

CABINET

13th June 2019

Report of the Portfolio Holder for Assets and Finance

CAPITAL OUTTURN REPORT 2018/19

PURPOSE

To advise Members on the final outturn of the Authority's Capital Programme for 2018/19 (subject to audit confirmation) and to request formal approval to re-profile specific programme budgets into 2019/20.

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

RECOMMENDATIONS

That Cabinet:

1. receive the final outturn position of the 2018/19 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 2019/20 (total £40.283m)

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 2018/19 capital programme identifies an underspend of **£40.494m** against the approved budget of **£60.274m** (actual spend £19.78m - no change since Provisional Outturn).

However, it has been requested that **£40.283m** (as detailed in Appendix B) of scheme spend be re-profiled into 2019/20. This will result in an overall underspend of **£0.211m** for the 2018/19 capital programme.

General Fund

The outturn on General Fund capital schemes (including contingency) spend is **£10.515m** compared to a full year budget of **£28.552m** resulting in an underspend of **£18.038m**. It has been requested that **£17.929m** be re-profiled into 2019/20 meaning that the actual under spend is **£0.109m**.

Housing Revenue Account

The outturn on Housing Revenue Account (HRA) capital schemes (including contingency) spend is **£9.266m** compared to a full year budget of **£31.722m**, resulting in an underspend of **£22.456m**. It has been requested that **£22.354m** be re-profiled into 2019/20 meaning that the actual underspend is **£0.102m**.

The table below shows the actual amounts to be re-profiled into 2019/20 compared to what was forecast at period 11 and, for information, shows the amounts that were re-profiled into 2018/19.

	Budget 18/19	Outturn 18/19	Variance	Re- profile to 19/20	Underspend	P11 predicted re-profile	Re-profiled 18/19
	£000	£000	£000	£000	£000	£000	£000
General Fund	28,552	10,515	(18,038)	17,929	109	17,488	9,105
Housing Revenue Account	31,722	9,266	(22,456)	22,354	102	21,586	18,198
Total	60,274	19,780	(40,494)	40,283	211	39,074	27,303

RESOURCE AND VALUE FOR MONEY IMPLICATIONS

There are no additional financial implications from this report as all scheme budgets detailed for re-profiling into 2019/20 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 2019.

As capital funding is very limited for 2019/20 the capital programme will also need to be closely monitored.

It should be noted that the following items to the value of £48.15k have been included in the balance sheet as capital items but have been financed from the revenue account:-

Revenue Purchase	
Aethelflaed Statue	£23.00k
ICT Software Revenue Purchases	£25.15k

REPORT AUTHOR

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Management Accountant

Appendix A

GENERAL FUND	Budget Reprofiled from 2017/18 £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Reprofile to 2019/20 £000	Outturn £000
Chief Executive	-	4,000	3,270	(730)	730	4,000
AD Growth & Regeneration	771	899	175	(724)	721	896
AD People	208	348	168	(180)	174	342
AD Operations & Leisure	1,276	5,363	2,300	(3,063)	3,032	5,332
AD Finance	6,000	16,000	3,869	(12,131)	12,131	16,000
AD Assets	155	1,167	722	(444)	376	1,098
AD Neighbourhoods	44	89	10	(79)	79	89
AD Partnerships	92	92	-	(92)	92	92
GF Contingency	559	595	-	(595)	595	595
TOTAL GENERAL FUND	9,105	28,552	10,515	(18,038)	17,929	28,443
HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2017/18 £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Reprofile to 2019/20 £000	Outturn £000
AD Assets	18,098	31,622	9,266	(22,356)	22,254	31,520
HRA Contingency	100	100	-	(100)	100	100
TOTAL HOUSING REVENUE ACCOUNT	18,198	31,722	9,266	(22,456)	22,354	31,620
TOTAL	27,303	60,274	19,780	(40,494)	40,283	60,063

