

CABINET – 14TH JUNE 2018

**Report of the Head of Finance and Property Services
Lead Member: Councillor Tom Barkley**

Part A

CAPITAL PLAN OUTTURN REPORT 2017/18

Purpose of Report

This report shows the total expenditure on the Capital Plan for the year 2017/18 compared with the current budget, which was reported to Cabinet in the Capital Plan Amendment Report on 6th July 2017 (minute 14), plus subsequent reports on 21st September 2017 (minute 30), 14th December 2017 (minute 70) and 15th March 2018 (minute 109). In addition, the report details those schemes that require a carry forward of budget to 2018/19 and the provisional arrangements for the financing of the Plan.

Recommendations

1. That the outturn position for 2017/18 set out in Appendix 1 to the report be noted and that the carry forward of project budgets totalling £1,537,100 be approved.
2. That the provisional financing of the Plan set out in Table 2 be noted.

Reasons

1. To enable projects to be completed.
2. To indicate how the Plan is likely to be financed.

Policy Justification and Previous Decisions

The Capital Plan is fundamental to all strategic aims of the Council.

Implementation Timetable including Future Decisions and Scrutiny

This report is available for scrutiny by the Performance Scrutiny Panel on 19th June 2018.

Financial Implications

The financial implications of the recommendations are covered in the body of this report.

Risk Management

The risks associated with the decisions Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risks Identified	Likelihood	Impact	Risk Management Actions Planned
Insufficient funding	Unlikely	Moderate	The funding of the Capital Plan is regularly monitored and any apparent shortfalls are brought to the attention of Cabinet with suggested solutions.
General Risks associated with capital expenditure	Unlikely	Moderate	The Capital Plan is controlled through Project Boards for larger schemes and Project Officers for smaller schemes. Progress, risks and possible problems are notified to these boards and to the Capital Programme Team for all projects of £50k or more. Such risks are identified and dealt with and reported as necessary to Cabinet.

Key Decision: Yes

Background Papers: None

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Part B

Background

1. The Capital Plan for 2017/18 was reported to Cabinet on 6th July 2017 and, following amendments between September 2017 and March 2018, the final budget was £12,104k, which is £602k higher than the original budget (5% higher).
2. Table 1 below shows the expenditure by directorate. The total capital spend of £9,740k was 80% of the final budget, compared to 82% in 2016/17. Expenditure on General Fund projects was £3,274k in 2017/18 being 71% of budget, compared with 88% of budget in 2016/17. The HRA expenditure of £6,466k was 86% of budget compared to 79% in 2016/17.
3. The carry forwards detailed in Appendix 1 have been requested by the officers responsible for the schemes.

Table 1

Capital Outturn 2017/18			Under/ (Over)	Net Carry	Net Saving/ (Over spend)
<u>Directorate</u>	Budget	Actual Spend	Spend	Fwd	(Over spend)
	£'000	£'000	£'000	£'000	£'000
Community Wellbeing	2,325	1,613	712	712	0
Corporate Services	570	418	152	143	9
Housing, Planning, Regeneration and Regulatory - General Fund	1,697	1,244	453	379	74
General Fund Total	4,592	3,275	1,317	1,234	83
Housing - HRA	7,512	6,465	1,047	302	745
Total Capital Plan	12,104	9,740	2,364	1,536	828

4. Over the four years to 31st March 2018 the Council has invested £11.6m in General Fund projects and £29.1m in Housing Revenue Account (HRA) schemes, making a total investment in the Borough of £40.7m, being an average annual investment of £10.2m. This is lower than the four year average to 31 March 2017 of £11m by 7.7%. HRA spend has been falling due to lower contractor prices and fewer dwellings left requiring decent homes works.
5. The net amount of £1,234k requested to be carried forward in respect of General Fund schemes is detailed on a scheme by scheme basis in Appendix 1 and includes the following major items:
6. Bell Foundry Pocket Park (£49.2k). A prolonged process of value engineering was required in order to make the project affordable, resulting in the majority of the budget not being spent in 2017/18. The value engineering involved substitution of surfaces, removing some raised beds and simplification of the seating area. Two items of play equipment were purchased in 2017. Installation is due as part of the

main works when they start during the week commencing 14th May 2018.

