



Report of:	Meeting	Date	Item No.
Cllr. Alan Vincent, Resources Portfolio Holder and Clare James, Head of Finance	Cabinet	6 September 2017	5

Capital Programme Review and Monitoring Report

1. Purpose of report

- 1.1** To consider the summary of the Spending Officers' (April to end June 2017) review of the 2017/18 Capital Budget and its impact on the Capital Programme thereafter.

2. Outcomes

- 2.1** The delivery of the Capital Programme and its monitoring will demonstrate good financial management by ensuring that the Programme is soundly based and designed to deliver the Council's strategic priorities.

3. Recommendation

- 3.1** That the Capital Programme and its funding be updated to reflect the changes indicated in the report and that the impact on the Revenue Budget is reflected in the Medium Term Financial Plan (MTFP) and future revisions of the Revenue Estimates.

4. Background

- 4.1** As part of the Council's Performance Management process, spending officers and Financial Services review at the end of each quarter the progress of Capital scheme expenditure against the approved Programme. The summary results of this review for the 2017/18 first quarter, ending 30 June 2017, are contained in Appendix 1.
- 4.2** A full scheme analysis is available within the revised Ten Performance Management system under 'Performance, Reports, Capital Programme 2017/18'

- 4.3** The Original Capital Budget for 2017/18 was set at £22,809,542. Details of the changes either in expenditure or its funding since then (see Appendix 1) can be found in the appropriate Cabinet, Audit Committee or Portfolio Holder reports. The main variations in spend against profiled budget and budget changes from the first quarter review, as a result of Officers' information, are detailed in Appendix 2.

5. Key issues and proposals

- Appendix 1 shows actual costs and commitments totalling £13,667,712 up to the end of the first quarter against the Officers' profiled budget of £8,023,693 representing a spend of 170%. The main scheme variations in spend against profiled budget are shown in Appendix 2, section A.
- The current 2017/18 Capital Programme includes 11 schemes that have been slipped from 2016/17. The Town Centre CCTV scheme slippage of £560 was slipped to revenue Community Safety Operations. These 12 schemes were reported to Audit Committee 25 July 2017 as part of the 2016/17 Final Accounts report and can be seen at Appendix 3.
- At 30 June 2017 there were 2 current year schemes that had not been reported to Portfolio Holders for scheme approval (see Appendix 2, section A1).
- As a result of the quarter 1 review, when compared to the current approved Budget taking into account rephasing of schemes and recognising increases/decreases, aggregate expenditure in 2017/18 is now expected to be £21 lower as listed in Appendix 2, section B1.

Leisure and Culture Portfolio

- Poulton and Thornton Leisure Centres – Final retentions are due and once received the scheme costs will be summarised in a detailed report to Cabinet by the Service Director for Health and Wellbeing.
- Garstang Pool Sandfilters – the contract has been awarded for this scheme and work commenced in late July.
- Marine Hall Roof – Additional costs of £1,490 were incurred owing to a change in specification deemed necessary for the scheme and funded by a reduction in the Building Improvements budget.

Neighbourhood Services and Community Safety Portfolio

- Disabled Facilities Mandatory Grants – £487,681 has been slipped from 16/17 increasing the 2017/18 budget to £2,121,150 for the full year. Actual spend in quarter one is £281,878 below budget owing to slow referrals from Lancashire County Council. Policy changes are being reported to Cabinet at the time of this report which should increase the number of adaptations being carried out.

- Flood Relief (Property Level Resilience Grants) – This scheme providing grants for homeowners to implement flood resistance/resilience measures to minimise the impact of flooding following the December 2015 severe weather has now been closed to new applications. The council is responsible for administering the scheme and has approved 84 applications in total and paid 49 of these as at 30 June 2017.
- Rossall Seawall Improvement Works – Current spend is ahead of profile owing to the £10 million commitment which relates to the contract costs for the year not just quarter one. The budget will be re-profiled in the next quarter once the latest forecast from the contractor is received. The main works are expected to complete in November 2017 with landscaping to complete in May 2018.

