

BABERGH DISTRICT COUNCIL

FROM: HEAD OF FINANCE AND HEAD OF
CONTRACTS & ASSET
MANAGEMENT

REPORT NUMBER **F78**

TO: OVERVIEW & SCRUTINY
(STEWARDSHIP) COMMITTEE

DATE OF MEETING 29 August 2006

CAPITAL PROGRAMME MONITORING

1. **SUMMARY**

Progress on the current year's Capital Programme to the end of the first quarter (June 2006) including projects where money has been carried forward from last year, is reported under the agreed performance management arrangements. Key points are highlighted for Members information.

2. **RECOMMENDATIONS**

- 2.1 That Members note the overall position on the capital programme at the end of June 2006 including progress on work carried over from last year.

The Committee is able to resolve this matter.

3. **FINANCIAL IMPLICATIONS**

None

4. **KEY INFORMATION**

- 4.1 Achieving the capital programme is an important priority and the Council has set targets in relation to this. Performance in 2005/06 was very good in most areas but the Committee expressed some concerns over the extent of budget carry forwards on a range of projects into the current year.
- 4.2 The targets for achieving minimum levels of expenditure in the capital programme are: -
- Council Housing - 97%
 - Other Services - 89%
- 4.3 The attached summary (Appendix A) sets out the latest overall position on the capital programme at the end of June 2006. It will be seen that the adjusted budget is £0.8m or 15% higher than the original budget due to the schemes that were delayed from last year. This is considerably lower than the budget carry forward of £1.4m last year.
- 4.4 In terms of progress to date, it can be seen from the appendix that:
- Good progress is being made in overall terms in that 18% of the total budget has been spent so far. At the same time last year, only 11% had been spent. This excludes work that has been done but not paid for.

- On Council Housing, most of the programmes and projects are proceeding well and 23% of the annual budget has already been spent, which is significantly more than at the same time last year.
- On Other Services, overall spending so far stands at 12% of the budget, which is similar to the position a year ago.

4.5 It is too early in the year to reach conclusions on the above as many schemes are still being designed and awaiting approval. A clearer picture will be known when the next quarter's monitoring report is presented to the Committee.

4.6 In terms of progress on work carried over from last year, details on spending since April and the current state of play for each project is summarised in Appendix B. From this, it can be concluded that:

- Organisational Development/ICT - Spending in relation to the CAST budget will not be agreed until the September Strategy Committee. Some additional expenditure has been incurred on the other projects but most will not be spent until later in the year.
- Natural and Build Environment (Planning & Environmental Services) – The £23,000 on Environmental Services schemes may not be spent and will depend on the priority given to this work. On planning schemes it appears that a fair proportion of this work may also not materialise although some of this will depend on whether an extension by English Heritage on the HERS scheme is approved. Most of the money is from external sources.
- Community Development (Leisure and Community Services) – some money has now been spent and most of the rest will be incurred in the next quarter.
- Contract and Asset Management – Non-HRA work will not be done until later in the year. Progress on some of the HRA projects but others delayed for the reasons indicated.

5. **APPENDICES**

- A- Capital Programme Summary – June 2006
- B- Progress on schemes carried forward from last year

6. **BACKGROUND PAPERS REFERRED TO:**

None

CONTACT: Barry Hunter/Ryan Jones

DIRECT LINE: 01473 825819/825787

APPENDIX A

CAPITAL PROGRAMME AND HRA MAJOR REPAIRS RESERVE MONITORING 2005/06

CAPITAL PROGRAMME - SUMMARY BY SERVICE

| Line | Service | Responsible Manager | Original Budget 2006/07 £000s | Adjusted Budget 2006/07 £000s | Spend 2006/07 to 30/06/06 £000s | Shortfall/ (Excess) to Budget £000s | Target % of Adjusted Budget 97% - HRA 89% G.Fund | Actual spend as a % of Adjusted Budget June 2006 | Actual spend as a % of Adjusted Budget June 2005 |
|------|----------------------------------|---------------------|-------------------------------------|-------------------------------------|--|--|---|--|--|
| 1 | Council Housing | Ryan Jones | 3,242 | 3,800 | 855 | 2,945 | 3,686 | 23% | 11% |
| 2 | Social Housing | Chris Foti | 86 | 75 | | 75 | 67 | | |
| 3 | Housing - Private Sector Renewal | Malcolm Firth | 600 | 459 | 69 | 390 | 408 | 15% | 19% |
| 4 | ICT Services | John Raine | 855 | 853 | 78 | 775 | 759 | 9% | 17% |
| 5 | Environmental | Malcolm Firth | 35 | 58 | | 58 | 51 | | 33% |
| 6 | Leisure | Tim Mutum | 220 | 408 | 117 | 291 | 363 | 29% | 6% |
| 7 | Planning Policy | Rich Cooke | 129 | 271 | 14 | 257 | 241 | 5% | 4% |
| 8 | Other | Ryan Jones | 180 | 235 | 4 | 231 | 209 | 2% | 2% |
| 9 | Total Capital Investment | | 5,347 | 6,159 | 1,137 | 5,022 | 5,784 | 18% | 11% |
| | | | | | | | Council Housing | Actual | |
| | | | | | | | General Fund | 23% | 11% |
| | | | | | | | | 12% | 10% |

Note: The adjusted budget reflects slippage and adjustments from the previous year plus any transfers to/from revenue.

