

CABINET

18 June 2015

Report of the Portfolio Holder for Operations and Assets

CAPITAL OUTTURN REPORT 2014/15

PURPOSE

To advise Members on the final outturn of the Authority's Capital Programme for 2014/15 (subject to audit confirmation) and to request formal approval to re-profile specific programme budgets into 2015/16.

This report is a key decision due to expenditure in excess of £100,000 requiring approval.

RECOMMENDATIONS

That Cabinet:

- 1. receive the final outturn position of the 2014/15 capital programme as summarised in Appendix A;**
- 2. approve for each of the projects detailed in Appendix B the re-profiling of the budget into the Authority's Capital Programme 2014/15 (total £3.952m);**

RESOURCE AND VALUE FOR MONEY IMPLICATIONS

There are no additional financial implications from this report as all scheme budgets detailed for re-profiling into 2015/16 have already been committed against available capital resources.

There is a medium risk associated with this report due to the level of requests for re-profiling of budgets into next financial year. For the majority of the projects requesting re-profiling approval, measures have been put in place to address ongoing issues, commitments have been placed with suppliers to provide the service/ goods, or the works have been completed since 31st March 2015.

As capital funding is very limited for 2015/16 the Capital Programme will also need to be closely monitored.

EXECUTIVE SUMMARY

Progress on the Capital Programme is reported quarterly to Cabinet and monitored on a monthly basis by the Corporate Management Team with project managers providing project progress information and a predicted outturn. The outturn for the 2014/15 capital programme identifies an underspend of £6.634m against the approved budget of £12.187m (actual spend £5.553m - no change since Provisional Outturn). However, it has been requested that **£3.952m** (as detailed in **Appendix B**) of scheme spend be re-profiled into 2015/16 (£2.848m 2014/15). This will result in an overall underspend of £2.682m for the 2014/15 Capital Programme.

The outturn on General Fund Capital Schemes (including contingency) spend is £581k (£686k projected at period 11) compared to a full year budget of £4.701m resulting in an underspend of £4.120m with **£1.651m** to be re-profiled into 2015/16 (£1.556m at period 11) (£1.365m 2014/15) meaning that the actual under spend is £2.469m which can be returned to capital resources. This relates mainly to the grant funded Castle HLF scheme (£32k) together with the Assembly Rooms redevelopment (£2.353m) and Agile Work Projects (£78k) with funding committed for updated schemes included in the 2015/16 capital programme,

The outturn on Housing Revenue Account (HRA) capital schemes (including contingency) spend is £4.972m (£5.139m projected at period 11) compared to a budget of £7.486m resulting in an underspend of £2.514m with **£2.301m** to be re-profiled into 2015/16 (£2.114m at period 11) (£1.483m 2014/15) in relation to delayed schemes meaning that the actual underspend against budget is £213k. This can be returned to capital resources.

The request for budgets totalling £3.952m (£2.848m in 2013/14) to be re-profiled into 2015/16 is mainly due to the following schemes:

General Fund		
Scheme / Area	£'000	Comment
EDRMS (Electronic Document Records Management System)	63.0	Now live in Housing but HR Implementation put on hold until next year - remaining budget requested to be re-profiled.
Castle Mercian Trail	350.0	HLF have requested further information and revisions to the bid which will mean resubmitting it later in 2015/16
Gateways	277.4	The County Council have started the works to the Ladybridge and designs to complete the route from the town centre to Ventura are being developed for implementation in 2015/16. Phase two between the Station and the town is also being designed for spend later in the programme with the potential to start in 2015/16.
Private Sector Coalfields Fund	121.9	Waterloo scheme finished releasing approximately £32k for grants programme. Review of grants ongoing so will need to re-profile 122k funding to 2015/16
Disabled Facilities Grant	171.1	Due to the late start of the new County wide HIA contract and some resource issues at the new HIA some cases will not be approved in the current financial year. At 31st March 2015 it is estimated that there will be approximately £300,000 worth of referrals being processed by the HIA for approval.
Wigginton Park Section Section 106	54.3	Working to deliver items from the Wigginton Park Management Plan - will need to re-profile funds into 2015/16
Broadmeadow Nature Reserve	57.9	Access Road Contract will be completed. Additional £25k funding secured from Derbyshire Environmental Trust. Will need to re-profile some funding to 2015/16 to be able to complete future works from the management plan and HLS agreement.
Public Open Space Section 106	123.2	Project group established - list of works currently be considered will need to profile to 2015/16

