

CAPITAL PROGRAMME 2005/06 – DRAFT OUTTURN

EXECUTIVE MEMBER:

LEAD OFFICER: SUE BORWICK

REPORT AUTHOR: CATHERINE NICHOLSON

Summary: This report informs Members of the pre-audit outturn position of the capital programme, for the financial year 1st April 2005 to 31st March 2006.

Recommendations:	<ul style="list-style-type: none">a. To approve the changes as detailed in <u>Appendix A</u>b. To approve the carry forward of £2,079,564 (£1,340,596 CBC and £738,968 external funding), <u>Appendix B</u>c. To approve the transfer of the net CBC under spend of £17,472 to the Major projects Fund Appendix C and D,(paragraph 3.10)d. To note the position at the year-end
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Impact on delivering the Corporate Plan. This will impact across all the objectives as it relates to the financing of the capital projects and schemes of the Authority

Impact on other statutory Objectives (eg Crime & Disorder, LA 21) As above

Financial and Human resource Implications:

- a. Expenditure of £3,817,645 compared to a revised budget of £5,991,961
- b. Total cost of projects to be carried forward to 2005/06 of £2,079,564 (CBC £1,340,596 and external £738,968)
- c. A transfer to the Major Projects Fund of £17,472.

Project & Risk management Project Management for the individual schemes is allocated out to Business Managers. Financial monitoring and variance analysis is completed on a monthly basis by Accountancy.

Key Decision Status

- **Financial:** Yes
- **Ward:** None

Other Ward None
Implications:

1. BACKGROUND

- 1.1 This report shows the expenditure against budget on the capital programme for the financial year 2005/06.
- 1.2 At the end of each financial month, a statement is prepared by accountancy, of the actual expenditure to date on each individual capital project. This is circulated to managers together with their monthly revenue monitoring and discussed in the monthly meetings.
- 1.3 Changes that affect the financing of the capital programme are reported to Executive throughout the year, for approval. Accountancy monitors these changes, and maintains an overall financing position of the capital programme. A number of changes have taken place since the last report and these changes are detailed in Appendix A. Executive is asked to formally approve these changes to the budget for 2005/06.
- 1.4 The first amendment, is to add into the capital programme the secured match funding from English Heritage and NWDA for the Millom HERS scheme. The total of this additional match funding is £40,000.
- 1.5 The second amendment is to add the Newtown Acquisitions programme to the programme. It has previously been agreed by Executive that Copeland will bankroll these purchase costs, until the money is reimbursed by NWDA. During 05/06, the sum spent, which will be reimbursed is £125,300
- 1.6 The overall budget for 2005/06 stands at £5,991,961 of which £2,236,634 is CBC funding and £3,755,327 is from external sources.
- 1.7 Projects not complete by the end of the financial year require formal approval for the financing to be carried over to the next year. In order to achieve budget savings it is essential that all requests for carry forward be critically examined in the monitoring meetings. This ensures that only committed or ongoing schemes are approved.

2. CARRY FORWARD REQUESTS

- 2.1 Table 1 in Appendix B sets out the approved budgets and spend on all non-housing capital schemes. In total it is requested that £2,079,564 is carried forward to 2006/07.
- 2.2 Projects not complete by the end of the financial year require formal approval for the financing to be carried over to the next year.
- 2.3 The schemes with large sums requested to be carried forward, are explained in more detail in the following paragraphs.
 - 2.3.1 Whitehaven Town Centre Manager - £8,817

A budget of £25k was allocated this year, to continue the work of the Town Centre Manager. £16,000 was spent on Christmas activities. Discussions are to be held with partner organisations about the how the balance is to be allocated.

2.3.2 Market Towns Initiative - £116,500

A report was presented to Executive on the 8th November 2005, requesting that Copeland BC bankroll the market town projects, until the grant is repaid by North West Development Agency (NWDA). It is requested that this budget is carried forward into 06/07, and it will then be reported on separately via the Market Towns Programmes.

2.3.3 Coalfields Programme – match funding £106,250

Copeland have agreed to put £110,00 as match funding into the Coalfields Programme. During 05/06 only £3,750 of this has been utilised, and it is therefore requested that the remainder be carried forward to 06/07. As with the Market Towns Programme, it is recommended that the Coalfield Programme is monitored and reported on separately to the capital programme.

2.3.4 Former Co-op Cleator Moor - £47,219

This is an ongoing commitment with a number of external funders for 05/06, and the unspent Copeland contribution will be required in 06/07.

2.3.5 Millom Market Town Officer - £30,368

This post has been filled on a 3 year contract, which runs until 07/08, and the budget is therefore required to fund the position.

2.3.6 Cleator Moor THI - £500,205

This is currently committed and includes large sums from European Regional Development Fund, Heritage Lottery and Single Regeneration Budget. The programme has been delayed due to works around the former Co-op building.

2.3.7 Egremont Market Town Officer - £29,545

As with the Millom officer above, this post has been filled on a 3 year contract until 07/08, and so the budget is required to fund the post in future years.

2.3.8 Egremont HBG's - £8,605

This budget was originally carried forward to fund Historic Building Grants in Egremont, after the match funding for an additional HERS (heritage economic regeneration scheme) was turned down. It is recommended that this is carried forward and made available to the Egremont Market Towns Officer as part of his programme.

2.3.9 Connecting Copeland - £11,386

This is an externally funded scheme, with the funding provided from the Employment Support Fund. The scheme is a 3 year scheme, which straddles four financial years.

