

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 16 OCTOBER 2012**

REPORT BY: **HEAD OF FINANCE**

SUBJECT: **CAPITAL PROGRAMME 2012/13 (QUARTER 1)**

1.00 PURPOSE OF REPORT

1.01 To provide Members with the first quarter's capital programme information for 2012/13.

2.00 BACKGROUND

2.01 The Council approved a Housing Revenue Account capital programme for 2012/13 of £9.398m at its meeting of 21st February 2012, and a Council Fund capital programme of £23.825m at its meeting of 1st March 2012.

3.00 CONSIDERATIONS

3.01 Programme - Movements

3.01.1 The table below sets out how the programme has changed during 2012/13.

	Council Fund	Housing Revenue Account	Total
	£m	£m	£m
Council 21.02.12. (HRA) and 01.03.12. (Council Fund)			
Original Capital Programme	23.825	9.398	33.223
	23.825	9.398	33.223
Latest Monitoring			
As Previously Reported	23.825	9.398	33.223
Rollover from 2011/12	6.272	1.490	7.762
Change this Period	(0.207)	0.000	(0.207)
	29.890	10.888	40.778
Identified Savings	(0.008)	0.000	(0.008)
Revised Programme	29.882	10.888	40.770

3.01.2 From the table it can be seen that the original programme total of £33.223m has increased to £40.770m by way rollover (from 2011/12) of £7.762m (Council Fund £6.272m and HRA £1.490m), which is offset by net decreased Council

Appendix B

Fund schemes of £0.207m, and identified savings of £0.008m.

3.01.3 Detailed cumulative information relating to each programme area is provided in Appendix A, and summarised below –

REVISED PROGRAMME	Original Budget 2012/13	Rollover from 2011/12	Changes	Not Yet Committed	Rollover to 2013/14	Savings	Revised Budget
	£m	£m	£m	£m	£m	£m	£m
Corporate Services	3.458	0.697	(0.127)	0	0	0	4.028
Clwyd Theatr Cymru	0.025	0.050	0	0	0	0	0.075
Community Services	3.669	0.321	0	0	0	0	3.990
Environment	9.124	1.404	(0.200)	0	0	(0.008)	10.320
Lifelong Learning	7.549	3.800	0.120	0	0	0	11.469
Council Fund Total	23.825	6.272	(0.207)	0.000	0	(0.008)	29.882
Housing Revenue Account	9.398	1.490	0	0	0	0	10.888
Programme Total	33.223	7.762	(0.207)	0.000	0.000	(0.008)	40.770

3.02 Changes During This Period

3.02.1 A summary of those programme changes recorded during the reporting period (together with supporting narrative), is provided in Appendix B.

3.03 Not Yet Committed (Generally Financed) Budgets

3.03.1 Work continues in 'Stage profiling' all programme schemes i.e. assessing at what stage each scheme is at in terms of readiness for letting contracts and commencing works. This information together with the 'time profiling' of all anticipated funding resources assists the capital monitoring/management and reporting processes.

3.03.2 At this point in time, no programme budgets have been identified as not yet committed (and thereby available for release), but work continues in this respect (as part of the process identified in 3.03.1 above).

