

**FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **CABINET**

**DATE:**                   **TUESDAY, 19 MARCH 2013**

**REPORT BY:**           **HEAD OF FINANCE**

**SUBJECT:**               **CAPITAL PROGRAMME 2012/13 (QUARTER 3)**

**1.00**   **PURPOSE OF REPORT**

1.01    To provide Members with the latest 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.

	<b>Council Fund</b>	<b>Housing Revenue Account</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Council 21.02.12. (HRA) and 01.03.12. (Council Fund)</b>			
Original Capital Programme	23.825	9.398	33.223
	<b>23.825</b>	<b>9.398</b>	<b>33.223</b>
<b>Cabinet 16.10.12</b>			
Revised Capital Programme	29.882	10.888	40.770
<b>Cabinet 18.12.12</b>			
Revised Capital Programme	<b>30.076</b>	<b>10.888</b>	<b>40.964</b>
<b>Latest Monitoring</b>			
As Previously Reported	30.076	10.888	40.964
Change this Period	0.261	0.947	1.208
	<b>30.337</b>	<b>11.835</b>	<b>42.172</b>
Early Identified Rollover to 2013/14	(3.413)	(0.244)	(3.657)
Identified Savings	(0.483)	0	(0.483)
<b>Revised Programme</b>	<b>26.441</b>	<b>11.591</b>	<b>38.032</b>

3.01.2 From the table it can be seen that the previously reported programme total of £40.964m has decreased to £38.032m by way of the inclusion of net increased Council Fund schemes of £0.261m and increased HRA programme schemes of £0.947m. This is offset by a total Early Identified Rollover adjustment of £3.657m (Council Fund £3.413m and HRA £0.244m) and identified Council Fund savings of £0.483m.

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

<b>REVISED PROGRAMME</b>	<b>Original Budget 2012/13</b>	<b>Rollover from 2011/12</b>	<b>Changes</b>	<b>Not Yet Committed</b>	<b>Rollover to 2013/14</b>	<b>Savings</b>	<b>Revised Budget</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Corporate Services	3.458	0.697	(0.334)	0	(0.474)	(0.033)	3.314
Clwyd Theatr Cymru	0.025	0.050	0.145	0	(0.040)	0	0.180
Community Services	3.669	0.321	0.015	0	0	(0.050)	3.955
Environment	9.124	1.404	1.315	0	(0.958)	(0.008)	10.877
Lifelong Learning	7.549	3.800	(0.893)	0	(1.941)	(0.400)	8.115
<b>Council Fund Total</b>	<b>23.825</b>	<b>6.272</b>	<b>0.248</b>	<b>0.000</b>	<b>(3.413)</b>	<b>(0.491)</b>	<b>26.441</b>
<b>Housing Revenue Account</b>	<b>9.398</b>	<b>1.490</b>	<b>0.947</b>	<b>0</b>	<b>(0.244)</b>	<b>0</b>	<b>11.591</b>
<b>Programme Total</b>	<b>33.223</b>	<b>7.762</b>	<b>1.195</b>	<b>0.000</b>	<b>(3.657)</b>	<b>(0.491)</b>	<b>38.032</b>

### 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 Rollover (From 2012/13 to 2013/14)**

3.04.1 Rollover of £3.657m has been identified which reflects reviewed spending plans across all programme areas; these committed amounts have been identified as now required to meet the cost of programme works/contract retention releases in 2013/14.

3.04.2 Detailed information relating to each programme area, including supporting narrative, is provided in Appendix C and summarised below -

- Corporate Services £0.474m
- Clwyd Theatr Cymru £0.040m
- Environment £0.958m
- Lifelong Learning £1.941m
- Housing Revenue Account £0.244m

### **3.05 Identified Savings**

3.05.1 Savings of £0.483m have been identified in the current quarter, as summarised below -

- Corporate Services £0.033m - ICT Infrastructure projects.
- Community Services £0.050m - Provision for a Supervised Contact Space for Children's Services funded by way of revenue.
- Lifelong Learning £0.400m - Schools Repair and Maintenance as a result of contracts coming in below estimate.

### 3.06 Capital Expenditure v Profiled Budget

3.06.1 Recorded capital expenditure across the whole programme stands at £19.704m at Quarter 3 (as detailed in the table below), representing 51.81% of the revised budget total of £38.032m.

