

**FLINTSHIRE COUNTY COUNCIL****REPORT TO:**        **CABINET****DATE:**                **TUESDAY, 17 DECEMBER 2013****REPORT BY:**        **HEAD OF FINANCE****SUBJECT:**            **CAPITAL PROGRAMME 2013/14 (MONTH 6)****1.00**    **PURPOSE OF REPORT**

1.01 To provide Members with the Month 6 (End of September) capital programme information for 2013/14.

**2.00**    **BACKGROUND**

2.01 The Council approved a Housing Revenue Account (HRA) capital programme for 2013/14 of £10.992m at its meeting of 19<sup>th</sup> February 2013, and a Council Fund (CF) capital programme of £29.908m at its meeting of 1<sup>st</sup> March 2013.

**3.00**    **CONSIDERATIONS****3.01**    **Programme – Changes since Month 4**

3.01.1 The table below sets out how the programme has changed since the Month 4 report to Cabinet on 15<sup>th</sup> October, 2013. Detailed cumulative information relating to each programme area is provided in Appendix A, and summarised below -

<b>REVISED PROGRAMME</b>	<b>Original Budget 2013/14</b>	<b>Changes - Month 4</b>	<b>Changes - This Period</b>	<b>Rollover to 2014/15</b>	<b>Revised Budget</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Corporate Services	1.613	0.900	(0.032)	0	2.481
Clwyd Theatr Cymru	0.025	0.035	0	0	0.060
Community Services	3.350	0.196	0.040	0	3.586
Environment	16.460	(1.122)	0.212	(0.689)	14.861
Lifelong Learning	8.460	3.862	1.047	(0.743)	12.626
<b>Council Fund Total</b>	<b>29.908</b>	<b>3.871</b>	<b>1.267</b>	<b>(1.432)</b>	<b>33.614</b>
<b>Housing Revenue Account</b>	<b>10.992</b>	<b>1.134</b>	<b>0</b>	<b>0</b>	<b>12.126</b>
<b>Programme Total</b>	<b>40.900</b>	<b>5.005</b>	<b>1.267</b>	<b>(1.432)</b>	<b>45.740</b>

3.01.2 The revised budget is that against which the programme is monitored.

### 3.02 Changes during this period

3.02.1 Changes during this period have resulted in a net increase in the programme reported at Month 4 of £1.267m (CF £1.267m, HRA £0.0m). A summary of the changes, showing major items, is in the table below -

<b>CHANGES DURING THIS PERIOD</b>		<b>£m</b>
<b>Increases</b>		
Education General <sup>1</sup>	WG Grant Funding	1.020
Other Aggregate Increases		0.385
		1.405
<b>Decreases</b>		
Other Aggregate Decreases		(0.138)
		(0.138)
<b>Total</b>		<b>1.267</b>

<sup>1</sup> Learning in Digital Wales Grant

3.02.2 Reasons for changes in the programme total include:-

- An increase/decrease in grant funding from WG or other external funding providers;
- Funding profiles from external sources sometimes alter during the year, resulting in expenditure needing to be realigned to meet this scenario; or
- Within Corporate Services are centrally held provisions for urgent Health and Safety issues and to provide funding for Feasibility Studies for potential future capital spend. These funds are reallocated to relevant programme areas as they are requested and approved.

### 3.03 Capital Expenditure compared to Budget

3.03.1 Actual expenditure at the end of September (Month 6) across the whole of the programme is £13.196m. The breakdown of expenditure is analysed in the following table, along with the percentage spend against budget. This shows that 28.85% of the budget has been spent across the programme (CF 25.03% and HRA 39.44%).

3.03.2 The table also shows the projected outturn (spend as at the end of the financial year) of £43.490m. It can be seen that on the Council Fund there is a projected underspend (pre rollover approval) against budget of £2.250m and the projection for the HRA is to spend up to target.