3.04 Identified Savings

3.04.1 A small saving of £0.008m has been identified within the Environment (Sustainable Waste) Programme area.

3.05 Capital Expenditure v Profiled Budget

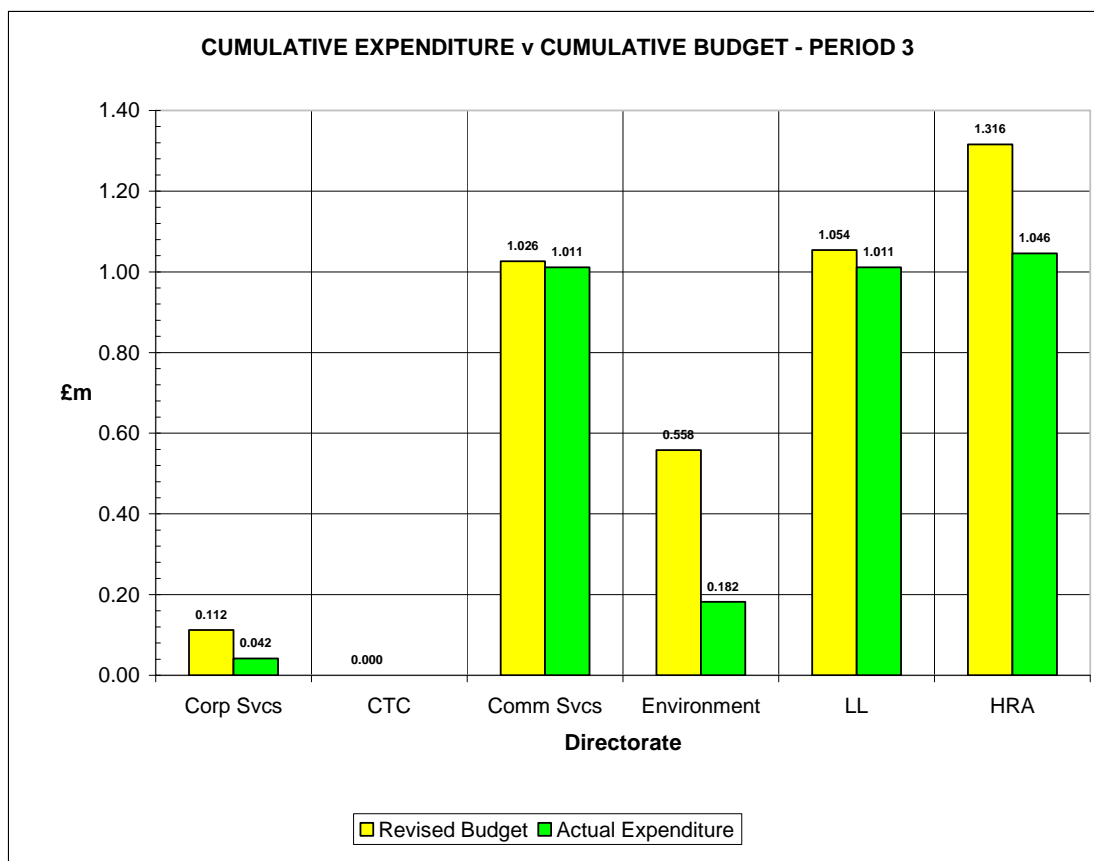
3.05.1 Recorded capital expenditure across the whole programme stands at £3.292m at Quarter 1 (as detailed in the table below), representing 8.07% of the revised budget total of £40.770m.

Appendix B

EXPENDITURE	Revised Budget	Cumulative Profiled Budget Month 3	Cumulative Expenditure Month 3	Variance Expenditure v Profiled (Under)/Over
	£m	£m	£m	£m
Corporate Services	4.028	0.112	0.042	(0.070)
Clwyd Theatr Cymru	0.075	0	0	0
Community Services	3.990	1.026	1.011	(0.015)
Environment	10.320	0.558	0.182	(0.376)
Lifelong Learning	11.469	1.054	1.011	(0.043)
Council Fund Total	29.882	2.750	2.246	(0.504)
Housing Revenue Account	10.888	1.316	1.046	(0.270)
ProgrammeTotal	40.770	4.066	3.292	(0.774)

- 3.05.2 More specifically, the table also provides details of the cumulative expenditure against cumulative profiled budget; the profiled budget total (i.e. that part of the total budget forecast to be spent during the reporting period) stands at £4.066m; recorded expenditure represents 80.96% of the profiled budget total, a net variance (underspend) of £0.774m. The cumulative position (by directorate) is displayed in the chart over page.
- 3.05.3 The significant variances (those greater than £0.025m) are individually listed in Appendix C, together with the reasons for such, and the required remedial action.
- 3.05.4 All other variances (those less than £0.025m), are aggregated within Appendix C, for each directorate. The aggregated figures include nil variances in some cases (such as Corporate Services), which are listed in order to account for the total budget element (£0.828m in the case of Corporate Services) which forms part of the overall budget total of £40.770m, as recorded in the table above (and throughout the report).
- 3.05.5 Quarterly capital programme management meetings form part of the ongoing capital monitoring procedures which have been established in order to provide tight project management and discipline, and to ensure a continuing reduction in the level of year-end rollover.

