

TRAFFORD COUNCIL

Report to: Executive
Date: 28 July 2014
Report for: Decision
Report of: The Executive Member for Finance and
the Director of Finance

Report Title

CAPITAL INVESTMENT PROGRAMME MONITORING 2014/15
1st Quarter (April – June)

Summary

This report summarises the findings from the budget monitoring for the period to 30 June 2014. The salient features are:

- The original 2014/15 budget approved in February 2014 was £40.9m. Taking into account 2013/14 outturn and additional schemes in the first quarter the programme has increased to £42.3m.
- Capital expenditure to date is £3.8m, being 9.0% of the budget with projection for 2014/15 which matches the budget of £42.3m (see Appendix 2 for detail by service area).
- The level of available resources has been updated to reflect the latest Land Sale Programme and all resources are utilised in financing current capital priorities.

Recommendation(s)

1. That the amendments to the 2014/15 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 Investment Programme Update

- 1.1 This report summarises the current position and progress of the 2014/15 Capital Investment Programme and its' financing as at 30 June 2014. It takes into account both financial and scheme progress monitoring undertaken with service area project officers.
- 1.2 Capital expenditure in 2014/15 is currently estimated at £42.3m which is an increase of £1.4m on the original estimate agreed by the Council in February 2014 of £40.9m. The changes to the budget are detailed in Appendix 1 and are summarised as follows:-

Capital Investment Programme 2014/15	Original 2014/15 £m	Q1 Revised 2014/15 £m	Change £m
Portfolio Analysis :			
Adult Social Services & Community Wellbeing	3.6	4.3	+0.7
Children's Services	25.0	18.8	-6.2
Communities & Partnerships	-	0.4	+0.4
Economic Growth & Planning	2.5	4.2	+1.7
Environment & Operations	8.3	10.4	+2.1
Transformation & Resources	1.5	4.2	+2.7
Total	40.9	42.3	+1.4
Service Analysis :			
Children, Families & Wellbeing	28.6	23.1	-5.5
Economic Growth, Environment & Infrastructure	10.8	15.0	+4.2
Transformation & Resources	1.5	4.2	+2.7
Total	40.9	42.3	+1.4

- 1.3 The increase in the budget of £1.4m can be summarised as follows :

New schemes and increases to existing budgets - £3.2m

- Schools grants from Dept. for Education - £0.2m: Additional Targeted Basic Need grant in respect of Bowdon CoE Primary School has been received.
- Old Trafford Extra Care Housing - £0.5m : The development of an Extra Care Facility in Old Trafford was approved by the Executive on 24 March 2014. This budget of £465k is Trafford's contribution toward the cost of the scheme being undertaken by Trafford Housing Trust.
- Better Bus Area Funding - £0.7m – New TfGM grant of £720k has been awarded for the introduction of a new bus lane on Barton Dock Road, west of Peel Circle, towards Trafford Boulevard; and introduce bus priority measures for eastbound traffic at Peel Circle, and on the Parkway slip road.
- Highways Projects - £0.6m : New Dept. of Transport grants for Pot Holes (£417k) and the capital element of the Severe Weather Recovery grant (£86k) totalling £503k have been added to the capital programme. In addition to these grant awards £42k of S106 contributions have been identified and included to support a number Traffic Regulation Order works across the borough.
- Sustainable transport projects - £0.2m : Additional TfGM grant funding for the City Cycle Ambition initiative.

- Broadheath Community Centre - £0.5m : Developer contribution has now been received to finance the building of a new community facility in Broadheath. Responsibility for the facility will transfer to community groups.
- CRM Upgrade - £0.5m : A range of un-utilised grants have been identified and £492k of these has been added to the budget for the CRM project which is expected to commence in 2014/15. Approval for this was granted by the Executive on 7 April 2014.

