

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **EXECUTIVE**

DATE: **27 MARCH 2012**

REPORT BY: **HEAD OF FINANCE**

SUBJECT: **CAPITAL PROGRAMME 2011/12 (MONTH 9)**

1.00 PURPOSE OF REPORT

1.01 To provide Members with the latest capital programme information for 2011/12.

2.00 BACKGROUND

2.01 The Council approved a Housing Revenue Account capital programme for 2011/12 of £10.059m at its meeting of 15th February 2011, and a Council Fund capital programme of £17.232m at its meeting of 1st March 2011.

3.00 CONSIDERATIONS

3.01 Programme - Changes During 2011/12

3.01.1 The table below sets out how the programme has changed during 2011/12.

	Council Fund	Housing Revenue Account (HRA)	Total
	£m	£m	£m
Council 15.02.11. (HRA) and 01.03.11. (Council Fund)			
Original Capital Programme	17.232	10.059	27.291
Executive 18.10.11.			
Revised Capital Programme	29.038	12.597	41.635
Executive 13.12.11.			
Revised Capital Programme	29.240	11.450	40.690
Latest Monitoring			
As Previously Reported	29.240	11.450	40.690
Change this Period	1.719	0.295	2.014
	30.959	11.745	42.704
Not Yet Committed	(0.297)	0.000	(0.297)
Rephasing to 2012/13	(4.090)	0.000	(4.090)
Identified Savings	(0.269)	0.000	(0.269)
Revised Programme	26.303	11.745	38.048

- 3.01.2 From the table it can be seen that the previously reported programme total of £40.690m has decreased to £38.048m, by way of the inclusion of net increased Council Fund schemes of £1.719m, and increased HRA programme schemes of £0.295m, producing a total of £42.704m, which is offset by a £0.297m reduction in respect of schemes that are not yet (and will not be) committed in 2011/12, a rephasing adjustment across the Council Fund programme of £4.090m, and identified savings of £0.269m.
- 3.01.3 Detailed cumulative information relating to each programme area is provided in Appendix A, and summarised below:-

REVISED PROGRAMME	Original Budget 2011/12 £m	Rollover from 2010/11 £m	Changes £m	Not Yet Committed £m	Rephasing to 2012/13 £m	Savings £m	Projected Outturn 2011/12 £m
Corporate Services	0.605	0.749	0.012	0	(0.482)	0	0.884
Clwyd Theatr Cymru	0.025	0.027	0.055	0	0	0	0.107
Community Services	3.965	2.313	(0.668)	0	(0.318)	0	5.292
Environment	5.846	2.765	1.613	(0.164)	(1.055)	(0.065)	8.940
Lifelong Learning	6.791	4.379	2.482	(0.133)	(2.235)	(0.204)	11.080
Council Fund Total	17.232	10.233	3.494	(0.297)	(4.090)	(0.269)	26.303
Housing Revenue Account	10.059	2.796	(1.110)	0	0	0	11.745
Programme Total	27.291	13.029	2.384	(0.297)	(4.090)	(0.269)	38.048

3.02 Changes During This Period

- 3.02.1 A summary of those 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 month 9, a total of £0.297m has been identified as not yet committed (and remaining uncommitted during 2011/12). As such the related schemes will not automatically roll forward into the 2012/13 Capital Programme, but will instead be re-considered alongside any other funding calls.

NOT YET COMMITTED	
	Not Yet Committed £m
Environment	(0.164)
Lifelong Learning	(0.133)
Total	(0.297)

- 3.03.3 Environment (£0.164m) - Engineering (Coast Protection): Veolia Landfill Site, Bagillt (£0.064m) - there are ongoing discussions taking place between Veolia and the Environment Agency over liability for necessary works - some of this liability could fall on the Council once a decision has been reached; Rock Armour Repairs (£0.100m) - work would be required if extreme weather conditions breached the current coastal protection barriers, but this is considered medium risk.
- 3.03.4 Lifelong Learning (£0.133m) - DDA compliance works at Buckley Westwood C.P. School, including an accessible toilet and induction loops, and the installation of a lift to provide access to the first floor. The works could not be completed in 2011/12 because of planning approval requirements. In addition, a fire risk assessment report has indicated that there is no reasonable means of escape at first floor level for both able bodied and disabled occupants. There are no protected emergency escape corridors provided and insufficient escape exits - this means the scheme will have to be considered alongside these issues. Whilst this work is not yet committed, it is recommended that given the nature of the works, that the £0.133m is carried forward and added to the 2012/13 capital programme.