EXPENDITURE	Revised Budget	Cumulative Profiled Budget Quarter 3	Cumulative Expenditure Quarter 3	Variance Expenditure v Profiled (Under)/Over
	£m	£m	£m	£m
Corporate Services	3.314	1.143	1.015	(0.128)
Clwyd Theatr Cymru	0.180	0.122	0.122	0.000
Community Services	3.955	3.018	3.450	0.432
Environment	10.877	5.255	5.148	(0.107)
Lifelong Learning	8.115	4.881	4.851	(0.030)
<b>Council Fund Total</b>	<b>26.441</b>	<b>14.419</b>	<b>14.586</b>	<b>0.167</b>
<b>Housing Revenue Account</b>	<b>11.591</b>	<b>7.739</b>	<b>5.118</b>	<b>(2.621)</b>
<b>Programme Total</b>	<b>38.032</b>	<b>22.158</b>	<b>19.704</b>	<b>(2.454)</b>

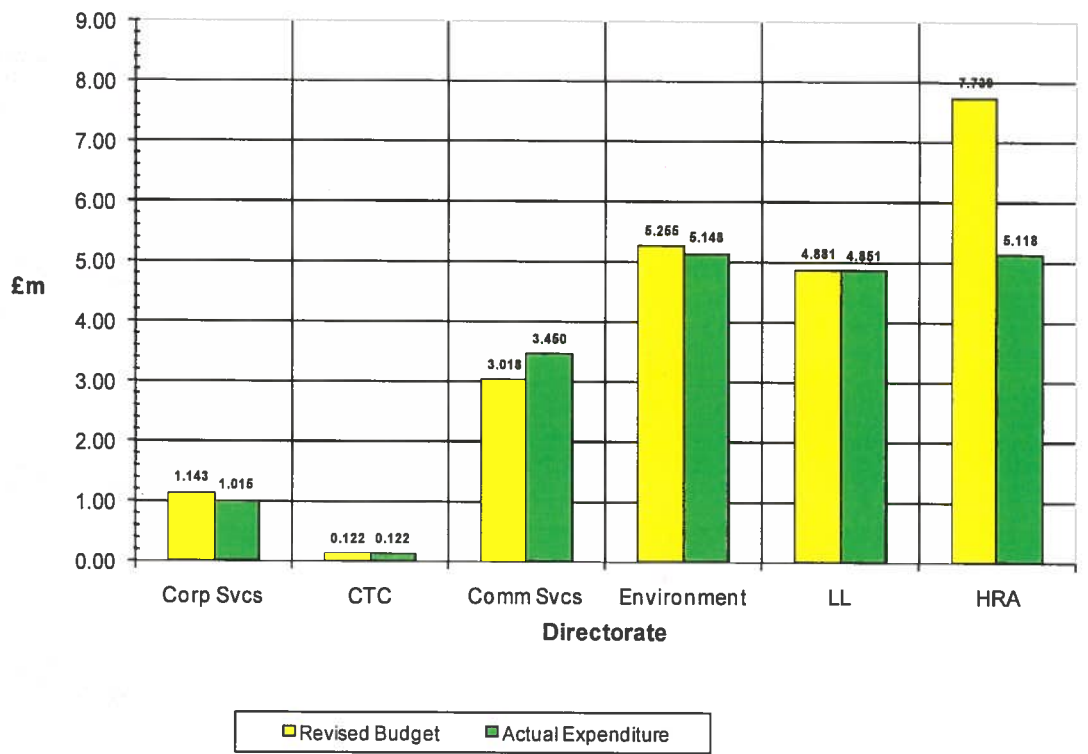
3.06.2 More specifically, the table also provides details of cumulative expenditure compared to the profiled budget; the profiled budget total (i.e. that part of the total budget forecast to be spent during the reporting period) stands at £22.158m; recorded expenditure represents 88.92% of the profiled budget total, a net variance (underspend) of £2.454m. The cumulative position (by directorate) is displayed in the chart below.

3.06.3 The significant variances (those greater than £0.025m) are individually listed in Appendix D, together with the reasons for such, and the required remedial action.

3.06.4 All other variances (those less than £0.025m), are aggregated within Appendix D, for each directorate. The aggregated figures include nil variances in some cases (such as Clwyd Theatr Cymru), which are listed in order to account for the total budget element (£0.180m in the case of Clwyd Theatr Cymru) which forms part of the overall budget total of £38.032m, as recorded in the above table and throughout the report.

3.06.5 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.