EXPENDITURE	Revised Budget	Cumulative Expenditure Month 6	Percentage Spend v Budget	Projected Outturn	Variance Budget v Outturn (Under)/Over
	£m	£m	%	£m	£m
Corporate Services	2.481	0.092	3.71	1.983	(0.498)
Clwyd Theatr Cymru	0.060	0.033	55.00	0.060	0.000
Community Services	3.586	1.109	30.93	3.586	0.000
Environment	14.861	3.981	26.79	13.109	(1.752)
Lifelong Learning	12.626	3.199	25.34	12.626	0.000
<b>Council Fund Total</b>	<b>33.614</b>	<b>8.414</b>	<b>25.03</b>	<b>31.364</b>	<b>(2.250)</b>
<b>Housing Revenue Account</b>	<b>12.126</b>	<b>4.782</b>	<b>39.44</b>	<b>12.126</b>	<b>0.000</b>
<b>Programme Total</b>	<b>45.740</b>	<b>13.196</b>	<b>28.85</b>	<b>43.490</b>	<b>(2.250)</b>

3.03.3 The detail of the variances for individual programme areas is listed in Appendix B, which includes the reasons and the required remedial action, where those variances exceed 10% of the budget.

### 3.04 Rollover to 2014/15

3.04.1 Rollover occurs when schemes due to be completed in a given financial year are delayed, possibly due to procurement issues/weather or if funding from external sources is altered e.g. rephasing of Welsh Government (WG) grants and are therefore not completed until the following year.

3.04.2 Cabinet approved rollover of £1.432m into 2014/15 as part of the Month 4 report.

3.04.3 Additional Early Identified Rollover (EIR) into 2014/15 has also been identified and is included in the narrative in Appendix B.

3.04.4 £2.249m of rollover has been identified at this stage in the year 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 in 2014/15 and is put forward for Member approval. The potential for further rollover is monitored closely on a monthly basis as an integral part of capital programme monitoring.

3.04.5 Information relating to each programme area is summarised below -

- Corporate Services £0.498m
- Environment £1.751m

### 3.05 Financing

3.05.1 The capital programme is financed as summarised below:-

<b>FINANCING RESOURCES</b>	<b>General Financing<sup>1</sup></b>	<b>Specific Financing<sup>2</sup></b>	<b>Total Financing</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Latest Monitoring</b>			
Council Fund	13.634	19.980	33.614
Housing Revenue Account	5.200	6.926	12.126
	<b>18.834</b>	<b>26.906</b>	<b>45.740</b>
<b>Total Financing Resources</b>	<b>18.834</b>	<b>26.906</b>	<b>45.740</b>

1 Supported Borrowing / General Capital Grant / Capital Receipts / MRA  
 2 Grants & Contributions / CERA / Reserves / Prudential & Other Borrowing

3.05.2 Capital receipts generated from asset disposals form part of the Council Fund total financed from general (non-specific) financing resources. 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.

3.05.3 The latest projection for capital receipts in 2013/14 is £3.505m, a reduction of £0.157m on the target set to fund 2013/14 expenditure. Actual receipts received at Month 6 are £1.085m, with the largest amount of the receipts anticipated to be received in March 2014.

3.05.4 Council at the 1<sup>st</sup> March budget meeting agreed to hold back 20% of core programme funding in the light of the continuing uncertainty over the timing of receipts. Cabinet agreed on 15<sup>th</sup> October that the 20% should continue to be held back to keep the programme within the limits of anticipated receipts. The position at month 6 does not allow for any revision to this position. This will be closely monitored and will be reported on in future monitoring reports and will become part of the capital programme considerations for 2014/15.

3.05.5 The position regarding in year financing is summarised in the table below:-

<b>IN YEAR FINANCING</b>		
	<b>£m</b>	<b>£m</b>
Shortfall from 2012/13		3.028
<b>Increases</b>		
In year receipts shortfall	0.157	
New Pressures	0.195	0.352
<b>Decreases</b>		
20% Budget Holdback	(2.106)	
Funding from AD Waste Liquidation	(0.512)	(2.618)
<b>Projected shortfall to 2014/15</b>		<b>0.762</b>

3.05.6 The £0.512m funding from the AD Waste is the residual capital receipt available following the liquidation of the company. The Report to Cabinet of 19<sup>th</sup> November 2013 contains further details.