Gf Contingency	50.0	No spend anticipated - to be re-profiled and included in 2015/16 Capital Programme.
Contingency -Return On Investment	160.0	No spend anticipated - to be re-profiled and included in 2015/16 Capital Programme.
PSIG -HRA	130.0	Cabinet Nov 2013 approved use for Works in Default Scheme. Details of scheme being worked up likely to slip into 2015/16.
Housing Revenue Account		
Scheme / Area	£'000	Comment
Gas Central Heating Upgrade & Regeneration	73.7	Morrison advise they are completing around 9 boiler swops per week and on track to spend most of this year's budget. They will however need to re-profile about £74k into 2015/16
Carbon Monoxide Detectors	89.1	Program of installation started 06.10.14 and due to this delay the project will slip into 2015/16
Kerria Estate Project	476.7	Project focus initially on Tinkers Green but commenced CPO process to acquire additional properties.
Regeneration General	336.0	Report to Cabinet Feb 2015 to agree Acquisitions Policy and way forward.
High Rise Lift Renewals	377.7	Delays in dealing with leasehold consultation will result in project being delayed until Spring 2015
Fire Upgrades To Flats	552.9	Consultation under way with residents, scheme will not commence in 2014/15
High Rise Balconies	60.0	Project now being linked with other structural works and unlikely to commence until spring 2015.
External and Environmental Works	92.2	Sufficient work identified to take up full spend. New schemes identified by TCG will be deferred until 2015/16. However 2 Schemes on site but not complete at year-end.

Disabled Adaptations	53.1	There will be insufficient budget to fund the current waiting list - some works will have to be deferred until 2015/16. Will need to re-profile £50k in to 2015/16 for works not completed in year
----------------------	------	--

As detailed in the scheme comments, some measures have been put in place for the future – however, certain projects will require close monitoring during 2015/16.

Appendix A provides a summary of the capital programme outturn. Individual project information is provided in **Appendix B** (including specific project comments provided by project managers). Managers have highlighted that there have been issues which have delayed completion of certain projects. Cabinet are requested to review details of each project which requires approval in order for the budget to be carried forward for inclusion in the 2015/16 Capital Programme. A brief commentary on the outturn information has also been provided by managers and these are shown for your perusal in **Appendix C**.

Appendix A

Capital Programme 2014/2015 – Outturn Summary

	Total Approved Budget 2014/15	Actual Spend 2014/2015	Variance	Re-profile to 2015/16	Final Variance 2014/15
	£'000	£'000	£'000	£'000	£'000
GENERAL FUND					
Director of Technology & Corporate Programmes	123	34	(89)	89	-
Director of Transformation & Corporate Performance	30	5	(25)	25	-
Director of Communities, Planning & Partnerships	3,149	133	(3,016)	627	(2,389)
Director of Housing & Health	162	40	(122)	122	-
Director of Assets & Environment	897	369	(528)	448	(80)
Contingency	340	-	(340)	340	-
TOTAL GENERAL FUND	4,701	581	(4,120)	1,651	(2,469)
HOUSING REVENUE ACCOUNT					
Director of Housing & Health	2,612	1,654	(958)	975	17
Director of Assets & Environment	4,774	3,318	(1,456)	1,326	(130)
HRA Contingency	100	0	(100)	0	(100)
TOTAL HOUSING REVENUE ACCOUNT	7,486	4,972	(2,514)	2,301	(213)
GRAND TOTAL	12,187	5,553	(6,634)	3,952	(2,682)

Appendix B

	Total Approved Budget 2014/15 £000	Actual Spend £000	Variance £000	Request to Re- profile to 2015/16 £000	Final Variance 2014/15	Comments
GENERAL FUND						
Director of Technology & Corporate Programmes						
Replacement It Technology	20.2	18.5	(1.6)	1.6	0.0	Corporate Radios now live & project compete. Remaining budget to be utilised in support of agile working/thin clients
EDRS (Electronic Document Records Management System)	78.6	15.6	(63.0)	63.0	0.0	Now live in Housing but HR Implementation put on hold until next year - remaining budget requested to be re-profiled.
Gazetteer Development	24.0	0.0	(24.0)	24.0	0.0	Linked to CRM project - to be utilised to fund Data Manipulation Tool but not likely to be spent this year therefore requested to be re-profiled
Total	122.8	34.1	(88.6)	88.6	0.0	

