

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Financial Monitoring – Capital Programme 2013/14
Meeting/Date: Cabinet – 21 November 2013
Executive Portfolio: Resources, Councillor J A Gray
Report by: Assistant Director (Finance and Resources)
Ward(s) affected: All Wards

Executive Summary:

This report highlights the forecast variations from the 2013/14 Capital Programme approved in February 2013. It also includes any member or officer decisions already taken in accordance with the code of Financial Management.

It is based on information available up to mid September and includes variations which will form part of the revised MTP.

The total forecast variations are;

Capital Variation	2013/14 £000
Net Additional Costs	547
Revenue Transfer to Capital	75
Timing Changes to 2014/15	(239)
Total Variation	383

The revenue impacts are:

Revenue Impact	2013/ 2014 £000	2014/ 2015 £000	2015/ 2016 £000	2016/ 2017 £000	2017/ 2018 £000
Total variation	-57	91	55	58	42

Reports will be presented on the two schemes with significant increases once the final position is established.

Recommendation:

It is recommended that Cabinet note the contents of this report.

1. MONITORING OF THE 2013/14 CAPITAL PROGRAMME

- 1.1 The Budget approved in February 2013 was £8.9m after allowing for a provision for schemes brought forward from 2012/13 and carried forward to 2013/14. Subsequent adjustments are summarised below:-

Capital Programme	2013/14 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Approved Total Budget (February 2013)	17,869	9,006	8,863
Add brought forward from 2012/13	3,017	1,810	1,207
Less provision	(500)	0	(500)
	20,386	10,816	9,570
Forecast Cost Variations (Annex A)	(6,451)	(6,998)	547
Revenue/Capital Variations (Annex A)	75	0	75
Forecast Timing Changes (Annex B)	(1,880)	(1,641)	(239)
	12,130	2,177	9,953
July Report Forecast	20,386	10,816	9,570
Variations this time	(8,256)	(8,639)	383

2. SIGNIFICANT ITEMS

2.1 Savings Items

Wheeled Bins For New Properties (-£119,000)

Property developers are now making contributions to the purchase of bins in areas receiving planning permission after January 2013, and also bins are being reused following the introduction of charging for second green bins.

Disabled Facilities Grants (-£57,000)

Extra funding has been received from the DCLG, reducing the amount of funding required.

Huntingdon West Development (-£23,000)

This scheme is now a Cambridgeshire County Council controlled scheme, with the result that both expenditure and the matching funding are reduced. A contribution will be paid out this year with repayments from future Community Infrastructure Levy receipts.

Ramsey Rural Renewal (-£63,000)

Funding had been offered to the Middle Level Commission for the Barge Dock Scheme at Ramsey has not been taken up and the scheme is unlikely to proceed. The offer of funding is therefore going to be withdrawn.

Printing Equipment (-£45,000)

The cost of this project was less than expected, because of the reduced cost of software.

2.2 Extra Cost (Invest to Save)

Pool Vehicles (£60,000)

The current leased pool vehicles have been replaced with more vehicles purchased outright. The purchase of the vehicles will be funded from the savings in mileage allowances. The business case was considered and supported by COMT as an Invest to Save (29th October 2012).

CCTV Wireless Upgrade (£40,000)

An accurate quote has now been received for the upgrade (£290,000 instead of £250,000) and there will be a revenue saving of £50,000 per year.

2.3 Extra Cost (Other)

Multi-Storey Car Park Huntingdon (£369,000)

It was expected that there would be a receipt resulting from the sale of Trinity Place car park (£250,000). However during the development negotiations it was agreed that as land was being transferred to the Council free of charge for the multi-storey car park, it was only fair for the Trinity Place car park to also be transferred free of charge.

The scheme start has been delayed due to the time taken to finalise the development agreement, with the result that the construction now runs into the Christmas closedown period. There has been an increase in the construction cost of the phase 1 works due to bad ground conditions and a collapsing sewer found under the new road (£119,000).

The construction is only about half complete, and there are currently negotiations taking place to reduce costs, but there is still a risk of claims being received from the contractor until the works are finished. Once the scheme is finished a report on the final costs will be made.

One Leisure St Ives Redevelopment (£489,000)

The costs of the building works have been higher than anticipated due to the need to deal with drainage, some structural amendments and to provide an additional emergency escape.

Although the scheme is substantially complete, the final account is not yet finalised. A report will be presented once the final costs are established.

2.4 Timing Changes (significant items)

Sustainable Homes (Green Houses) (£415,000)

As the housing market is rising, it now appears beneficial to keep the properties beyond the projected sale date of March 2014. The St Ives house will remain a show home supporting the Cambridgeshire wide "Action on Energy" scheme until April 2017 in Huntingdonshire. The St Neots property will be rented out for the same period so that the extended retention of the properties is cost neutral in revenue terms.

Disabled Facilities Grants (-£512,000)

The joint Cambridgeshire Home Improvement Agency expects to process £1.5m of grants for Huntingdonshire this year. However the remaining budget will not be required until future years.

Camera Replacements (£36,000)

The purchase of new monitors is being brought forward from 2014/15, in order to facilitate the move to a CCTV shared service.

