

**CAPITAL PROGRAMME MONITORING
POSITION AS AT JULY 2016**

1. INTRODUCTION

- 1.1 This report informs Members of the latest forecast regarding the Council's Capital Programme for 2016/17, based on the monitoring exercise carried out during July.

2. BACKGROUND

- 2.1 Financial Services, in consultation with relevant budget officers, carry out regular monitoring of the Capital Programme.
- 2.2 A summary of the overall position is shown in Appendix A.

3. CURRENT POSITION

- 3.1 Point 3 of the Council's 8-Point Plan supporting its objectives of financial and organisational sustainability is to look at income generation and investment opportunities.
- 3.2 As part of the budget process, schemes were robustly reviewed and prioritised and Council approved the core programme on 25 February 2016 at £8,802,000. In addition to this, slippage of £5,673,000 from the 2015/16 programme and approved variations of £15,708,000 substantially comprising the additional property investment acquisitions have already arisen in the year. These changes bring the total approved Capital Programme for 2016/17 to £30,183,000.
- 3.3 There are some projects of major financial significance included in the Council's approved Capital Programme. Several property investment acquisitions will be financed and contracted within the coming months. These acquisitions will generate additional revenue income for the Council within the year 2016/17 and for future years. Their impact on the Council's revenue position is discussed in more detail in the Q1 2016/17 Revenue Monitoring Report on this Cabinet agenda.
- 3.4 The Depot acquisition and development is also of major financial significance currently approved in the total budget sum of £3,035,000. It is likely that works on the new Depot will not be completed in the current year and slippage into 2017/18 of £1,000,000 of the total approved budget is likely to occur. The project is also at risk regarding cost containment and a further report discussing this matter will be brought to Cabinet in due course.
- 3.5 A Portfolio summary of all approved projects is shown in Appendix A to this report. This Appendix includes a list of all variations that have been approved since the Original Estimate for 2016/17 was approved prior to the start of the financial year 2016/17.

- 3.6 Further potential investment property acquisitions generating high ongoing income returns supporting the principles of Point 3 of the 8-Point Plan are being considered at the current time. Each individual business case will be brought forward for consideration by Cabinet as they develop.
- 3.7 Based on the July 2016 monitoring exercise the forecast outturn for 2016/17 is approximately £27,388,000, a net reduction in spend of £2,795,000 against the approved Capital Programme of £30,183,000. It should be noted that a significant element of the net reduction in spend (£2,795,000) relates to two capital projects that have now slipped to the following year (2017/18) amounting to £2,600,000.
- 3.8 The significant over/(under) spend variations to date are as follows:

Scheme	Explanation	Over / (Under) Spend £000s
Farnborough Leisure Centre Foyer Lift	Additional works have been included in the framework contractor's quote following a discussion between the contractor and the consultant.	10
Activation Aldershot Project 2 Phase 6, Aldershot Station	Savings have emerged as a result of the detailed design stage being completed.	(200)

- 3.9 The major areas of slippage identified to date which are included within the (Appendix A) net reduction in spend of £2,795,000 against the approved Capital Programme are as follows:

Scheme	Explanation	Slippage to 2017/18 £000s
Activation Aldershot Project 2 Phase 6, Aldershot Station	Further works have been undertaken in relation to the costing of the scheme and obtaining external funding. The entire project is unlikely to be completed until December 2017.	(1,600)
Depots The New Depot	It is not expected that works on the new depot will be completed in 2016/17. Works on the new depot are anticipated to take place between January 2017 and June 2017.	(1,000)

4. CONCLUSIONS

- 4.1 Slippage has been identified on several schemes and these are shown above, along with any other material variations.
- 4.2 The Capital Programme is, at present, at a very early stage in its implementation during the new financial year. Any significant variations will be reported to Members on a regular basis as the year progresses.

5. RECOMMENDATION

- 5.1 Members are requested to note the latest Capital Programme monitoring position.

**AMANDA FAHEY
HEAD OF FINANCIAL SERVICES**

CAPITAL PROGRAMME MONITORING SUMMARY QUARTER 1 - 2016/17

PORTFOLIO	SLIPPAGE FROM 2015/16	ORIGINAL BUDGET 2016/17	ADDITIONAL BUDGET APPROVALS 2016/17	TOTAL APPROVED BUDGET 2016/17	ACTUAL AS AT 30.06.16	COMMITMENTS AS AT 30.06.16	TOTAL OF COMMITMENTS & ACTUALS AT 30.06.16	VARIANCE	FORECAST SPEND 2016/17	FORECAST SPEND LESS APPROVED BUDGET	SLIPPAGE TO 2017/18
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
CORPORATE SERVICES	2,845	2,117	14,661	19,623	272	107	378	(19,245)	19,625	2	0
LEISURE & YOUTH	313	725	54	1,092	25	85	109	(983)	1,094	2	0
ENVIRONMENT & SERVICE DELIVERY	2,173	5,119	973	8,265	87	69	156	(8,109)	5,466	(2,799)	2,600
BUSINESS, SAFETY AND REGULATION	0	0	0	0	0	0	0	0	0	0	0
HEALTH & HOUSING	342	841	20	1,203	198	0	198	(1,005)	1,203	0	0
TOTAL	5,673	8,802	15,708	30,183	581	261	842	(29,341)	27,388	(2,795)	2,600

Variations to Programme Approved 2016/17

Approved By

Date

£

Original Budget 2016/17	Full Council	25.02.2016	8,802,000
Beaumont Park Wall - Emergency works and repairs	Cabinet	26.04.2016	184,000
Slippages from 2015/16	Cabinet	31.05.2016	5,673,000
Phase 6 of the Activation Aldershot project	Cabinet	31.05.2016	760,000
Additional wheeled bins for garden waste service	Cabinet	31.05.2016	17,000
Ground works - Hawley Lane	DMB	21.06.2016	12,000
Farnborough Leisure Centre Foyer Lift	Cabinet	28.06.2016	54,000
Wellesley Site Aldershot Wet Hostel	Cabinet	28.06.2016	20,000
Meetings and Decisions Management System	Cabinet	28.06.2016	15,000
Purchase of Commercial Property	Cabinet	28.06.2016	8,694,000
Purchase of Commercial Property	Cabinet	23.08.2016	5,952,000
		Total Approved Budget	30,183,000