	Total Approved Budget 2014/15 £000	Actual Spend £000	Variance £000	Request to Re- profile to 2015/16 £000	Final Variance 2014/15	
Director of Transformation & Corporate Performance						
Website	22.4	2.7	(19.7)	19.7	0.0	Budget required for improvements linked to Customer Services strategy
HR / Payroll System	7.4	2.6	(4.8)	4.8	0.0	Budget earmarked for development of the HR side of the system
Total	29.8	5.3	(24.5)	24.5	0.0	

	Total Approved Budget 2014/15 £000	Actual Spend £000	Variance £000	Request to Re- profile to 2015/16 £000	Final Variance 2014/15	
Director of Communities, Planning & Partnerships						
Castle Hlf	89.9	57.8	(32.1)	0.0	(32.1)	Scheme completed Sept 30 final claim submitted to HLF
Assembly Rooms Development	2,432.2	79.4	(2,352.8)	0.0	(2,352.8)	Phase 1 complete. Report to Cabinet in February 2015 identified new project timescales. The 2014/15 budget will be underspent and funds returned to balances prior to the new scheme commencing in 2015/16.
Castle Mercian Trail	350.0	0.0	(350.0)	350.0	0.0	HLF have requested further information and revisions to the bid which will mean resubmitting it later in 2015/16
Gateways	277.4	0.0	(277.4)	277.4	0.0	The County Council have started the works to the Ladybridge and designs to complete the route from the town centre to Ventura are being developed for implementation in 2015/16. Phase two between the Station and the town is also being designed for spend later in the programme with the potential to start in 2015/16.
Castle Repairs	0.0	(4.3)	(4.3)	0.0	(4.3)	
Total	3,149.5	132.9	(3,016.6)	627.4	(2,389.2)	

	Total Approved Budget 2014/15 £000	Actual Spend £000	Variance £000	Request to Re- profile to 2015/16 £000	Final Variance 2014/15	
Director of Housing & Health						
Private Sector Coalfields Fund	161.9	40.0	(121.9)	121.9	0.0	Waterloo Scheme finished releasing approx. £32k for grants programme. Review of grants ongoing so will need to re-profile approx. £122k funding to 2015/16
Total	161.9	40.0	(121.9)	121.9	0.0	

	Total Approved Budget 2014/15 £000	Actual Spend £000	Variance £000	Request to Re- profile to 2015/16 £000	Final Variance 2014/15	
Director of Assets & Environment						
Disabled Facilities Grant	405.3	234.2	(171.1)	171.1	0.0	Due to the late start of the new County wide HIA contract and some resource issues at the new HIA some cases will not be approved in the current financial year. At 31st March 2015 it is estimated that there will be approximately £300,000 worth of referrals being processed by the HIA for approval.
Cctv Camera Renewals	16.5	11.4	(5.1)	5.1	0.0	Part of planned enhancement and upgrades to existing systems - need to re-profile approx. £5,100 due to delays caused by the completion of the service review.
Streetscene Service Delivery Enhancements	30.0	0.0	(30.0)	30.0	0.0	Delays in the full implementation of the new CRM system - future agile service delivery dependant on delivery of scheme.re-profile to 2015/16
Designate New Cemetery Land	21.2	19.6	(1.6)	0.0	(1.6)	Scheme complete - retention payment still to be paid in June 2015
Wigginton Park Section Section 106	54.3	0.0	(54.3)	54.3	0.0	Working to deliver items from the Wigginton Park Management Plan - will need to re-profile funds into 2015/16
Repair To River Bank Castle Pg	0.0	0.0	0.0	0.0	0.0	Budget now included in Gateway Project CY2811
Marmion House Agile Working	78.0	0.0	(78.0)	0.0	(78.0)	Project to be included in a new capital scheme for 2015/16 programme.

