

TRAFFORD COUNCIL

Report to: Executive
Date: 17 February 2016
Report for: Decision
Report of: The Executive Member for Finance and
the Director of Finance

Report Title

**CAPITAL INVESTMENT PROGRAMME MONITORING 2015/16
3rd Quarter (April – December)**

Summary

This report summarises the budget position for the period to 31 December 2015. The salient features are:

- The updated 2015/16 budget approved in November 2015 was £44.3m. Taking into account minor amendments in the third quarter the programme has increased to £44.6m. (see Appendix 1)
- Capital expenditure to date is £22.1m, being 49.6% of the budget with an outturn projection for 2015/16 of £36.7m. (see Appendix 2 for detail by service area).

Recommendation(s)

1. That the amendments to the 2015/16 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

Background Papers – None

Implications:

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Capital expenditure to be contained within available resources in 2015/16.
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 2015/16.
Risk Management Implications	Not Applicable
Health and Safety Implications	A number of schemes are being undertaken in 2015/16 on the grounds of health and safety.

1. Capital Investment Programme Update

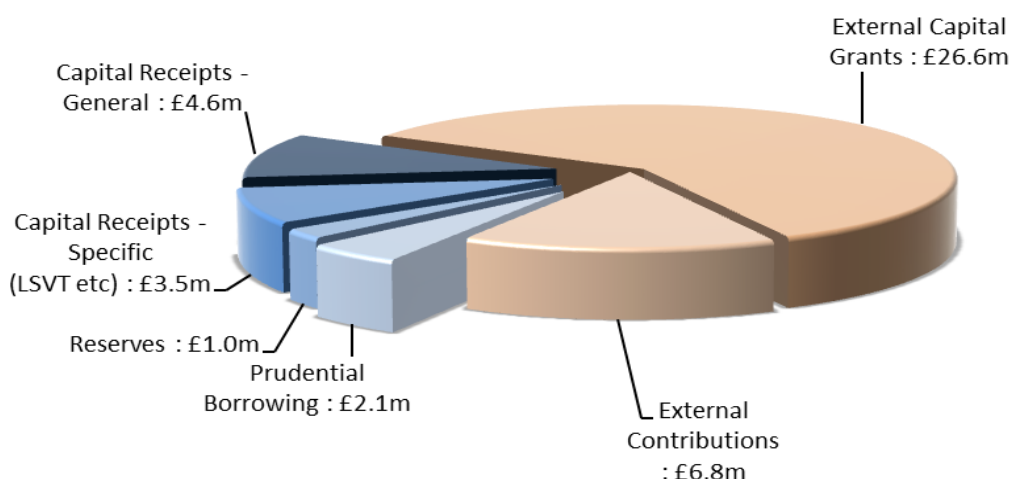
- 1.1 This report summarises the current position and progress of the 2015/16 Capital Investment Programme and its' financing as at 31 December 2015. It takes into account both financial and scheme progress monitoring undertaken with service area project officers.
- 1.2 Capital expenditure in 2015/16 is currently estimated at £44.6m which is an increase of £0.3m from the budget estimate agreed in the Q2 Monitor Report in November 2015 (see Appendix 1). The increase is as a result of:
- In partnership with the Trafford Clinical Commissioning Group (CCG) the Council has agreed to develop Davyhulme Library into a Doctor's Surgery, which the CCG will then lease. The CCG has agreed to fund £300k of the costs of the refurbishment with £70k of this funding previously approved. The balance has now been confirmed and added to the capital programme.
 - A grant award of £26k has been awarded by The Arts Council to improve the Wifi provision in libraries.
 - £32k of S106 contributions has been added to the programme to support the Old Trafford Green Streets initiative.
- 1.3 Whilst the latest budget is £44.6m the likely projected outturn expenditure is now forecast to be £36.7m. The Quarter 2 monitor reported expected outturn of £40.6m as a result of:
- **CFW** – £0.9m across schools and social care services
 - **EGEI** – £1.9m across a range of Corporate Landlord Budgets (£0.5m), LED Replacement Programme (£0.9m), additional burial land (£0.4m) and highways (£0.1m)
 - **T&R** – £0.9m across a number of ICT budgets.
- 1.4 Following further information and assessment over the quarter the likely projected outturn is expected to reduce further by £3.9m to £36.7m. This reduction is as a result of:
- **The Metrolink Extension into Trafford Park - £3.0m** : the scheme has been subject to a Public Inquiry and is waiting on a Transport and Works Act Order, which is expected in the new financial year. Trafford's contribution for 2015/16 will not now be utilised in year.