7. *Community Facilities Grants* (£194.8k). This budget provides a funding stream for Parish and Town Councils and properly constituted community organisations. It supports the renovation and improvement of community buildings, which will enhance access by the local communities they serve. Grants are approved by Cabinet during the year. There will always be a time lag between approval and paying the grant thus any unspent budget moves to the next year.
8. *Hallam Fields Community Hall* (£350k). This is fully funded by a S106 developer contribution that is to be spent on detailed design and specification work then construction and project management costs. Initially it was anticipated that works will start in April/May 2018 with an anticipated completion date of January 2019. The scheme was subsequently increased to £500k, which required Key Decision Delegated Decision. This scheme is not in the direct control of the Borough Council. It is Birstall Parish Council who are progressing the scheme. In addition there were delays whilst the Parish Council sorts out a licence to occupy part of the car park that Jelsons own during the construction period. The scheme needs to be complete by December 2019 and the scheme is now due to start on site September/October 2018.
9. *Fearon Hall* (£75.8k). Budget requested to be carried forward to 2018/19. This scheme is on site and will continue into 2018/19. A report to Cabinet in July 2017 approved works of £250k to ensure that; identified walls are underpinned to prevent future movement, the building is made wind and watertight, electrical and fire safety systems meet required safety standards as well as to refurbish kitchen and bathroom areas and generally redecorate. The Council has a legal obligation to undertake these works under the terms of the lease.
10. *Carbon Management Scheme* (£89.8k). This project is to implement the Council's Carbon Management Plan. The Town Hall LED lighting work is not yet complete and the Project Board may decide on further projects with the remaining available budget.
11. *Disabled Facilities Grants – block sum* (£108.8k). To enable the spending of additional DFG funding, £83.8k which was received in 2017/18 and the unspent Better Care Fund monies of £25k. There will always be a time lag between grant approval and grant payment.
12. The amount of £301.9k requested to be carried forward in respect of HRA schemes is detailed in Appendix 1 and consists of the following major items.
13. *Roofing/guttering* (£128.1k), the carry forward is for works orders that have been placed and works have commenced on site but which were not completed by 31st March 2018.

14. *Door Replacement (£47.4k)*. Order placed with both Wates Construction Limited and Nationwide. Work commenced on site. Awaiting handover documentation in the form of certificates.
15. *Communal Area electric (£52.3k)*. Orders placed and works commenced and on site for this sum.
16. There were net underspends on various schemes during the year (as detailed in Appendix 1) amounting to net £828k.
17. Underspends ranged from a few pounds to just over £200k. These underspends are a result of schemes being completed for less than budget. The net funds saved are returned to appropriate central funding and will be used for other schemes in the future.
18. Overspends ranged from a few pounds to just under £104k which was on HRA Fire Safety. This is funded from the savings on other HRA capital schemes which spent less than the budget.
19. The provisional funding arrangements for 2017/18 are detailed in Table 2 below. These will be finalised subject to audit approval.

Table 2

<u>Type of Finance</u>	<u>Provisional Amount £'000</u>
Grants and Contributions	2,275
Capital Receipts	141
General Fund and HRA Revenue Contributions including use of Capital Plan and other Reserves	3,589
Major Repairs Reserve	3,735
	9,740

20. After allowing for the funding shown above, the cost of the carry forwards (if approved) and funding all known future schemes to 2020/21 there will be £5m of capital receipts available for future General Fund projects plus £1m in the Capital Plan Reserve, also for General Fund projects.

Appendix

Appendix 1 - Capital Plan 2017/18 Detailed 'scheme by scheme' Outturn.

Scheme Details	First year in Capital Plan	2017/18	2017/18	2017/18	Under/ (Overspends) £	Slippage into 2018/19 Requested £
		Current Budget £	Actual Spend 3/4/18 £	Balance £		
Community Wellbeing						
<i>Direct Delivery</i>						
DW Z387 Loughborough Youth & Adult Recreation Facilities & Childrens Play Improv	2014/15	2,600	2,599.80	0.20	-	-
JT Z478 Shortcliffe Community Park	2015/16	22,700	5,000.00	17,700.00	0	17,700
JT Z697 Bell Foundry Pocket Park	2016/17	54,000	4,776.00	49,224.00	0	49,200
JT Z494 Public Art Provision - Loughborough & Shepshed	2017/18	17,700	17,724.01	(24.01)	0	-
JR Z388 CCTV	2014/15	81,600	68,237.32	13,362.68	0	13,400
SW Z389 Loughborough - Town Centre signage	2014/15	5,000	-	5,000.00	0	5,000
SW Z413 Town Hall - Tills	2015/16	5,100	3,915.00	1,185.00	0	1,200
SW Z392 Public Realm and Art Improvements	2014/15	9,600	-	9,600.00	0	9,600
SW Z393 Grants for Shop Front Improvements	2014/15	2,000	420.00	1,580.00	0	1,600
MB Z394 Provision of Neighbourhood Notice Boards	2014/15	7,700	1,589.71	6,110.29	0	6,100
MB Z739 Green Spaces Programme	2016/17	73,100	48,334.59	24,765.41	0	24,800
AG Z484 Closed Churchyards Walls	2016/17	104,000	87,573.76	16,426.24	0	16,400
AG Z495 Nanpantan Tennis Courts refurbishment	2017/18	125,200	125,650.00	(450.00)	(400)	-
TK Z496 Park Road Bowling Green Resurfacing	2017/18	17,000	17,600.00	(600.00)	(600)	-
	<i>Sub-total Direct Delivery</i>	527,300	383,420.19	143,879.81	(1,000)	145,000
<i>Indirect Delivery</i>						