	Total Approved Budget 2014/15 £000	Actual Spend £000	Variance £000	Request to Re- profile to 2015/16 £000	Final Variance 2014/15	
Broadmeadow Nature Reserve	161.6	103.7	(57.9)	57.9	0.0	Access Road Contract will be completed. Additional £25k funding secured from Derbyshire Environmental Trust. Will need to re-profile some funding to 2015/16 to be able to complete future works from the management plan and HLS agreement.
Public Open Space Section 106	123.2	0.0	(123.2)	123.2	0.0	Project group established - list of works currently be considered will need to profile to 2015/16
Bmx track	6.6	0.0	(6.6)	6.6	0.0	Balance of external funding held for future works
Total	896.7	368.9	(527.8)	448.2	(79.6)	

	Total Approved Budget 2014/15 £000	Actual Spend £000	Variance £000	Request to Re- profile to 2015/16 £000	Final Variance 2014/15	
Contingency						
Gf Contingency	50.0	0.0	(50.0)	50.0	0.0	No spend anticipated - to be re-profiled and included in 2015/16 Capital Programme.
Cont-Return On Investment	160.0	0.0	(160.0)	160.0	0.0	No spend anticipated - to be re-profiled and included in 2015/16 Capital Programme.
Psig-Hra	130.0	0.0	(130.0)	130.0	0.0	Cabinet Nov 2013 approved use for Works in Default Scheme. Details of scheme being worked up likely to slip into 2015/16.
Total	340.0	0.0	(340.0)	340.0	0.0	
Total General Fund	4700.7	581.2	4119.5	1650.6	2468.8	

	Total Approved Budget 2014/15 £000	Actual Spend £000	Variance £000	Request to Re- profile to 2015/16 £000	Final Variance 2014/15	
HOUSING REVENUE ACCOUNT						
Director of Housing & Health						
Gas Cent Htng Upgrade & Ren 2012	749.0	675.3	(73.7)	73.7	0.0	Morrison advise they are completing around 9 boiler swaps per week and on track to spend most of this year's budget. They will however need to re-profile about £74k into 2015/16
Gas Heating Belgrave	319.4	324.9	5.5	0.0	5.5	Gas main installation completed following a slow take up of tenants arranging for gas meter to be fitted Morrison on track to complete this spend this year's budget and project to be fully completed next year
Carbon Monoxide Detectors	102.4	13.3	(89.1)	89.1	0.0	Program of installation started 06.10.14 and due to this delay the project will slip into 2015/16.
Tinkers Green Project	567.2	578.7	11.5	0.0	11.5	Phase 2 of decant complete and commenced CPO process to acquire other properties. 1 RTB property acquired on 27/03/15.
Kerria Estate Project	537.6	60.9	(476.7)	476.7	0.0	Project focus initially on Tinkers Green but commenced CPO process to acquire additional properties.
Regeneration General	336.0	0.0	(336.0)	336.0	0.0	Report to Cabinet Feb 2015 to agree Acquisitions Policy and way forward.
Total	2,611.6	1,653.1	(958.5)	975.5	17.0	

	Total Approved Budget 2014/15 £000	Actual Spend £000	Variance £000	Request to Re- profile to 2015/16 £000	Final Variance 2014/15	
Director of Assets & Environment						
Structural Works	110.0	78.7	(31.3)	31.3	0.0	Works are on site but not completed to a point of invoice at year end.
Bathroom Renewals 2012	833.9	791.6	(42.3)	42.3	0.0	All identified bathrooms will have been completed with a saving. Carry forward to address disabled showers at year end.
Kitchen Renewals 2012	969.1	839.5	(129.6)	50.0	(79.6)	All identified kitchens will have been completed. Average jobs costs have reduced resulted in a saving at year-end. Carry forward £50k to cover additional kitchens identified by the repairs team outside the stock condition data.
High Rise Lift Renewals 2012	392.6	14.9	(377.7)	377.7	0.0	Delays in dealing with leasehold consultation will result in project being delayed until Spring 2015
Fire Upgrades To Flats 2012	552.9	0.0	(552.9)	552.9	0.0	Consultation under way with residents, scheme will not commence in 2014/15
Enhancements To Flats 2012	0.0	(0.9)	(0.9)	0.0	(0.9)	
Thomas Hardy Court Heating Replacement	500.0	476.3	(23.7)	23.7	0.0	Final payment may be delayed due to delays caused by the utility companies installing the gas main and gas meter. Full budget will be required. Carry forward, works on site but not complete at year end.

