

CAPITAL PROGRAMME MONITORING 2006/07

EXECUTIVE MEMBER: Cllr Elaine Woodburn
LEAD OFFICER: Sue Borwick, Head of Finance and Business Development
REPORT AUTHOR: Paul Robson, Accountant

Summary: This is a progress report that advises Members of expenditure to the end of December 2006, and any amendments needed to the Capital Programme for 2006/07.

Recommendation:	<p>a) That Members note the spend to date and project managers comments as at Appendix A;</p> <p>b) That members approve an increase in the capital programme of:</p> <p style="padding-left: 20px;">i) £437,000 - LABGI (CBC Funded: £161k LABGI Scheme, External Funded: NWRDA/WLR £170k, European £90k, Private Sector £16k),</p> <p style="padding-left: 20px;">ii) £1,400,000 - Coastal Fringe (External Funded: English Partnerships), and</p> <p style="padding-left: 20px;">iii) £2,199,500 - Beacon II (CBC Funded: £337.5k Reserve Fund, £48k BNG Fund, External Funded: £495k WLR, £350k WCDF, £624k HLF, £345k ERDF)</p>
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Financial and human resource implications Expenditure against the total Capital Programme to 31 December 2006 is £1,892,824 (35% of the estimated 2006/07 planned expenditure for the capital programme). The Capital Programme as at 31 December 2006 for 2006/07 is £8,715,818, of which £5,722,261 (66%) is financed on externally funded. This is after Recommendations b) and c) above. Estimated planned expenditure for 2006/07 is £5,529,193. Projections indicate that actual expenditure will be in the region of £4.4m, which equates to 80% of the estimated planned expenditure for 2006/07 as stated above.

Impact on delivering Copeland Corporate Plan Objectives The individual projects within the capital programme all contribute in differing ways of achieving the Corporate Plan objectives. The overall programme monitoring tracks the success of the application of resources deployed to support the objectives.

Impact on other statutory objectives As above

Project and risk management controls The capital programme is monitored on a monthly basis by Finance, with co-ordination of the projects by managers in individual sections. Project managers are expected to complete Project Initiation Documents to be approved for new projects, or phases of projects.

Key Decision Status:
- Financial YES

- Ward NO

Other Ward Implications

1 INTRODUCTION

1.1 The Accountant and Project Managers monitor the Capital programme on a monthly basis.

1.2 This report advises Members of spend to 31 December 2006.

2 EXPENDITURE TO DATE

2.1 Expenditure of the programme has been monitored on a monthly basis. Currently, expenditure for the programme to the end of December stands at £1,892,824. This represents 35% of the estimated programmed expenditure for 2006/07.

2.2 Included in the programme are a number of externally funded projects, some of which rely on outside agencies and support to complete. For example the Townscape Heritage Scheme at Cleator Moor is in the programme at £500,205. The main element of this is the ERDF scheme to refurbish the former Co-op building.

2.3 Original estimated planned expenditure for the year is £5,529,193. However, a number of carry forward requests due to slippage will be made at financial year end with regard to:

	Circa £000
Former Council Estate Adoption of Sewers	190
Chipside Software	24
Private Sector Renovation Grants	800
Disabled Facilities Grants	100
CCTV	110
TOTAL	1,224

2.4 Based on estimated carry forwards, it is anticipated that actual expenditure will be in the region of £4.4m, which equates to 80% of the total estimated planned expenditure for 2006/07

3 AMENDMENTS TO 2006/07 CAPITAL PROGRAMME

3.1 Amendments to the Capital Programme requiring member approval are as follows:

3.1.1 £437,000 Local Authority Business Growth Incentives Scheme (LABGI)
Details of the scheme, and range of projects to utilise the funding to the benefit of the Copeland economy was presented and approved by Executive at its meeting on 24 October 2006. The funding of £161k from the LABGI Scheme has been received. This Council funding has secured additional leverage of £276k of public and private sector funding, as follows NWRDA/WLT £170k, European £90k and private sector £16k.