Capital Programme carry forwards from 2005/06

| <u>Project</u> | <u>Amount carried over (£'000s)</u> | <u>Spend to date 03/08/06</u> | <u>Reason for Carry Over</u> | <u>Progress in 06/07</u> |
|--|--|--------------------------------------|---|---|
| ICT/OD projects (£228,100) <u>ROBERT LAVELL</u> | | | | |
| CAST JOHN RAINE / ROBERT SOUTHGATE | 104.0 | 12.9 | The major emphasis during 2005/06 was to ensure that the ODPM funded support to the CAST programme was fully utilized. This resulted in movement between budget headings to ensure that any longer term commitment could be met by Babergh funding, as the ODPM spending had to be used by 31 March 2006. | Work is in hand to implement the Positioning Option on customer access, and the additional Business Process Re-engineering exercise in Environmental Services has been completed. The CAST Board will be recommending a two-year plan to the September Strategy Committee and October Council. This will include appropriate capital expenditure plans. |
| Planning ROBERT LAVELL | 65.3 | 0.0 | The project to update mapping information was delayed due to resource availability. Other planning projects were also postponed while e-Government related planning systems took priority. | The mapping (Positional Accuracy Improvement) work will take place later in the financial year (Q3 / Q4). Costs have been provided for the other planning projects, and requests to undertake these will be submitted to the e-Government Steering Group shortly. |

| <u>Project</u> | <u>Amount carried over (£'000s)</u> | <u>Spend to date 03/08/06</u> | <u>Reason for Carry Over</u> | <u>Progress in 06/07</u> |
|---|-------------------------------------|-------------------------------|--|---|
| Website/infrastructure/mobile working/refresh ROBERT LAVELL | 22.5 | 8.8 | Web site work was largely completed, with only minor changes to carry forward. Certain server changes have been carried over to 2006/7 due to lack of resource in 2005/6. | All Web site work will be co-ordinated through the Web First corporate group. Expenditure is expected to be committed within the next 3 months. Infrastructure and mobile working expenditure will be amalgamated with 2006/7 projects. |
| LAMP ROBERT LAVELL | 5.3 | 5.3 | Carry over relates to the phasing of payments. | Budget now spent. |
| E-procurement ROBERT LAVELL | 8.7 | 4.8 | The integration with the e-marketplace was no longer viable due to the uncertainty of the marketplace future and it's suitability for Babergh. | Funds were redirected to additional hardware requirements for e-procurement and software for the e-claim system (for staff & member expenses) The remaining budget will be spent on additional e-procurement development in 2006/2007. |
| Disaster recovery plan ROBERT LAVELL | 8.3 | 2.1 | Spending on fire suppression was delayed while building works on the computer room were undertaken. | Will be spent in 2006/7 as part of fire suppression and overall IT disaster recovery plans. |
| Plantime replacement ROBERT LAVELL | 14.0 | 0.0 | This project was delayed due to resource constraints within HR (resources diverted to Leisure trust, restructuring and CAST) and Technical Services (resources diverted to Leisure Trust). | A revised timing plan is being prepared by HR. |

| <u>Project</u> | <u>Amount carried over (£'000s)</u> | <u>Spend to date 03/08/06</u> | <u>Reason for Carry Over</u> | <u>Progress in 06/07</u> |
|--|-------------------------------------|-------------------------------|---|------------------------------------|
| Environmental (£23,300) <u>RYAN JONES / MALCOLM FIRTH</u> | | | | |
| Improvements to Public Conveniences RYAN JONES | 14.0 | 0.0 | Due to a reduction in requirements the scheme to refurbish the toilets at Shotley was eventually carried out at a cost of £18,000, not the £32,000 originally budgeted for. The balance of the budget was therefore carried forward for another refurbishment scheme. | A scheme has yet to be identified. |
| Contaminated Land Strategy MALCOLM FIRTH | 9.3 | 0.0 | May still be a requirement for more work on contaminated land. | No progress to date. |