3.05.7 The projected shortfall will be addressed by carrying the balance forward to be dealt with in 2014/15.

3.05.8 The first call on any receipts received in year will be to address the brought forward shortfall.

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

#### **4.00 RECOMMENDATIONS**

4.01 Cabinet is requested to:-

- Note and approve the report.
- Approve the continued holding back of 20% of the core programme.
- Approve the rollover adjustments in 3.04.5.

#### **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 2013/14  
Appendix B : Variances

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

Capital Programme Monitoring Papers 2013/14

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APPENDIX A

**CAPITAL PROGRAMME - CHANGES DURING 2013/14**

Original Budget 2013/14	Rollover from 2012/13	20% Holdback	Changes (Previous)	Changes (Current)	Rollover to 2014/15	Revised Budget 2013/14
£m	£m	£m	£m	£m	£m	£m
<b>Council Fund :</b>						
<b>Corporate Services</b>						
Information Technology	0.935	(0.188)	0	0	0	1.685
Flintshire Connects	0.500	(0.100)	0	0	0	0.674
Corporate Finance	0.175	(0.035)	(0.060)	(0.032)	0	0.122
<b>1.613</b>	<b>1.283</b>	<b>(0.323)</b>	<b>(0.060)</b>	<b>(0.032)</b>	<b>0.000</b>	<b>2.481</b>
<b>Theatre</b>						
Clwyd Theatr Cymru	0.040	(0.005)	0	0	0	0.060
<b>0.025</b>	<b>0.040</b>	<b>(0.005)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.060</b>
<b>Community Services</b>						
Private Sector Renewal/Improvement	(0.038)	(0.550)	0.934	0.066	0	3.462
Children's Services	0	0	(0.150)	0	0	0
Travellers' Sites	0	0	0	(0.026)	0	0.124
<b>3.350</b>	<b>(0.038)</b>	<b>(0.550)</b>	<b>0.784</b>	<b>0.040</b>	<b>0.000</b>	<b>3.586</b>

APPENDIX A (Cont.)

**CAPITAL PROGRAMME - CHANGES DURING 2013/14**

Original Budget 2013/14	Rollover from 2012/13	20% Holdback	Changes (Previous)	Changes (Current)	Rollover to 2014/15	Revised Budget 2013/14
£m	£m	£m	£m	£m	£m	£m
<b>Environment</b>						
Administrative Buildings	0.237	(0.302)	0	0.144	0	3.864
Sustainable Waste Management	0.000	0	0.118	0.045	0	0.717
Engineering	3.200	(0.040)	(3.000)	0	(0.348)	0.477
General Environmental Enhancement	0	0	0	0	0	0.002
Highways	3.860	(0.232)	0	(0.008)	0	4.208
Planning Grant Schemes	0.000	0	0.006	0	0	0.006
Ranger Services	0.236	0	0	(0.004)	0	0.239
Regeneration	3.679	(0.061)	(1.640)	0	(0.341)	2.159
Transportation	1.700	0	1.449	0.035	0	3.189
<b>16.460</b>	<b>2.580</b>	<b>(0.635)</b>	<b>(3.067)</b>	<b>0.212</b>	<b>(0.689)</b>	<b>14.861</b>



APPENDIX A (Cont.)