Appendix B

General Fund	Budget Reprofiled from 2017/18 £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Reprofile to 2019/20 £000	Outturn £000	Comments
Chief Executive							
Gungate Development	-	4,000	3,270	(730)	730	4,000	Site purchased in June work on going to develop plans for redevelopment. -Some spend from the project likely to need to be reprofiled into 2019/20.
Directorate Total	-	4,000	3,270	(730)	730	4,000	
AD Growth & Regeneration							
Castle Mercian Trail	748	748	173	(576)	576	748	Work on site with procurement of main contract underway - will need to reprofile significant funds into 2019/20 to complete the project.
Gateways	15	140	1	(139)	139	140	Aethelflaed statue installed and phase 2 complete. Phase 3 (Corporation St) in design stage. Will need to reprofile funds into 2019/20 to complete project.
Cultural Quarter - Carnegie Centre	7	7	2	(6)	6	7	No update to report, currently being used as site office for overall project.

General Fund	Budget Reprofiled from 2017/18 £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Reprofile to 2019/20 £000	Outturn £000	Comments
Cultural Quarter - Public Realm	-	4	-	(4)	-	-	Works being led by SCC - although any spend from TBC to support project will be reclaimed through SLGF Returns.
Directorate Total	771	899	175	(724)	721	896	
AD People					-		
Replacement It Technology	7	112	43	(69)	69	112	Replacement servers planned to be delivered before year end, remaining budget to be re-profiled
EDRMS (Electronic Document Records Management System)	63	63	13	(50)	50	63	Further expenditure unlikely this year as will be dependent on completion of customer portal project and review of other systems/requirements
Income Management & Receipting System	-	20	10	(10)	10	20	Remaining budget to be re-profiled as project will not be completed by year end
Gazetteer Development	9	9	4	(5)	-	4	There are no further plans to spend this budget
New Time Recording System 17/18	15	15	-	(15)	15	15	Project will not commence this year due to other priorities, and budget required to be re-profiled to progress this in 2019/20

General Fund	Budget Reprofiled from 2017/18 £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Reprofile to 2019/20 £000	Outturn £000	Comments
Self Service Customer Portal	115	115	85	(30)	30	115	Further costs re software & consultancy will not be payable until 2019/20, so remaining budget is requested to be re-profiled
GDPR Systems Compliance	-	14	14	(0)	-	14	Software installed and project expected to be complete by year end
Directorate Total	208	348	168	(180)	174	342	
AD Operations & Leisure							
Streetscene Service Delivery Enhancements	30	30	-	(30)	-	-	Funding to be returned to Capital funds however, may need to be earmarked for integrations with new Customer Portal and Asure system going forward. This should form part of the Capital Appraisal for the customer portal scheme.
Designate New Cemetery Land	-	-	(1)	(1)	-	(1)	Retention Monies - defect works to be completed by the company. Invoice will be paid on completion of works.

General Fund	Budget Reprofiled from 2017/18 £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Reprofile to 2019/20 £000	Outturn £000	Comments
Wigginton Park Section Section 106	20	22	13	(10)	10	22	Plans ongoing to deliver items from the Wigginton Park Management Plan - may need to reprofile some funds to 2019/20 depending on weather conditions.
Broadmeadow Nature Reserve	23	23	6	(17)	17	23	Ongoing works to complete management plan and HLS agreement. Bridge works now completed however ongoing contractual dispute over rates and works undertaken.
Public Open Space Section 106	24	24	14	(10)	10	24	Project group established - list of works currently being updated and work plan being devised.
Street Lighting	4	7	-	(7)	7	7	Works to be delivered in line with 30 year project plan
Local Nature Reserves	36	40	17	(23)	23	40	Work ongoing to deliver items from management plan for various LNR's - may need to reprofile some funds to 2019/20 depending on weather conditions.