Rephasing from 2013/14 - £4.0m

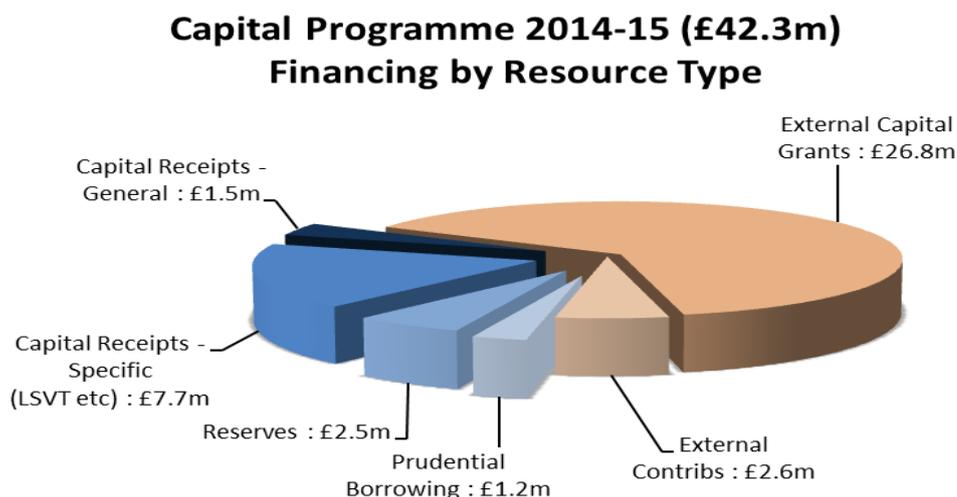
- A number of schemes re-phased from 2013/14 will be completed in year.

Re-phasing to 2015/16 and later years - £(5.8)m

- Notification of schools related capital grants for 2015-17 was received in February 2014 and as result of the updated pupil numbers projections £8.3m of grant has been awarded. As reported in the Education and Early Years Capital Programme Report to the Executive in June 2014, this has allowed for an extensive programme of projects to be developed to address the increase in pupil numbers, with schemes planned to commence during 2014/15 and phased across the 3 year period. As a result the opportunity has been taken to rephase budgets in line with the proposed programme of works.

2 Resourcing

- 2.1 The chart below shows the types and levels of resource available to finance the capital investment programme. Internal funding of £12.9m equates to 31% of the total funding requirement, whilst external funding makes up the balance of £29.4m, 91% of this being government grants (£26.8m).



- 2.2 The current estimate of capital receipts has been updated to reflect the latest information from the Land Sales Programme (LSP). When the Capital Programme was approved by Executive on 19 February 2014 the value of the indicative programme exceeded overall resources by £1.1m. The table below shows the current value of estimated capital receipts available to support the capital budget has increased by £0.5m compared to the position in February. Therefore the overall resource shortfall has reduced from £1.1m to £0.6m.

This position will continue to be monitored with any new capital receipts being used to cover this shortfall where they arise.

Impact on 2014/17 Capital Investment Programme	2014/15 £m	2015/16 £m	2016/17 £m	Total £m
Resources available :				
Gross Value of LSP	(10.2)	(3.9)	-	(14.1)
Disposal costs	0.2	0.2		0.4
Voluntary repayment of debt (re LTA)		1.4		1.4
Specific / Ringfenced receipts	1.2	2.4		3.6
Net Value of LSP	(8.8)	0.1	-	(8.7)
Capital Programme requirement	1.2	4.9	3.2	9.3
Current (Surplus)/Deficit at Q1	(7.6)	5.0	3.2	0.6

2.3 Capital expenditure priorities in future years will be reviewed as part of the budget process.

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

3.1 There are 258 individual schemes currently allocated in the capital investment programme. All schemes have been reviewed with project officers for both physical and financial progress. The review provides a robust plan for schemes and projections of expenditure in the year are in line with the programme budget of £42.3m

3.2 Actual expenditure for the first quarter of the financial year is £3.8m and a service area breakdown is shown below. Further service area details are shown in Appendix 2.

Capital Investment Programme : Expenditure at Quarter 1 2014/15	Q1 Spend £m	Projection for Year £m	Proportion of budget
Portfolio Analysis :			
Adult Social Services & Community Wellbeing	0.5	4.3	11.6%
Children's Services	2.1	18.8	11.2%
Communities & Partnerships	-	0.4	-
Economic Growth & Planning	0.4	4.2	9.5%
Environment & Operations	0.8	10.4	7.7%
Transformation & Resources	-	4.2	-
Total	3.8	42.3	9.0%
Service Analysis :			
Children, Families & Wellbeing	2.6	23.1	11.3%
Economic Growth, Environment & Infrastructure	1.2	15.0	8.0%
Transformation & Resources	-	4.2	-
Total	3.8	42.3	9.0%

- 3.3 Expenditure incurred to date amounts to £3.8m, which equates to 9.0% of the total projected spend for the year. The main areas of spend are:
- £2.1m on a number of ongoing schools schemes which will provide additional school places and address condition issues through rewire, boiler, roof and kitchen ventilation works.
 - £0.4m on Disabled Facilities Grants which provide adaptations to properties to allow residents to remain in their own home.
 - £0.8m of a budget of £9.2m for a range of highways & transport schemes, that have now been approved and preliminary work started.
 - £0.3m on the development of Altrincham town centre, in particular the redevelopment of the historic market quarter and deposit on premium for the new library.