JR	Z348	Community Facility Grants		198,300	3,500.00	194,800.00	0	194,800
JR	Z598	Fit for Life - Rawlins Academy	2015/16	14,600	14,683.70	(83.70)	0	-
JR	Z483	Mountsorrel New Memorial Hall	2016/17	1,018,900	1,018,887.58	12.42	0	-
JR	Z488	Thorpe Acre Residents Association - contribution towards community hub building	2016/17	25,900	-	25,900.00	0	25,900
JR	Z490	Quorn Parish Council - additional inclusive play equipment at Stafford Orchard Park	2016/17	16,700	16,380.22	319.78	300	-
JR	Z491	Quorn Parish Council - contribution towards replacement of roof at Old School Hall, Quorn	2016/17	10,300	10,263.09	36.91	0	-
JR	Z492	Anstey Parish Council - Staddon Road play area - additional inclusive play equipment	2017/18	10,300	10,227.05	72.95	100	-
JR	Z497	Syston Town Council - new and additional play equipment at Winfield Park	2017/18	29,000	29,034.75	(34.75)	0	-
JR	Z499	Syston Town Council - contribution towards Cemetery in Syston	2017/18	6,500	9,688.25	(3,188.25)		(3,200)
JR	Z292	Hallam Fields Community Hall	2007/08 2017/18	350,000	-	350,000.00		350,000
CB	Z498	Barrow Parish Council - King George V Playing Field, Barrow	2017/18	116,900	116,900.00	-	0	-
Sub-total Indirect Delivery				1,797,400	1,229,564.64	567,835.36	400	567,500
Community Wellbeing - Total				2,324,700	1,612,984.83	711,715.17	(600.00)	712,500
Corporate Services								
Direct Delivery								
AK	Z085	Replacement Hardware Programme - Block Sum	On-going	110,000	101,461.37	8,538.63	1,200	7,300
AK	Z354	Infrastructure Development - Block Sum	2012/13	34,000	34,672.82	(672.82)	(700)	-
AK	Z355	Website Development - Block Sum	2012/13	1,500	1,100.00	400.00	400	-
KB	Z423	Call Secure System - PCI Compliance	2017/18	40,100	4,251.98	35,848.02		35,900
KB	Z425	Corporate Booking System	2017/18	22,900	16,013.00	6,887.00		6,900
SL	Z485	Online Customer Experience Project	2016/17	-	2,205.00	(2,205.00)	(2,200)	-
AW	Z735	Individual Electoral Registration Equipment	2013/14	2,800	2,680.00	120.00	100	-
AW	Z422	Digital Democracy - Committee Management System	2017/18	15,000	15,000.00	-		-
AK	Z397	Card Payment Upgrade	2014/15	4,500	6,088.75	(1,588.75)	(1,600)	-
SH	Z415	Southfields Offices - Roofing	2015/16	46,000	30,572.38	15,427.62		15,400
SH	Z493	Fearon Hall	2017/18	250,000	174,235.26	75,764.74		75,800
SH	Z740	Emergency Backup Generator & UPS Power	2016/17	43,100	29,356.42	13,743.58	11,700	2,000
SH	Z777	Messenger Close - Loughborough			234.00	(234.00)	(200)	-
Sub-total Direct Delivery				569,900	417,870.98	152,029.02	8,700	143,300