Planning and Economic Development Portfolio

- MOT Test Centre – Consultation is ongoing with the Driver and Vehicle Standards Agency (DVSA) in providing evidence that all relevant Acts and Byelaws have been complied with. Works will commence once this has been established.

Resources Portfolio

- IT Server and Storage – This scheme to improve the Council's IT infrastructure has been completed with a small underspend against budget.
- Vehicle Replacement – The budget will be re-profiled in the next quarter.

Street Scene, Parks and Open Spaces Portfolio

- Playground Refurbishment Unallocated – After officer consultation with the Portfolio Holder a scheme report will follow later in the year.
- Mount Grounds Restoration Phase 2 Development – Consultants have been appointed and have commenced developing proposals for the second phase of restorations at the Mount. Once completed, these will be submitted to the Heritage Lottery Fund in March 2018.

Capital Grants, Contributions and Receipts

- There has been an increase in 2017/18 external funding since the original Capital Programme was approved by Cabinet 15 February 2017. The Better Care Funding award for 2017/18 was finalised with a further £135,350 for provision of Disabled Facilities Grants. An additional £2,000 has also been received from Great Places Housing towards Disabled Facilities Grants. A £377,974 grant has been received from the Community Housing Fund which is not yet on the Capital Programme. Options are being explored for delivery models to involve community-led groups and local housing providers. The identification of additional grant funding streams to provide additional resources is also being investigated. A Portfolio Holder report outlining proposals will follow later this year and the scheme will then be added to the Capital Programme. There are no additional capital receipts to report at this stage.

Financial and legal implications	
Finance	The changes to the Capital Programme expenditure following the first quarter review and the funding indicated in Appendix 1 (2017/18 through to 2020/21) do not require any additional use of Reserves or Capital Receipts.
Legal	None arising directly from this report

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	✓
climate change	x
data protection	x

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List of Background Papers:		
name of document	date	where available for inspection
Capital Programme Monitoring Papers		Financial Services Team

List of appendices

Appendix 1 – Capital Programme and Funding.

Appendix 2 – 2017/18 Quarter 1 Expenditure Changes and Funding Issues.

Appendix 3 – Extract from 2016/17 Final Accounts report Appendix 2 – Table 2 to Audit Committee 25 July 2017.

Capital Programme and Funding

Appendix 1

	Full Year Budget £	Funded by Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	Total Funded £
Capital Budget - 2017/18						
Original overall approval, part of 17/18 Council Tax setting	22,809,542	22,404,854	261,000	143,688	0	22,809,542

Overall approval after changes for new schemes Garstang Pool Sandfilters, IT Server and Storage, Wyre Beach Management Business Case, MOT Test Centre, Fleetwood Market Lighting and increase in Better Care Funding of DFGs.

Also after 2016/17 Final Accounts report to Audit Committee 25/7/17 in which slippage to 2017/18 was agreed.

	25,569,475	24,873,837	526,651	168,987	0	25,569,475
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All 2017/18 schemes - by Director	Actual to	Commitments	Profiled budget	Current
	30th June 17 £	£	to end Qtr 1 £	Full Year Budget £
Service Director for:- Health and Wellbeing	160,906	14,871	487,681	2,138,199
People and Places	2,937,676	10,241,836	7,279,427	23,108,511
Performance and Innovation	210,149	102,274	256,585	322,765
	<u>3,308,731</u>	<u>10,358,981</u>	<u>8,023,693</u>	<u>25,569,475</u>

All 2017/18 schemes - by Portfolio	Actual to	Commitments	Profiled budget	Current
	30th June 17 £	£	to end Qtr 1 £	Full Year Budget £
Portfolio:- Health and Community Engagement	0	0	0	0
Leisure and Culture	-37,727	67,061	0	66,180
Neighbourhood Services and Community Safety	3,158,731	10,005,158	7,442,919	24,696,745
Planning and Economic Development	0	93,366	75,793	101,850
Resources	245,058	99,982	476,386	476,386
Street Scene, Parks and Open Spaces	-57,331	93,414	28,595	228,314
	<u>3,308,731</u>	<u>10,358,981</u>	<u>8,023,693</u>	<u>25,569,475</u>