Vehicle Fleet Replacements (-£191,000)

The purchase of new vehicles has been deferred because the existing vehicles remain in good working order.

Replacement Fitness Equipment (-£280,000)

It was expected that the fitness equipment at One Leisure Ramsey, Sawtry, and Huntingdon would need to be replaced this year. A new replacement schedule is being prepared, with the result that only a small number of items of equipment need replacing this year.

Pathfinder House Site (£420,000)

This project covers the sale of land in St Marys Street Huntingdon and the sale of the former depot land at Alms Close Huntingdon. The disposal of land at St Marys has been delayed as the proposed sale fell through, the land will now need to be marketed again to find a new buyer. The sale of land at Alms Close has been delayed as a decision has yet to be taken on the future use of this asset.

Multi-Functional Devices (-£80,000)

The lifecycle of these devices has been extended from 3 years to 4 years, delaying the need for replacements.

Document Centre Equipment (-£48,000)

The lifecycle of these assets has been extended delaying the need for replacements.

Town Centre Developments (-£209,000)

The contribution towards the regeneration of St Neots town centre has been delayed until 2015/16 because of delays to the overall scheme.

Chequers Court Public Realm (-£240,000)

The commencement of this project is dependent on the new Sainsburys store being opened, and the old store being closed. There has been a delay in this process and as a result the work on this scheme has been delayed.

Deferred Scheme Provision (£300,000)

Now that a range of schemes have been identified where costs will be deferred to 2014/15 the provision for further deferrals during the rest of the year has been reduced.

2.5 Revenue/Capital Transfers

Where appropriate, such transfers will be undertaken as they provide beneficial revenue impact.

3 REVENUE IMPACT

3.1 The revenue impact on the MTP of the 2012/13 outturn and subsequent variations is shown below.

Revenue Impact	2013/	2014/	2015/	2016/	2017/
	2014	2015	2016	2017	2018
	£000	£000	£000	£000	£000
Timing Changes 2012/13 to 2013/14	-47	0	0	0	0
Cost Variations	4	36	38	41	40
Timing Changes 2013/14 to 2014/15	(2)	(24)	0	0	0
Revenue/Capital Transfers	(74)	8	9	9	9
Revenue variations - Timing changes \$	62	71	8	8	-7
TOTAL FORECAST VARIATION	-57	91	55	58	42

\$ Main item is delay on Multi-storey car park and the associated income

N.B. This table is based on a simplified approach for identifying the revenue impact of capital expenditure. Allowance has also been made for any revenue elements of the changes as identified in the relevant MTP bid proposals.

BACKGROUND PAPERS

Capital programme and monitoring working papers.
Previous Cabinet reports on capital expenditure.

CONTACT OFFICER – STEVE COUPER ☎ 01480 388103

ANNEX A

Forecast Cost Variations	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Savings			
Printing Equipment	(45)	0	(45)
Wheeled Bin Replacements	(32)	0	(32)
Wheeled Bins For New Properties	(119)	0	(119)
District Heating	(30)	0	(30)
Huntingdon West Development	(6,660)	(6,637)	(23)
Disabled Facilities Grants	0	57	(57)
Decent Homes	(31)	0	(31)
Rural Renewal	(63)	0	(63)
Perry Cycleway	(9)	0	(9)
Flail Mower	(2)	0	(2)
	(6,991)	(6,580)	(411)
Extra Cost (Invest to Save)			
CCTV Wireless Upgrade	40	0	40
Pool Vehicles	60	0	60
Extra Cost (Other)			
Extra Car Parking Huntingdon	119	(250)	369
One Leisure St Ives Redevelopment	321	(168)	489
	540	(418)	958
TOTAL COST VARIATIONS	(6,451)	(6,998)	547
Revenue to Capital Transfers			
Mobile Home Park Caravan	30	0	30
Flail Mower	12	0	12
Wheeled Bins	22	0	22
Call centre Replacement	11	0	11
CAPITAL/REVENUE TRANSFERS	75	0	75

New item this time
No change from previous report
Adjusted value this time

ANNEX B

TIMING CHANGES TO 2014/15 AND BEYOND	2013/14 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Environmental Strategy	(50)	0	(50)
Sustainable Homes (Green Houses)	0	(415)	415
Camera Replacements	36	0	36
Vehicle Fleet Replacements	(191)	0	(191)
Private Sector Housing Grants	(32)	0	(32)
Disabled Facilities Grants	(512)	0	(512)
Loves Farm Community Centre	(550)	(513)	(37)
One Leisure St Ives s106	0	(53)	53
Replacement Fitness Equipment	(280)	0	(280)
Play Equipment	(15)	0	(15)
Pathfinder House Site	0	(420)	420
Multi-functional Devices	(80)	0	(80)
Document Centre Equipment	(48)	0	(48)
Business Systems General	(21)	0	(21)
Town Centre Developments	(209)	0	(209)
Chequers Court Public Realm	(240)	(240)	0
Charges for Second Green Bin	12	0	12
Deferred Schemes Provision	300	0	300
	(1,880)	(1,641)	(239)

New item this time
No change from previous report
Adjusted value this time