

CABINET
4 APRIL 2017

HEAD OF FINANCIAL SERVICES
REPORT NO. FIN1714

CAPITAL PROGRAMME MONITORING 2016/17 POSITION AS AT MARCH 2017

SUMMARY AND RECOMMENDATIONS:

SUMMARY: This report informs Members of the latest forecast of the Council's Capital Programme for 2016/17, based on the monitoring exercise carried out during February and March.

RECOMMENDATIONS:

Members are requested to:

- (i) Note the latest Capital Programme monitoring position.
- (ii) Approve a 2016/17 capital budget virement of £52,000 from the Beaumont Wall railings scheme to the Main Wall renovations scheme.

1. INTRODUCTION

- 1.1 This report informs Members of the position regarding the Council's Capital Programme for 2016/17, based on the monitoring exercise carried out during February and March.

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 Capital Programme position is shown in Appendix A.

3. CURRENT POSITION

- 3.1 The Council approved the Revised 2016/17 Capital Programme of £27,547,000 on 23rd February 2017. Subsequently approved schemes totalling £560,000 bring the total approved Capital Programme for 2016/17 to £28,107,000.
- 3.2 Based on the February/March 2017 monitoring exercise, the forecast outturn for 2016/17 is expected to be £25,407,000; with a forecast shortfall of £2,700,000 (net of an element of scheme overspends) against the approved Total Capital Programme of £28,107,000.
- 3.3 Slippage amounts to £2,854,000 in the current year. The major areas of slippage in relation to the approved Capital Programme (Appendix A) are as follows:

Scheme	Explanation	£000s
Loans - Farnborough International Loan	Changes to the funding model and a delay finalising the legal agreement have resulted in loan monies being paid out to a revised timeline than the original payment schedule.	(647)
Corporate Properties - 36 – 62 Union Street, Aldershot	Difficulties with reaching an agreed sale on one property, resulting in the expectation that sale completion will not be achieved until 2017/18.	(614)
Activation Aldershot - Phase 2, Town Centre Improvements	Architectural design services associated with the shop fronts has been carried out but the actual works to the shop fronts will not take place in the current year.	(277)
Activation Aldershot - Project 2 Phase 6, Aldershot Station	Now agreed that South West Trains will be carrying out the works in the following year.	(196)
Car Parks - Pay & Display Machine Replacement	Some machine installation achieved in March but a substantial number will now be installed in April 2017. This results in some slippage on the overall scheme to the following year. An overall saving is also now anticipated (see underspends section).	(169)
Corporate Properties - 12 Arthur Street Future Use	Delay with determining plans for this property and planning permission yet to be obtained.	(168)
Municipal Gardens - Playground Refurbishment	The old playground equipment has been removed and installation of new equipment programmed for completion in April 2017.	(152)
Corporate Properties - Property Acquisition	An approval for a property purchase was granted in February 2017 but acquisition is unlikely to be completed in the current year.	(150)
ICT Strategy & Customer First Projects - Various	Upgrade of the Councils backup system and introduction of “replication” has been deferred whilst delivery of equipment hardware and related services is achieved.	(63)
Manor Park Cottage - Refurbishment	Approval for the refurbishment works was granted in March 2017 and is unlikely to be completed in 2016/17.	(53)

Cycleway Links <ul style="list-style-type: none"> - Cove Brook - Hazel Avenue to Arrow Road 	Completion of both projects in 2016/17 has been delayed due to delay in reaching agreement with the Environment Agency.	(34) (16)
Mayfield Regeneration <ul style="list-style-type: none"> - Environmental Improvements 	In order to avoid duplication and obtain best value for money this project has been delayed to tie in with Mayfield PEBL works (Prospect Estate Big Local)	(18)
Farnborough Leisure Centre <ul style="list-style-type: none"> - Teaching Pool Filter Work 	Notice needs to be given to carry out these works as the teaching pool will need to be closed for one week and works need to be planned around the swimming lesson timetable. Achievement of this has not been possible in 2016/17.	(15)
Princes Hall <ul style="list-style-type: none"> - Coating to Roof 	Other urgent priorities have arisen in 2016/17 and this project was not started.	(15)
Improvement Grants <ul style="list-style-type: none"> - Housing Renewal Grants (Discretionary) Less Refunds 	A number of schemes are currently awaiting approval but are unlikely to achieve payment in 2016/17.	(14)
Council Offices <ul style="list-style-type: none"> - Accommodation & Upgrade Changes 	Improvement works complete, some slippage linked to ongoing co-location/ re-organisation moves.	(14)
Manor Park <ul style="list-style-type: none"> - Depot New Paving & Tarmac 	Quotes for the works have been received. Work postponed to tie in with letting of the new waste management contract.	(13)
Princes Hall <ul style="list-style-type: none"> - Replacement Flooring 	Works are now arranged for the first week of 2017/18.	(12)
Crematorium <ul style="list-style-type: none"> - Waiting Room Modernisation 	Quotes have been received but the works are being planned for a quieter period.	(10)

