

## CAPITAL REPORT

EXEC 111108  
Item 11

**EXECUTIVE MEMBER:** Councillor A Holliday  
**LEAD OFFICER:** Julie Crellin, Head of Finance and Management  
Information Systems  
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### Summary and Recommendation:

#### Summary

The report sets out the financial position of the 2008/09 Capital Programme at 30<sup>th</sup> September 2008.

Subject to agreement of revisions to the Capital Programme as set out in the report, the revised capital programme approval for 2008/09 is £902,600, plus slippage from previous years of £2,687,067, resulting in a total revised programme of £3,589,711 for 2008/09.

The forecast position at 31<sup>st</sup> March 2009 is expenditure of £2,884,176 compared to the revised capital programme. This results in a forecast variance of £762,325 and currently, slippage of £683,100 to be considered for carry forward to 2009/10 has been identified. This will be firmed up as the year proceeds.

#### Recommendation

That Members note the progress against 2008/09 capital programme.

## 1. INTRODUCTION

- 1.1 The monitoring of the capital programme is undertaken monthly and a report to the Executive is presented at the end of each quarter. The Executive received a report at its August meeting which set out the monitoring position at 30<sup>th</sup> June. This report provides an update to that report.
- 1.2 The Original Capital Programme for 2008/09 of £759,644 was agreed by Council at its meeting of 26 February 2008. At the end of 2007/08 financial year, there were unspent budgets on the capital programme of £2,687,067. Slippage in relation to a number of projects was considered by the Executive at its meeting of 17 June 2008 and approved the carrying forward of the capital budget underspend, subject to statutory audit.

- 1.3 This resulted in a total programme of £3,446,711 before amendments and revisions to the capital programme during the year.
- 1.4 The budget monitoring process involves Accountancy providing details on financial spend and commitments to date, as recorded on the Council's financial ledger. Project managers are required to review this information and provide a forecast to the financial year end. The robustness and accuracy of the forecasts against budget, improves as the year proceeds, as projects progress and current information updates original assumptions.

## **2. REVISIONS TO THE CAPITAL PROGRAMME 2008/09**

- 2.1 At its previous meetings of 04 September 2007 and 12 August 2008, and by Urgent Action dated 14 March 2008, the Executive agreed to a series of revisions to the Capital Programme, resulting in a net addition to the capital programme of £143,000. These relate to revisions and virements concerning website development, the Chapel Street Car Park, North County Leisure contribution and the West Cumbria Development Fund.
- 2.2 The Executive will receive a report at this meeting which will explain the progress in relation to the project to acquire Regeneration Software. The Regeneration report requests that an additional £18,000 budget allocation be agreed to enable the successful completion of this project during 2009/10. This has not been included in the report, and, if approved by Members at this meeting, will be included in Quarter 3 capital monitoring report.
- 2.3 Appendix A summarises the impact of these amendments and revisions to the Capital Programme, subject to the agreement of the Executive. The (provisional) Revised Capital Programme for 2008/09 is £3,589,711, including slippage brought forward of £2,687,067.

## **3. EXPENDITURE TO DATE**

- 3.1 Detailed expenditure against the capital programme is set out in Appendix A. Expenditure to the end of the second quarter (30<sup>th</sup> September 2008) is £1,610,343. This represents approx 45% of the total revised budget for the year.
- 3.2 Expenditure on some projects remains low at this stage in the year, and the Accountancy section will be working closely with project managers during the third quarter to firm up the projections at the year end. The

backlog of work as a consequence of 2007/08 final accounts work, has unfortunately, impacted upon the Accountancy Section's ability to assist Business Managers with this quarter's returns.

- 3.3 In addition, there are a number of outstanding grant claims which need to be submitted during quarter three, in relation to the Beacon and the Coastal Fringe projects.
- 3.4 Forecast gross expenditure position at 31<sup>st</sup> March is £2,884,176, and £683,139 forecast slippage has been currently identified as part of the consideration for c/fwd approval to 09/10. However this figure will be firmed up as the year proceeds.
- 3.5 Appendix A also includes other projects which are not considered part of the Council's capital programme as they are funded externally, and in the main, relate to revenue activity. These schemes total £4,784,894 and their delivery is important to the Council's objectives and aspirations. Expenditure at 30<sup>th</sup> September 2008 is £779,670.
- 3.6 The main schemes relate to Private Sector Housing Renovation Grants, Disabled Facilities Grants, Basket Road, and Trusteel structural remedial works. Expenditure to date here is low, and will improve now that the team is in place.

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

- 4.1 The capital programme will continue to be monitored and reported to members quarterly, throughout the year. The next report will be presented to Executive in February, and will present the financial position at 31<sup>st</sup> December 2008.
- 4.2 The 2008/09 Capital Programme is funded from capital receipts £786,600, external backing of £97,000, and earmarked reserves of £19,000, whilst some of the 2007/08 brought forward projects are also 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 the 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 – Current Position

Appendix B – Summary Approved Capital Programme 2008/09 to 2011/12

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	None
Impact on Sustainability	None
Impact on Rural Proofing	None
Health and Safety Implications	None
Impact on Equality and Diversity Issues	None
Children and Young Persons Implications	None
Human Rights Act Implications	None
Monitoring Officer comments	None
S. 151 Officer comments	The accountancy section work closely with budget holders and managers to improve the quality of the monitoring projections. Capital receipts are sufficient to fund the additions to the original programme.