3.04 Rephasing (From 2011/12 to 2012/13)

- 3.04.1 Rephasing of £4.090m has been identified across the programme which reflects reviewed spending plans within these programme areas; these committed amounts have been identified as now required to meet the cost of programme works/contract retention releases in 2012/13.
- 3.04.2 Detailed information relating to each programme area (including supporting narrative) is provided in Appendix C, and summarised below:-

REPHASING TO 2012/13	
	Rephasing
	£m
Corporate Services	(0.482)
Community Services	(0.318)
Environment	(1.055)
Lifelong Learning	(2.235)
Total	(4.090)

3.05 Identified Savings

- 3.05.1 Savings of £0.269m have been identified across the programme, as summarised in the table below:-

Identified Savings	
	Savings
	£m
Environment	(0.065)
Lifelong Learning	(0.204)
Total	(0.269)

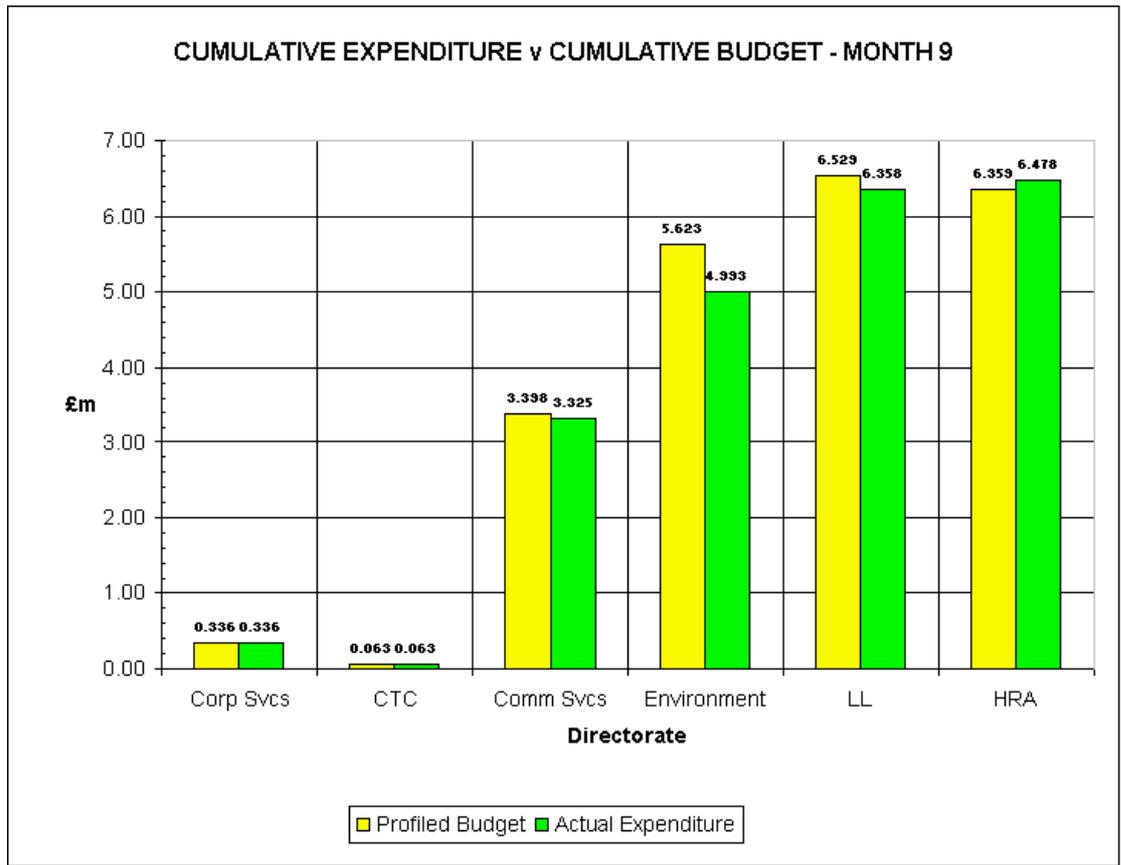
- 3.05.2 Environment (£0.065m) - Reduced cost of completing various works introduced into the capital programme at the month 4 report stage - Industrial Units (roof works at Greenfield Industrial Estate £0.035m) and Sustainable Waste Management (gas extraction flare/wells - Standard/Brookhill £0.028m), together with a small saving on Administration Buildings related works (£0.002m).
- 3.05.3 Lifelong Learning (£0.204m) - Funding cover for (Education - General) ICT works in schools is already provided by way of grant monies/provision within the Corporate Services budget.