2.3.10 Public Buildings Maintenance - £55,400

There remains a backlog of jobs, which are currently being addressed and programmed, and this budget is required to complete the works.

2.3.11 Surveys, cleansing and repairs Drains - £69,044

This scheme has been delayed this year, due to capacity issues within the department. The Flooding Engineer vacancy has now been filled and an initial survey has commenced to identify the sewers which will then be cleaned and CCTV will be used to identify repairs.

2.3.12 Disabled Access Audits - £10,128

The remainder of this budget is required to complete the works at Moresby, particularly the costs of installing a chair lift to the upstairs offices.

2.3.13 Extend Whitehaven Cemetery - £73,850

This scheme has commenced, however a full environmental study of the groundwater situation was required, with boreholes being drilled into the land to rectify the situation. This has delayed the completion of the project and so the budget will be required in 06/07.

2.3.14 Silecroft Public Convenience - £7,500

This scheme was to be in partnership with the National Parks to refurbish the facility up to DDA (disability discrimination act) standards. There have been delays by the National Parks authority, and so it is requested that this budget is carried forward.

2.3.15 Private Sector Renovation Grants - £459,051

This sum is required as commitments have been made to potential applicants.

2.3.16 Replacement of Financial Ledger - £250,000

This project is underway, with tender documents submitted back into the Council by the end of March 06. This are now being evaluated and assessed before a decision is made. The costs will therefore be incurred during 06/07.

2.3.17 Nuclear Issues - £145,855

A budget of £150k was approved by Full Council on 28th July 05. This is to be used to support the role of the Council in its local, national and international nuclear issues.

2.3.18 Implementing Electronic Government - £26,729

The balance on CBC funding available from this scheme is required to be carried forward for Enforcement hand held machines (please see separate report on this agenda) and Electronic Document Reading. A separate spreadsheet detailing the individual projects within the IEG programme, is detailed at Appendix E.

3. UNDERSPENDS AND OVERSPENDS

3.1 Table 2 at Appendix C details the schemes, which have been completed and come in under budget. The total budget under spend is £88,322 of which £28,437 is CBC funded.

3.2 A budget bid of £10,000 was awarded in 05/06 for Surveys, Repairs and Adoption of roads on former Council Estates. This is unlikely to be spent in any one year,

and should be available to meet any potential obligations arising from the Stock Transfer. It is therefore recommended that this unspent sum of £10,000 is transferred to an earmarked reserve for future use.

- 3.3 At the close down of the last financial year (04/05) a number of accruals were made regarding Unadopted Sewers works. The final bills have now been settled and have resulted in an under spend of £12,937.
- 3.4 There has been no spend against the budget of £5,000 allocated for the repair and maintenance of footpaths and gardens. The work was put out to tender, but all the returned prices were in excess of the £5k available. It is therefore recommended that this sum is returned to balances and a revised plan and bid submitted to the next budget round.
- 3.5 The projects which have come in over budget are detailed in Table 3 at Appendix D. The CBC funded overspend is £22,350, however the Benefits Transformation Programme is to be funded by an earmarked reserve (£10,529) as is the Whitehaven Regeneration Programme, see below (£10,856) therefore the true overspend of CBC is £965.
- 3.6 Whitehaven Regeneration Programme is an externally funded programme, with an original budget of £34,942 from NWDA and £20,000 from Planning Delivery Grant (PDG). The final spend has been recorded at £65,798, and the Head of Regeneration has approval to fund this from a further allocation of PDG.
- 3.7 The scheme to replace the columns on Egremont Main Street has been finalised at £1,835, whereas the budget remaining was only £1,650 , hence the overspend of £185.
- 3.8 At the end of the previous financial year (04/05), an under spend of £9,912 was recorded against the Council Tax Folder / Inserter and released back into balances. However, a further bill of £780 was received in 06/07 which related to this project and so an overspend has been recorded.
- 3.9 Taking the schemes that are financed from reserves out, then the net underspend (ie total underspend on CBC plus overspends on CBC) is £17,472. It is recommended that this sum be transferred to the Major Projects Fund.
- 3.10 A statement of the position on the Major Projects Fund during 05/06 is included at Appendix F.

4. OPTIONS TO BE CONSIDERED

- 4.1 The options recommended for approval are therefore to approve the carry forward of the budget on projects which are already committed and ongoing.
- 4.2 It is also recommended that the net under spend of CBC funding is transferred to the Major Projects Fund.

5 CONCLUSIONS

- 5.1 The total spend on the General Fund programme equates to approximately 64% of the revised budget. However, it must be stressed that there are a large number of schemes that rely heavily on external funding and are often delayed due to circumstances beyond our control. This year these include the Egremont and Millom Market Towns Initiatives, the THI scheme at Cleator Moor
- 5.2 The carry forwards also include ongoing commitments to new Financial Ledger system, which is currently out to tender, Private Sector Renovation grants, and the Nuclear Issues programme which also runs over a number of years.
- 5.3 If these ongoing commitments are taken into account, then approximately 80% of the budget has been spent.
- 5.4 The revised three-year programme, from 2005/06 to 2007/08 is attached at Appendix G.
- 5.5 The position is the pre-audit one. It is not anticipated that there will be large scales changes in the audited position.

List of Appendices

[Appendix A](#)

[Appendices B, C and D](#)

[Appendix E](#)

[Appendix F](#)

[Appendix G](#)

List of background papers

List of consultees:

Capital Monitoring files and Outturn files

Head of Finance and Business Development

Service Managers

Accountants

Corporate Team