Appendix B



3.06 Financing

3.06.1 The capital programme is financed as summarised below –

FINANCING RESOURCES			
	General Financing	Specific Financing	
	Supported Borrowing / General Capital Grant / Capital Receipts	Grants & Contributions / CERA /Reserves/ Prudential Borrowing	Total Financing
	£m	£m	£m
Latest Monitoring			
Council Fund	20.509	9.381	29.890
Housing Revenue Account	1.752	9.136	10.888
	22.261	18.517	40.778
Savings			
Council Fund	(0.008)	0	(0.008)
Housing Revenue Account	0	0	0
	(0.008)	0.000	(0.008)
Total Financing Resources	22.253	18.517	40.770

3.06.2 That element of the Council Fund total financed from general (non-specific) financing resources, relies in part on the generation of capital receipts from

Appendix B

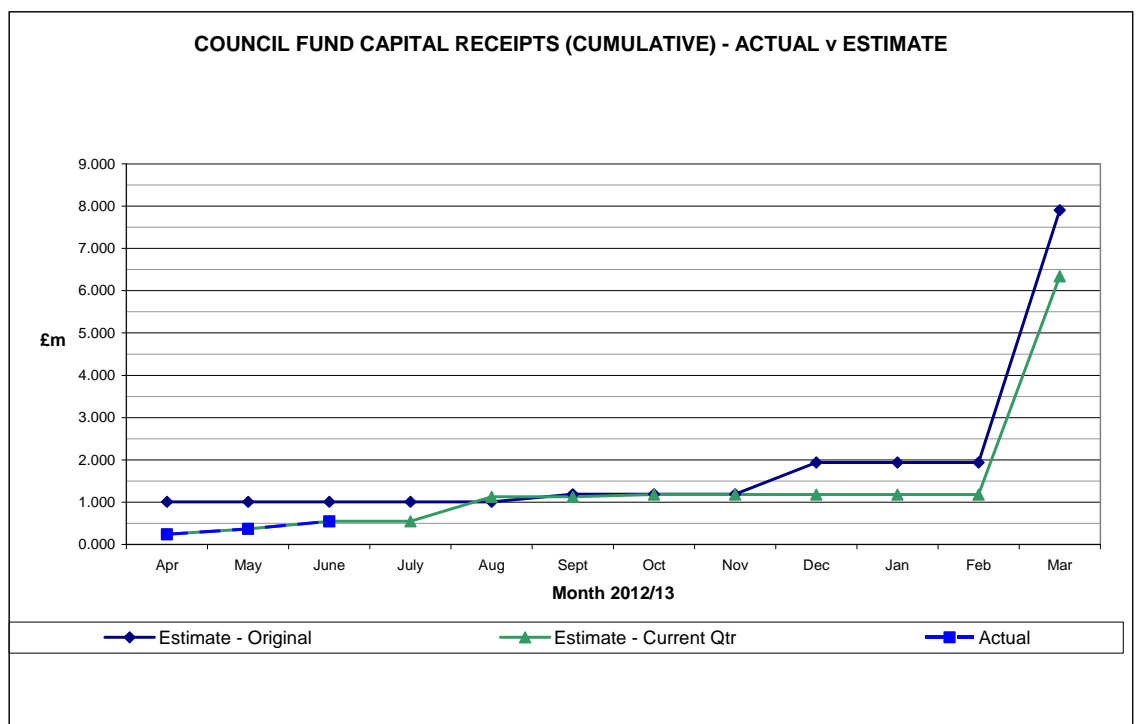
asset disposals. The continuing harsh economic climate is impacting on the ability to achieve the budgeted level of anticipated capital receipts, a situation that is likely to continue until the economy picks up at some future point. The capital receipts situation is being closely monitored as part of overall capital monitoring arrangements.

