

## **TRAFFORD COUNCIL**

**Report to: Executive**

**Date: 18 November 2013**

**Report for: Decision**

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

### **Report Title**

**CAPITAL INVESTMENT PROGRAMME MONITORING 2013/14**  
***2<sup>nd</sup> Quarter (April – September)***

### **Summary**

This report summarises the findings from the budget monitoring for the period to 30 September 2013. The salient features are:  
The Quarter 1 2013/14 budget approved in July 2013 was £41.0m. Taking into account additions to schemes in the second quarter the programme has increased to £41.6m.  
Capital Expenditure to date is £17.0m, being 41% of the budget with an outturn projection of £42.6m  
The level of available resources has been updated to reflect the latest Land Sale Programme and surplus resources of £4.1m 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 30 September 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 £41.6m which is £0.6m higher than the budget reported in the quarter 1 monitoring report. The changes are summarised in the table below with a detailed breakdown provided in Appendix 1.

Capital Investment Programme 2013/14	Q1 Revised 2013/14 £m	Q2 Revised 2013/14 £m	2013/14 Projected Outturn £m
<b>Portfolio Analysis</b>			
Supporting Children & Families	0.3	0.3	0.3
Education	19.0	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	7.4	7.5	6.7
Safe, Strong Communities	0.3	0.3	0.3
Transformation & Resources	2.0	2.0	2.0
<b>Total</b>	<b>41.0</b>	<b>41.6</b>	<b>42.6</b>
<b>Service Analysis</b>			
Children, Families & Wellbeing	22.2	22.7	24.9
Economic Growth & Prosperity	7.5	7.5	7.1
Environment, Transport & Operations	9.3	9.4	8.6
Transformation & Resources	2.0	2.0	2.0
<b>Total</b>	<b>41.0</b>	<b>41.6</b>	<b>42.6</b>

1.2 The increase in the budget of £0.6m can be summarised as follows:

- **£0.6m of new & additional resources including :**

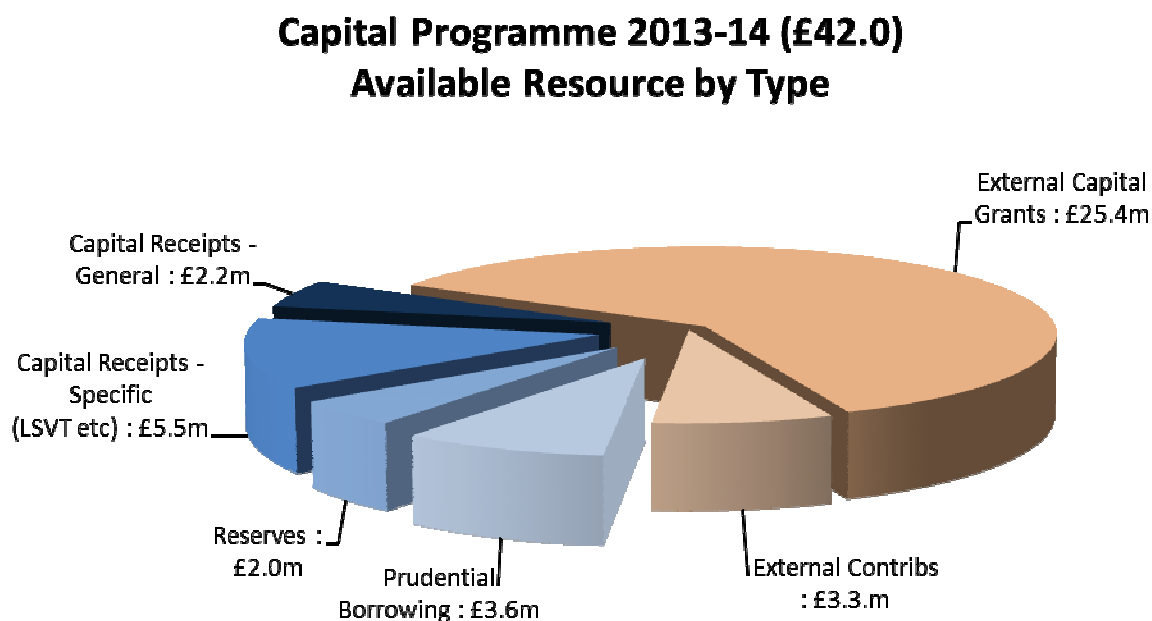
- § £0.4m of new Targeted Basic Capital Need grant from the DoE for the provision of additional places at Bowdon CoE Primary. The total award is £1.7m.
- § £0.1m of s106 contributions in respect of educational facilities have been added to a number school Basic Need projects.
- § £0.1m of new City Cycle Ambition grant from TfGM to provide 3 cycling initiatives in the Borough. The total award being £1.3m.