**CAPITAL PROGRAMME - CHANGES DURING 2013/14**

	Original Budget 2013/14	Rollover from 2012/13	20% Holdback	Changes (Previous)	Changes (Current)	Rollover to 2014/15	Revised Budget 2013/14
	£m	£m	£m	£m	£m	£m	£m
<b>Lifelong Learning</b>							
Leisure Centres	0	0	0	0.026	0	0	0.026
Swimming Pools	0	0.120	0	0	0	0	0.120
Community Centres	0	0.065	0	0	0	0	0.065
Recreation - Other	0	0.034	0	0	0	0	0.034
Play Areas	0	0	0	0.050	0.027	0	0.077
Education - General	3.580	0.403	(0.566)	(2.998)	1.015	0	1.434
Primary Schools	0.075	1.129	(0.015)	1.219	(0.063)	(0.036)	2.309
Schools Modernisation	4.745	0.138	0	1.109	0	(0.665)	5.327
Community Youth Clubs	0	0	0	0.093	0	0	0.093
Secondary Schools	0	0.718	0	0.627	0.068	(0.042)	1.371
Special Education	0	1.138	0	0.578	0	0	1.716
Minor Works, Furniture & Equipment	0.060	0	(0.012)	0	0	0	0.048
Schools - Additional Funding	0	0.006	0	0	0	0	0.006
	<b>8.460</b>	<b>3.751</b>	<b>(0.593)</b>	<b>0.704</b>	<b>1.047</b>	<b>(0.743)</b>	<b>12.626</b>

APPENDIX A (Cont.)

**CAPITAL PROGRAMME - CHANGES DURING 2013/14**

**Housing Revenue Account :**

Housing Revenue Account

Major Works

Accelerated Programmes

WHQS Improvements

Disabled Adaptations

Other Services

Original Budget 2013/14	Rollover from 2012/13	20% Holdback	Changes (Previous)	Changes (Current)	Rollover to 2014/15	Revised Budget 2013/14
£m	£m	£m	£m	£m	£m	£m
5.321	1.196	0	0	0	0	6.517
0.300	0.020	0	0	0	0	0.320
4.061	(0.132)	0	0	0	0	3.929
1.000	0	0	0	0	0	1.000
0.310	0.050	0	0	0	0	0.360
<b>10.992</b>	<b>1.134</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>12.126</b>

**Totals :**

Council Fund

Housing Revenue Account

Grand Total

29.908	7.616	(2.106)	(1.639)	1.267	(1.432)	33.614
10.992	1.134	0	0	0.000	0	12.126
<b>40.900</b>	<b>8.750</b>	<b>(2.106)</b>	<b>(1.639)</b>	<b>1.267</b>	<b>(1.432)</b>	<b>45.740</b>

## CORPORATE SERVICES

## Capital Budget Monitoring 2013/14 - Month 6

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Information Technology	1.685	0.088	1.387	(0.298)	(18)	0.000	Early Identified Rollover - Information Technology £0.100m EDRMS Implementation £0.057m Microsoft Enterprise Agreement £0.141m	Request approval to move funding of £0.298m into 2014/15
Flintshire Connects	0.674	0.004	0.474	(0.200)	(30)	0.000	Early Identified Rollover - Buckley Connects £0.200m	Request approval to move funding of £0.200m into 2014/15
Corporate Finance	0.122		0.122	0.000	0	0.000		
<b>Total</b>	<b>2.481</b>	<b>0.092</b>	<b>1.983</b>	<b>(0.498)</b>	<b>(20)</b>	<b>0.000</b>		
Clwyd Theatr Cymru	0.060	0.033	0.060	0.000	0	0.000		
<b>Total</b>	<b>0.060</b>	<b>0.033</b>	<b>0.060</b>	<b>0.000</b>	<b>0</b>	<b>0.000</b>		

Variance = Budget v Projected Outturn
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## COMMUNITY SERVICES

## Capital Budget Monitoring 2013/14 - Month 6

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Private Sector Renewal/Improvement	3.462	1.113	3.462	0.000	0	0.000		
Depot (Housing)	0.000	0.002	0.000	0.000		0.000		
Children's Services	0.000	(0.006)	0.000	0.000		0.000		
Travellers' Sites	0.124		0.124	0.000	0	(0.046)		
<b>Total</b>	<b>3.586</b>	<b>1.109</b>	<b>3.586</b>	<b>0.000</b>	<b>0</b>	<b>(0.046)</b>		

Variance = Budget v Projected Outturn
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## ENVIRONMENT

