

PAPER NO.5

REPORT TO THE EXECUTIVE MEETING OF 16 AUGUST 2010

Status: Paragraph 2.1 – Decision
Paragraph 2.2 – Recommendation

Title: Capital Programme Monitoring to 30 June 2010

Originator: Kamal Mehta, Deputy Chief Executive

Where from: Strategic Management Team

Where to next: Not applicable

1 Purpose of the Report

1.1 To update the Executive on the progress of schemes within the Capital Programme to 30 June 2010.

2 Recommendations:

2.1 To note Capital Programme scheme progress.

R 2.2 To recommend to Council to vary the Capital Programme as in paragraph 3.1.

3 Summary of Reasons for the Recommendations

3.1 Variations to the Capital Programme must be approved by Council. The table below summarises those variations to the programme which have arisen during the first three months of this financial year.

Capital Programme Scheme	Expenditure Budget Increase / (Decrease) £
Private Sector Renewal Loans & Grants	(90,300)
Devils Island / Millennium Mile Bridge	(64,600)
Harborough Leisure Centre Road Access Works	5,800
Replacement Cash Recepting System	20,000
Decrease in non Grant funded schemes	(129,100)
Decent Homes in the private sector (100% Grant funded)	197,000
Overall increase in Expenditure requirement	£67,900

The overall increase in capital expenditure budgets of £67.9k is funded by a specific grant allocation of £197k along with a reduction in External funding of £60.6k and an Internal funding reduction of £68.5k.

- The change in housing policy regarding Private Sector Renewal Grants means that budget under spends are no longer required to be carried forward from the previous year. Therefore the carry forward from 2009/10 approved by Executive on 28 June 2010 of £90,300 is no longer required.
- The proposed bridge link between the Millennium Mile & Devils Island is recommended that this project is removed from the capital programme. Due to the need to meet both Environment Agency & Disabled Access requirements no suitable bridge design can be achieved at the proposed location within the allocated budget. A suitable design could be achieved by installing a chicane walkway at an additional cost in excess of £20,000. The brickwork, tarmac & railings required to create the DDA compliant walkway would also be incongruous in the location of Devils Island. It. This would release £52,500 S106 funding for use in other areas and further reduce the level of unsupported borrowing for 2010/11 by £4,000. The additional £8,100 funding is a grant obtained from Leicestershire County Council in 2005/06 specifically for works providing a link between Devils Island & the Millennium Mile.
- The deterioration of the Harborough Leisure Centre roadway access required urgent rectification. Repair work has already been completed and therefore retrospective approval is sought. The work will be funded from revenue contributions, although external contributions from the business units utilising the access road are being pursued.
- With regards the replacement Cash Receipting System, indications from suppliers require an increase in the Capital Programme budget of £20k giving an overall budget need of £40k. It is still considered to be an invest to save project and will enable the Council to meet legislative requirements.
- Government Grant for “Decent Homes” has been received, this grant is ringfenced.

4 Key Facts

- 4.1 Monitoring of actual capital expenditure against the approved budget is undertaken on a monthly basis with Budget Managers and reported to the Management Board on a quarterly basis. Members also have access to quarterly capital monitoring reports via the TEN Performance Management System.

- 4.2 The original Capital Programme for 2010/11 totalled £1,430,100 and was approved by the Council on 25 February 2010. Members agreed carry forwards from 2009/10 on 28 June 2010 of £1,613,000.
- 4.3 Appendix A gives details of the spending against budget for all schemes in the approved 2010/11 Capital Programme for the period 1 April 2010 to 30 June 2010.
- 4.4 Actual expenditure and commitments to the end of June 2010 total £705,808 against the full year budget of £3,111,000, representing a variance of £2,405,192 at this point in the year. Appendix A provides a scheme by scheme analysis of expenditure against the budget including explanations of any variances.
- 4.5 Expenditure to date is generally in line with expectations with no significant areas of concern.
- 5 Legal Issues
- 5.1 Any legal implications arising from new schemes will have been addressed as part of the capital project appraisal process.
- 6 Resource Issues
- 6.1 Estimated capital resources required to support the Capital Programme are shown in Appendix A. Over £1.2m capital expenditure is planned to be financed by unsupported borrowing, with £0.4m from Section 106 contributions.
- 6.2 There have been no Capital Receipts this financial year to date.
- 6.3 The final funding decisions for capital expenditure are taken at the year end in the light of the actual amounts of funds available from the various sources so that the Council's position is optimised.
- 7 Equality Implications
- 7.1 None arising directly from this report.
- 8 Impact on the Organisation
- 8.1 Corporate implications of new schemes are also addressed during the capital project appraisal process.
- 9 Consultation
- 9.1 Comments regarding progress against capital schemes included in Appendix A have been provided by service managers in discussion with Finance Services. Progress against schemes is also reported to the Management

Board and any comments arising from those meetings are incorporated in the Capital Monitoring Reports.

10 Options Considered

10.1 None

11 Background Papers

11.1 Capital Project Appraisal Forms

Previous report(s): None

Information Issued Under Sensitive Issue Procedure: No

Ward Members Informed: Not applicable