

## **TRAFFORD COUNCIL**

**Report to: Executive**

**Date: 24 February 2014**

**Report for: Decision**

**Report of: The Executive Member for Finance and the Director of Finance**

### **Report Title**

**CAPITAL INVESTMENT PROGRAMME MONITORING 2013/14**  
***3rd Quarter (April – December)***

### **Summary**

This report summarises the findings from the budget monitoring for the period to 31 December 2013. The salient features are:  
The Quarter 2 2013/14 budget approved in November 2013 was £41.6m. Taking into account additions to schemes in the third quarter the programme has increased to £41.8m.  
Capital Expenditure to date is £24.9m, being 60% of the budget with an outturn projection of £42.8m  
The level of available resources has been updated to reflect the latest Land Sale Programme and surplus resources of £3.5m will be available to support future capital priorities.

### **Recommendations**

1. That the amendments to the 2013/14 Capital Investment Programme be approved
2. That the monitoring report be noted

**Contact person for access to background papers and further information:**

**Name: Mark Hughes**

**Extension: 2072**

## 1. Capital Investment Programme Update

1.1. This Report summarises the current position and progress of the 2013/14 Capital Investment Programme and its financing as at 31 December 2013. It takes into account both financial and scheme progress monitoring undertaken with service area project officers

1.2. Capital Expenditure for the year is estimated to be £41.8m which is £0.2m higher than the budget reported in the quarter 2 monitoring report. The changes are summarised in the table below with a detailed breakdown provided in Appendix 1.

Capital Investment Programme 2013/14	Q2 Revised 2013/14 £m	Q3 Revised 2013/14 £m	2013/14 Projected Outturn £m
<b>Portfolio Analysis</b>			
Supporting Children & Families	0.3	0.3	0.3
Education	19.5	19.5	21.8
Adult Care, Health & Wellbeing	2.9	2.9	2.8
Economic Growth & Prosperity	7.5	7.5	7.1
Environmental Services	1.6	1.6	1.6
Highways & Transportation	7.5	7.7	6.9
Safe, Strong Communities	0.3	0.3	0.3
Transformation & Resources	2.0	2.0	2.0
<b>Total</b>	<b>41.6</b>	<b>41.8</b>	<b>42.8</b>
<b>Service Analysis</b>			
Children, Families & Wellbeing	22.7	22.7	24.9
Economic Growth & Prosperity	7.5	7.5	7.1
Environment, Transport & Operations	9.4	9.6	8.8
Transformation & Resources	2.0	2.0	2.0
<b>Total</b>	<b>41.6</b>	<b>41.8</b>	<b>42.8</b>

1.2 The increase in the budget of £0.2m can be summarised as follows:

- **£0.2m of new & additional resources including :**

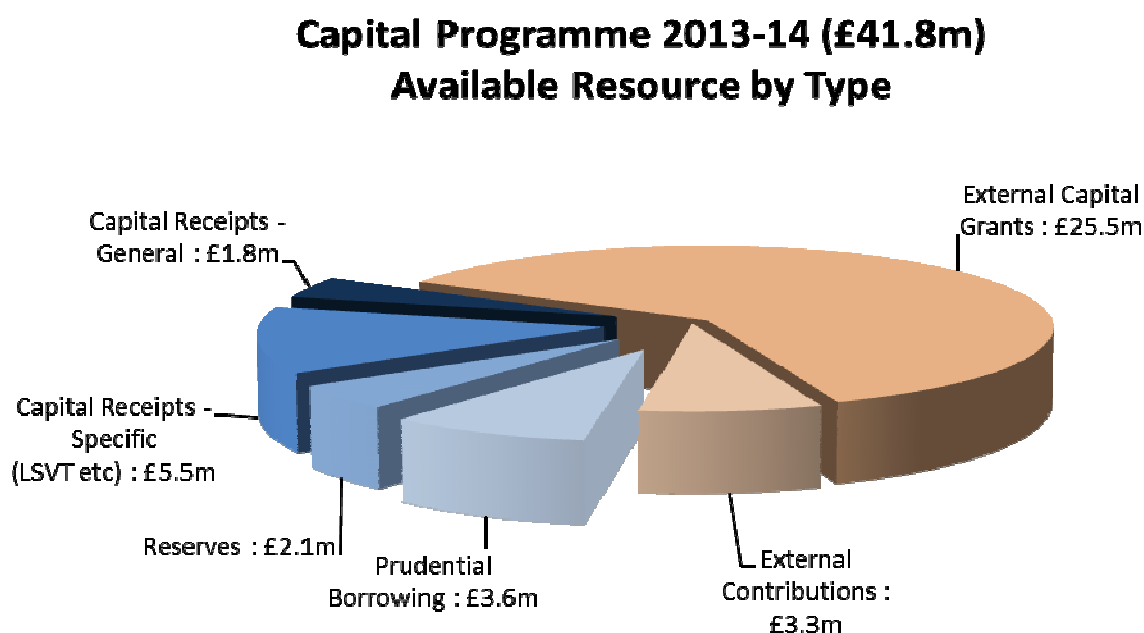
- § £0.2m of s106 contributions in respect of highway and public transport related projects have been added to the programme.