- **Corporate Landlord schemes - £0.7m** : £0.4m being the council's contribution toward the new community facility in Broadheath and £0.3m across a range of mechanical & electrical and public building repair budgets not yet committed in 205/16
- **ICT SAP Developments – £0.2m**: for improvements to the front-end accesses to the SAP financial systems.

2 Resourcing

- 2.1 The chart below shows the types and levels of resource available to finance the Capital Investment Programme. Internal funding of £11.2m equates to 25% of the total funding requirement, whilst external funding makes up the balance of £33.4m with 80% of this being government grants (£26.6m).

**Capital Programme 2015-16 (£44.6m)
Financing by Resource Type**



- 2.2 The current estimate of capital receipts has been updated to reflect the latest information from the Land Sales Programme (LSP). The table below shows the current value of estimated capital receipts available to support the capital budget. The overall position is currently a surplus of £4.0m.

Impact on 2015/18 Capital Investment Programme	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
Resources available :				
Current Land Sales Programme	(2.2)	(4.4)	(6.5)	(13.1)
Receipts carried forward from earlier years (incl LSVT VAT receipts)	(11.1)			(11.1)
Other specific receipts	(0.3)			(0.3)
Gross value of LSP	(13.6)	(4.4)	(6.5)	24.5
Less:-				
Disposal costs	0.1	0.1	0.2	0.4
Voluntary repayment of debt (re Long Term Accommodation)	1.4			1.4

Receipts required to be set aside in lieu of Sale Waterside PFI Minimum Revenue Provision	0.2	0.2	0.2	0.6
Net value of LSP	(11.9)	(4.1)	(6.1)	(22.1)
Capital Programme requirement	8.5	7.3	2.3	18.1
Current (Surplus)/Deficit at Q3	(3.4)	3.2	(3.8)	(4.0)

- 2.3 The current surplus, as detailed above, has been included in the plans for the new three year capital investment programme for 2016/19.
- 2.4 An amount of £0.9m is allocated to projects that are not proceeding in 2015/16 and this has been diverted to support the 2016/19 updated capital programme as reported to the Executive on 17 February 2016. The budgets identified as un-committed are:
- Community Asset Transfer - £0.5m
 - Corporate Landlord Budgets - £0.3m
 - Housing Standards / Empty Property Initiative grants - £0.1m

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

- 3.1 There are 260 schemes currently allocated in the capital investment programme. Schemes have been reviewed with project officers for both physical and financial progress. The review provides a robust plan for schemes and projections of expenditure in the year.
- 3.2 Actual expenditure for the third quarter of the financial year is £22.1m and a service area breakdown is shown below along with a budget profiled against the expected start and completion dates of projects. Further service area details are shown in Appendix 2.

Capital Investment Programme : Expenditure at Quarter 3 2015/16	2015/16 Budget £m	Profiled Budget £m	Q3 Spend £m	%age of budget
Portfolio Analysis :				
Adult Social Services & Community Wellbeing	4.0	2.5	1.9	76.0%
Children's Services:				
Schools	17.5	13.2	12.4	94.7%
Other	0.1	-	-	0.0%
Communities & Partnerships	1.2	0.4	0.3	75.0%
Economic Growth & Planning	3.8	2.7	2.6	96.3%
Environment & Operations	15.1	4.9	4.1	83.7%
Transformation & Resources	2.9	0.7	0.8	114.3%
Total	44.6	24.4	22.1	90.6%
Service Analysis :				
Children, Families & Wellbeing	21.6	15.7	14.3	91.1%
Economic Growth, Environment & Infrastructure	20.1	8.0	7.0	87.5%
Transformation & Resources	2.9	0.7	0.8	114.3%
Total	44.6	24.4	22.1	90.6%

- 3.3 Expenditure incurred to date amounts to £22.1m, the main areas of spend are:
- **£12.4m** on a number of ongoing schools schemes which will provide additional school places and address condition issues through rewire, boiler, roof and kitchen ventilation works.
 - **£1.9m** on range of Adult Social Care schemes including Disabled Facilities Grants, Assistive Technology and the extension of Liquid Logic ICT system.
 - **£3.7m** from a budget of £11.2m for a range of highways & transport schemes, that have now been approved and preliminary work started.
 - **£1.8m** on the development of town centres across the borough, including design works for major redevelopment of Altrincham and Stretford and the completion of improvements to the pedestrian areas of Sale.
 - **£0.6m** on a range of Corporate Landlord schemes including Altrincham Crematorium (£0.3m) and Davyhulme Library conversion (£0.3m)
 - **£0.5m** on the new Customer Relationship Management ICT system.
 - **£0.4m** on a range of Sustainability & Greenspace projects.
- 3.4 Capital expenditure is currently only 49.6% of the annual Capital Programme, but as can be seen in the table above is closer to 91% of the profiled budget. Performance at this point is better than 2014/15, which was 62%, and it is expected that outturn spend will be £36.7m, £10.2m better than last year.