	Full Year Budget £	Funded by Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	Total Funded £
Latest Capital Budget 2017/18 after Quarter 1 review	25,569,454	24,875,837	524,630	168,987	0	25,569,454

	Full Year Budget £	Funded by Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	Total Funded £
Capital Budget - 2018/19						
Original overall approval, part of 17/18 Council Tax setting	1,734,619	1,518,119	216,500	0	0	1,734,619

Overall approval after increased forecast of Better Care Funding of DFG's in line with current allocation. Also after 2016/17 Final Accounts report to Audit Committee 25/7/17 which included a Vehicle Fleet Replacement Programme review affecting 2018/19.

	1,899,469	1,653,469	246,000	0	0	1,899,469
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Latest Capital Budget 2018/19 after 17/18 Qtr 1 review	1,899,469	1,653,469	246,000	0	0	1,899,469
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Capital Programme and Funding

Appendix 1 - Continued

	Full Year Budget £	Funded by Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	Total Funded £
Capital Budget - 2019/20						
Original overall approval, part of 17/18 Council Tax setting	1,862,619	1,518,119	344,500	0	0	1,862,619
Overall approval after increased forecast of Better Care Funding of DFG's in line with current allocation. No change proposed at Audit Committee 25/7/17.						
	1,997,969	1,653,469	344,500	0	0	1,997,969
Latest Capital Budget 2019/20 after 17/18 Qtr 1 review	1,997,969	1,653,469	344,500	0	0	1,997,969

	Full Year Budget £	Funded by Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	Total Funded £
Capital Budget - 2020/21						
Original overall approval, part of 17/18 Council Tax setting	1,944,819	1,518,119	426,700	0	0	1,944,819
Overall approval after increased forecast of Better Care Funding of DFG's in line with current allocation. No change proposed at Audit Committee 25/7/17.						
	2,080,169	1,653,469	426,700	0	0	2,080,169
Latest Capital Budget 2020/21 after 17/18 Qtr 1 review	2,080,169	1,653,469	426,700	0	0	2,080,169

2017/18 Quarter 1 Expenditure changes and Funding Issues

Appendix 2

A) Main Scheme variations - actuals and commitments to 30/6/17 compared with profiled budget

	Actual to 30th June 17 £	Commitments £	Profiled budget to end Qtr 1 £	Current Full Year Budget £
<u>A1) Schemes for which Portfolio Holder approval reports have yet to be considered</u>				
<u>Neighbourhood Services and Community Safety</u>				
Empty Homes Delivery	0	0	0	17,049
<u>Street Scene, Parks and Open Spaces</u>				
Playground Refurbishment Unallocated	0	0	0	36,688
<u>A2) Main Schemes with slower spend progress than anticipated</u>				
<u>Leisure and Culture</u>				
Thornton Leisure Centre	-23,136	0	0	0
<u>Neighbourhood Services and Community Safety</u>				
Disabled Facilities Mandatory Grants	205,803	0	487,681	2,121,150
Flood Relief Grants (Resilience Grants)	16,292	0	70,000	140,000
<u>Resources</u>				
Vehicle Fleet Replacement Programme	42,079	99,982	269,536	269,536
<u>A3) Main Schemes with greater spend progress than anticipated</u>				
<u>Leisure and Culture</u>				
Garstang Pool Sandfilters	0	52,750	0	152,776
<u>Neighbourhood Services and Community Safety</u>				
Rossall Seawall Improvement Works	2,936,502	10,003,194	6,872,009	22,305,776
<u>Planning and Economic Development</u>				
MOT Test Centre	0	43,842	26,058	52,115
<u>Street Scene, Parks and Open Spaces</u>				
Mount Grounds Restoration Phase 2 Development	1,260	33,960	15,884	158,840
	3,178,800	10,233,728	7,741,168	25,253,930