1.3. The projected outturn for 2013/14 is expected to be £42.8m which reflects :

- § Progress on a number of Schools Basic Need projects has been better than originally programmed - £2.9m. This is funded from Government grant.
- § Schools devolved formula capital £(0.7)m - schools led projects.
- § £(0.8)m on a number highways and transport schemes including the Bridgewater Way project.
- § The retention payment for the LTA work at Trafford Town Hall is not due to be paid until summer 2014 - £(0.4)m.

## 2. Resourcing

- 2.1. The chart below shows the types and levels of resource available to finance the Capital Investment Programme. Internal funding of £13.0m equates to 31% of the total funding requirement, whilst external funding makes up the balance, 89% of this being government grant (£25.5m) .



- 2.2. The latest estimate of capital receipts supporting the Programme identifies reduction in net receipts of £(0.6)m, as a result of some revisions to major land sales estimates.

Impact on 2013/15 Capital Investment Programme	2013/14 £m	2014/15 & Later £m	Total £m
<b>Resources available:</b>			
Capital receipts available from Land Sales	1.8	10.0	11.8
Capital Investment Programme requirement	(1.8)	(6.5)	(8.3)
<b>Current Surplus/(Deficit) at Q3</b>	<b>0.0</b>	<b>3.5</b>	<b>3.5</b>

- 2.3. Overall the level of resources available exceeds the requirement to support the capital programme by £3.5m, £0.6m less than the £4.1m reported in the Q2 Monitoring Report. These resources will be taken into account in setting the 2014/17 programme.

### 3. Actual Expenditure – 3rd Quarter (April – December)

- 3.1. Actual expenditure for the third quarter of the year is £24.9m which equates to 60% of the revised budget, as shown in the table below. Further details of the service areas are reported in Appendix 3.

<b>Capital Investment Programme 2013/14</b>	<b>Q3 Spend £m</b>	<b>Q3 Revised 2013/14 £m</b>	<b>Proportion of budget</b>
<b>Portfolio Analysis</b>			
Supporting Children & Families	0.2	0.3	67%
Education	14.6	19.5	75%
Adult Care, Health & Wellbeing	1.5	2.9	52%
Economic Growth & Prosperity	4.4	7.5	59%
Environmental Services	0.3	1.6	19%
Highways & Transportation	3.7	7.7	48%
Safe, Strong Communities	0.1	0.3	33%
Transformation & Resources	0.1	2.0	5%
<b>Total</b>	<b>24.9</b>	<b>41.8</b>	<b>60%</b>
<b>Service Analysis</b>			
Children, Families & Wellbeing	16.3	22.7	72%
Economic Growth & Prosperity	4.4	7.5	59%
Environment, Transport & Operations	4.1	9.6	43%
Transformation & Resources	0.1	2.0	5%
<b>Total</b>	<b>24.9</b>	<b>41.8</b>	<b>60%</b>

- 3.2. The majority of the expenditure (72%) has been incurred on schemes within Children Families & Wellbeing - £14.6m relates to schools projects with £12.5m on a number of large additional primary school places schemes and £1.3m incurred on a range of maintenance programmes in schools, including kitchen ventilation, boiler and electrical works.
- 3.3. In addition to the schools related expenditure £1.5m has been incurred on a range of schemes supporting the provision care including £0.7m on Disabled Facilities Grants, £0.5m on the acquisition of a new software system and £0.2m on Telecare services.
- 3.4. Economic Growth & Prosperity expenditure of £4.4m to date relates primarily to the completion of the development works at Lancashire Cricket Ground of £2.7m and, continuing on from the 2012/13 investment an additional £1m for the Local Authority Mortgage Scheme.
- 3.5. Highways expenditure of £3.7m has been incurred so far in the year which, along with investment in the Food Waste Collection programme, is included in a total expenditure for Environment Transport & Operations of £4.1m. Whilst this equates to only 43% of the projected budget the levels of on-site and programmed schemes show that 99% is currently being progressed.