	Total Approved Budget 2014/15 £000	Actual Spend £000	Variance £000	Request to Re-profile to 2015/16 £000	Final Variance 2014/15	
Roofing High-Rise 2012	43.0	0.0	(43.0)	43.0	0.0	Delays in leaseholder consultation will delay project until spring 2015
Roofing Overhaul & Renewal 2012	146.8	148.1	1.3	0.0	1.3	Minor overspend on receipt of final invoice for works completed March 2015
Fencing/Boundary Walls 2012	31.6	31.6	0.0	0.0	0.0	Project complete
Window & Door Renewals 2012	303.3	317.5	14.2	0.0	14.2	Area based programme, sufficient work identified to take up estimated full spend at year end however, minor underspend once all works completed.
High Rise Balconies	60.0	0.0	(60.0)	60.0	0.0	Project now being linked with other structural works and unlikely to commence until spring 2015.
External and Environmental Works	353.3	261.2	(92.1)	92.1	0.0	Sufficient work identified to take up full spend. New schemes identified by TCG will be deferred until 2015/16. However 2 Schemes on site but not complete at year-end.
Disabled Adaptations	254.8	201.7	(53.1)	53.1	0.0	There will be insufficient budget to fund the current waiting list - some works will have to be deferred until 2015/16. Will need to re-profile £50k in to 2015/16 for works not completed in year
Capital Salaries 2012	162.0	149.4	(12.6)	0.0	(12.6)	Provisional outturn based on latest estimates of staffing costs
Cdm Fees 2012	9.7	9.1	(0.6)	0.0	(0.6)	Tendered fee will be due in full at year end.
HRA Agile Working	51.2	0.0	(51.2)	0.0	(51.2)	Project to be included in a new capital scheme for 15/16 programme.

	Total Approved Budget 2014/15 £000	Actual Spend £000	Variance £000	Request to Re- profile to 2015/16 £000	Final Variance 2014/15
Total	4,774.2	3,318.7	(1,455.5)	1,326.1	(129.4)

	Total Approved Budget 2014/15 £000	Actual Spend £000	Variance £000	Request to Re- profile to 2015/16 £000	Final Variance 2014/15	
HRA Contingency						
HRA Contingency						No spend anticipated -no requirement to re-profile as separate budget included in 2015/16 Capital Programme.
	100.0	0.0	(100.0)	0.0	(100.0)	
	100.0	0.0	(100.0)	0.0	(100.0)	
Total Housing Revenue	7485.8	4971.8	2514.0	2301.6	212.4	
Grant Total	12,186.5	5,553.0	(6,633.5)	3,952.1	(2,681.4)	

Appendix C

Commentaries received from Managers as part of the outturn process are detailed below:

General Fund
Director of Technology & Corporate Programmes:
<p>The outturn for the directorate is total spend of £34k against budgets of £123k. Several Schemes are still in progress and it is requested that £89k be re-profiled into 2015/16</p> <p>Significant re-profile requests are:- ERDMS £63K, Gazetteer Development £24k</p>
Director of Transformation & Corporate Performance:
<p>The outturn for the directorate is total spends of £5k against budgets of £30k. It is requested that £25k is re-profiled into 2015/16</p> <p>Significant re-profile requests are:- Website £22k</p>
Director Of Communities, Planning & Partnerships:
<p>The outturn for the directorate is total spend of £133k against budgets of £3.149m. resulting in an underspend of £3.016m. It is requested that £627k of this is re-profiled into 2015/16 resulting in a underspend of £2.389m.</p> <p>This underspend is mainly due to the Assembly Rooms project. A report to Cabinet in February 2015 identified new timescales and the underspend of £2.353m will be returned to balances prior to the new scheme commencing in 2015/16.</p> <p>Commentaries received from managers with regards to the major re-profile requests are as follows:-</p> <p>Castle Mercian Trail - £350k</p> <p>The Heritage Lottery Fund has requested further information and revisions to the bid which will mean resubmitting it later in 2015/16.</p> <p>Gateways - £277k</p> <p>The County Council have started the works to the Ladybridge and designs to complete the route from the town centre to Ventura are being developed for implementation in 2015/16. Phase two between the Station and the town is also being designed for spend later in the programme with the potential to start in 2015/16.</p>

Director of Housing & Health:

The outturn for the directorate is total spend of £40k against budgets of £162k. It is requested that the balance of £122k is re-profiled into 2015/16.