1.3 The projected outturn for 2013/14 is expected to be £42.6m which reflects :

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

## 2. Resourcing

- 2.1. The chart below shows the types and levels of resource available to finance the Capital Investment Programme. Internal funding of £13.3m equates to 32% of the total funding requirement, whilst external funding makes up the balance, 89% of this being government grant (£25.4m) .



- 2.2. The latest estimate of capital receipts supporting the Programme identifies additional net receipts of £0.4m, being the inclusion of land at St Mary's Road, Bowdon and a reduction in the estimated receipt for Higher Road Depot. The phasing of the receipts has also been reviewed with £1.4m of the 2013/14 estimate now expected to be realised in 2014/15.
- 2.3. As well as the additional receipts above a change in the funding of a highway junction scheme in Timperley has released £0.3m of receipts for re-investment. The table below shows the current surplus position taking into account these changes.

Impact on 2013/15 Capital Investment Programme	2013/14 £m	2014/15 £m	Total £m
<b>Resources available:</b>			
Capital receipts available from Land Sales	2.2	10.2	12.4
Capital Investment Programme requirement	(1.8)	(6.5)	(8.3)
<b>Current Surplus/(Deficit) at Q2</b>	<b>0.4</b>	<b>3.7</b>	<b>4.1</b>

- 2.4. Overall the level of resources available exceeds the requirement to support the capital programme by £4.1m, an increase of £0.7m from the position last reported. These resources will be taken into account in setting the 2014/17 programme.
- 2.5. Rephasing of the Land Sales Programme and the application of capital grant, supporting the school schemes (para. 1.3), in advance of original plans could have an adverse impact on the amount of investment interest generated in the year and this situation will be monitored throughout the rest of the year. This is expected to be approximately £15k.

### **3. Actual Expenditure – 2<sup>nd</sup> Quarter (April – September)**

- 3.1. Actual expenditure for the second quarter of the year is £17.0m which equates to 41% of the revised budget, as shown in the table below. Further details of the service areas are reported in Appendix 3.A

<b>Capital Investment Programme 2013/14</b>	<b>Q2 Spend £m</b>	<b>Q2 Revised 2013/14 £m</b>	<b>Proportion of budget</b>
<b>Portfolio Analysis</b>			
Supporting Children & Families	0.1	0.3	33%
Education	9.6	19.5	49%
Adult Care, Health & Wellbeing	0.6	2.9	21%
Economic Growth & Prosperity	4.2	7.5	56%
Environmental Services	0.5	1.6	31%
Highways & Transportation	2.0	7.5	27%
Safe, Strong Communities	-	0.3	9%
Transformation & Resources	-	2.0	2%
<b>Total</b>	<b>17.0</b>	<b>41.6</b>	<b>41%</b>
<b>Service Analysis</b>			
Children, Families & Wellbeing	10.3	22.7	45%
Economic Growth & Prosperity	4.2	7.5	56%
Environment, Transport & Operations	2.5	9.4	27%
Transformation & Resources	-	2.0	2%
<b>Total</b>	<b>17.0</b>	<b>41.6</b>	<b>41%</b>

- 3.2. The majority of the expenditure (61%) has been incurred on schemes within Children Families & Wellbeing. £8.2m on a number of large additional primary school places schemes, which have been completed or started during the summer. There has also been £1.0m incurred on a range of maintenance programmes in schools over the holidays, including kitchen ventilation, boiler and electrical works.
- 3.3. Economic Growth & Prosperity expenditure of £4.2m 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.

3.4. Highways expenditure of £2.0m has been incurred so far in the year which, along with £0.4m of investment in the Food Waste Collection programme, is included in a total expenditure for Environment Transport & Operations of £2.5m. Whilst this equates to only 27% of the projected budget the levels of on-site and programmed schemes show that 92% is currently being progressed.

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

4.1. There are 238 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 quarter1.

<b>Status on 2013/14 Projects</b>	<b>Quarter1 £m</b>	<b>Quarter 2 £m</b>	<b>Percentage of Budget</b>
Already complete	5.6	7.8	19%
On site	25.6	29.9	72%
Programmed to start later in year	6.4	2.2	5%
Not yet programmed	3.4	1.7	4%
<b>Total</b>	<b>41.0</b>	<b>41.6</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 Q1 in the top two categories and reductions in the other two categories confirm that schemes are progressing well. 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 contained within available resources in 2013/14. There will be a loss of £15k of investment interest as a result of the re-phasing of the land sales programme and the use of grant earlier than planned.
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) .....GB.....