#### **4. Status of 2013/14 Projects**

4.1. There are 239 individual projects currently allocated in the programme. As part of the monitoring process a record of the "milestones" reached by each project is kept to show the progress of the scheme from inclusion in the Programme through to completion. The table below shows the value of the budget across the milestone categories and a comparison to quarter 1.

<b>Status on 2013/14 Projects</b>	<b>Quarter 2 £m</b>	<b>Quarter 3 £m</b>	<b>Percentage of Budget</b>
Already complete	7.8	15.2	36%
On site	29.9	24.0	57%
Programmed to start later in year	2.2	1.9	5%
Not yet programmed	1.7	0.7	2%
<b>Total</b>	<b>41.6</b>	<b>41.8</b>	<b>100%</b>

4.2. The first three categories give a good indication as to the level of confirmed expenditure to be incurred during the year. As can be seen the increases from Q2 in the top category and reductions in the other categories confirm that schemes are progressing well. The value of schemes expected to reach completion before the year-end of the year is £31.4m with the balance being schemes under construction and phased to complete in later years. A more detailed analysis, by service area, is shown in Appendix 2.

#### **5. Recommendations**

5.1. That the amendments to the 2013/14 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 been contained within available resources in 2013/14.
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 2013/14.
Risk Management Implications	Not Applicable
Health and Safety Implications	A number of schemes are being undertaken in 2013/14 on the grounds of health and safety.

**Other Options**

The Executive could decide to use capital receipts to repay debt which would generate revenue savings on the Medium Term Financial Plan.

**Consultation**

Consultation has taken place with budget holders, responsible officers and professional services to ascertain the best projection of capital expenditure to be incurred in 2013/14.

**Reasons for the 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 is being met.

**Finance Officer Clearance** (type in initials) .....ID.....

**Legal Officer Clearance** (type in initials) .....JL.....

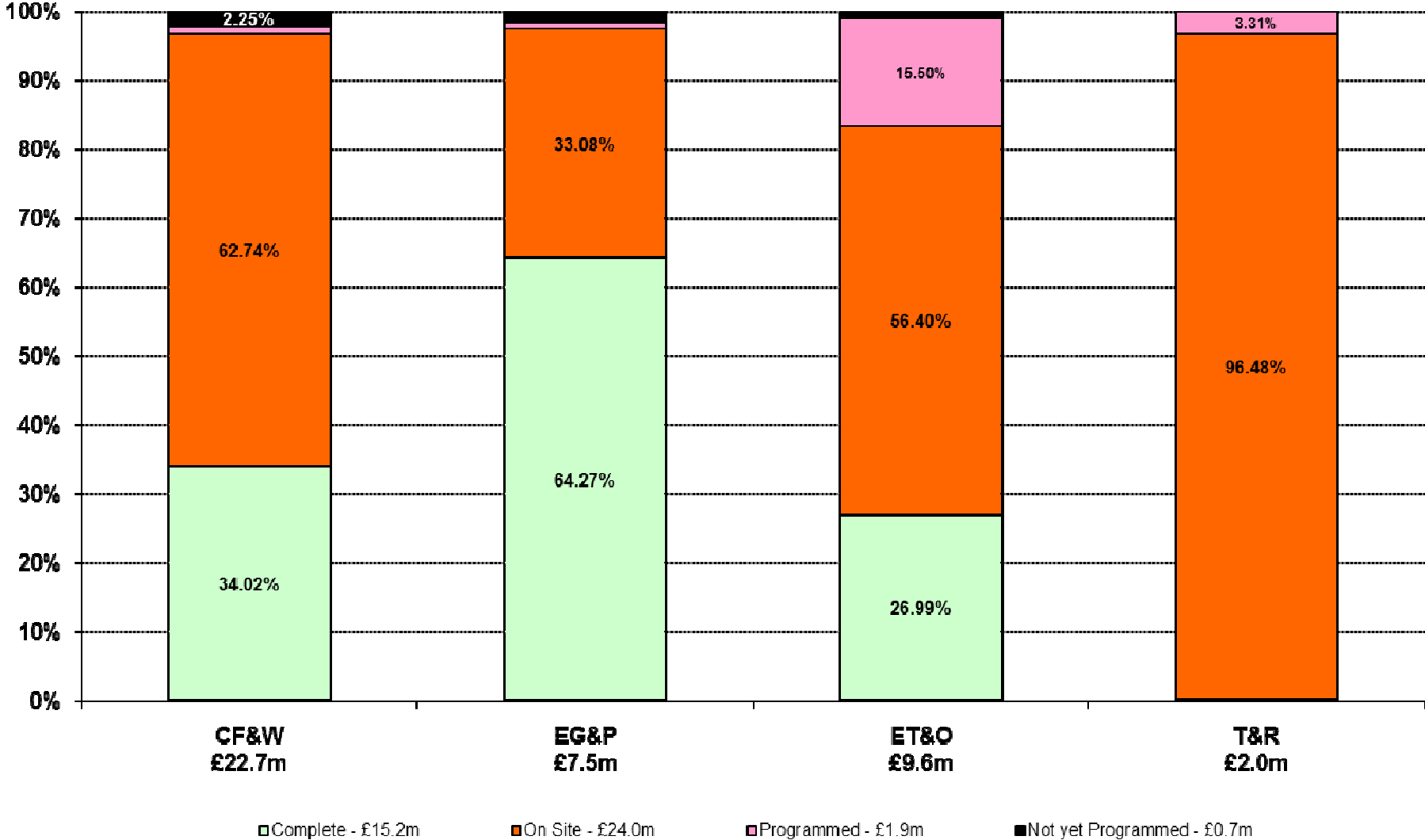
**Director of Finance** Appended in hard copy.

