

**CAPITAL PROGRAMME MONITORING 2015/16
POSITION AS AT JULY 2015**

1. INTRODUCTION

- 1.1 This report informs Members of the latest forecast regarding the Council's Capital Programme for 2015/16, 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 The Council has developed an 8-point plan in order to support its objectives of financial and organisational sustainability. Point 3 of the plan is to look at income generation and investment opportunities and the 2015/16 Capital Programme includes several property investment schemes which will generate additional income streams for the Council.
- 3.2 As part of the budget process, schemes were robustly reviewed and prioritised and the core programme was approved by Council on 26 February 2015 at £7,382,000. In addition to this, slippage of £2,292,000 from the 2014/15 programme and approved variations of £1,720,000 bring the total approved Capital Programme for 2015/16 to £11,394,000.
- 3.3 In addition, variations totalling £4,050,000 have also been approved though, as these projects are not now likely to proceed, they are not included in the figures shown above. A breakdown of these projects is also shown in Appendix A. Other projects are likely to come forward to replace these schemes for property investment and for the provision of Council-owned depot facilities. Individual business cases will be brought forward for consideration by Cabinet as schemes are developed.
- 3.4 Based on the July monitoring exercise the forecast outturn for 2015/16 is approximately £10,792,000, a net reduction in spend of £602,000 against the approved Capital Programme of £11,394,000.
- 3.5 The forecast net underspend consists of:

	£000s
Net variations on capital schemes	(167)
Forecast scheme slippage to 2016/17	(435)
Forecast net underspend in 2015/16	(602)

3.6 The only significant variations to date are as follows:

Scheme	Explanation	£000s
Computer Systems - ICT Strategy & Customer First Projects	Pre-spend was incurred in 2014/15 due to the complexities of Channel Shift and additional costs to ensure compliance with PSN (Government Connect). The 2015/16 forecast has therefore been reduced to reflect this.	(84)
Princes Hall - New Paving	Project not now proceeding as budget is insufficient and the future of the Princes Hall site is being reviewed as part of the master planning work.	(18)
Car Parks - Parking Management System	Pre-spend was incurred in 2014/15. The 2015/16 forecast has therefore been reduced to reflect this.	(58)
Car Parks - Provision for Enhancements	Pre-spend was incurred in 2014/15. The 2015/16 forecast has therefore been reduced to reflect this.	(16)
Public Conveniences - Refurbishment of facilities at Aldershot Bus Station	Subject of a report to DMB shortly requesting a £16k variation. Quotes have come back at more than twice the budget. This is largely due to the fact that the original capital bid was only for the male section of the toilets but the ladies is also very bad. These are our most used toilets so need to be brought up to standard.	16

3.7 The major areas of slippage identified to date are as follows:

Scheme	Explanation	£000s
Brickfield Country Park - Improvement Works	Works delayed as time is needed to undertake a consultancy study to inform us of works needing to be carried out.	(25)
Manor Park - Playground Refurbishment	Delays with consultation. Entire project slipped to 2016/17 as works are unlikely to be completed until Summer 2016.	(160)

<p>Manor Park</p> <ul style="list-style-type: none"> - Lake Improvements 	<p>Works delayed as time is needed to undertake a consultancy study to inform us of works needing to be carried out.</p>	<p>(15)</p>
<p>Municipal Gardens</p> <ul style="list-style-type: none"> - Playground Refurbishment 	<p>Delays with consultation. Entire project slipped to 2016/17 as works are unlikely to be completed until Summer 2016.</p>	<p>(160)</p>
<p>Depots</p> <ul style="list-style-type: none"> - Refurbishment of Temporary Depot 	<p>Negotiations over the temporary depot have not been successful and, as a result, the Council will remain in the Surrey Heath BC site for the short-term. This money will not be spent this financial year.</p>	<p>(75)</p>

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 2015/16

PORTFOLIO	SLIPPAGE FROM 2014/15	ORIGINAL BUDGET 2015/16	ADDITIONAL BUDGET APPROVALS 2015/16	TOTAL APPROVED BUDGET 2015/16	ACTUAL AS AT 27/06/2015	VARIANCE	FORECAST SPEND 2015/16	FORECAST SPEND LESS APPROVED BUDGET	SLIPPAGE TO 2016/17
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
CORPORATE SERVICES	13	642	1,700	2,355	34	(2,321)	2,272	(83)	0
LEISURE AND YOUTH	261	868	20	1,149	37	(1,112)	766	(383)	360
ENVIRONMENT & SERVICE DELIVERY	1,604	4,948	0	6,552	1,206	(5,346)	6,416	(136)	75
BUSINESS, SAFETY AND REGULATION	0	0	0	0	0	0	0	0	0
HEALTH AND HOUSING	414	924	0	1,338	101	(1,237)	1,338	0	0
TOTAL	2,292	7,382	1,720	11,394	1,378	(10,016)	10,792	(602)	435

Amendments to Programme Approved 2014/15

	<u>Approved By</u>	<u>Date</u>	<u>£000</u>
Original Budget 2015/16	Full Council	26/02/2015	7,382
Slippage From 2014/15	Cabinet	02/06/2015	2,292
6555 - Redan Hill Fortifications	DMB	10/03/2015	20
5211 - Purchase of land - Ball Hill (SANG)	Cabinet	02/06/2015	1,700
	Total Approved Budget		11,394

Other Projects Approved but not now likely to proceed

	<u>Approved By</u>	<u>Date</u>	<u>£000</u>
5210 - Kings Centre & Car Wash Site	Cabinet	10/02/2015	1,050 (slipped from 2014/15)
5212 - Purchase of Plot 5 and 6 Farnborough Industrial Estate	Cabinet	02/06/2015	3,000
	Total		4,050