3.4 Significant forecast underspends arise on the following schemes:

Scheme	Explanation	£000s
Car Parks <ul style="list-style-type: none"> - Enhancement works 	Budget for improvement and enhancements to car parks not utilised in the current year while awaiting outcome of regeneration plans and future use of Council assets.	(193)
ICT Strategy & Customer First Projects <ul style="list-style-type: none"> - Various 	Some projects originally planned have not been commenced/fully completed due to reprioritisation, resulting in an underspend in the current year.	(63)

Beaumont Park <ul style="list-style-type: none"> - Emergency Works to the Boundary Wall - Railings, (Link with Wall Renovation) 	The two project works (Wall & Railings) at Beaumont Park are intrinsically linked to one another. Combining the works has resulted in a more efficient approach to site achievement. An approval request to vireo the full budget of £52,000 between "Beaumont Park Railings & Wall Renovations Contract Costs" and "Beaumont Park Boundary Wall Contract Costs" is included in this report.	(6) (52)
Car Parks <ul style="list-style-type: none"> - Pay & Display Machine Replacement 	The installation of the Pay & Display machines will not be completed in 2016/17. However, an overall underspend is anticipated as a result of the type of machines purchased.	(50)
Social Housing Grant <ul style="list-style-type: none"> - Grants to Registered Social Landlords 	The budget has not been fully required in 2016/17	(34)
Improvement Grants <ul style="list-style-type: none"> - Home Loan Scheme 	No loans have been agreed in 2016/17 resulting in an underspend	(20)

3.5 The schemes detailed below represent an overspend in 2016/17 but not an overspend of the projects overall, as the amounts will be recognised as a partial pre-spend of the 2017/18 budget:

Scheme	Explanation	£000s
Depots <ul style="list-style-type: none"> - New Depot 	Project has progressed quicker than initially anticipated.	205
Flexible Use of Capital Receipts <ul style="list-style-type: none"> - Various Projects 	£500k has been set aside to support invest-to-save schemes over a three-year period. Profile of spend has been greater in year 1 than anticipated.	180

3.6 The completed schemes since the last monitoring exercise are:

Scheme	£000s	Scheme	£000s
Acquisition of Commercial Properties <ul style="list-style-type: none"> - 168 High Street, Guildford 	7,153	Aldershot Pools Complex <ul style="list-style-type: none"> - Roof Insulation and Coating over Pools 	47
Acquisition of Commercial Properties <ul style="list-style-type: none"> - Dominion Road, Worthing 	6,307	Farnborough Leisure Centre <ul style="list-style-type: none"> - Replacement Pumps & Valves 	15
Acquisition of Commercial Properties <ul style="list-style-type: none"> - Optrex Business Park 	1,570	Street Cleansing <ul style="list-style-type: none"> - Litter/Cigarette Bins 	15

Acquisition of Commercial Properties - 31 Hercules Way, Farnborough	554	Car Parks - High Street, Aldershot	13
Corporate Properties - Leasehold Purchase at Blackwater Way Industrial Estate	259	Farnborough Leisure Centre - Electrical Testing & Rewiring	10
Refuse/Recycling - Wheeled Bins	103	Aldershot Pools Complex - Electrical Testing & Rewiring	10
Farnborough Leisure Centre - Foyer Lift	62	Southwood Community Centre - Boiler Replacement	10

4. FINANCIAL ISSUES

- 4.1 In relation to “Beaumont Park Railings & Wall Renovations Contract Costs” and “Beaumont Park Boundary Wall Contract Costs” the railing works are not individually identifiable. Members are requested to approve a budget virement of £52,000 from the railings scheme to the main wall renovations scheme.

5. CONCLUSIONS

- 5.1 Material variations have been identified on several schemes and these are shown above along with any material slippages into 2017/18.

CONTACT DETAILS:

AMANDA FAHEY
HEAD OF FINANCIAL SERVICES
Amanda.Fahey@Rushmoor.gov.uk
01252 398440

APPENDIX A



CAPITAL PROGRAMME MONITORING SUMMARY 2016/17

PORTFOLIO	REVISED BUDGET 2016/17	ADDITIONAL BUDGET APPROVALS 2016/17	TOTAL APPROVED BUDGET 2016/17	ACTUAL AS AT 08/03/2017	COMMITMENTS AS AT 08/03/2017	ACTUALS PLUS COMMITMENTS 08/03/2017	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	20,857	507	21,364	17,485	78	17,563	(3,801)	19,817	(1,547)	1,656
LEISURE & YOUTH	837	53	890	341	17	358	(532)	626	(264)	260
ENVIRONMENT & SERVICE DELIVERY	4,714	0	4,714	2,332	491	2,823	(1,891)	3,901	(813)	911
BUSINESS, SAFETY & REGULATION	102	0	102	22	0	22	(80)	92	(10)	13
HEALTH & HOUSING	1,037	0	1,037	742	2	744	(293)	971	(66)	14
TOTAL	27,547	560	28,107	20,922	588	21,510	(6,597)	25,407	(2,700)	2,854

Variations to Programme Approved 2016/17

Approved By

Date

£

Revised Budget 2016/17	Full Council	23.02.2017		27,547,000
Corporate Properties	Cabinet	07.02.2017	Exempt Item	150,000
Purchase of Commercial Property	Cabinet	07.03.2017	Confidential Appendix	357,000
Refurbishment of Manor Park Cottage	Urgency Decision	07.03.2017		53,000

Total Approved Budget

28,107,000