

DRAFT CAPITAL PROGRAMME OUTTURN 2006-07

EXECUTIVE MEMBER: Cllr E Woodburn
LEAD OFFICER: Sue Bamforth, Head of Finance and Business Development
REPORT AUTHOR: Catherine Nicholson, Accountancy Services Manager

Summary & Recommendation:

This report informs Members of the pre-audit position of the capital programme, for the financial year 1st April 2006 to 31st March 2007.

Recommendations:

To approve the changes as detailed in [Appendix A](#)

To approve the carry forward of £6,553,452 (£2,681,628 CBC and £3,871,824 External Funding) as detailed in [Appendix B](#)

To approve the transfer to the Reserves Fund (MPF) of the net under spend of £62,216 [Appendix C](#) and [D](#)

To note the position at the year end on the Reserves Fund –[Appendix E](#)

1.0 INTRODUCTION

- 1.1 This report shows the draft outturn position for the capital programme for 2006/07. It shows the actual expenditure against budget for each scheme within the programme.
- 1.2 During the financial year, monthly financial reports are produced by Accountancy, which show the actual expenditure against budget on an individual basis. These reports are circulated to the assigned managers together with the revenue monitoring reports, and discussed at the monthly meetings.
- 1.3 Changes that affect the financing of the capital programme are reported to Executive throughout the year. Accountancy monitors these changes, and maintains an overall financing position of the capital programme. A number of changes are required to the programme since the last report,

and these changes are detailed in Appendix A. Executive is asked to formally approve these changes.

- 1.4 The first changes are to add three Powbeck capital schemes to the programme. These have all previously been to Executive. The Corkicle site investigation of £37k and Powbeck Stadium of £45k are both entirely funded by grant from West Lakes Renaissance. The Flood Risk Scheme is funded by £15k from CBC together with a £15k WLR grant.
- 1.5 The changes to the Beacon project, are to correct the financing arrangements as per the latest grant approval letters.
- 1.6 The Council acts as the Accountable Body for a number of schemes, and for completeness these have been added to the programme. These schemes are Egremont and Millom Market Towns, Coalfields and the Safer Stronger Communities Fund (SSCF).
- 1.6 The overall budget for 2006/07 stands at £10,575,129 of which £3,210,755 is CBC funded and £7,364,354 is from external sources.
- 1.7 Projects that are not complete by the end of the financial year require formal approval for the financing to be carried forward 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.

2.0 CARRY FORWARD REQUESTS

- 2.1 The table in Appendix B sets out the schemes that are requesting carry forward into the 2007-08 financial year.
- 2.2 In total it is requested that £6,553,452 is approved for carry over to next year.
- 2.3 The schemes are described in more detail below.
- 2.4 Public Buildings:- It is requested that £50k of the underspend is carried forward to address some of the remaining outstanding jobs required on our public buildings. The balance of £52k can be released to balances. This reflects the fact that our responsibilities have reduced following the transfer of our leisure services to NCL in April 06. The works to the cliff slippage at William Pit, which were funded from contingencies, are also requested to be carried forward.

- 2.5 Surveys, cleansing and repairs to drains £180,893:- This year a Flooding Engineer has commenced work to survey and upgrade to adoptable standards the drains. This work has to continue into the next financial year.
- 2.6 Disabled Access Audits £9,974:- This scheme has been put on hold, pending a review and decision on the issue of the disabled lift at the Moresby depot.
- 2.7 Extend Whitehaven Cemetery £65,782:- This is a ring-fenced budget for 2 years. Tenders are now in for the works required, with a target completion date of Autumn 2007.
- 2.8 Silecroft Public Conveniences £7,500:- This scheme has been further delayed by the National Parks Authority. However, a project manager has now been appointed who will be addressing this scheme in 2007/08.
- 2.9 Private Sector Renovation Grants £1,208,267:- These scheme is under spent this year, mainly due to capacity issues within the Regeneration Department
- 2.10 Replacement of FMS £132,579:- The new financial management system went live on the 2nd April 2007. There are still a number of modules to be developed, for example Budgeting. These will be progressed within the first six months of 2007/08.
- 2.11 Nuclear Issues Capital £114,173:- The remaining budget is required to support the role of the Council in its local, national and international nuclear issues.
- 2.12 Enforcement system – Chipside £11,986:- This balance is required to pay for the remaining project which is due to go live during May 2007, and for the additional licences required.
- 2.13 Crematorium Upgrade - £100,000:- It has been agreed to set this sum aside to build up a fund over a three year period.
- 2.14 Car Park Machines - £646 :- The new machines are now installed, and the remainder of this budget is requested to be carried over, to pay for the removal and disposal of the old machines.
- 2.15 CCTV - £110,000:- Delays to this project have previously been reported, and it is requested to carry this budget over to pay for the purchase and installation of the cameras. A separate revenue budget exists to pay for the monitoring and maintenance arrangements.

