

PLACE COMMITTEE

31 OCTOBER 2018

REPORT OF DIRECTOR FOR CORPORATE SERVICES

CAPITAL PROGRAMME MONITORING TO 30 SEPTEMBER 2018 AND CAPITAL PROGRAMME 2018-2023

1.0 PURPOSE OF THE REPORT

- 1.1 To update the Committee on the progress of schemes within Capital Programme to 30 September 2018.
- 1.2 To determine the Committee's Capital Programme for 2018-23 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 for 2018/19 as attached at:**
 - Appendix A – HRA**
 - Appendix B – General Expenses**
 - Appendix C – Special Expenses**
- 2.2 **The Committee approves the revised Capital Programme for 2018-23 as attached at:**
 - Appendix D – HRA**
 - Appendix E – General Expenses**
 - Appendix F – Special Expenses**
- 2.3 **The Committee approves the business case as outlined in Appendix G in relation to installation of new play equipment at a Kirby Fields & Melton Country Park Climbing forest Play Areas and recommends to the Corporate Committee that this scheme is funded from Repairs & Renewals Fund.**
- 2.4 **That the committee approves the business case as attached at Appendix H relating to the preparation of a comprehensive masterplan and action plan for management, enhancement and development of the country park.**

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 Senior Management Team. 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 and the financial implications outlined in Appendix A to C:

	Allocated Funding 2018/19 Budget	Authorised Funding 2018/19 (Business Case Approved)	Actual Expenditure to 30 September	Year End Forecast	Year End Variance (-) Underspend
	£'000	£'000	£'000	£'000	£'000
HRA	7,354	7,354	1,422	4,590	(2,764)
General Fund	485	485	62	479	(6)
Special	20	0	0	20	0

3.1.3 HRA Expenditure to date is reported in Appendix A of £1,422k against an annual budget of £7,354k. The forecast for the remainder of the year is an underspend of £2.764m which is mainly down to 2 main areas of variance between budget and forecast which are the Fairmead Refurbishment & Regeneration and Non Traditional Dwelling Site Development. The reason for this change is that the prioritisation exercise was carried out after the budget setting process which under prioritised the Fairmead regeneration project. We are looking at delivery of affordable housing through the potential housing company discussion and more feasibility and commercial viability work needs to be done for large projects such as Fairmead and Gretton Court. It should also be noted that the Capital Programme budget was set before the ratification of the Corporate Delivery Plan which acknowledged that the Fairmead project would require further work before it could proceed.

3.1.4 Within General Expenses £6k funds for Partnership Scheme in Conservation are no longer required as private investment monies have been received to cover costs.

3.1.5 Under Special Expenses £20k funding has been requested for the installation of new play equipment at a Kirby Fields & Melton Country Park Climbing forest Play Areas. These works follow a five year programme of capital expenditure on play area equipment and capital infrastructure requirements agreed by members of the former Community and Social Affairs Committee in November 2014. Details of the project are attached in the Business Case Appendix G document. Recommendation 2.3 seeks approval of the business case and a request for funding will be put forward to the Corporate Committee meeting on 28 November 2018 as this was not included in the original budget for the year.

3.2 Capital Programme 2018-2023

3.2.1 The Capital Programmes 2018-23 for this Committee are attached at Appendix D, E and F. 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.

3.2.2 A business case is attached as Appendix H to provide a comprehensive masterplan and action plan for management, enhancement and development of the country park. This would be funded from S106 monies subject to the approval as part of the budget process. The project to be managed by the Regeneration team with support from Planning, Waste and grounds maintenance and Assets team.

3.2.3 Subject to the approval of the country Park project aside from the HRA there is only one other scheme going forward as part of the budget setting process relating to Environmental Maintenance Vehicles which can all be met from the repair and renewal reserve. Members may also wish to note officers will be reviewing the vehicle replacement policy to assess any opportunities for savings if a different replacement lifecycle was implemented. This would need to be balanced against the impact on the revenue maintenance requirements if vehicles were kept longer before replacing.

3.2.4 As regards the HRA officers will be undertaking a full stock condition review of the Councils assets to fully understand the long term requirements for maintaining and investment which will impact on HRA business plan and capital programme moving forward.

3.2.5 There are a series of works being undertaken to explore the full potential of Council owned assets to prepare masterplan, assess viability and identify delivery mechanism for realising the potential. This work includes the assessment of leisure sites, commercial sites as well as residential sites. Market assessments are being carried out to inform this work and to ensure that the Council is able to make informed commercial decisions. Subject to the outcome of this work, the budget allocations for future years will need to be amended following relevant committee approvals at appropriate time.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 Policy and corporate implications in relation to the current capital programme were addressed in setting the current year's budget. Any policy and corporate implications for the proposed capital programme should be covered in any associated reports and forms linked to these schemes as they progress through the decision making process.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 The financial and resource implications for the proposed capital programme have been addressed within section 3.

6.0 LEGAL IMPLICATIONS

6.1 As the report is exclusively concerned with financial matters, there are no direct legal implications arising from the report. Legal implications/powers were addressed in setting the current year's programme. For the proposed capital programme individual schemes could have links to legal and procurement issues and early advice should be sought. These implications should be covered in any associated reports and forms linked to these schemes as they progress through the decision making process.

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 There will be risks associated with each of the individual projects and these should be considered as the schemes progress through the decision making process. There is also the risk that the Council is unable to fund all of the schemes in the Capital Programme and therefore public expectations may not be met.

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 to be included in Appendices A , B and C. In addition, the capital programmes reports are submitted to the Council's Programme Board. The extent to which consultation has been undertaken on individual schemes is set out in the associated project mandates.

12.0 WARDS AFFECTED

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

Contact Officer: Jaz Bassan
Date: 11 October 2018
Appendices: Appendix A - HRA Capital Programme Progress Report – September 2018
Appendix B - General Capital Progress Report – September 2018
Appendix C - Special Expenses Progress Report – September 2018
Appendix D - Capital Programme 2018-2023 (HRA)
Appendix E - Capital Programme 2018-2023 (General)
Appendix F - Capital Programme 2018-2023 (Special Expenses)
Appendix G- Business Case Special – Play Area
Appendix H – business Case Melton country Park
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Background Papers: Oracle Financial Reports
Budget Holder Comments on Performance
Reference: X:\Cttee, Council & Sub Cttees\PLACE\2018.19\311018/DG-Capital Prog.
Monitoring- Apr 18 to Sept 18.and Capital Programme 2018-23
Background Papers: Oracle Financial Reports
Budget Holder Comments on Performance