Other Options

Not applicable. Decisions about any review of the Capital Investment Programme will be taken in February 2016.

Consultation

Not applicable.

Reasons for Recommendation

Additional resources have been received by the Council and the projects upon which these monies will be spent need to be formally adopted into the Capital Investment Programme.

Finance Officer ClearanceMH.....

Legal Officer ClearanceHK.....

Director of Finance

Signature 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

Capital Investment Programme 2015/16 : Budget changes during Quarter 3		Budget 2015/16 £'000	Budget 2015/16 £'000
<i>Budget reported at Quarter 2</i>			44,266
<i>Amendments during Quarter 3</i>			
New Schemes & Increases	Financed :		
Davyhulme Library : Conversion to doctors surgery	NHS	230	
Old Trafford – Green Streets Initiative	S.106	32	
Libraries – Improved Wi-Fi provision	Arts Council	26	
Cycle City Ambition Programme	TfGM	15	
Stamford Park School – Electrical Works	S.106	4	307
Budget at 31 December 2015			44,573

Children, Families & Wellbeing

Capital Investment Programme 2015/16	Budget 2015/16 £m	Q3 Profiled Budget £m	Q3 Expend 2015/16 £m	Proportion of budget
Quarter 3 Budget	21.6	15.7		
Schools				
Primary Schools	10.5	8.4	7.2	85.7%
Secondary Schools	0.7	0.4	0.4	100.0%
Special Schools	5.7	3.9	4.5	115.4%
Other Schemes	0.6	0.5	0.3	60.0%
Children & Adult Social Care	4.1	2.5	1.9	76.0%
Total	21.6	15.7	14.3	91.1%

Schools – The major schemes within this area include:

- **Schools Basic Need Grant:** The 2015/16 budgets for these projects total £14.0m. Included in this are four major projects:
 - Brentwood School - £5.5m
 - Bowdon CoE Primary School - £3.5m
 - Oldfield Brow Primary School - £2.8m
 - Willows Primary School - £0.9m

The schemes at Willows Primary School and Bowdon CoE Primary School are now complete. The scheme at Brentwood School is currently six weeks ahead of schedule and others projects are on site with project officers confident that the budgets will be fully utilised in the year.
- **Capital Maintenance Grant:** A budget of £2.2m is programmed for 2015/16 across 25 new schemes and retentions on 10 schemes undertaken in 2014/15. The works cover a range of condition issues, including rewires, boilers, roofs and kitchen ventilation. 19 of the schemes have been completed over the school summer holidays with the balance due to complete over the February half-term holidays.

Children and Adult Social Care – The major schemes included in the report are:

- Disabled Facilities Grants : £1.9m - £1.0m has been incurred to date continuing the provision of grant to support adaptations which allow people to remain independent in their own homes. Expenditure levels are lower than projected at only 55%, however it is anticipated that costs currently held as work-in-progress will be charged and expenditure will reach budget levels by year-end.
- Replacement ICT System for Social Care : £0.7m – The new project to allow for integration of children social care requirements has begun, however it is not now expected to complete by the end of the year.
- Telecare & Assistive Technology : £0.4m - £0.3m has been incurred on the continuing provision of equipment to support older people in their own homes.
- Personal Social Services Grant : £0.8m - £0.5m of this has been earmarked to support the introduction of Agile Working for social care staff in 2016/17.

Economic Growth, Environment & Infrastructure

Capital Investment Programme 2015/16	Budget 2015/16 £m	Q3 Profiled Budget £m	Q3 Expend 2015/16 £m	Proportion of budget
Quarter 3 Budget	20.1	8.0		
Corporate Landlord				
Mechanical & Electrical	0.3	-	-	
Health & Safety (inc DDA)	0.4	0.3	0.1	33.3%
Public Building Repairs	2.0	0.7	0.4	57.1%
Long Term Accommodation	0.1	0.1	0.1	100.0%
Regeneration & Strategic Planning	3.8	1.6	1.9	118.8%
Housing Services	0.1	-	-	-
Highways				
Traffic & Transport	6.4	2.1	1.3	61.9%
Highway Maintenance	4.6	2.2	2.4	109.1%
Bridges	0.3	0.1	0.1	100.0%
Bereavement Services	0.8	0.3	0.3	100.0%
Sustainability & Greenspace	1.0	0.5	0.4	80.0%
Public Protection	0.3	0.1	-	-
Total	20.1	8.0	7.0	87.5%