## Capital Budget Monitoring 2013/14 - Month 6

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Administrative Buildings	3.864	0.989	3.955	0.091	2	0.008	Movement due to Salix payments currently held in balance sheet	Transfer Salix balance to fund Energy overspend
Sustainable Waste Management	0.717	0.256	0.666	(0.051)	(7)	(0.050)	Sandycroft Household Recycling Centre delayed in 2013/14 due to Review of the Council's Waste Collection Policy	Cabinet to consider revised Strategy in February 2014
Engineering	0.477	0.072	0.265	(0.212)	(44)	(0.348)	<b>Early Identified Rollover - Funds</b> allocated to the Mold Flood Alleviation Scheme, which is currently at an advanced stage of design	Request approval to move funding of <b>£0.203m</b> into 2014/15
General Environmental Enhancement	0.002	0.004	0.004	0.002	100	0.002		
Highways	4.208	1.735	4.205	(0.003)	(0)	0.000		
Planning Grant Schemes	0.006	0.007	0.007	0.001	17	0.001		
Ranger Services	0.239		0.150	(0.089)	(37)	(0.007)	<b>Early Identified Rollover - Wepre Park</b> Development, which is substantially funded by HLF monies, is due to start in the final quarter of 2013/14, with the majority of expenditure reprofiled to 14/15	Request approval to move funding of <b>£0.089m</b> into 2014/15
Regeneration	2.159	0.242	0.668	(1.491)	(69)	(0.341)	<b>Early Identified Rollover - ERDF Grant</b> for Town Centre Regeneration. Current works delayed into 2014/15 Report taken to Cabinet 15/10/13 refers	Request approval to move funding of <b>£1.459m</b> into 2014/15
Transportation	3.189	0.676	3.189	0.000	0	0.000		
Industrial Units	0.000			0.000		(0.005)		
<b>Total</b>	<b>14.861</b>	<b>3.981</b>	<b>13.109</b>	<b>(1.752)</b>	<b>(12)</b>	<b>(0.740)</b>		

Variance = Budget v Projected Outturn

## LIFELONG LEARNING

## Capital Budget Monitoring 2013/14 - Month 6

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Leisure Centres	0.026	0.004	0.026	0.000	0	0.000		
Swimming Pools	0.120	0.082	0.120	0.000	0	0.000		
Community Centres	0.065	0.036	0.065	0.000	0	0.000		
Recreation - Other	0.034		0.034	0.000	0	0.000		
Play Areas	0.077	0.054	0.077	0.000	0	0.000		
Education - General	1.434	0.201	1.434	0.000	0	(0.005)		
Primary Schools	2.309	0.557	2.309	0.000	0	(0.036)		

Variance = Budget v Projected Outturn
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## LIFELONG LEARNING (Cont.)

## Capital Budget Monitoring 2013/14 - Month 6

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Schools Modernisation	5.327	1.223	5.327	0.000	0	(0.665)		
Community Youth Clubs	0.093	0.090	0.093	0.000	0	0.000		
Secondary Schools	1.371	0.513	1.371	0.000	0	(0.042)		
Special Education	1.716	0.411	1.716	0.000	0	0.000		
Minor Works, Furn & Equip	0.048	0.028	0.048	0.000	0	0.000		
Schools - Additional Funding	0.006	0.000	0.006	0.000	0	0.000		
<b>Total</b>	<b>12.626</b>	<b>3.199</b>	<b>12.626</b>	<b>0.000</b>	<b>0</b>	<b>(0.748)</b>		

Variance = Budget v Projected Outturn
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**HOUSING REVENUE ACCOUNT**  
**Capital Budget Monitoring 2013/14 - Month 6**

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Major Works	6.517	1.473	6.517	0.000	0	(0.217)		
Accelerated Programmes	0.320	0.036	0.320	0.000	0	(0.025)		
WHQS Improvements	3.929	2.758	3.929	0.000	0	0.000		
Disabled Adaptations	1.000	0.302	1.000	0.000	0	0.000		
Other Services	0.360	0.213	0.360	0.000	0	0.000		
<b>Total</b>	<b>12.126</b>	<b>4.782</b>	<b>12.126</b>	<b>0.000</b>	<b>0</b>	<b>(0.242)</b>		

Variance = Budget v Projected Outturn