B) 2017/18 Quarter 1 Review changes

	Budget Adjustment £	Funded by	Revenue £	Capital Receipts £	Loan £	Total Funded £
		Grants and Contributions £				
<u>B1) Capital Budget - 2017/18 changes</u>						
<u>Changes in schemes as a result of rephasing, increased costs, reduced costs and externally funded schemes</u>						
<u>Leisure and Culture</u>						
Marine Hall Roof	1,490	0	0	1,490	0	1,490
<u>Neighbourhood Services and Community Safety</u>						
Disabled Facilities Mandatory Grants	2,000	2,000	0	0	0	2,000
<u>Resources</u>						
Building Improvements	-1,490	0	0	-1,490	0	-1,490
IT Server and Storage	-2,021	0	-2,021	0	0	-2,021
<u>Street Scene, Parks and Open Spaces</u>						
North Drive Playground Refurbishment	-255	0	0	-255	0	-255
Douglas Avenue Playground Refurbishment	255	0	0	255	0	255
	-21	2,000	-2,021	0	0	-21

B2) Capital Budget - 2018/19 changes

No changes.

B3) Capital Budget - 2019/20 changes

No changes.

B4) Capital Budget - 2020/21 changes

No changes.

Comparison of Capital Expenditure to Budget

	Updated Revised 2016/17 Budget £	To 31st March 17 Actuals £	Variance £	Advance spend of 17/18 Budget £	Overspend £	Underspend £	Slippage £	Comments
<u>HEALTH AND COMMUNITY PORTFOLIO</u>								
<u>Health and Wellbeing Directorate</u>								
Air Quality Paths	4,000	4,000	0	0	0	0	0	
Town Centre CCTV	35,280	34,720	-560	0	0	0	-560	Slippage for final costs expected in 2017/18.
Portfolio Total	39,280	38,720	-560	0	0	0	-560	
<u>LEISURE AND CULTURE PORTFOLIO</u>								
<u>Health and Wellbeing Directorate</u>								
Garstang Leisure Centre	172,252	189,431	17,179	0	17,179	0	0	Complete with a cumulative underspend due to reduced costs.
Garstang Pool	147,776	126,645	-21,131	0	0	-21,131	0	
Poulton Leisure Centre	73,034	73,034	0	0	0	0	0	
Thornton Leisure Centre	44,712	44,712	0	0	0	0	0	
<u>Performance and Innovation Directorate</u>								
Fleetwood Leisure Centre Heating	115,691	115,161	-530	0	0	-530	0	Scheme complete with minor underspend.
Fleetwood Leisure Centre Sandfilters	51,500	51,500	0	0	0	0	0	
Marine Hall Roof	142,000	136,320	-5,680	0	0	0	-5,680	Slipped for completion in 2017/18.
Thornton LC Roof	26,500	26,500	0	0	0	0	0	
Portfolio Total	773,465	763,303	-10,162	0	17,179	-21,661	-5,680	
<u>NEIGHBOURHOOD SERVICES AND COMMUNITY SAFETY PORTFOLIO</u>								
<u>Health and Wellbeing Directorate</u>								
<u>Housing (subject to external funding confirmation)</u>								
Disabled Facilities Mandatory Grants	1,500,119	1,012,516	-487,603	0	78	0	-487,681	Overspend on Regenda projects funded by Regenda and slippage of external funding from Better Care Fund.
<u>People and Places Directorate</u>								
<u>Coastal Protection</u>								
Cell 11 Monitoring (Yr 1 of 5 year programme approved annually):External	3,000	3,009	9	0	9	0	0	Underspend of external grant slipped to 2017/18.
Cell 11 Monitoring (Yr 1 of 5 year programme approved annually):In House	17,000	7,083	-9,917	0	0	-9	-9,908	
Rossall Seawall Improvement Works	20,586,123	18,850,912	-1,735,211	0	0	-281	-1,734,930	Risk monies that have not yet materialised slipped to final year of scheme (2017/18) to ensure sufficient funds should risks materialise.
Rossall Seawall Improvement Works In House Fees	114,160	114,441	281	0	281	0	0	
Wyre Beach Management Study	22,862	0	-22,862	0	0	0	-22,862	Slipped for continuation of beach monitoring.
Flood Relief - Repair and Renew Grant	200,000	195,535	-4,465	0	0	-4,465	0	Underspend as sufficient budget in 2017/18 for future grants.
Portfolio Total	22,443,264	20,183,496	-2,259,768	0	368	-4,755	-2,255,381	
<u>PLANNING AND ECONOMIC DEVELOPMENT PORTFOLIO</u>								
<u>Chief Executive Directorate</u>								
Monitoring and Evaluation CCF2	6,746	6,746	0	0	0	0	0	
Marine Hall Dome Restoration (including CCF2 funding)	82,589	82,589	0	0	0	0	0	
<u>People and Places Directorate</u>								
Euston Park CCF2	0	-476	-476	0	0	-476	0	Overprovision for retention resulted in underspend partially funding other CCF2 overspends and remainder used to partially fund the Dome overspend which was originally funded by Capital Receipts.
Skate Park CCF2	0	85	85	0	85	0	0	Complete with minor overspend funded by Euston Park underspend.
<u>Performance and Innovation Directorate</u>								
Beach Bungalows CCF2	100,511	100,667	156	0	156	0	0	Complete with minor overspend funded by Euston Park underspend.
Fleetwood Market Roof and Columns	99,780	99,780	0	0	0	0	0	
Cleveleys Bus Station Roof	3,000	3,000	0	0	0	0	0	
Fleetwood Market Lighting	10,000	0	-10,000	0	0	0	-10,000	Commencement of works delayed to 2017/18.
Copse Rd Lighting	8,680	8,680	0	0	0	0	0	
Portfolio Total	311,306	301,071	-10,235	0	241	-476	-10,000	

