

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

22 JANUARY 2013

REPORT OF HEAD OF CENTRAL SERVICES

CAPITAL PROGRAMME MONITORING TO 31 DECEMBER 2012

1.0 PURPOSE OF THE REPORT

1.1 To update the Committee on the progress of schemes within the Capital Programme to 31 December 2012.

2.0 RECOMMENDATIONS

2.1 It is recommended that:-

- (i) the progress made on each capital scheme be noted.
- (ii) Members approve the business case and use of additional S106 funding in respect of the Scalford Brook Play area improvements attached at Appendix B for submission to the Policy, Finance & Administration Committee for approval (para. 5.5 refers).
- (iii) Members approve the project mandate and business case in respect of the Waterfield Leisure Centre Sauna/Steam Refurbishment at Appendix C & D respectively and a supplementary estimate of £24k from capital receipts be approved for submission to the Policy, Finance & Administration Committee (paragraphs 5.6/7 refers).

3.0 KEY ISSUES

3.1 Under the Capital Programme Project Appraisal System, monitoring of actual capital expenditure against authorised expenditure is undertaken on a regular basis and reported to the Management Team in its capacity as the Council's Programme Board. Appendix A gives details of the spending against budget for all schemes within this Committee up to 31 December which is the latest available information at the agenda date.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 Policy and corporate implications were addressed in setting the current year's budget. There are no further policy and corporate implications arising from this report.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 The financial implications for each scheme are as set out in Appendix A

5.2 The overall position for all capital schemes falling within this Committee is as set out below.

Capital Schemes	Allocated Funding 2012/13 Budget	Authorised Funding 2012/13 (Business Case Approved)	Actual Expenditure to 31 Dec 2012	Balance to be Spent 2012/13 (Authorised funding less Actual)
	£'000	£'000	£'000	£'000
General Expenses	4,266	4,266	2,459	1,807
Special Expenses	18	0	0	0
HRA	1,803	1,803	513	1,290

The forecast is generally within budget with schemes progressing although expenditure has yet to be incurred which may require a carry forward of budget at the year end.

- 5.3 In terms of the General Fund there are three notable examples of this. The first relates to the Private Sector Loans Scheme where only two applications have been processed and the applicants were able to obtain more favourable terms elsewhere. As a result it is unlikely that any loans will be given in the near future and therefore a carry forward request may be required at the year end.

The second exception relates to Disabled Facilities Grants where a lower forecast is predicted. This is due to a combination of the high likelihood that not all of the large applications currently being processed will be completed by the end of the financial year, coupled with a significant backlog of referrals not yet received from the occupational therapists. As a result a carry forward is likely at the end of the financial year.

The third relates to Waterfield Leisure Centre redevelopment which currently shows a slight overspend of £37k subject to final agreement with the main building contractor which can be partly mitigated with a virement of £21k from the WLC project support budget, however, this will be dealt with at the year end when the final position is known.

- 5.4 The forecast in respect of the HRA is predicting a significant under spend at the end of the financial year. This is primarily due to works identified on certain schemes, notably re-wiring and housing health and safety related schemes, being reassessed in light of the HRA Asset Management Strategy which will identify a detailed 5 year capital programme. The other major area where an under spend is likely is aids and adaptations where referrals have been delayed by a shortage of occupational therapists at Leicestershire County Council. This situation has now been addressed but it is likely that it will take time to catch up with the backlog of referrals. As a result it is likely that carry forwards will be required at the year end.
- 5.5 Members are asked to approve the business case attached at Appendix B and additional funding of £6k from S106 monies in respect of the Scalford Brook Play Area Improvements which will then be referred to the Policy, Finance & Administrative Committee for further approval.
- 5.6 The refurbishment of Waterfield Leisure Centre is complete apart from some minor [signage] works and the facility is already delivering the outcomes we identified. We are seeing a significant increase of visits to the facility offering a wide range of activities and the refurbishment has created new jobs and enhanced the customer experience for users. The Sauna/Steam area was outside of the refurbishment scope, however, during the refurbishment and certainly now after the refurbishment it has become clear that the area is noticeably 'poor' compared to the rest of the facility. This view has also come back to officers through customer feedback and following member visits.
- 5.7 The Management Contractor (SLM) has sourced 3 quotes for the work and provided officers with the information, the details of which are contained in Appendices C & D. Officers have discussed with SLM the benefit to them for this improvement and although they suggest that the commercial opportunity/benefit to them is limited and difficult to quantify they recognise that a significantly improved Sauna/Steam room has the potential to increase membership numbers, therefore have indicated that they would contribute £10k to the project. This is identified in the Project Mandate and Business case that members are being asked to approve which shows a full cost of £34k for the improvement with a net cost of £24k to the Council.

6.0 LEGAL IMPLICATIONS

- 6.1 Legal implications/powers were addressed in setting the current year's programme. There are no further legal implications arising from this report.

7.0 COMMUNITY SAFETY

7.1 Individual schemes could have links to community safety issues. These should be covered in any associated reports and forms linked to those schemes as they progress through the decision making process.

8.0 EQUALITIES

8.1 Individual schemes could have links to equalities issues. These should be covered in any associated reports and forms linked to those schemes as they progress through the decision making process.

9.0 RISKS

9.1 These should be covered in any associated reports and forms linked to those schemes as they progress through the decision making process.

10.0 CLIMATE CHANGE

10.1 Individual schemes could have links to climate change issues. These should be covered in any associated reports and forms linked to those schemes as they progress through the decision making process.

11.0 CONSULTATION

11.1 Consultation takes place between project managers and the Accountancy Assistant – Community Services to determine the information included in Appendix A. Reports are also prepared on a quarterly basis for the Programme Board.

12.0 WARDS AFFECTED

12.1 To varying degrees all wards are affected by capital schemes within this Committee

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Date: 3 January 2013

Appendices: Appendix A - Capital Programme Progress Report – Dec 2012
Appendix B - Business Case – Scalford Brook Play Area Improvements
Appendix C - Project Mandate - WLC Sauna/Steam Improvements
Appendix D - Business Case - WLC Sauna/Steam Improvements

Background Papers: Oracle Financial Reports
Budget Holder Comments on Performance

Reference: X: C'tte, Council & Sub-C'ttes/CSA/2012-13/22-1-13/DG-Capital Programme Monitoring - Dec 2012