3.06 Capital Expenditure v Profiled Budget

- 3.06.1 Recorded capital expenditure across the whole programme stands at £21.553m at month 9 (as detailed in the table below), representing 56.65% of the revised budget total of £38.048m (23.16% as at the previous quarter). The equivalent expenditure position at month 9 in the previous year (2010/11) was £14.343m, representing 38.51% of total budget.

EXPENDITURE	Revised Budget	Cumulative Profiled Budget Month 9	Cumulative Expenditure Month 9	Variance Expenditure v Profiled (Under)/Over
	£m	£m	£m	£m
Corporate Services	0.884	0.336	0.336	0.000
Clwyd Theatr Cymru	0.107	0.063	0.063	0.000
Community Services	5.292	3.398	3.325	(0.073)
Environment	8.940	5.623	4.993	(0.630)
Lifelong Learning	11.080	6.529	6.358	(0.171)
Council Fund Total	26.303	15.949	15.075	(0.874)
Housing Revenue Account	11.745	6.359	6.478	0.119
Programme Total	38.048	22.308	21.553	(0.755)

- 3.06.2 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 £22.308m; recorded expenditure of £21.553m represents 96.62% of the profiled budget total, a net variance (underspend) of £0.755m. The cumulative position (by directorate) is displayed in the chart over page.
- 3.06.3 The significant variances (those greater than £0.025m) are individually listed in Appendix D, together with reasons for such and the required remedial actions; all other variances (those variances less than £0.025m), are aggregated within Appendix D, for each directorate.



3.07 Financing

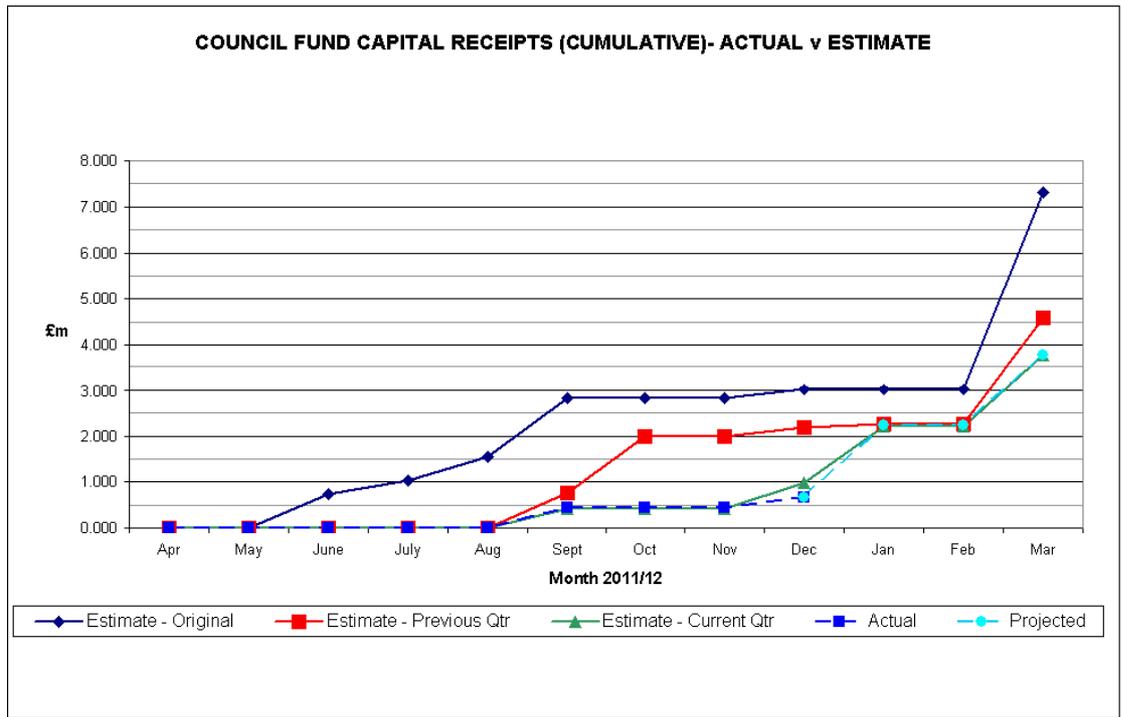
3.07.1 The capital programme is financed as summarised below:-

