

CABINET

9th July 2020

Report of the Portfolio Holder for Assets and Finance

CAPITAL OUTTURN REPORT 2019/20

PURPOSE

To advise Members of the final outturn of the Authority's Capital Programme for 2019/20 (subject to audit confirmation) and to request formal approval to re-profile specific programme budgets into 2020/21.

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 2019/20 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 2020/21 (total £21.080m); and
3. approve that the Building Repairs fund contribution of £0.56m allocated by Cabinet to the Assembly Rooms scheme be retained in reserve which will mean additional borrowing will be required to fund the outturn for the Assembly Rooms scheme.

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 2019/20 capital programme identifies an underspend of **£20.797m** against the approved budget of **£50.193m** (actual spend £29.395m – a movement of £5k since Provisional Outturn).

However, it has been requested that **£21.080m** (as detailed in Appendix B) of scheme spend be re-profiled into 2020/21. This will result in an overall overspend of **£0.283m** for the 2019/20 capital programme. The overspend with regard to the Assembly Rooms project is subject to a separate report to be considered by Cabinet.

It is proposed that the Building Repairs fund contribution of £0.56m allocated by Cabinet to the scheme be retained in reserve (it will then be available to support the revenue budget, if required) which will mean additional borrowing will be required to fund the outturn for the Assembly Rooms scheme, in addition to the financing of the overspend. This will mean an associated increase in minimum revenue provision and interest costs written down annually over the estimated life of the improvements (as indicated by the valuer).

General Fund

The outturn on General Fund capital schemes (including contingency) spend is **£4.734m** compared to a full year budget of **£18.912m** resulting in an underspend of **£14.178m**. It has been requested that **£15.077m** be re-profiled into 2020/21 meaning that the actual overspend is **£0.899m**.

Housing Revenue Account

The outturn on Housing Revenue Account (HRA) capital schemes (including contingency) spend is **£24.662m** compared to a full year budget of **£31.281m**, resulting in an underspend of **£6.619m**. It has been requested that **£6.004m** be re-profiled into 2019/20 meaning that the actual underspend is **£0.615m**.

The table below shows the actual amounts to be re-profiled into 2020/21 compared to that forecast at period 11 and, for information, shows the amounts that were re-profiled into 2019/20.

	Budget 19/20	Outturn 19/20	Variance	Re-profile to 20/21	Under/Over spend	P11 predicted re-profile	Re-profiled into 19/20
	£000	£000	£000	£000	£000	£000	£000
General Fund	18,912	4,734	(14,178)	15,077	899	11,843	17,929
Housing Revenue Account	31,281	24,662	(6,619)	6,004	(615)	2,553	22,354
Total	50,193	29,395	(20,797)	21,080	283	14,396	40,283

RESOURCE AND VALUE FOR MONEY IMPLICATIONS

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 2020.

As capital funding is very limited for 2020/21 the capital programme will also need to be closely monitored.

It should be noted that the following items to the value of £20k have been included in the balance sheet as capital items but have been financed from the revenue account:-

Revenue Purchase	
ICT Software Revenue Purchases	£19.985k

REPORT AUTHOR

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Appendix A

GENERAL FUND	Budget Reprofiled from 2018/19 £000	Budget £000	Actual Spend £000	Variance £000	Reprofile to 2020/21 £000	Outturn £000
Chief Executive	730	730	11	(719)	719	730
AD Growth & Regeneration	721	841	301	(540)	529	830
AD People	174	214	101	(113)	114	215
AD Operations & Leisure	3,032	3,140	3,441	301	921	4,362
AD Finance	12,131	12,131	-	(12,131)	12,131	12,131
AD Assets	376	1,091	707	(384)	311	1,018
AD Neighbourhoods	79	219	173	(46)	46	219
AD Partnerships	92	92	-	(92)	-	-
GF Contingency	594	454	-	(454)	306	306
TOTAL GENERAL FUND	17,929	18,912	4,734	(14,178)	15,077	19,811
HOUSING REVENUE ACCOUNT						
AD Assets	22,254	31,181	24,662	(6,519)	5,904	30,566
HRA Contingency	100	100	-	(100)	100	100
TOTAL HOUSING REVENUE ACCOUNT	22,354	31,281	24,662	(6,619)	6,004	30,666
TOTAL	40,283	50,193	29,395	(20,797)	21,080	50,476