| <u>Project</u> | <u>Amount carried over (£'000s)</u> | <u>Spend to date 03/08/06</u> | <u>Reason for Carry Over</u> | <u>Progress in 06/07</u> |
|--|-------------------------------------|-------------------------------|--|---|
| Leisure & Community Services (£187,900) <u>TIM MUTUM / RYAN JONES</u> | | | | |
| Sports/Village Hall grants Glemsford Skate Park - £9.6k Holbrook Village Hall - £9.9k 05/06 grants - £(12.7)k TIM MUTUM | 6.8 | 9.6 - - | Delays due to re-siting of park after environmental health (noise) issue with original site. Extension and disabled toilets not completed as at 31 st March. The £100k budget for 2005/06 grants was profiled £50k in 05/06 and £50k in 06/07. Actual spend in 05/06 was £62.7k and because of this £12.7k was brought forward from 06/07 budget. | Grant paid May '06 Building Control have requested a delay in paying the final grant sum, as there are some minor works still to be completed satisfactorily. Final payment should be paid within the next couple of months. |
| Kingfisher Planned Maintenance RYAN JONES | 36.7 | 36.7 | This money was scheduled for improvement/remedial works. It could only however be carried out during a period when the pool was closed. The closure period was 3 rd April to 14 th April 2006, hence the need to carry the remaining budget forward | All works completed during pool closure, and now paid for |

| <u>Project</u> | <u>Amount carried over (£'000s)</u> | <u>Spend to date 03/08/06</u> | <u>Reason for Carry Over</u> | <u>Progress in 06/07</u> |
|--|-------------------------------------|-------------------------------|--|---|
| Leisure Trust TIM MUTUM | 143.6 | 39.6 | Majority of this was for fitness and IT equipment, which was not delivered until April. Also some other costs that have not been incurred until April. | The payment for fitness equipment (£80k) has been delayed because of outstanding claims for compensation because of delivery problems. The balance of the money should be paid out within the next couple of months. |
| Other – Lavenham T.I.C. refurbishment | 0.8 | 0.8 | Small amount carried over for lights. | Scheme now complete. |
| Planning (£142,500) <u>RICH COOKE</u> | | | | |
| Sproughton Industrial Estate Improvements RICH COOKE | 75.0 | 0.0 | This grant funding was conditional on match funding (from local businesses) and very little secured from them. No further carry over looks necessary. | Some grant offered (figure quoted a definite and generous maximum) so rest of money to be unspent. Public sector funding from external sources anyway – no BDC input. This money not yet brought into BDC as not required to be paid out yet. |
| A131 traffic management enhancement RICH COOKE | 25.0 | 0.0 | No capital scheme produced yet to use these funds and this would need to be tied in with other initiatives and probably other funding sources to ensure maximum benefit secured. | No progress so far 2006-7 but one scheme suggestion received from local Member to explore further. No delivery likely in 2006-7. |

| <u>Project</u> | <u>Amount carried over (£'000s)</u> | <u>Spend to date 03/08/06</u> | <u>Reason for Carry Over</u> | <u>Progress in 06/07</u> |
|---|-------------------------------------|-------------------------------|---|--|
| Sudbury HERS/other grants RICH COOKE | 42.5 | 13.8 | Scheme has run for several years (with agreement of English Heritage who fund most of this scheme). Carry over of underspend required annually to allow funding of any further projects. Also time lag inevitable between bids for funds and actual delivery / payment of grants. | £12.2k awarded on HERS / £1.6k spent on countryside grants. HERS grant funding currently scheduled to cease end September 06 (but requesting extension of scheme). |
| Corporate Asset Management (£34,400) <u>RYAN JONES</u> | | | | |
| <u>Car Parking</u> | 27.7 | 1.8 | Monies carried forward for new parking orders and installation of ticket machines in Sudbury. Delays in preparation of orders meant that this money had to be carried forward | Installation of ticket machines scheduled for completion in early 2007, subject to progress on the new parking order |
| <u>Adaptations to HQ</u> | 7.4 | 0 | Monies carried forward for carpet renewals. No resources available to carry out this work in late 2005/06 | Carpet renewals scheduled for completion in late 2006 |

| <u>Project</u> | <u>Amount carried over (£'000s)</u> | <u>Spend to date 03/08/06</u> | <u>Reason for Carry Over</u> | <u>Progress in 06/07</u> |
|--|-------------------------------------|-------------------------------|---|--|
| Housing Revenue Account (£557,700) | | | | |
| <u>RYAN JONES</u> | | | | |
| <u>Council Housing Planned Maintenance</u> | | | | |
| Sandringham Court | 310.1 | 282.1 | Scheme started later than originally planned due to changes in design brief | Scheme progressing well – scheduled for completion in Dec 2006 |
| Decent Homes Standard | 177.0 | 35.6 | Expenditure delayed to undertake a detailed review of the Stock Condition Database in relation to the Decent Homes database, thus ensuring budgets are properly targeted to kitchens & bathrooms. | Review well under way |
| Sheltered Units – General Improvements | 45.6 | 21.8 | Design briefs for works at Steeds Meadow, Playford, Sydney Brown & Elizabeth Courts not finalised with Housing | Steeds Meadow scheme complete. Others now in design stage |
| Street Parking Improvements | 54.4 | 14.9 | Several schemes delayed or cancelled due to planning, utilities or legal issues. Priority list revised by Housing Panel in April 2006 to try and ensure full expenditure this year | Two schemes completed on site so far |

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