4. Recommendations

- 4.1 That the amendments to the 2014/15 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 2014/15.
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 2014/15.
Risk Management Implications	Not Applicable
Health and Safety Implications	A number of schemes are being undertaken in 2014/15 on the grounds of health and safety.

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).....JL.....

Director of Finance

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

Appendix 1

Capital Investment Programme 2014/15 : Budget changes during Quarter 1		Budget 2014/15 £'000	Budget 2014/15 £'000
<i>Budget reported at February 2014</i>			40,938
<i>Amendments during Quarter 1</i>			
New Schemes & Increases	Financed by :		
Bowdon CoE Primary School	DfE Grant	150	
Old Trafford Extra Care Project	Receipts	465	
Altrincham TC Investment	S106 contribs	16	
Broadheath Community Centre	Developer	450	
Waterside Arts centre – Bar & signage	Revenue	69	
City Cycle Ambition Grant	TfGM grant	200	
Traffic Regulation Schemes	S106 contribs	18	
Highways – Severe weather recovery	DfT grant	86	
Better Bus Area Grant – Trafford Centre Works Package	TfGM Grant	720	
2014/15 Pot Hole Funding	DfT grant	417	
Traffic Regulation Orders	S106 Contribs	42	
Broadway Park, Davyhulme – Play area	Developer	18	
CRM Upgrade	Misc. grants	492	
			3,143
Reprofiling			
<i>From 2013/14 to 2014/15</i>			
Economic Growth & Prosperity		1,391	
Environment, Transport & Operations		795	
Transformation & Resources		1,785	
<i>To 2013/14 & later years:</i>			
Children, Families & Wellbeing		(5,799)	(1,828)
Budget at 30 June 2013			42,253

Children, Families & Wellbeing

Capital Investment Programme 2014/15	Number of Schemes	Budget 2014/15 £m	Q1 Expend 2014/15 £m	Proportion of budget
Quarter 1 Budget		23.1		
Schools				
Primary Schools	33	14.4	1.9	13.2%
Secondary Schools	6	0.6	-	-
Special Schools	6	1.8	-	-
Other Schemes	7	1.9	0.2	10.5%
Children's Service	3	0.1	-	-
Services for Adults	11	4.3	0.5	11.6%
Total	66	23.1	2.6	11.3%

Schools – The major schemes within this area include:

- **Schools Basic Need Grant** : Notification for 2015-17 was received and as result of the updated pupil numbers projections the grant allocation has been awarded in the sum of £8.3m. As reported in the Education and Early Years Capital Programme Report to the Executive on 8 July 2014 a further £10.4m of schemes was approved. This has allowed for an extensive programme of projects to address the increase in pupil numbers, with schemes planned to commence during 2014/15 and be phased across the next 3 years.
- The tender for the work at Broadheath Primary School is £0.3m higher than originally estimate approved the in Education and Early Years Capital Programme Report. Savings equivalent to this have been identified within the Basic Need Programme and the budget for the project increased to £1.8m.
- **Capital Maintenance Grant** : Also included in the Education and Early Years Report was approval of 11 schemes totalling £2.7m which are programmed to start and complete during the summer holidays. These cover a range of condition issues, including rewires, boilers, roofs and kitchen ventilation.
- Since the approval of above report tenders have been received for the roofing projects at The Nexus Centre, Heyes Lane and Woodhouse Primary Schools resulting in additional costs totalling £120k. The additional costs have been contained within the available capital maintenance grant.

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

- **Disabled Facilities Grants : £1.9m** : 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 : £0.8m** – To complete the replacement of the Adult Social Care ICT system.
- **Telecare System : £0.4m** – Continuing the programme, started in 2013/14, for 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.