Comparison of Capital Expenditure to Budget - Continued

Appendix 3

	Updated Revised 2016/17 Budget £	To 31st March 17 Actuals £	Variance £	Advance spend of 17/18 Budget £	Overspend £	Underspend £	Slippage £	Comments
RESOURCES PORTFOLIO								
<u>People and Places Directorate</u>								
Vehicle Fleet Replacement Programme	263,739	225,703	-38,036	0	0	0	-38,036	Replacement of 4 vehicles delayed, now expected to be replaced in 2017/18.
<u>Performance and Innovation Directorate</u>								
Renovation Wyreside Café	0	421	421	0	421	0	0	Minor overspend as actual retention re previous year scheme greater than estimated.
Building Improvements	1,850	0	-1,850	0	0	0	-1,850	Building Improvement budget works slipped to be allocated in 2017/18.
Portfolio Total	265,589	226,124	-39,465	0	421	0	-39,886	
STREET SCENE, PARKS AND OPEN SPACES PORTFOLIO								
<u>People and Places Directorate</u>								
Memorial Park Fleetwood Heritage scheme Phase 2	18,248	12,400	-5,848	0	0	0	-5,848	Rephasing of expenditure.
Mount Grounds	355,558	342,483	-13,075	0	0	0	-13,075	Rephasing of expenditure.
Catterall Playing Field	26,798	26,798	0	0	0	0	0	
North Drive Playground Refurbishment	16,057	16,056	-1	0	0	-1	0	
Douglas Avenue Playground Refurbishment	18,255	18,255	0	0	0	0	0	
Mariners Close Playground Removal/Relandscaping	7,000	137	-6,863	0	0	0	-6,863	Rephasing of expenditure.
Portfolio Total	441,916	416,129	-25,787	0	0	-1	-25,786	
GRAND TOTAL	24,274,820	21,928,843	-2,345,977	0	18,209	-26,893	-2,337,293	