Is this a Key Decision? No

Appendix A

COPELAND BOROUGH COUNCIL  
CAPITAL MONITORING STATEMENT (SUMMARY)

FOR THE PERIOD:

Year: 2008/09  
Period Ended Date: 30-Sep-09  
No. of Months: 6

Corporate Dept	Project	Approved from 2007/08		Original 2008/09 Approved Capital Programme		Further Approvals During 2008/09		2008/09 Total Approved Capital Programme		Budget Managers Forecast			Variance (Forecast to Budgeted Total Capital Programme)			Required Slippage into 2009/10	
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Summary		210,470	446,644	-35,000	622,114	53,077	280,707	333,784	-288,330	0	0	0	332,400				
Management Information Systems		78,459	313,000	0	391,459	16,675	374,027	390,702	-757	0	0	0	757				
Public Buildings		1,043,089	0	19,000	1,062,089	173,377	595,594	732,941	-328,128	0	0	0	328,925				
Property		80,582	0	97,000	177,582	65,260	29,535	94,795	-36,787	0	0	0	41,091				
Leisure and Environmental Services		1,274,487	0	62,000	1,336,487	1,301,954	30,000	1,331,954	-107,323	24,909	52,405	21,057					
Regeneration																	
<b>TOTAL CAPITAL PROGRAMME</b>		<b>2,687,087</b>	<b>759,644</b>	<b>143,000</b>	<b>3,589,711</b>	<b>1,610,343</b>	<b>1,273,833</b>	<b>2,884,176</b>	<b>-762,325</b>	<b>24,909</b>	<b>93,496</b>	<b>683,139</b>					
<b>OTHER (REVENUE PROGRAMME)</b>		<b>2,687,894</b>	<b>0</b>	<b>2,097,000</b>	<b>4,784,894</b>	<b>779,670</b>	<b>1,569,573</b>	<b>2,349,243</b>	<b>-2,599,402</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,599,340</b>				

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## Summary Approved Capital Programme 2008/09 - 2011/12

Projects	Total £000	Orig Approved Capital Programme			
		2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000
<b>1 Programme Approved by Executive on 26 February 2008</b>					
Public Bids Condition Survey Backlog	1,048.0	313.0	312.0	234.0	189.0
Performance Management Software	9.0	3.0	3.0	3.0	0.0
Website Development	95.0	65.0	30.0	0.0	0.0
New CRM	134.1	114.1	20.0	0.0	0.0
Regeneration Software	179.5	174.5	5.0	0.0	0.0
T-Enabling	180.0	90.0	90.0	0.0	0.0
<b>Total Programme</b>	<b>1,645.6</b>	<b>759.6</b>	<b>460.0</b>	<b>237.0</b>	<b>189.0</b>
<b>2 Approved Amendments to Capital Programme (Detail)</b>					
Executive 04 September 2007					
Play Area - Hensingham	51.0	51.0			
Cleator Moor Muga	19.0	19.0			
Egremont Play Facility	49.0		49.0		
Gosforth Muga	27.0	27.0			
Seascale Wheeled Activity Site	54.0		54.0		
	<b>200.0</b>	<b>97.0</b>	<b>103.0</b>	<b>0.0</b>	<b>0.0</b>
Urgent Action 14 March 2008					
Chapel Street Car Park	19.0	19.0			
Executive 12 August 2008					
Website Development	-35.0	-35.0			
North Shore Land Slippage William Pitt and Cliff Slippage					
Lonsdale House	-130.0	-130.0			
NCL Contingency / Capital Contribution	403.0	130.0	133.0	140.0	
Enterprise fund	62.0	62.0			
	<b>519.0</b>	<b>143.0</b>	<b>236.0</b>	<b>140.0</b>	<b>0.0</b>
<b>3 Total Revised Capital Programme After Amendments</b>					
Public Bids Condition Survey Backlog	1,048.0	313.0	312.0	234.0	189.0
Performance Management Software	9.0	3.0	3.0	3.0	0.0
Website Development	95.0	65.0	30.0	0.0	0.0
New CRM	134.1	114.1	20.0	0.0	0.0
Regeneration Software	179.5	174.5	5.0	0.0	0.0
T-Enabling	180.0	90.0	90.0	0.0	0.0
Play Area - Hensingham	51.0	51.0	0.0	0.0	0.0
Cleator Moor Muga	19.0	19.0	0.0	0.0	0.0
Egremont Play Facility	49.0	0.0	49.0	0.0	0.0
Gosforth Muga	27.0	27.0	0.0	0.0	0.0
Seascale Wheeled Activity Site	54.0	0.0	54.0	0.0	0.0
Website Development	-35.0	-35.0	0.0	0.0	0.0
Chapel Street Car Park	19.0	19.0	0.0	0.0	0.0
North Shore Land Slippage William Pitt and Cliff Slippage					
Lonsdale House	-130.0	-130.0	0.0	0.0	0.0
NCL Contingency / Capital Contribution	403.0	130.0	133.0	140.0	0.0
Enterprise fund	62.0	62.0	0.0	0.0	0.0
<b>Total Revised Capital Programme</b>	<b>2,164.6</b>	<b>902.6</b>	<b>696.0</b>	<b>377.0</b>	<b>189.0</b>
<b>4 Funding (Summary)</b>					
CBC Unapplied capital receipts					
CBC Usable Capital Receipts	-1,945.6	-786.6	-593.0	-377.0	-189.0
Other External	-200.0	-97.0	-103.0		
Earmarked Reserves	-19.0	-19.0			
<b>Total Funding</b>	<b>-2,164.6</b>	<b>-902.6</b>	<b>-696.0</b>	<b>-377.0</b>	<b>-189.0</b>
<b>5 Capital receipts Unapplied</b>					
Opening Balance (provisional)		-6,700.0	-6,050.5	-5,457.5	-5,080.5
Receipts in Year		-137.2			
Utilised in Year		786.6	593.0	377.0	189.0
<b>Closing Balance</b>		<b>-6,050.5</b>	<b>-5,457.5</b>	<b>-5,080.5</b>	<b>-4,891.5</b>