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

Appendix 1

<b>Capital Investment Programme 2013/14 : Budget changes during Qtr 3</b>		<b>Budget 2013/14 £'000</b>	<b>Budget 2013/14 £'000</b>
<b>Budget Reported at Quarter 2</b>			<b>41,609</b>
<b><i>Amendments during Quarter 3</i></b>			
<b>New Schemes &amp; Increases</b>	<b>Financed by :</b>		
Schools - Targeted Basic Need Grant	S106	21	
Public Realm improvements – Altrincham	Developer	3	
CCTV – Brooklands Station	S106	15	
Highway Improvements	S106	61	
Better Bus Area Funding	S106	67	
Highways – Cycle initiatives	TfGM	14	<b>181</b>
<b>Total</b>			<b>41,790</b>

# Capital Programme 2013/14 - Status of schemes by Service Area





**Children, Families & Wellbeing**

Capital Investment Programme 2013/14	No of Scheme	Q3 Budget 2013/14 £m	Q3 Expend 2013/14 £m	Proportion of budget
<b>Quarter 3 Budget</b>		<b>22.7</b>		
<b>Schools</b>				
Primary Schools	37	15.7	13.8	87%
Secondary Schools	5	1.3	0.1	8%
Special Schools	1	0.4	-	-
Other	3	2.1	0.7	33%
<b>Youth Service</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Children's Services</b>	<b>3</b>	<b>0.3</b>	<b>0.2</b>	<b>66%</b>
<b>Services for Adults</b>	<b>9</b>	<b>2.9</b>	<b>1.5</b>	<b>52%</b>
<b>Total</b>	<b>60</b>	<b>22.7</b>	<b>16.3</b>	<b>72%</b>

**Schools**

Six new additional places projects have been agreed this year to add to the 13 started in 2012/13. Of these 9 are now complete, building work has started on 4 and design & consultation has started on the remainder. As a result of this progress it is estimated that £2.9m will be accelerated from 2014/15. This is supported by Government grant.

Targeted Basic Capital Need grant award totalling £1.7m has been received in respect of Bowdon CoE Primary School, with £0.4m being received this year. The grant is being used to support a scheme previously agreed from the general Basic Need Grant for additional places.

Capital maintenance schemes of £2.8m, including boilers, roofs, rewires and kitchen ventilation works, were programmed for the summer holidays. The majority of these have been completed with the remainder on site and expected to complete before the end of the year.

Devolved Formula Capital is the responsibility of the schools and as such the authority has little influence on its use. It is expected that approx. £0.7m of the 2013/14 budget will not be spent until 2014/15 or later years.

**Services for Adults**

The budget for Disabled Facilities Grants for the year is £1.5m with current expenditure being £0.7m. The pressure on the DFG programme continues, issues with a contractor have been resolved and procedures are now in place to ensure programme delivery.

The project to replace the Social Care CRM system has now been agreed. The project, worth £0.7m, now has a contract signed and order placed with Liquidlogic Ltd. Configuration workshops are currently underway with the new system expected to be operational in September 2014

The Community Capacity Grant is being used to provide a number of improvements to establishments across a range of services, with works at Ascot Hose, Shawe Road and Meadowside underway and due to complete before year-end.