- **Old Trafford Extra Care Facility : £0.5m** - The development of an Extra Care Facility in Old Trafford was approved by the Executive on 24 March 2014. This budget of £465k is Trafford's contribution toward the cost of the scheme being undertaken by Trafford Housing Trust and financed by capital receipts.
- **Personal Social Services Grant : £0.6m** – Grant to support the provision of services for vulnerable adults within the key areas of personalisation, reform and efficiency.

Economic Growth, Environment & Infrastructure

Capital Investment Programme 2014/15	Number of Schemes	Budget 2014/15 £m	Q1 Expend 2014/15 £m	Proportion of budget
Quarter 1 Budget		15.0		
Corporate Landlord				
Mechanical & Electrical	10	0.4	-	-
Health & Safety (inc DDA)	12	0.3	-	-
Public Building Repairs	14	1.5	-	-
Long Term Accommodation	1	0.1	-	-
Regeneration & Strategic Planning	10	1.6	0.4	25.0%
Housing Services	3	0.3	-	-
Highways				
Traffic & Transport	29	4.1	-	-
Highway Maintenance	58	4.9	0.7	14.3%
Bridges	10	0.3	0.1	33.3%
Bereavement Services	2	0.5	-	-
Sustainability & Greenspace	22	0.5	-	-
Public Protection	4	0.4	-	-
Waste Management	1	0.1	-	-
Total	176	15.0	1.2	8.0%

The major schemes within this Service Area are:

- **Corporate Landlord Works : £2.3m** – Work to protect the Council's assets including mechanical & electrical, DDA and other improvements to buildings to ensure that Council services can be delivered in a safe and secure environment. 2014/15 priorities are currently being finalised by the Corporate Landlord Group based on the Asset Management Plan condition priorities. The budget also includes £0.5m for community asset transfer for which a number of potential transfers are currently being considered and £85k for a new corporate landlord IT system. This is currently on hold pending the outcome of the joint venture project.

- **Town Centre Regeneration : £1.6m** – 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”. The development of Altrincham and Stretford town centres are at the design & consultation stage and works will commence once all external funding has been secured.
- **Highways Related Schemes : £9.3m** – This area includes road safety and integrated transport schemes, programmed structural maintenance works, street lighting and major junction improvements works. As well as the £1.5m of additional investment detailed in section 1 of this report there has also been an additional DfT grant award of £750k for public realm improvements in Altrincham town centre. This is currently phased to 2015/16.
- **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. A range of schemes will be carried out throughout the year, with the expectation that all will be complete in year.
- **Bereavement Services - £0.5m** – Negotiations for the purchase of additional burial land in Altrincham is still ongoing and is expected to complete this year with the associated infrastructure works expected to commence in 2015/16. Also a new scheme for the replacement of the 2 cremators has been added to the Capital Programme at a cost of £350k. The first is to be replaced this year at a cost of £200k with the second in 2015/16.

Transformation & Resources

Capital Investment Programme 2014/15	Number of Schemes	Budget 2014/15 £m	Q1 Expend 2014/15 £m	Proportion of budget
Quarter 1 Budget		4.2		
Performance & Improvement	3	0.2	-	-
Information Technology	13	4.0	-	-
Total	16	4.2	0	0

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

The major schemes programmed for 2014/15 include :

- **CRM Replacement/ Upgrade : £2.3m** – Currently completing contract terms and conditions with implementation expected to start in August 2014.
- **Electronic Data Records Management (EDRMS) : £0.6m** - Business case and requirements revisited and revised business case drafted. Soft market testing to be re-initiated for early August 2014. Expect to go out to tender by the end of August 2014.
- **WEB/ Customer Strategy : £0.4m** – The Customer Strategy was launched on 1st October 2013 to improve the customer experience when they contact the Council. Since the launch a number of outcomes have been achieved. The final phases of the strategy are aimed at managing the future needs of customers.

- **GM Rural Broadband : £0.3m** – The Greater Manchester Broadband Plan sets out how superfast and ultrafast broadband services will be delivered to both the residential and business markets, focusing on our principal town centres and employment sites. Greater Manchester's ambition is to become one of the world's top 20 digital cities by 2020. Broadband Delivery UK (part of the Dept. for Culture, Media and Sport) provide support of approx. £3.0m to Greater Manchester authorities with Stockport Council being the lead authority. The match funding of £2.5m is split equally across the 8 Greater Manchester authorities.