

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

20 MARCH 2018

REPORT OF DIRECTOR FOR CORPORATE SERVICES

CAPITAL PROGRAMME MONITORING

1.0 PURPOSE OF THE REPORT

- 1.1 To update the Committee on the progress of schemes within the Capital Programme to 28 February 2018.

2.0 RECOMMENDATIONS

- 2.1 The progress made on each capital scheme, attached as Appendix A, be noted along with the year end forecast position;
- 2.2 It is recommended to the Policy Finance and Administration Committee that the financing of the Warm Homes Grant project is amended as paragraph 5.4 refers;
- 2.3 It is recommended to the Policy Finance and Administration Committee that the source of funding for the leisure vision is amended from external funding to leisure vision capital receipts as paragraph 5.3 refers;
- 2.4 After taking on board any comments from the Town Area Committee, the Project Mandate as attached at Appendix B is approved for inclusion within the 2018-19 and 2019-20 capital programme as paragraph 5.5 refers; and
- 2.5 The adjusted HRA capital programme, as referred to in Appendix A is noted. It should be noted that the budgets are being adjusted between projects and the total programme has not changed as paragraph 5.6 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 Senior Management Team. Appendix A gives details of the spending against budget for all schemes within this Committee up to 28 February 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 2017/18 Budget	Authorised Funding 2017/18 (Business Case Approved)	Actual Expenditure to 28 Feb 2018	Year End Forecast	Year End Variance (-) Underspend
	£'000	£'000	£'000	£'000	£'000
General Expenses	763	763	157	355	-408

HRA	4,131	4,131	1,887	2,963	1,168
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5.3 The underspends expected are as follows:

- Public Conveniences - additional planning permission is required to move the proposed location of the Wilton Road facilities. The majority of works are now not expected to start until 2018/19 and therefore any underspend on the budget will be carried forward.
- Disabled Facilities Grants are now managed through the Lightbulb project hosted by Blaby. Current forecast, an underspend of £65k, is based on applications received to date and those expected, along with the capitalisable lightbulb team costs and capitalisation of salaries. Alternative use has been explored for the forecast underspend and it has been agreed that this will be invested in a series of measures to ensure the effectiveness of the Lightbulb Project across Leicestershire through investment in its shared resources, and enhance the existing 'Home Support Grant' (minor adaptations under £2500) and 'Housing Enablement Team' provision (adapting houses for people returning from hospital). As Disabled Facilities Grants are demand led it is difficult to predict the outcome however it appears that 100% of demand has been met in 2017/18 to date.
- Leisure Vision – All works under the football foundation bid, relating to £30k carried forward, completed with final invoice for the remaining 10% of the stadium awaited. Actual cost of the stadium less than expected and works to floodlights no longer required which amounts to £5k of savings. It should be noted that there is £4k of expenditure in relation to lighting which is still expected but has not yet materialised. Members should note that the current funding assumed external funding from the Football Foundation (FF), although it has always been made clear that there was a risk that this funding may not be received. It has now been confirmed that the £45k grant assumed from the Football Foundation will not be received. The reason for this is that a Without Prejudice Permission (WPP) would have been required to be granted by the Football Foundation before works were commenced / expenditure incurred and this was not in place for the floodlights and stand/seating. The spend on the floodlights was dealt with in 2016/17, and a carry forward request was approved for the remaining expenditure, as part of the 12th April 2017 PFA capital report. It is therefore requested that the funding of the £25k this year, as referred to above, reverts back to leisure vision capital receipts.

There is currently £35k within the capital programme for which the costs, in relation to consultancy for phase 2, can no longer be capitalised due to the delivery of the scheme now not expected for another four years and therefore we cannot capitalise something for which the actual delivery of the scheme is so far in advance with no certainty. These costs will be written off to revenue, as the revenue budget monitoring report refers, and the budget will be added back to the leisure vision capital receipts at year end.

- 5.4 A repayment of a previous Warm Homes Grant has been received totalling £955.50. It is recommended that, as is normal practice, the financing of the Warm Homes Grant expenditure is amended to utilise this and reduce the amount required from capital receipts.
- 5.5 A project mandate for a proposed new scheme is submitted for approval for inclusion into the 2018/19 and 2019/20 Capital Programme. The Project Mandate, as approved by the Councils Management Team and considered for comment by the Town Area Committee, is attached as Appendix B and is for a "Path For All" within Melton Country Park at a cost of £21k in 2018/19 and £35k in 2019/20.
- 5.6 The programme is expected to be £1.168m underspent this year as some works in relation to the Beckmill Court Refurbishment and Regeneration scheme are expected to fall into 2018/19 due to delays in the project partly due to inclement weather. A large proportion of the works are expected to fall at the end of the project and therefore it will be requested to carry forward any underspend in to 2018/19. It should also be noted that following a review of the HRA schemes the budgets have been moved between projects, under the Director of Growth and Regeneration's delegated authority, as outlined in Appendix A. Any unspent amounts will be carried forward into 2018/19 to allow the projects to progress.

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 Financial Accountant to determine the information included in Appendix A. Reports are also prepared on a quarterly basis for Senior Management Team.

12.0 WARDS AFFECTED

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

Contact Officer:	Natasha Allsopp
Date:	2 nd February 2018
Appendices:	Appendix A – Capital Programme Progress Report – Feb 2018 Appendix B – Path for All Mandate
Background Papers:	Oracle Financial Reports Budget Holder Comments on Performance
Reference:	X:\Cttee, Council & Sub Cttees\CSA\2017.18\200318\DG-Capital Prog. Monitoring- Apr 17 to Feb 18.