3.06.3 The chart below provides details of the moving (cumulative) capital receipts position – 3 line graphs, 2 of which record the moving estimate and 1 recording actual receipts. The positions are summarised as –

Estimate (Original) – The opening anticipated capital receipts total (£7.903m including the rolled over requirement from 2011/12), with anticipated receipts due in April, September, December, and more significantly so in March 2013.

Estimate (Current Quarter) – The latest reviewed position (reflecting the economic conditions referred to in 3.06.2 above), indicating an altered profile and a reduced total (£6.339m), with the major part of the receipts total anticipated in March 2013.

Actual – The value of actual receipts received as at month 3 (£0.550m).



3.06.4 The HRA resources are ring-fenced and used only for HRA purposes.

4.00 RECOMMENDATIONS

4.01 Cabinet is requested to note and approve the report.

5.00 FINANCIAL IMPLICATIONS

5.01 As set out in sections 2 and 3 of the report.

6.00 ANTI POVERTY IMPACT

6.01 None.

7.00 ENVIRONMENTAL IMPACT

7.01 Many of the schemes in the programme are designed to improve the environment, infrastructure and assets of the Authority.

8.00 EQUALITIES IMPACT

8.01 None.

9.00 PERSONNEL IMPLICATIONS

9.01 None.

10.00 CONSULTATION REQUIRED

10.01 None.

11.00 CONSULTATION UNDERTAKEN

11.01 None.

12.00 APPENDICES

12.01 Appendix A : Capital Programme – Changes During 2012/13
Appendix B : Changes During This Period
Appendix C : Variances

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Capital Programme Monitoring Papers 2012/13

Contact Officer: Ian Llewelyn Jones
Telephone: 01352 702207
Email: ian_ll_jones@flintshire.gov.uk

CAPITAL PROGRAMME - CHANGES DURING 2012/13

	Original Budget 2012/13	Rollover from 2011/12	Changes (Previous)	Changes (Current)	Revised Budget	Not Yet Committed 2012/13	Rollover to 2013/14 (Previous)	Rollover to 2013/14 (Current)	Savings	Projected Outturn 2012/13
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Council Fund :										
Corporate Services										
Information Technology	2.918	0.282	0	0.000	3.200	0	0	0	0	3.200
Flintshire Connects	0.250	0.271	0	0	0.521	0	0	0	0	0.521
Corporate Finance	0.290	0.144	0	(0.127)	0.307	0	0	0	0	0.307
	3.458	0.697	0.000	(0.127)	4.028	0.000	0.000	0.000	0.000	4.028
Theatre										
Clwyd Theatr Cymru	0.025	0.050	0	0	0.075	0	0		0	0.075
	0.025	0.050	0.000	0.000	0.075	0.000	0.000	0.000	0.000	0.075
Community Services										
Private Sector Renewal/Improvement	3.619	0.319	0	0	3.938	0	0	0	0	3.938
Depot (Housing)	0	(0.001)	0	0	(0.001)	0	0	0	0	(0.001)
Learning Disability	0	(0.001)	0	0	(0.001)	0	0	0	0	(0.001)
Children's Services	0.050	0	0	0	0.050	0	0	0	0	0.050
Physical & Sensory Disability	0	0.004	0	0	0.004	0	0	0	0	0.004
Travellers' Sites	0	0	0	0	0.000	0	0	0	0	0.000
	3.669	0.321	0.000	0.000	3.990	0.000	0.000	0.000	0.000	3.990

Key to Headings {	(Changes :	Previous = Cumulative as at previous quarter
	(Current = As at this quarter (See Appendix B)
	(Not Yet Committed :	Cumulative (See Section 3.03)
	(Savings :	Cumulative (See 3.04)

APPENDIX A (Cont'd .)