Commentaries received from managers with regards to the re-profile requests are as follows:-

Private Sector Coalfields Fund - £122k

Waterloo Scheme finished releasing £32k for grants programme. Review of grants ongoing so will need to re-profile £122k funding to 2015/16.

Director Of Assets & Environment:

The outturn for the directorate is total spend of £369k against budgets of £897k. It is requested that £448k is re-profiled into 2015/16 resulting in an underspend of £80k. This underspend is against the Marmion House Agile Working budget which has been included in a new scheme for the 2015/16 programme.

Commentaries received from managers with regards to the re-profile requests are as follows:-

Disabled Facilities Grant - £171k

Due to the late start of the new County wide HIA contract, and some resource issues at the new HIA, some cases will not be approved in the current financial year. At 31st March 2015 it is estimated that there will be approximately £300k worth of referrals being processed by the HIA for approval.

Wigginton Park Section 106 – £54k

Working to deliver items from the Wigginton Park Management Plan - will need to re-profile funds into 2015/16

Broadmeadow Nature Reserve - £58k

Access Road Contract will be completed. Additional £25k funding secured from Derbyshire Environmental Trust. Will need to re-profile some funding to 2015/16 to be able to complete future works from the management plan and HLS agreement.

Public Open Space Section 106 - £123k

Project group established - list of works currently being considered. Will need to profile to 2015/16

Contingency

There has been no spend against the General Fund Contingency budgets of £340k and it is requested that this is re-profiled into 2015/16.

Commentaries with regard to re-profile requests are:-

General Fund Contingency - £50k

No spend anticipated - to be re-profiled and included in 2015/16 Capital Programme.

Return on Investment - £160k

No spend anticipated - to be re-profiled and included in 2015/16 Capital Programme.

Private Sector Improvement Grant - £130k

Cabinet Nov 2013 approved use for Works in Default Scheme. Details of scheme being worked up likely to slip into 2015/16.

HRA**Director of Housing & Health:**

The outturn for the directorate is total spend of £1.654m against budgets of £2.612m. It is requested that £975k is re-profiled into 2015/16.

Commentaries received from managers with regards to the re-profile requests are as follows:-

Gas Cent Heating Upgrade & Renewals - £74k

Morrisons advise they are completing around 9 boiler swops per week and on track to spend most of the budget. They will however need to re-profile about £74k into 2015/16.

Carbon Monoxide Detectors - £89k

Program of installation started October and due to this delay the project will slip into 2015/16.

Kerria Estate Project - £477k

Project focus initially on Tinkers Green but commenced CPO process to acquire additional properties.

Regeneration General - £336k

Report to Cabinet Feb 2015 to agree Acquisitions Policy and way forward.

Director Of Assets & Environment:

The outturn for the directorate is total spend of £3.318m against budgets of £4.774m. It is requested that £1.326m is re-profiled to 2015/16 resulting in an underspend of £130k.

This underspend of £129k is due to £80k on Kitchen Renewals and £51k on HRA Agile Working.

Commentaries received from managers with regards to the re-profile requests are as follows:-

Kitchen Renewals - £50k

All identified kitchens will have been completed. Average jobs costs have reduced resulting in a saving at year-end. Carry forward £50k to cover additional kitchens identified by the repairs team outside the stock condition data.

High Rise Lift Renewals - £378k

Delays in dealing with leasehold consultation will result in project being delayed until Spring 2015.

Fire Upgrades To Flats - £553k

Consultation under way with residents, scheme will not commence in 2014/15

High Rise Balconies - £60k

Project now being linked with other structural works and unlikely to commence until spring 2015.

External and Environmental Works - £92k

Sufficient work identified to take up full spend. New schemes identified by TCG will be deferred until 2015/16. However two schemes on site but not complete at year-end.

Disabled Adaptations - £53k

There will be insufficient budget to fund the current waiting list - some works will have to be deferred until 2015/16. Will need to re-profile £50k in to 2015/16 for works not completed in year

Contingency

There has been no spending against the HRA contingency budget. This results in an underspend of £100k for 2014/15 as a budget has been included in the 2015/16 capital programme and there is no requirement for re-profile.