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	21.537	9.422	30.959
Housing Revenue Account	2.611	9.134	11.745
	24.148	18.556	42.704
Not Yet Committed			
Council Fund	(0.297)	0	(0.297)
Housing Revenue Account	0	0	0
	(0.297)	0.000	(0.297)
Rephasing			
Council Fund	(3.804)	(0.286)	(4.090)
Housing Revenue Account	0	0	0
	(3.804)	(0.286)	(4.090)
Savings			
Council Fund	(0.269)	0	(0.269)
Housing Revenue Account	0	0	0
	(0.269)	0.000	(0.269)
Total Financing Resources	19.778	18.270	38.048

3.07.2 That element of the Council Fund total financed from general (non-specific) financing resources - unhypothecated supported borrowing, general capital grant and capital receipts (£21.537m) - relies on total Council Fund capital receipts of £6.478m. The capital receipts total includes in-year receipts of £3.769m (as recorded in the chart over page - see estimate [current quarter]), and £2.709m received in 2010/11 but held over on the balance sheet at financial year-end 2010/11 to fund (in part) the 2010/11 rolled-over capital programme scheme budgets.

3.07.3 The chart provides details of the moving (cumulative) capital receipts position - 5 line graphs, 3 of which record the moving estimate and 2 recording actual/projected receipts. The positions are summarised as:-

- **Estimate (Original)** - The opening anticipated capital receipts total (£7.308m including the rolled over requirement from 2010/11), with anticipated receipts due in June, July, August, September and December, and more significantly so in March 2012.
- **Estimate (Previous Quarter)** - A fundamental review of the anticipated disposals programme was undertaken at the end of Quarter 2 to take account of the deflated market and strategic review of the Council's agricultural estate. The reviewed position as at month 6, shows an altered profile and reduced total (£4.582m) with the earliest receipts now anticipated in September, further receipts anticipated in October and December, and the greatest activity anticipated in March 2012. The reduced total is largely accounted for by way of the rescheduling of some anticipated receipts from 2011/12 to 2012/13; this funding is not lost to the capital programme, but is pushed back a year - a position that has been taken account of in preparing the 2012/13 Capital Programme. The (net) reduced capital receipts total is also influenced by movements in the actual anticipated proceeds from asset disposals, which continue to be deflated and difficult to achieve in the current economic climate.
- **Estimate (Current Quarter)** - The latest reviewed position now indicating a further reduced total (£3.769m), largely due to further rescheduling (from 2011/12 to 2012/13), but also taking account of those receipts previously anticipated in October 2011 which are not now due until January 2012.
- **Actual** - The value of actual receipts received as at month 9 (£0.667m).
- **Projected** - The expected value of receipts from month 9 through until year end, with the March end point meeting the Estimate (Current Quarter) figure at £3.769m.



3.07.4 The capital receipts position continues to be closely monitored as part of the overall management of the capital programme.

3.07.5 **Grant Announcement** - Welsh Government confirmed on 21st February 2012 additional grant monies in the sum of £479,428 for Capital Maintenance and Investment in Schools. This welcomed announcement, which comes late in the financial year, will serve to increase the year-end level of rollover by any unspent part of the grant allocation.

4.00 **RECOMMENDATIONS**

4.01 The Executive is requested to:-

- a) Approve the carry forward of £0.133m for the DDA compliance works at Buckley Westwood C.P. School to the 2012/13 capital programme (Section 3.03.4).
- b) Approve the rephasing adjustments as detailed in Section 3.04.
- c) 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

Appendix A – Capital Programme – Changes During 2011/12

Appendix B – Changes During This Period

Appendix C – Rephasing to 2012/13

Appendix D – Variances

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

Capital Programme Monitoring Papers 2011/12

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