- 2.16 Plastic Bottle Recycling £5,623:- This will be utilised to increase the number of plastic bottle recycling points.
- 2.17 Performance Management Software £8,410:- It is requested that the under spend on this budget is carried forward, and used for the annual licence costs for 2007-08. A budget bid will be needed after this.
- 2.18 Coastal Fringe £1,377,000:- This is all externally funded and is part of a long term plan for the coastal fringe area.
- 2.19 Beacon 11 £2,104,012:- This is an on-going scheme, and is not targeted for completion until August 2007. The building contractors have now been appointed, and the internal design works have commenced.
- 2.20 Local Authority Business Growth Initiative (LABGI) £331,000:- These schemes are of a longer term nature, and the allocations have previously been to Executive.
- 2.21 Powbeck Stadium Delivery £24,377:- This is a grant funded scheme, of which the first part has been drawn down, with the balance to be carried into this year.
- 2.22 Powbeck Corkicle site investigation £14,253 and Powbeck Flood Risk £2,459:- These are other external grant funded schemes, that are required to be carried forward for completion.
- 2.23 Egremont and Millom Market Towns (£10,082 and £14,335):- These are both three year schemes, and are therefore committed into 2007-08. The budgets also contain the funding for the Managers of each scheme.

3.0 UNDERSPENDS AND OVERSPENDS

- 3.1 The table at Appendix C details the schemes which have been completed and come in under budget. The total budget under spend is £92,836 of which £84,070 is CBC funded.
- 3.2 A budget bid was approved a couple of years ago, to improve the access to the Sports Centre building. This would have required the permission of Morrison's supermarket. They have now made it quite clear, that they do not wish to proceed with this and so the money can now be released.

- 3.3 There is an under spend of £52,029 on public buildings. At the start of the year, the four main leisure sites were transferred to NCL for operation, and some of the responsibility for the buildings has transferred to them.
- 3.4 An approval of £30k was made from the Reserves (MPF) Fund, for work on the Coastal Fringe. The actual expenditure was only £25,532 releasing £4,468.
- 3.5 An accrual was made in the previous year, for the costs of removals into the new Council Building, that were in dispute with Caxtons. It has now been agreed that these costs will not be due, and so the saving can be released. A further accrual of £8,549 can be released from the old Whitehaven HERs budget.
- 3.6 The projects which have come in over budget, are detailed in Table 3 at Appendix D. The CBC funded over spend is £231,721, however three of these projects are to be financed by existing ear marked reserves. These are the Public Buildings (Moresby split) £51,837, Enterprise Fund £62,000, and the Enabling works to Moresby (from Sale proceeds). The true over spend for CBC is therefore £21,853.
- 3.7 The report on Whitehaven Town Centre – Commercial Property Advice, has been paid for from the balance remaining on the Whitehaven Town Centre budget. The advice cost £9,900, whilst the budget available was only £8,817, hence the over spend of £1,083.
- 3.8 The balance on the IEG budgets at the end of 2005/06, was £2,687. However, during the year a number of residual payments have been made, for which there was no budget provision. The end result is an over spend of £20,034.
- 3.9 Taking the schemes that are financed from earmarked reserves out, then the net under spend (ie total CBC under spends, less CBC over spends) is £62,216. It is recommended that this sum be transferred to the Reserves Fund. A statement on the position on the Major Projects Fund during 06/07 is included at Appendix E.

4.0 CONCLUSIONS

- 4.1 The total spend on the General Fund programme equates to only 39% of the revised budget. This is because there are three particularly large under budget schemes, the Beacon, Private Sector Renovation Grants, and Coastal Fringe.

- 4.2 If these ongoing commitments are taken into account, then approximately 65% of the programme has been spent.
- 4.3 The revised 2006/07 programme, together with next years approved programme is attached at [Appendix F.](#)
- 4.4 The position is a pre-audit one. It is not anticipated that there will be any major changes in the audited position.

5.0 FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

- 5.1 As detailed in recommendations above.

6.0 PROJECT AND RISK MANAGEMENT

- 6.1 Project Management for the individual schemes is allocated out to Managers. Financial monitoring and variance analysis is completed on a monthly basis
- 6.2 Financial monitoring and variance analysis is completed on a monthly basis by Accountancy.

7.0 IMPACT ON CORPORATE PLAN

- 7.1 This will impact across all the objectives as it relates to the financing of the capital projects and schemes of the Authority

List of Appendices

- Appendix A – Changes to capital programme
- Appendix B – Carry forward requests
- Appendix C – Under spends
- Appendix D – Over Spends
- Appendix E – Reserves Fund 0607
- Appendix F – Revised programme 0607 and 0708

List of Background Documents: Final Accounts working papers

List of Consultees: Heads of Service, Leader, Accountants

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	X
Impact on Sustainability	X
Impact on Rural Proofing	X
Health and Safety Implications	X
Impact on Equality and Diversity Issues	X
Children and Young Persons Implications	X
Human Rights Act Implications	X

Please say if this report will require the making of a Key Decision YES

