

MELTON ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

1 NOVEMBER 2017

REPORT OF CORPORATE DIRECTOR

CAPITAL PROGRAMME MONITORING TO 30 SEPTEMBER 2017 AND CAPITAL PROGRAMME 2017-2022

1.0 PURPOSE OF THE REPORT

- 1.1 To update the Committee on the progress of schemes within the Capital Programme to 30 September 2017.
- 1.2 To determine the Committee's Capital Programme for 2017-22 based on a review of spending in the current year's programme and schemes included in the programme for later years.

2.0 RECOMMENDATIONS

- 2.1 Members note the progress made on the capital schemes as attached at Appendix A;
- 2.2 The revised Capital Programme for 2017-22 attached as Appendix B is approved; and
- 2.3 The Committee approves the business case in relation to the Environmental Maintenance Vehicles, attached at Appendix C, to be put forward to Policy Finance and Administration Committee for approval.

3.0 KEY ISSUES

3.1 Capital Programme Monitoring

- 3.1.1 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 30 September which is the latest available information at the agenda date.
- 3.1.2 The overall position for all capital schemes falling within this Committee is as set out below.

Capital Schemes	Allocated Funding 2017/18 Budget	Authorised Funding 2017/18 (Business Case Approved)	Actual Expenditure to 30 Sept 2017	Year End Forecast	Year End Variance Underspend (-)
	£000	£000	£000	£000	£000
General Expenses	1,162	1,069	969	1,037	-125

The forecast for three of the schemes is in line with the budget with the schemes progressing. For the remaining schemes:

- Cattle Market Improvements to Access – This project is now complete with costs lower than budgeted for. The remaining budget within the capital programme of £10k has been removed. As the project was funded from capital receipts, £10k will be added back to this balance;

- EMT Vehicle/Frontline Service Machine Replacement – Due to the need to purchase a larger piece of equipment as previously reported, the £15k budget has been moved into 2018/19 and added to the existing £64k with an additional increase of £2k. This is a slight variation to the equipment included within the project mandate and programme and full details are set out within the Business Case which is attached at Appendix C. Members should note that this is requesting funding from the renewals and repair fund for 2018/19 in advance of the Council budget setting meeting. This is to enable the equipment to be in place for the start of the 2018/19 cutting season. As such Policy finance and Administration committee approval is required as set out in the recommendation;
- Snow Hill Industrial Units Roofing Works – The roofing issues have been investigated and it has been determined that the frequency of the incidents of the problem is not sufficient to justify high cost remedial works. The budget has therefore been removed from the capital programme. As the project was funded from capital receipts, £47k will be added back to this balance; and
- Cattle Market Wash Down Area – Works are complete. The original budget of £83k was based on an estimate from the contractors for the main cattle market re-development project but a local contractor was able to undertake the works at a significantly reduced sum of £30k. The budget has therefore been reduced accordingly in the revised Capital Programme. As the project was funded from capital receipts, £53k will be added back to this balance.

3.2 **Capital Programme 2017-22**

3.2.1 The proposed Capital Programme 2017-22 for this Committee is attached at Appendix B. The Programme gives the total cost of each scheme, the spending profile, the amounts authorised to be spent and the stage each scheme has reached within the Capital Programme Project Appraisal System.

3.3 **Changes to the Programme**

3.3.1 The changes that have been made to the proposed Capital Programme for the current and future years are set out within Appendix B.

3.3.2 In addition to the changes highlighted above in section 3.1.2, a summary of the proposed changes are as follows:

- Scafford Road Car Park - £112k removed from 2017/18 as works are on hold whilst the North site review is progressed. This will be reviewed at a later date and a mandate and business case brought to Committee should the works be required. The scheme was unfunded and therefore there is no impact on reserves and balances; and
- Car Park Capital Improvements – Removed £95k from 2018/19 as scheme no longer expected.

The above changes result in one project of £81k being included in the capital programme for 2018-19 which can be funded from the specific renewals and repairs fund.

3.3.3 Members are aware that the new waste contract is currently in the procurement phase and that one of the options is for the Council to fund the procurement of the vehicles required to deliver the contract. This would require the Council to borrow the funding required and the costs of this would be offset against the reduced contract charge as a result of the Council having access to more favourable borrowing costs. If this was to be of financial benefit the Council would need to include the costs of the vehicle purchases in its capital programme. The procurement is not at the stage where either the capital cost of these vehicles or the most economical financing option is yet known as this would depend on the selected tenderer. As such a business case will be submitted later in the process either as part of the overall budget papers to Council or as part of the tender approval process as appropriate.

Reference:

X: Ctte,Council & SubCttes/MEEA/2017-18/01-11-17/DG- DG-Capital Prog.
Monitoring- Apr 17 to Sept 17 and Capital Programme 2017-22.