General Fund	Budget Reprofiled from 2017/18 £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Reprofile to 2019/20 £000	Outturn £000	Comments
Community Woodland Cycleway	-	200	-	(200)	200	200	Land to be transferred back from Redrow before works can start - project likely to need to be reprofiled into 2019/20 due to delays
Amington Community Woodland	-	315	13	(302)	302	315	
3G Sports Facility	-	310	-	(310)	310	310	New scheme approved in 2019 to be match funded by Sports England Grant. Project group established to review options
Assembly Rooms Development	1,140	4,292	2,239	(2,053)	2,053	4,292	Further update report to Cabinet in March 2019. Work started on site December 17 - Building works to be finished in Summer 2019 so will need to reprofile spend into 2019/20.

General Fund	Budget Reprofiled from 2017/18 £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Reprofile to 2019/20 £000	Outturn £000	Comments
AD Assets							
Disabled Facilities Grant	31	788	716	(72)	72	788	Current referrals nearly account for the total budget available for the full year and new cases are still being opened all the time. This position confirms the current budget allocation is significantly insufficient to meet demand. Monies allocated but not actually paid to 3rd parties - outside TBC control.
Agile Working Phase 2	124	124	-	(124)	124	124	Expenditure of this budget is reliant upon us entering into a formal lease agreement with a 3rd party to occupy space in Marmion House.
Energy EFF Upgrade Commercial and Industrial Properties	-	75	6	(69)	-	6	The energy efficiency works will largely be allocated to bringing vacant properties up to the minimum required standard for letting. As such the budget will be spent on an ad-hoc basis throughout the financial year. Small number of void units has resulted in low demand for this budget

General Fund	Budget Reprofiled from 2017/18 £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Reprofile to 2019/20 £000	Outturn £000	Comments
Castle Grounds Toilet Refurbishment	-	180	-	(180)	180	180	Tenders for this work invited through the summer months with a view to commencing works in the Autumn/Winter period in readiness for the toilets to re-open in the Spring. Anticipate project will complete April 2019 and may therefore need to reprofile some funds to 2019/20.
Directorate Total	155	1,167	722	(444)	376	1,098	
AD Neighbourhoods							
Homelessness Reduction Act	-	30	-	(30)	30	30	At this stage budget is expected to be spent in line with requirements set out in capital appraisal however, may need to reprofile some funds into 2019/20.
Cctv Camera Renewals	44	59	10	(49)	49	59	CCTV Service now included in Corporate Priority reviews so limited spending expected in 2018/19. Any underspends to be carried forward to 2019/20 to support outcome of review.
Directorate Total	44	89	10	(79)	79	89	

General Fund	Budget Reprofiled from 2017/18 £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Reprofile to 2019/20 £000	Outturn £000	Comments
AD Partnerships							
Private Sector Coalfields Fund	92	92	-	(92)	92	92	Programme of new initiatives to be developed to target help for vulnerable residents based on results of recent stock condition survey - likely to need to reprofile some funds into 2019/20
Directorate Total	92	92	-	(92)	92	92	
GF Contingency							
Gf Contingency	50	35	-	(35)	35	35	£15k released Cabinet 2nd August re Capita AIM Upgrade.
Cont-Return On Investment	160	160	-	(160)	160	160	Will require approval from Cabinet to release funds
GF Contingency Plant and Equipment	100	100	-	(100)	100	100	Will require approval from Cabinet to release funds
Civil Contingencies Technology 17/18 (Contingency)	19	19	-	(19)	19	19	Will require approval from Cabinet to release funds. Likely to underspend
Refurbishment of Marmion House Reception (Contingency)	100	100	-	(100)	100	100	Will require approval from Cabinet to release funds
GDPR Compliance (Contingency)	-	31	-	(31)	31	31	£5k released Cabinet 2nd August; £14.2k released Cabinet 29th November

General Fund	Budget Reprofiled from 2017/18 £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Reprofile to 2019/20 £000	Outturn £000	Comments
Mobile Phone Contract (Contingency)	-	20	-	(20)	20	20	Review underway, but will require approval from Cabinet to release funds
Private Sector Improvement Grants (Coalfields Funding)	130	130	-	(130)	130	130	Will require approval from Cabinet to release funds
Directorate Total	559	595	-	(595)	595	595	
GENERAL FUND TOTAL	9,105	28,552	10,515	(18,038)	17,929	28,443	

HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2017/18 £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Reprofile to 2019/20 £000	Outturn £000	Comments
AD Assets							
Structural Works	-	100	40	(60)	-	40	This is an ad-hoc budget that is driven by reported repairs.
Bathroom Renewals	-	1,017	987	(30)	30	1,017	Anticipate overspend that will have to be met from virements from other budgets/ Large number of Level Access Showers installed through bathroom project
Gas Central Heating Upgrades and Renewals	-	420	217	(203)	203	420	Adjustment made for possible underclaims
Kitchen Renewals	8	978	942	(36)	36	978	Sufficient works issued to take up full spend by year-end.
Major Roofing Overhaul and Renewals	-	416	406	(10)	-	406	Sufficient works issued to take up full spend by year-end.
Window and Door Renewals	12	262	251	(12)	-	251	Sufficient works issued to take up full spend by year-end.

HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2017/18 £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Reprofile to 2019/20 £000	Outturn £000	Comments
Disabled Facilities Adaptations	108	432	409	(24)	24	432	Sufficient works issued to take up full spend by year-end. Likelihood of being more demand than we can fund.
Strode House Car Park and Garages	-	530	359	(171)	171	530	Awaiting final project costs, anticipate full spend by year-end.
Renew High Rise Lifts	-	280	-	(280)	280	280	Extension of current project which is not likely to complete until Sep 2019 - this programme will be reassessed as part of the 2019/20 Budget Process.
Renew Walkways Magnolia	-	60	37	(23)	-	37	Scheme costs less than anticipated. Underspends will need to be used to fund overspends elsewhere.
High Rise Lift Renewals 2012	278	278	120	(158)	158	278	Contractor currently on site but being completed 1 lift at a time to minimise disruption, so not likely to complete till Sept 2019 so will need to reprofile some funds into 2019/20.
Fire Upgrades To Flats 2012	2,057	2,057	72	(1,985)	1,985	2,057	Tenders received, awaiting contract award. Programme of works to be agreed but likely to extend into 2019/20
Roofing High-Rise	43	43	39	(4)	-	39	Due to be completed summer 2018.

HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2017/18 £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Reprofile to 2019/20 £000	Outturn £000	Comments
High Rise Balconies	577	577	534	(43)	43	577	Contractor currently on site, however not likely to complete till May 2019 so will need to reprofile some funds into 2019/20.
Works to High Rise Flats	573	1,098	235	(863)	863	1,098	Contractor currently on site, however not likely to complete till May 2019 so will need to reprofile some funds into 2019/20.
Retention of Garage Sites	15	385	357	(28)	-	357	Remaining garage programme subject to Member review
Capital Salaries	-	177	208	31	-	208	-
CDM Fees	-	5	-	(5)	-	-	No longer required
Creation of Erigden Office	-	10	21	11	-	21	Subject to planning consent works to be completed during the summer of 2018.
Tinkers Green	8,554	13,070	2,318	(10,753)	10,753	13,070	Contractor currently on site, will extend into 2019/20
Kerria Estate Project	2,178	6,840	78	(6,762)	6,762	6,840	Contractor currently on site, will extend into 2019/20
Regeneration General	2,234	-	(3)	(3)	-	(3)	Budget vired to Regeneration schemes as per April Cabinet report.

HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2017/18 £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Reprofile to 2019/20 £000	Outturn £000	Comments
Other Acquisitions	1,461	2,586	1,640	(946)	946	2,586	Scheme to be agreed.
Directorate Total	18,098	31,622	9,266	(22,356)	22,254	31,520	
HRA Contingency							
HRA Contingency	100	100	-	(100)	100	100	Will require approval from Cabinet to release funds
Directorate Total	100	100	-	(100)	100	100	
HRA Total	18,198	31,722	9,266	(22,456)	22,354	31,620	
Total GF and HRA	27,303	60,274	19,780	(40,494)	40,283	60,063	