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

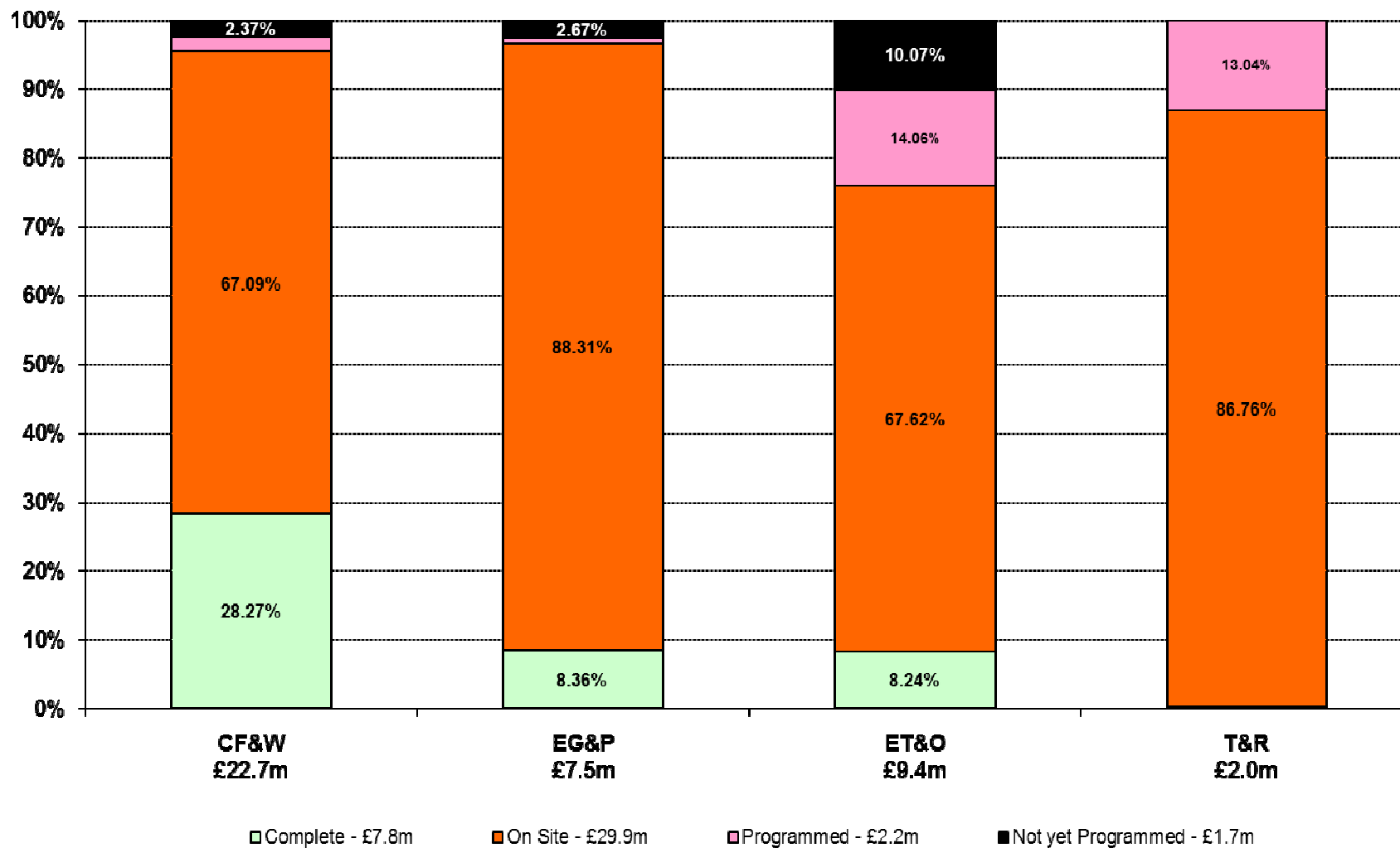
**Director of Finance** [Signature appended in hard copy.]

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

Appendix 1

<b>Capital Investment Programme 2013/14 : Budget changes during Qtr 2</b>		<b>Budget 2013/14 £'000</b>	<b>Budget 2013/14 £'000</b>
<b>Budget Reported at Quarter 1</b>			<b>40,962</b>
<b><i>Amendments during Quarter 2</i></b>			
<b>New Schemes &amp; Increases</b>	<b>Financed by :</b>		
Schools - Targeted Basic Need Grant	DoE	415	
City Cycle Ambition Grant	TfGM	137	
Schools – Various Projects	S106	95	647
<b>Total</b>			<b>41,609</b>

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





**Children, Families & Wellbeing**

<b>Capital Investment Programme 2013/14</b>	<b>No of Scheme</b>	<b>Q2 Budget 2013/14 £m</b>	<b>Q2 Expend 2013/14 £m</b>	<b>Proportion of budget</b>
<b>Quarter 2 Budget</b>		<b>22.7</b>		
<b>Schools</b>				
Primary Schools	37	15.7	9.3	59%
Secondary Schools	5	1.3	-	-
Special Schools	1	0.4	-	-
Other	3	2.1	0.3	14%
<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>0.1</b>	<b>42%</b>
<b>Services for Adults</b>	<b>9</b>	<b>2.9</b>	<b>0.6</b>	<b>21%</b>
<b>Total</b>	<b>60</b>	<b>22.7</b>	<b>10.3</b>	<b>45%</b>

**Schools**

6 new additional places projects have been agreed this year to add to the 13 started in 2012/13. 9 of the 13 schemes started in 2012/13 are now complete with design and consultation works having started on the new projects. As a result of this progress £2.8m has been accelerated from 2014/15.