CAPITAL PROGRAMME - CHANGES DURING 2012/13

	Original Budget 2012/13	Rollover from 2011/12	Changes (Previous)	Changes (Current)	Revised Budget	Not Yet Committed 2012/13	Rollover to 2013/14 (Previous)	Rollover to 2013/14 (Current)	Savings	Projected Outturn 2012/13
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Environment										
Administrative Buildings	2.975	0.200	0	0	3.175	0	0	0	0	3.175
Cemeteries	0	0	0	0	0.000	0	0	0	0	0.000
Industrial Units	0	0.027	0	0.003	0.030	0	0	0	0	0.030
Public Conveniences	0	0	0	0	0.000	0	0	0	0	0.000
Sustainable Waste Management	0	0.008	0	0.075	0.083	0	0	0	(0.008)	0.075
Engineering	1.735	0.403	0	0	2.138	0	0	0	0	2.138
General Environmental Enhancement	0.300	0.008	0	(0.300)	0.008	0	0	0	0	0.008
Highways	1.925	0.229	0	0.007	2.161	0	0	0	0	2.161
Planning Grant Schemes	0	0	0	0.011	0.011	0	0	0	0	0.011
Ranger Services	0	0.010	0	0.004	0.014	0	0	0	0	0.014
Regeneration	0.489	0.519	0	0	1.008	0	0	0	0	1.008
Transportation	1.700	0	0	0	1.700	0	0	0	0	1.700
	9.124	1.404	0.000	(0.200)	10.328	0.000	0.000	0.000	(0.008)	10.320

APPENDIX A (Cont'd .)

CAPITAL PROGRAMME - CHANGES DURING 2012/13

	Original Budget 2012/13	Rollover from 2011/12	Changes (Previous)	Changes (Current)	Revised Budget	Not Yet Committed 2012/13	Rollover to 2013/14 (Previous)	Rollover to 2013/14 (Current)	Savings	Projected Outturn 2012/13
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Lifelong Learning										
Leisure Centres	0	0	0	0.025	0.025	0	0	0	0	0.025
Swimming Pools	0.150	0	0	0	0.150	0	0	0	0	0.150
Community Centres	0.045	0	0	0	0.045	0	0	0	0	0.045
Countryside and Heritage	0	0.009	0	0	0.009	0	0	0	0	0.009
Recreation - Other	0.060	0.000	0	0	0.060	0	0	0	0	0.060
Recreation Grounds	0	0.001	0	0	0.001	0	0	0	0	0.001
Play Areas	0	0.004	0	0	0.004	0	0	0	0	0.004
Libraries	0	0	0	0	0.000	0	0	0	0	0.000
Education - General	3.700	0.002	0	(3.105)	0.597	0	0	0	0	0.597
Primary Schools	0.080	0.582	0	1.599	2.261	0	0	0	0	2.261
Schools Modernisation	3.444	1.221	0	0	4.665	0	0	0	0	4.665
Community Youth Clubs	0	0	0	0	0.000	0	0	0	0	0.000
Secondary Schools	0	0.915	0	0.835	1.750	0	0	0	0	1.750
Special Education	0	1.030	0	0.766	1.796	0	0	0	0	1.796
School Improvement	0	0	0	0	0.000	0	0	0	0	0.000
Minor Works, Furniture & Equipment	0.070	0.001	0	0	0.071	0	0	0	0	0.071
Schools - Additional Funding	0	0.035	0	0	0.035	0	0	0	0	0.035
	7.549	3.800	0.000	0.120	11.469	0.000	0.000	0.000	0.000	11.469

CAPITAL PROGRAMME - CHANGES DURING 2012/13

	Original Budget 2012/13	Rollover from 2011/12	Changes (Previous)	Changes (Current)	Revised Budget	Not Yet Committed 2012/13	Rollover to 2013/14 (Previous)	Rollover to 2013/14 (Current)	Savings	Projected Outturn 2012/13
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Housing Revenue Account :										
Housing Revenue Account										
Programme	9.398	1.490	0	0	10.888	0	0	0	0	10.888
	9.398	1.490	0.000	0.000	10.888	0.000	0.000	0.000	0.000	10.888