3.1.2 £1,400,000 Coastal Fringe.
Fully funded by English Partnerships to carry out the Coastal Fringe Project which applies to Council land

The Coastal Fringe project is in receipt of over £4m of English Partnerships funding to enhance the landscape of the area from the headland above Whitehaven Harbour to the housing area of South Whitehaven; to improve access generally and as part of the coastal footpath network (does not include the Haig Colliery Buildings). Project managers have been employed and the main contract for design services will be let in January. The main contractor will manage the process of letting individual work contracts with the aim of achieving the £1.4m. budget spend in this phase by the end of 2007/08

- 3.1.3 £2,199,500 Beacon II
This is to carry out the major refurbishment of the Beacon, scheduled for completion in August 2007

Funding has been secured as follows:

West Lakes Renaissance	£ 495.0k
WC Development Fund	£ 350.0k
Heritage Lottery Fund	£ 624.0k
ERDF	£ 345.0k
Total External Funded	£1,814.0k

CBC Funded:	
Reserves Fund	£ 337.5k
BNG Fund	£ 48.0k
Total CBC Funded	£ 385.5k

TOTAL	£2,199.5k
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3 MAJOR UNDER / OVERSPENDS

3.1 Private Sector Renovation Grants

This is showing an underspend of £1.352m against budgeted £2.025m. This is partially due to management resourcing issues that are currently being addressed. In the medium term a review of the service is to be carried out. It is not expected to be fully utilised in the current financial year, but in the medium term, once the review has taken place, it is expected to fully utilise these funds. As part of the review, management will develop an action plan to ensure that current and future funding will not be affected.

3.2 Phoenix House, Cleator Moor

This is showing an overspend of £175,627. Practical completion was achieved in June 2006, and are awaiting the final account from the main contractor. Monies due from NWDA and ERDF cannot be drawn down until the final account has been received and audited.

3.3 Cleator Moor Townscape Heritage Initiative

This is showing an underspend of £507k. This scheme has been extended and management have been liaising with Heritage Lottery Fund to ensure maximising expenditure against the scheme.

3.4 Former Council Estate Adoption of Sewers

This is showing an underspend of £191k. A consultant has now been appointed who has reported the planned work to United Utilities. Repair work based on this report is due to commence shortly but will require a carry forward into the next financial year due to the slippage.

3.5 Nuclear Issues

This is showing an underspend of £115k. This Fund is to fund research projects, sharing best practice and lobbying of nuclear issues. Any balance at financial year end will be carried forward as part of the 3 year programme.

3.6 Disabled Facilities Grants

This is showing an underspend of £276k. Commitments however have been fully made at this stage of the year for the increased programme. It is expected that the programme will be fully committed for the year. Monitoring will need to be carefully managed to ensure that future years activity is not restricted through outstanding commitments, and that all claims are processed in a timely manner.

3.7 CCTV

This is showing an underspend of £110,000. A tendering process is currently being undertaken and are at the shortlist stage. A partnership agreement is currently being drafted with Allerdale for monitoring service. The project is expected to commence in the last quarter and will require any monies to be carried forward to next financial year.

3.8 Powbeck Flood Risk Study

This is showing an overspend of £19k. A claim is to be submitted to WLR during Quarter 4 to recover costs as agreed.

4 RESERVES FUND

4.1 The Reserves Fund is shown at Appendix B.

4.2 The Reserves Fund is showing a balance of £211,890 following previous Executive approvals to utilise £317,872 of the fund for the current financial year.

5 FOUR YEAR CAPITAL PROGRAMME

5.1 Appendix C shows the 4 year capital programme to 2009/10.

6 CHANGES TO CAPITAL PROGRAMME

6.1 Appendix D shows approved changes to the capital programme made during the year.

List of Appendices

[Appendix A Summary Qtr 3](#)

[Appendix B Reserves Fund Qtr 3](#)

[Appendix C 4 year programme Period Qtr 3](#)

[Appendix D Changes 2006-07 Qtr 3](#)

List of Background Documents: Capital Programme 2006/07

List of Consultees: Corporate Team
Cllr E Woodburn
Project Managers:
Chris Lloyd – Business Development Manager
M Titchford – Head of Regeneration
K Parker – Head of Leisure & Environmental Services
H Mitchell – Head of Policy and Performance