### CUMULATIVE EXPENDITURE v CUMULATIVE BUDGET - QUARTER 3



### 3.07 Financing

3.07.1 The capital programme is financed as summarised below –

<b>FINANCING RESOURCES</b>			
	<b>General Financing</b>	<b>Specific Financing</b>	
	<b>Supported Borrowing / General Capital Grant / Capital Receipts</b>	<b>Grants &amp; Contributions / CERA /Reserves/ Prudential Borrowing</b>	<b>Total Financing</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Latest Monitoring</b>			
Council Fund	20.501	9.836	30.337
Housing Revenue Account	1.944	9.891	11.835
	<b>22.445</b>	<b>19.727</b>	<b>42.172</b>
<b>Not Yet Committed (Adjustment)</b>			
Council Fund	0	0	0
Housing Revenue Account	0	0	0
	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Rollover</b>			
Council Fund	(3.404)	(0.009)	(3.413)
Housing Revenue Account	(0.244)	0	(0.244)
	<b>(3.648)</b>	<b>(0.009)</b>	<b>(3.657)</b>
<b>Savings</b>			
Council Fund	(0.483)	0	(0.483)
Housing Revenue Account	0	0	0
	<b>(0.483)</b>	<b>0.000</b>	<b>(0.483)</b>
<b>Total Financing Resources</b>	<b>18.314</b>	<b>19.718</b>	<b>38.032</b>

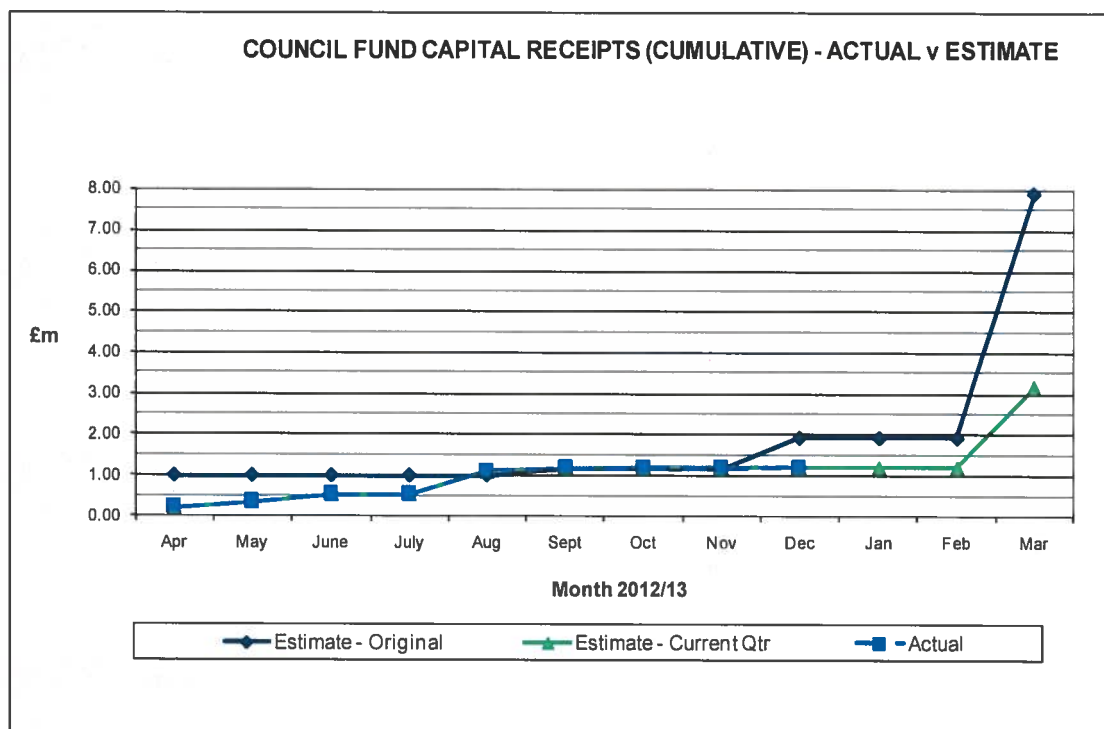
3.07.2 That element of the Council Fund total financed from general (non-specific) financing resources, relies in part on the generation of capital receipts from asset disposals. The continuing harsh economic climate is impacting on the ability to achieve the budgeted level of anticipated capital receipts, 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.

3.07.3 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 (£3.181m), with the major part of the receipts total anticipated in March 2013.

**Actual** – The value of actual receipts received as at Quarter 3 (£1.221m).



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

#### 4.00 RECOMMENDATIONS

4.01 Cabinet is requested to:-

- a) Approve the rollover adjustments as detailed in Section 3.04.
- b) 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 : Rollover to 2013/14  
Appendix D : 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](mailto:ian.ll.jones@flintshire.gov.uk)