Totals :

Council Fund	23.825	6.272	0	(0.207)	29.890	0	0	0	(0.008)	29.882
Housing Revenue Account	9.398	1.490	0	0	10.888	0	0	0	0	10.888
Grand Total	33.223	7.762	0.000	(0.207)	40.778	0.000	0.000	0.000	(0.008)	40.770

CHANGES DURING THIS PERIOD					
	Detail (With General Funding Unless Specified)	Increase *	Decrease	Net	Total
		£m	£m	£m	£m
Council Fund :					
Corporate Services					
Corporate Finance	Movement of budget to Lifelong Learning (Leisure Centres £0.025m, Primary Schools £0.033m, Secondary Schools £0.025m and Education - General £0.010m) - Health & Safety related works		(0.093)	(0.093)	
	Movement of budget to Lifelong Learning (Primary Schools £0.022m and Secondary Schools £0.005m) and Environment (Industrial Units £0.003m and Ranger Services £0.004m) for Feasibility studies		(0.034)	(0.034)	
		0.000	(0.127)	(0.127)	(0.127)
Clwyd Theatr Cymru					
		0.000	0.000	0.000	0.000
Community Services					
		0.000	0.000	0.000	0.000
Environment					
Industrial Units	Infrastructure improvements, Feasibility Study, funded from corporate provision	0.003		0.003	
Sustainable Waste Management	Capping - Brookhill landfill site	0.075		0.075	
General Environmental Enhancement	Withdrawn Welsh Government Contaminated Land Grant		(0.300)	(0.300)	
Highways	Street Lighting - Salix funding adjustment	0.007		0.007	
Planning Grant Schemes	Tree planting works funded by way of Section 106 monies - Castle Cement	0.011		0.011	
Ranger Services	Wepre Park improvements, Feasibility Study, funded from corporate provision	0.004		0.004	
		0.100	(0.300)	(0.200)	(0.200)

CHANGES DURING THIS PERIOD (continued)

		Detail (With General Funding Unless Specified)	Increase *	Decrease	Net	Total
			£m	£m	£m	£m
Council Fund :						
	Lifelong Learning					
	Leisure Centres	Deeside Leisure Centre - Health and Safety related works funded from corporate provision	0.025		0.025	
	Education - General	School kitchens - Health and Safety related works funded from corporate provision	0.010		0.010	
	Primary Schools	Drury (£0.003m), Hawarden, Infants and Juniors (£0.007m), Ysgol Gwenffrwd, Holywell (£0.002m), Bryn Coch, Mold (£0.002m), Nercwys V.C. (£0.002m), Pentrobin (£0.003m), Sealand (£0.003m) - Feasibility studies, funded from corporate provision; Health and Safety Works at Bagillt (£0.025m), and Bryn Coch, Mold (£0.008m) funded from corporate provision	0.055		0.055	
	Secondary Schools	Hawarden High (£0.002m), Mold Alun (£0.003m) - Feasibility studies, funded from corporate provision ; Health and Safety Works at Mold Alun (£0.025m), funded from corporate provision	0.030		0.030	
			0.120	0.000	0.120	0.120
	Total - Council Fund					(0.207)
Housing Revenue Account :						
	Housing Revenue Account				0.000	
			0.000	0.000	0.000	0.000
	Grand Total					(0.207)

* Increases reflect new funding

CORPORATE SERVICES

Capital Budget Monitoring 2012/13 (Quarter 1)

Programme Area	Total Budget (£m)	Profiled Budget (£m)	Actual Exp. (£m)	Variance (Under)/Over (£m)	Variance Previous Quarter (£m)	Cause of Variance	Action Required
ICT & Customer Services	3.200	0.112	0.042	(0.070)	0.000	£0.070m has been charged to revenue codes and has not been transferred at month 3.	Journal required.
Other Variances (Aggregate) *	0.828	0.000	0.000	0.000	0.000		
Total:	4.028	0.112	0.042	(0.070)	0.000		