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.

£2.8m worth of capital maintenance schemes, including boilers, roofs, rewires and kitchen ventilation works, were programmed for the summer holidays. The majority of these have been completed with the remainder programmed to start during the autumn term.

**Services for Adults**

The budget for Disabled Facilities Grants for the year is £1.5m with current expenditure being £0.5m. The pressure on the DFG programme continues and issues with contractors have delayed the progress of some works. These have now been addressed and the Adaptations Service is in the process of identifying a plan to ensure delivery.

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 programmed to start soon.

## Economic Growth & Prosperity

Capital Investment Programme 2013/14	No of Scheme	Q2 Budget 2013/14 £m	Q2 Expend 2013/14 £m	Proportion of budget
<b>Quarter 2 Budget</b>		<b>7.5</b>		
Corporate Landlord	38	1.6	0.4	25%
Regeneration	2	2.9	2.7	93%
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>4.2</b>	<b>56%</b>

### **Corporate Landlord**

A number of programmes, totalling £0.8m, covering DDA works, Public Building Repairs and M&E works to protect the Council's assets are planned for the year. A number of the DDA and PBR projects are now complete with the remainder either on site or planned to start later in the year.

Also £0.8m of LTA works at Trafford Town Hall are included in this area and whilst the work is complete the final retention is not due to be paid until summer 2014.

### **Town Centres**

Works within Altrincham Town Centre have begun. Works at Altrincham Historic Market Quarter and Beggars Square are planned for completion early in the new year.

Other town centres are subject to consultation and preparation of plans for the rejuvenation is being considered.

### **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.

## Environment Transport & Operations

Capital Investment Programme 2013/14	No of Scheme	Q2 Budget 2013/14 £m	Q2 Expend 2013/14 £m	Proportion of budget
<b>Quarter 2 Budget</b>		<b>9.4</b>		
<b>Highways</b>				
Traffic & Transport	36	3.0	0.5	17%
Highway Maintenance	45	4.1	1.3	32%
Bridges	12	0.4	0.2	50%
Bereavement Services	1	0.3	-	-
Sustainability & Greenspace	20	0.6	0.1	17%
Public Protection	3	0.3	-	9%
Waste Management	1	0.7	0.4	57%
<b>Total</b>	<b>118</b>	<b>9.4</b>	<b>2.5</b>	<b>27%</b>

Minor overspends have been identified on schemes within the service area:

- Lay-by works on Chester Road, Stretford - £15k,
- Improvement works at John Leigh Park, Altrincham - £6k, and
- Installation of air quality monitoring equipment at Carrington Power Station - £5k.

Available S106 contributions and developer contributions have been identified to finance these.

### **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.

Following a bid the authority has been successful in securing £1,255k of City Cycle Ambition grant from TfGM to provide 3 new cycle schemes at Bridgewater Way, Sale/ Brooklands and Flixton. £100k of this is phased to 2013/14.

As a result of the monitoring process it has been identified that the Bridgewater Way improvements, Water Taxis and Pay & Display Equipment schemes are now, as a result of negotiations with delivery partners, expected to complete in 2014/15.

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.

## Environmental Services

Food Waste Collection Service – Majority of the equipment has now been purchased and 90% of properties have now been provided with the service with the remainder to be provided by October. Early results show that recycling rates are over 60% and that the changes introduced are on target to deliver the expected budget savings.

## Transformation & Resources

Capital Investment Programme 2013/14	No of Scheme	Q2 Budget 2013/14 £m	Q2 Expend 2013/14 £m	Proportion of budget
<b>Quarter 2 Budget</b>		2.0		
Performance & Improvement	1	0.1	-	-
Information Technology	11	1.9	-	2%
<b>Total</b>	<b>12</b>	<b>2.0</b>	<b>-</b>	<b>2%</b>

## Information Communications Technology

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

- **CRM Upgrade** – Scheme scoping had been complete and the project is at the Invitation to Tender stage and it is expected to start before the year end.
- **Electronic Data Record Management (EDRMS)** – Previous project work was aborted and the supplier has reimbursed the £55k costs incurred. Further work has been carried out and the project is now at the Invitation to Tender stage with implementation expected in year.
- **Web / Customer Strategy** – The project is linked to the CRM Upgrade scheme progress.