The major schemes within this Service Area are:

- Corporate Landlord Works: £2.8m** – A range of works are due to be undertaken to protect the Council's assets in year. The Corporate Landlord Group has agreed a number of schemes covering M&E, DDA and Public Building Repairs work which are to be undertaken as part of the Joint Venture with Amey. The expenditure to date relates primarily to the completion of schemes started in previous years. Work is underway with Amey as part of the One Trafford Partnership to re-profile expenditure for the remainder of the year. It is anticipated that the £1.2m of the budget will be spent by the end of the year. A number of schemes are on hold pending the review of Leisure Services and also £757k remains uncommitted and has been incorporated in the proposals for the 2016/19 Capital Investment Programme. Work to convert Davyhulme Library into a doctors' surgery is now complete and the surgery opened in mid-December.
- Town Centre Regeneration: £3.8m** – Work to bring town centres back to life and to encourage business opportunities. Phase 1 of the development of Altrincham is now complete with phase 2 now underway. The Stretford town centre option appraisal for proposed Public Realm Works is nearing completion. It is intended that detailed design for Phase 1 Public Realm Works will commence in the 2nd quarter of 2016

- **Highways Related Schemes : £11.3m** – This area includes :
 - *Highways Structural Maintenance (inc bridges)* – 32 schemes with a budget of £2.2m. A programme of works to be undertaken as part of the Joint Venture has been agreed with the majority of projects starting in the second half of the year. A number are already complete, all are expected to complete in 2015/16
 - *Integrated Transport Programme* – 26 schemes with a budget of £0.7m. Progress in line with Highways Structural Maintenance above.
 - *Street Lighting and LED Replacement Programme - £1.2m*. As part of the Joint Venture the first payments for the LED Replacement Programme will not now be made until April 2016.
 - *Major Projects - £6.8m* - Includes Trafford's contribution to the extension of the Metrolink and Altrincham Interchange improvements. The first of the contributions to the Metrolink (£3m) is not now expected to be paid in 2015/16. Whilst the TfGM funded schemes on the Bridgewater Way, Cycling Initiatives and Better Bus Routes are now practically complete.
 - The second phase of the TfGM funded City Cycle Ambition initiative has now been approved with Trafford receiving grant totalling £1.8m. Three projects will commence in 2015/16 with a budget of £0.4m.

- **Sustainability & Greenspace: £1.0m** – Schemes for the improvement and provision of open spaces, parks and play areas including the upgrade of equipment and the improvement of paths and lighting. Following the addition of £0.3m of S.106 funded projects included in the last report schemes are progressing through the design and consultation stages with the expectation that all will be complete in year.

- **Bereavement Services - £0.8m**
 - *Additional Burial Land - £0.4m*: Agreement has been reached for the purchase of additional burial land in Altrincham conditional on a planning consent. The planning application which was submitted in October 2015 was withdrawn whilst awaiting more information relating to ground conditions. A hydro geotechnical survey is to be carried out shortly to provide the additional information with a view to re-submitting the application.
 - *Altrincham Crematorium cremators - £0.5m*: Work to replace the two cremators is now complete, with the emissions abatement equipment installed by year-end.

Transformation & Resources

Capital Investment Programme 2015/16	Budget 2015/16 £m	Q3 Profiled Budget £m	Q3 Expend 2015/16 £m	Proportion of budget
Quarter 3 Budget	2.9	0.7		
Performance & Improvement	0.3	-	-	-
Information Technology	2.6	0.7	0.8	114.3%
Total	2.9	0.7	0.8	114.3%

The majority of the budget within this Service Area relates to ICT schemes

The major schemes programmed for 2015/16 include:

- **CRM Replacement/ Upgrade: £1.8m** – The implementation of the programme is now on-going with progress on each stage as expected. The final stage is expected to go-live in November 2016
- **Other ICT Projects: £0.8m** – A review of ICT projects has been undertaken and has identified that the SAP Development scheme will now be undertaken in 2016/17. Schemes expected to delivered in this year will continue Trafford's support of the Greater Manchester Broadband initiative, complete the ICT provision for members and ensure Councils ICT systems are secure .