CLWYD THEATR CYMRU

Programme Area	Total Budget (£m)	Profiled Budget (£m)	Actual Exp. (£m)	Variance (Under)/Over (£m)	Variance Previous Quarter (£m)	Cause of Variance	Action Required
Other Variances (Aggregate) *	0.075	0.000	0.000	0.000	0.000		
Total:	0.075	0.000	0.000	0.000	0.000		

* See Section 3.05.4 of the report

Variance = Expenditure v Profiled Budget

COMMUNITY SERVICES

Capital Budget Monitoring 2012/13 (Quarter 1)

Programme Area	Total Budget (£m)	Profiled Budget (£m)	Actual Exp. (£m)	Variance (Under)/Over (£m)	Variance Previous Quarter (£m)	Cause of Variance	Action Required
Private Sector Renewal and Improvement :							
Other Variances (Aggregate)	3.938	0.998	0.981	(0.017)	0.000		
Other Programme Areas :							
Other Variances (Aggregate)	0.052	0.028	0.030	0.002	0.000		
Total :	3.990	1.026	1.011	(0.015)	0.000		

LIFELONG LEARNING

Programme Area	Total Budget (£m)	Profiled Budget (£m)	Actual Exp. (£m)	Variance (Under)/Over (£m)	Variance Previous Quarter (£m)	Cause of Variance	Action Required
Schools Modernisation	4.665	0.859	0.823	(0.036)	0.000	Uncleared accrual	Finance to investigate.
Other Variances (Aggregate)	6.804	0.195	0.188	(0.007)	0.000	Uncleared accruals (Cumulative)	Finance to investigate.
Total:	11.469	1.054	1.011	(0.043)	0.000		

Variance = Expenditure v Profiled Budget

ENVIRONMENT

Capital Budget Monitoring 2012/13 (Quarter 1)

Programme Area	Total Budget (£m)	Profiled Budget (£m)	Actual Exp. (£m)	Variance (Under)/Over (£m)	Variance Previous Quarter (£m)	Cause of Variance	Action Required
Highways	0.226	0.002	(0.042)	(0.044)	0.000	Accrual outstanding for Bridge works at Padeswood	Ensure accruals are cleared as soon as possible in the 2012/13 financial year.
Transportation	1.700	0.129	(0.033)	(0.162)	0.000	Accruals totalling £0.190m for work undertaken during 2011/12 were still outstanding at Quarter 1.	These accruals have now cleared in Quarter 2.
Regeneration	1.008	0.011	0.048	0.037	0.000	Payments for Flint THI slightly ahead of schedule	
Neighbourhood Services	2.385	0.210	0.032	(0.178)	0.000	Cost of works totalling £0.142m at Alltami Depot have not yet been transferred in from revenue.	Transfer costs into capital in Quarter 2.
Other Variances (Aggregate)	5.001	0.206	0.177	(0.029)	0.000	Cumulative variances over the remaining capital programme within the Environment Directorate	
Total:	10.320	0.558	0.182	(0.376)	0.000		

Variance = Expenditure v Profiled Budget

HOUSING REVENUE ACCOUNT (HRA)

Capital Budget Monitoring 2012/13 (Quarter 1)

Programme Area	Total Budget (£m)	Profiled Budget (£m)	Actual Exp. (£m)	Variance (Under)/Over (£m)	Variance Previous Quarter (£m)	Cause of Variance	Action Required
Major Works	5.439	0.371	0.185	(0.186)	0.000	Pre-tender technical preparation and extended consultation has slowed the progress on Heating Replacement Programme.	Monitor closely – to bring programme in line for year end.
WHQS Improvements	5.415	0.886	0.802	(0.084)	0.000	Delay in recharging Capitalised Salaries in Quarter 1.	Will be recharged in Quarter 2.
Other Variances (Aggregate)	0.034	0.059	0.059	0.000	0.000		
Total:	10.888	1.316	1.046	(0.270)	0.000		

Variance = Expenditure v Profiled Budget