### **Economic Growth & Prosperity**

<b>Capital Investment Programme 2013/14</b>	<b>No of Scheme</b>	<b>Q3 Budget 2013/14 £m</b>	<b>Q3 Expend 2013/14 £m</b>	<b>Proportion of budget</b>
<b>Quarter 3 Budget</b>		<b>7.5</b>		
Corporate Landlord	38	1.6	0.5	31%
Regeneration	2	2.9	2.8	97%
Strategic Planning	5	1.9	0.1	5%
Housing Services	3	1.1	1.0	91%
<b>Total</b>	<b>48</b>	<b>7.5</b>	<b>4.4</b>	<b>59%</b>

#### **Corporate Landlord**

A number of programmes, totalling £877k, covering DDA works, Public Building Repairs and M&E works to protect the Council's assets are planned for the year. Schemes totalling £353k are now complete with the majority of the remainder on site and planned to complete later in the year.

The budget includes £0.7m in respect of final costs associated with the LTA scheme. The final retention payment of £0.4m is not due until 2014/15. At this stage it is estimated that there will be a saving on the overall scheme of £0.1m

#### **Town Centres**

Works within Altrincham Town Centre have begun. Works at Beggars Square are now completed and works at Altrincham Market are planned for completion in June 2014.

Other town centres are subject to consultation and preparation of plans for their rejuvenation are currently being developed.

Final compensation payments on the Altair land assembly scheme are now expected to be made in 2014/15.

#### **Housing Services**

An additional £1.0m has been invested in the Local Authority Mortgage Scheme to continue the scheme aimed at assisting first-time buyers and stimulating the local economy. Information from Lloyds Bank indicates that the interest and take-up of the scheme still remains strong.

## Environment Transport & Operations

Capital Investment Programme 2013/14	No of Scheme	Q3 Budget 2013/14 £m	Q3 Expend 2013/14 £m	Proportion of budget
<b>Quarter 3 Budget</b>		<b>9.6</b>		
<b>Highways</b>				
Traffic & Transport	36	3.0	1.1	37%
Highway Maintenance	45	4.2	2.3	55%
Bridges	12	0.4	0.3	75%
Bereavement Services	1	0.3	-	-
Sustainability & Greenspace	20	0.6	0.1	17%
Public Protection	3	0.4	-	9%
Waste Management	1	0.7	0.3	43%
<b>Total</b>	<b>118</b>	<b>9.6</b>	<b>4.1</b>	<b>43%</b>

### **Highways**

Delivery of a range of integrated transport projects including cycle routes, Bridgewater Way improvements and Water Taxis are included within this area and whilst levels of expenditure are currently low the majority of schemes are now on site and are expected to complete in line with projections.

The Bridgewater Way improvements project involves a number of delivery partners and phases. Confirmation of the different funding streams and legal requirements have now been agreed and the scheme is progressing well. The issues above mean that some phases are now expected to complete in 2014/15. The project will be complete by March 2015 in accordance with grant conditions.

Also included are highway structural maintenance work, street lighting improvements and bridge strengthening and repairs works. There are 57 schemes being undertaken during the year which are expected to deliver £4.5m of improvements to the authority's highway infrastructure.

### **Sustainability & Greenspace**

There is £0.6m relating to the improvement and provision of parks and open spaces across the borough. Projects are supported by a range of funding streams including S106 contributions, Performance Reward Grant and grants awarded to Friends of Groups. Seven of the 20 schemes are now complete with a further 12 due to complete by the year-end.

### **Environmental Services**

Food Waste Collection Service – The implementation of the weekly food waste collection service has now been completed across the Borough. Recycling rates for each month from July to November have been in excess of 60% and the changes introduced are on target to deliver the expected budget savings.

## Transformation & Resources

Capital Investment Programme 2013/14	No of Scheme	Q3 Budget 2013/14 £m	Q3 Expend 2013/14 £m	Proportion of budget
<b>Quarter 3 Budget</b>		2.0		
Performance & Improvement	2	0.1	-	-
Information Technology	11	1.9	0.1	5%
<b>Total</b>	<b>13</b>	<b>2.0</b>	<b>0.1</b>	<b>5%</b>

### **Information Communications Technology**

Included within the ICT area are a number of major projects these being :

- **CRM Upgrade** – Scheme scoping is now complete and the project is currently out to tender. The contract is planned to be awarded in March with a start date soon after. The upgrade is expected to be fully operational by December 2014.
- **Electronic Data Record Management (EDRMS)** – Scheme scoping is now complete, and site visits are being arranged along with soft market testing. The scheme is expected to go out to tender in March. Implementation will be carried out in tandem with the CRM Upgrade scheme.