

CAPITAL MONITORING PERIOD 3 PLUS 9 (QUARTER 1) 2008/09

EXECUTIVE MEMBER: Councillor A Holliday
LEAD OFFICER: Marilyn Robinson, Acting Head of Finance & Business Development
REPORT AUTHOR: Marilyn Robinson, Acting Head of Finance & Business Development

Summary and Recommendation:

- a) That members note progress against the 2008/09 capital programme.
- b) That members agree the amendments to the Capital Programme:-
 - £130,000 virement in 2008/09 from CBC funding for North Shore cliff slippages project to the agreed capital contribution to North Country Leisure in 2008/09, with £133,000 in 2009/10 and £140,000 in 2010/11 funded from capital receipts;
 - £62,000 annual contribution from the Enterprise Fund to the West Cumbria Development Fund capital programme, funded from capital receipts. The revised capital programme will be £805k (2008/09), £655k (2009/10) and £439k (2010/11) (plus any slippage from previous years).

1. INTRODUCTION

- 1.1 The monitoring of the capital programme is undertaken monthly and a report to Executive is presented at the end of each quarter (3 month period). Project Managers are asked to provide detail of their schemes in progress, whilst Accountancy provides details on financial spend and commitments to date as recorded in the Council's financial ledger.
- 1.2 Project Managers are now requested to forecast spend against each project to the financial year end. This emphasises the Council's approach to be more forward looking for decision making purposes.

- 1.3 As part of the 2008/09 budget report submitted on 26/2/08, Council approved a capital budget of £759k (2008/09), £460k (2009/10) and £237k (2010/11). At the end of the 2007/08 financial year, there were unspent budgets on the capital programme of £2,687k. Slippage related to delay in implementing the website project, regeneration software and e.marketplace. There was also slippage on works to public buildings and on economic development projects. The Executive considered the Provisional 2007/08 Revenue and Capital Outturn report on 17/6/08 and approved the carry forward of the capital budget underspend, subject to statutory audit. These project underspends have been added to the approved capital budgets for 2008/09, giving a total programme of £3,446k. The position will be reviewed following audit of the accounts.

2. AMENDMENTS TO CAPITAL PROGRAMME

- 2.1 Since the original 2008/09 capital budget was approved, subsequent approval was given to bring £35k forward to 2007/08 for Website development (included in the £45k slippage now carried forward to 2008/09) and to add £19k for Chapel Street Car Park. Appendix A lists the amendments to the capital programme and details new schemes to be included.
- 2.2 There has been no provision in the capital scheme for the agreed capital contribution to North Country Leisure (NCL) following the formation of the Leisure Trust. The agreed annual contribution is estimated at £130k (2008/09), £133k (2009/10) and £140k (2010/11). It is requested that the £130,000 not required for the land slippage project at North Shore be vired to the NCL capital contribution in 2008/09. In 2009/10 and 2010/11 it will be necessary to fund this contribution from unapplied capital receipts.
- 2.3 There has also been no provision in the approved capital programme for the £62,000 annual contribution to the West Cumbria Development Fund capital programme. Members are asked to approve that this be added to the annual capital programme, funded from unapplied capital receipts.
- 2.4 If the above amendments are approved, the amended capital programme for 2008/09 will total £805,644 plus slippage brought forward of £2,687k.

3. EXPENDITURE TO DATE

- 3.1 Detailed expenditure against budgets is shown at Appendix B. Expenditure (which includes committed purchase orders) in the first quarter of 2008/09 is £919k. This represents 28.6% of the total budget for the year (excluding the £62k budget addition requested at 2.3 above).

- 3.2 There has still been no spend on several of the project budgets brought forward from 2007/08 but it is too early to say whether the programme will be completed. Project Managers have indicated that projects should be completed within the financial year.
- 3.3 Appendix C details other key projects which are not formally part of the capital programme. There is slippage of £2m from the 2007/08 Housing improvement programme. However, until the grant claim is audited by the external auditor, we are unable to confirm whether all of this funding can be carried forward and used in 2008/09. Expenditure on these projects for Quarter 1 amounted to £258k. The Council will also provide £714k from reserves for Improvement Grants, to add to the government grant of £1,383k in 2008/09. The Housing Strategy section will need to agree how this funding is to be split over the Housing improvement programme.

4. FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

- 4.1 The capital programme will continue to be monitored and reported to members on a quarterly basis. 2008/09 budgets are wholly funded from capital receipts, whilst some of the 2007/08 brought forward schemes are externally grant funded.

5. PROJECT AND RISK MANAGEMENT

- 5.1 It is imperative that all budgets are monitored monthly with exceptions reported through Corporate Team and Executive so that management action can be taken to ensure the effective use of resources as planned by Council.

6. IMPACT ON CORPORATE PLAN

- 6.1 The budget monitoring process is fully integrated into the planning process to ensure that Council objectives and priorities as outlined in the Corporate plan are fully resourced as planned.

List of Appendices

Appendix A – Capital Programme 2008/09 Budget Amendments
Appendix B – Detailed Capital Programme – 2008/09
Appendix C - Detailed programme Other Projects 2008/09

List of Background Documents: None

List of Consultees: Corporate Team

CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	n/a
Impact on Sustainability	n/a
Impact on Rural Proofing	n/a
Health and Safety Implications	n/a
Impact on Equality and Diversity Issues	n/a
Children and Young Persons Implications	n/a
Human Rights Act Implications	n/a
Monitoring Officer comments	Support the proposal referred to in 2.2. No other legal implications.
S151 Officer comments	The accountants work closely with budget holders and managers to ensure that budget monitoring projections are robust.

Please say if this report will require the making of a Key Decision YES/~~NO~~