Corporate Services - Total		569,900	417,870.98	152,029.02	8,700	143,300	
Housing, Planning & Regeneration & Regulatory Services - General Fund							
<i>Direct Delivery</i>							
AT Z736	Car Parks - Repairs & Replacements	2016/17	180,000	176,134.56	3,865.44	3,800	-
AT Z737	Car Parks - Replacement Pay & Display Machines	2016/17	110,000	112,254.50	(2,254.50)	(2,300)	-
SH Z738	Carbon Management Schemes	2016/17	191,000	101,169.45	89,830.55		89,800
RB Z468	Planning and Regeneration Essential Technology Refresh	2015/16	3,800	2,725.00	1,075.00		1,100
AS Z424	Choice Based Lettings Software	2017/18	35,000	-	35,000.00		35,000
Sub-total Direct Delivery			519,800	392,283.51	127,516.49	1,500	125,900
<i>Indirect Delivery</i>							
DH Z367	Bleach Yard	2013/14	11,700	2,000.00	9,700.00		9,700
RB Z396	Public Realm - Shepshed Town Centre	2014/15	36,300	-	36,300.00		36,800
RS Z210	Disabled Facilities Grants - Block Sum	On-going	1,003,000	821,309.53	181,690.47	72,900	108,800
RS Z346	Private Sector Housing Grants - Block Sum	On-going	74,200	27,942.02	46,257.98		46,300
RS Z141	Regional Housing Pot Grant	On-going	42,900	-	42,900.00		42,900
RS Z363	Fuel Poverty Scheme	2012/13	9,000	-	9,000.00		9,000
Sub-total Indirect Delivery			1,177,100	851,251.55	325,848.45	72,900	253,500
Housing, Planning & Regeneration & Regulatory Services - General Fund - Total			1,696,900	1,243,535.06	453,364.94	74,400	379,400
General Fund Total			4,591,500	3,274,390.87	1,317,109.13	82,500	1,235,200
Housing, Planning & Regeneration & Regulatory Services - HRA							
PO Z005	Charnwood Standard Planned Heating	On-going	381,300	437,067.67	(55,767.67)	(55,800)	-
PO Z011	Windows	On-going	20,000	(10,939.56)	30,939.56	30,900	-
PO Z300	Major Adaptations	On-going	450,000	440,682.05	9,317.95	9,300	-
PO Z301	Minor Adaptations	On-going	50,000	42,466.19	7,533.81	7,500	-
PO Z302	Stairlifts	On-going	60,000	59,787.76	212.24	200	-
PO Z357	Estate Works	On-going	391,500	332,529.42	58,970.58	59,000	-
PO Z369	Major Structural Works	On-going	889,300	774,829.55	114,470.45	114,500	-
PO Z370	Solid Wall Stock	On-going	96,000	32,030.57	63,969.43	64,000	-
PO Z374	Carbon monoxide/smoke alarms	On-going	50,000	57,047.57	(7,047.57)	(7,000)	-
SH Z376	Riversdale Court, Birstall - sheltered scheme	2012/13	25,400	28,096.55	(2,696.55)	(2,700)	-
PO Z378	Door Entry Systems	On-going	258,400	216,644.96	41,755.04		41,800
PO Z380	Major Void Works	On-going	280,000	146,485.89	133,514.11	133,500	
PO Z401	Fire Safety	On-going	318,300	422,037.54	(103,737.54)	(103,700)	-

PO Z404	Cavity/Loft insulation	On-going	69,300	5,563.01	63,736.99	63,700	
PO Z406	Mobility Scooter Storage in Sheltered Schemes	On-going	28,400	-	28,400.00	28,400	
AS Z419	New Build/Acquisitions	2017/18	350,000	304,577.12	45,422.88	45,400	-
PO Z434	Asbestos Removal	On-going	199,400	173,856.67	25,543.33	25,500	
PO Z454	Electrical Upgrades	On-going	336,500	135,252.67	201,247.33	201,200	-
PO Z459	Roofing/guttering	On-going	932,300	752,905.90	179,394.10	51,300	128,100
PO Z460	Charnwood Standard Kitchens	On-going	552,000	514,321.56	37,678.44	37,700	-
PO Z461	Charnwood Standard Bathrooms	On-going	419,000	394,426.15	24,573.85	24,600	-
PO Z462	Door Replacement	On-going	436,300	382,391.13	53,908.87	6,500	47,400
PO Z470	Job Management System	2015/16	40,000	18,250.00	21,750.00		21,800
SR Z698	Lifeline Equipment Upgrade (PNC)	2016/17	38,000	43,117.40	(5,117.40)	(5,100)	-
PO Z741	Communal Area Improvements	2016/17	69,000	11,389.32	57,610.68	47,100	10,500
PO Z742	Communal Area Electric	2016/17	160,600	108,287.05	52,312.95		52,300
PO Z743	Sheltered Housing Improvements inc heating & equipment	2016/17	324,700	369,468.43	(44,768.43)	(44,800)	-
PO Z857	Housing Capital Technical Costs	On-going	286,800	273,032.43	13,767.57	13,800	-
Sub-total Direct Delivery			7,512,500	6,465,605.00	1,046,895.00	745,000	301,900
Housing, Planning & Regeneration & Regulatory Services - HRA - Total			7,512,500	6,465,605.00	1,046,895.00	745,000	301,900
Grand Total General Fund and Housing Revenue			12,104,000	9,739,995.87	2,364,004.13	827,500	1,537,100