grant | 144 | |
| Water Taxi Project | S.106 | 115 | |
| Lancashire County Cricket Ground | Invest interest | 102 | |
| Highways Congestion Performance | Grant | 83 | |
| Air Quality – Monitoring station | Developer | 20 | |
| Disabled Facilities Grants | Grant | 5 | 4,218 |
| | | | |
| Virement | | | |
| ICT Social Care Grant | | (400) | |
| CRM Replacement | | 400 | |
| | | | |
| Reprofiling | | | |
| From 2012/13: | | | |
| Lancashire County Cricket Ground | | 1,332 | |
| Various highways schemes | | 151 | |
| Public Realm Improvements | | 209 | |
| Pay & Display Equipment | | 161 | |
| To 2014/15 & later years: | | | |
| Schools Basic Need & Capital Maintenance Schemes | | (3,206) | |
| Altair Development, Altrincham | | (615) | (1,968) |
| | | | |
| Budget at 30 June 2013 | | | 40,962 |

Children, Families & Wellbeing

| <i>Capital Investment Programme 2013/14</i> | Number of Schemes | Q1 Budget 2013/14 £m | Q1 Expend 2013/14 £m | Proportion of budget |
|---|-------------------|----------------------|----------------------|----------------------|
| Quarter 1 Budget | | 22.2 | | |
| Schools | | | | |
| Primary Schools | 37 | 14.8 | 3.6 | 24% |
| Secondary Schools | 5 | 1.4 | - | - |
| Special Schools | 1 | 0.5 | - | - |
| Other Schemes | 3 | 2.3 | 0.1 | 4% |
| Youth Service | 2 | - | - | - |
| Children's Service | 2 | 0.3 | 0.1 | 33% |
| Services for Adults | 10 | 2.9 | - | - |
| Total | 60 | 22.2 | 3.8 | 17% |

Schools – The major schemes within this area include:

- **Schools Basic Need Grant:** Notification for 2013-15 was received and as result of the updated pupil numbers projections the grant allocation has increased from the estimate of £8.2m to £15.2m. As reported in the Education and Early Years Capital Programme Report to the Executive on 24 June 2013, this has allowed for an extensive programme of projects to address the increase pupil numbers, with schemes planned to commence during 2014/15. As a result the additional grant has been phased to 2014/15 and later years.
- **Capital Maintenance Grant:** 18 schemes totalling £3.0m are programmed to start and complete during the summer holidays. These cover a range of condition issues, including rewires, boilers, roofs and kitchen ventilation.

Services for Adults – The major schemes within this area include:

- **Disabled Facilities Grants : £1.5m** : The provision of grants support to older and disabled people to remain in their own homes, promoting independence and quality of life while avoiding reliance on expensive long term social care and health services.
- **Replacement ICT System for Social Care : £0.4m** - The replacement Adult Social Care ICT system is programmed start in 2012/13 but due to changes in service requirements the expected date for completion has been pushed back from June 2013 to December 2013. Also £0.4m has been contributed to CRM Replacement budget within Transformation & Resources.
- **Telecare System : £0.4m** - The provision of equipment to help monitor people at risk in their own homes, improving their safety and helping them to stay independent and healthy for longer.
- **Personal Social Services Grant : £0.5m** – Grant to support the provision of services for vulnerable adults within the key areas of personalisation, reform and efficiency.

Economic Growth & Prosperity

| <i>Capital Investment Programme 2013/14</i> | Number of Schemes | Q1 Budget 2013/14 £m | Q1 Expend 2013/14 £m | Proportion of budget |
|---|-------------------|----------------------|----------------------|----------------------|
| Quarter 1 Budget | | 7.5 | | |
| Corporate Landlord | | | | |
| Mechanical & Electrical | 11 | 0.3 | - | - |
| Health & Safety (inc DDA) | 12 | 0.3 | 0.1 | 33% |
| Public Building Repairs | 14 | 0.3 | 0.1 | 22% |
| Long Term Accommodation | 1 | 0.7 | - | - |
| Regeneration | 1 | 2.9 | 2.3 | 79% |
| Strategic Planning | 5 | 1.9 | - | - |
| Housing Services | 3 | 1.1 | - | - |
| Total | 47 | 7.5 | 2.5 | 34% |

The major schemes within this Service Area are:

- **Lancashire County Cricket Club – Development : £2.9m** – Completion of the major refurbishment of the stands and facilities which has allowed for Test Match cricket to return to the Club.
- **Local Authority Mortgage Scheme (LAMS) : £1m** – Scheme which is aimed at assisting first-time buyers and stimulating the local economy.
- **Corporate Landlord Works : £1.6m** – Work to protect the Councils assets including mechanical & electrical, DDA and other improvements to buildings to ensure that council services can be delivered in a safe and secure environment.
- **Town Centre Regeneration : £1.5m** – Work to bring town centres back to life and to encourage business opportunities. Includes Altrincham Historic Market Quarter improvements and initiatives such as “Bringing Town Centres Alive”

Environment Transport & Operations

| <i>Capital Investment Programme 2013/14</i> | Number of Schemes | Q1 Budget 2013/14 £m | Q1 Expend 2013/14 £m | Proportion of budget |
|---|-------------------|----------------------|----------------------|----------------------|
| Quarter 1 Budget | | 9.3 | | |
| Highways | | | | |
| Traffic & Transport | 35 | 2.8 | - | - |
| Highway Maintenance | 44 | 4.2 | 0.5 | 12% |
| Bridges | 12 | 0.4 | 0.1 | 25% |
| Bereavement Services | 1 | 0.3 | - | - |
| Sustainability & Greenspace | 20 | 0.5 | - | - |
| Public Protection | 3 | 0.3 | - | - |
| Waste Management | 1 | 0.8 | 0.1 | 12% |
| Total | 116 | 9.3 | 0.7 | 8% |

The major schemes within this Service Area are:

- **Highways Related Schemes : £7.4m** – This area includes road safety and integrated transport schemes, programmed structural maintenance works, street lighting and major junction improvements works.
- **Sustainability & Greenspace: £0.5m** – Schemes for the improvement and provision of open spaces, parks and play areas including the upgrade of equipment and the improvement of paths and lighting.
- **Waste Management - £0.8m** – Continuation of the project started in 2012/13 for the provision of a weekly food waste collection services through the purchase of equipment to be distributed to households across the borough.

Transformation & Resources

| <i>Capital Investment Programme 2013/14</i> | Number of Schemes | Q1 Budget 2013/14 £m | Q1 Expend 2013/14 £m | Proportion of budget |
|---|-------------------|----------------------|----------------------|----------------------|
| Quarter 1 Budget | | 2.0 | | |
| Performance & Improvement | 1 | 0.1 | - | - |
| Information Technology | 10 | 1.9 | - | - |
| Total | 11 | 2.0 | 0 | 0 |

The majority of the budget within this Service Area relates to ICT schemes

The major schemes programmed for 2013/14 include :

- **CRM Replacement/ Upgrade : £0.8m** – The project is currently in the procurement phase with a view to going out to tender shortly.
- **Electronic Data Records Management (EDRMS) : £0.6m** – Delivery was halted whilst other options were investigated. Procurement of a new system has now commenced with installation expected to complete in year.