Appendix B

Directorate	Budget Reprofiled from 2018/19 £000	Budget £000	Actual Spend £000	Variance £000	Reprofile to 2020/21 £000	Outturn £000	Comments
Chief Executive							
Gungate Development	730	730	11	(719)	719	730	No spend likely this financial year
Directorate Total	730	730	11	(719)	719	730	
AD Growth							
Castle Mercian Trail	576	576	296	(280)	280	576	Tender for replacement contractor in progress. Project not likely to be complete until August 2020
Gateways	139	259	16	(244)	244	259	Funds for Phase 3 (Corporation St) not likely to be spent this year and required to be re-profiled
Cultural Quarter - Carnegie Centre	6	6	-	(6)	6	6	No spend likely this financial year
Cultural Quarter - Public Realm	-	-	(10)	(10)	-	(10)	Prior year adjustment for miscoded works
Directorate Total	721	841	301	(540)	529	830	
AD People							
Replacement It Technology	69	129	84	(45)	45	129	Remainder of funds for replacement devices, also new UPS required which will not be progressed until 2020/21, therefore budget to be re-profiled
EDRMS (Electronic Document Records Management System)	50	30	-	(30)	30	30	Unlikely to be spent this year, but required to be re-profiled to support further development of Customer Portal in 2020/21

Directorate	Budget Reprofiled from 2018/19 £000	Budget £000	Actual Spend £000	Variance £000	Reprofile to 2020/21 £000	Outturn £000	Comments
Income Management & Receipting System	10	10	10	(0)	0	10	System now live and scheme completed
New Time Recording System 17/18	15	15	-	(15)	15	15	Priority for HR & Payroll staff is to implement upgrade of i-Trent system before end March therefore the funds for this scheme are requested to be carried forward to 2020/21
GDPR Systems Compliance	-	-	1	1	-	1	Outstanding Consultants Fees
Self Service Customer Portal	30	30	6	(24)	24	30	Software still subject to final testing, remaining budget to be re-profiled
Directorate Total	174	214	101	(113)	114	215	
AD Operations & Leisure							
Wigginton Park Section Section 106	10	10	-	(10)	10	10	Plans to deliver scheme in line with Wigginton Park Management Plan. Will need to reprofile spend into 2020/21 as work required is seasonal / weather dependant.
Broadmeadow Nature Reserve	17	17	-	(17)	17	17	Ongoing works to complete management plan and HLS agreement. Will need to reprofile spend into 2020/21 as work required is seasonal / weather dependant.
Public Open Space Section 106	10	10	-	(10)	10	10	Spend in line with work plan. Will need to reprofile spend into 2020/21 as work required is seasonal / weather dependant.
Street Lighting	7	35	2	(33)	33	35	Works to be delivered in line with 30 year project plan

Directorate	Budget Reprofiled from 2018/19 £000	Budget £000	Actual Spend £000	Variance £000	Reprofile to 2020/21 £000	Outturn £000	Comments
Local Nature Reserves	23	23	-	(23)	23	23	Works ongoing to deliver items from management plan for various LNRs. Will need to reprofile spend into 2020/21 as work required is seasonal / weather dependant.
Community Woodland Cycleway	200	200	1	(199)	199	200	Variation to design spec to be included with Amington Community Woodland however, anticipate 12 month delay in delivery phase due to new work timeline from developer.
Amington Community Woodland	302	352	15	(337)	337	352	Consultation and design complete however, anticipate 12 month delay in delivery phase due to new work timeline from developer.
3G Sports Facility	310	310	117	(193)	193	310	Agreement with Sport England signed work now due to start on site January 2020 with completion expected early 2020/21. Will need to reprofile some spend into 2020/21 as work required is weather dependant and not yet finalised.
Assembly Rooms Development	2,053	2,083	3,305	1,222	-	3,305	Further update report to be considered by Cabinet as agreed by the Portfolio Holder
Indoor and Outdoor Sports Feasibility	100	100	-	(100)	100	100	Consultation due to be completed October - linked with review of Gungate site and strategy for the whole borough so will need to reprofile works into 2020/21.
Directorate Total	3,032	3,140	3,441	301	921	4,362	

Directorate	Budget Reprofiled from 2018/19 £000	Budget £000	Actual Spend £000	Variance £000	Reprofile to 2020/21 £000	Outturn £000	Comments
AD Finance							
Property Funds	8,131	8,131	-	(8,131)	8,131	8,131	Investments planned at p11 did not go ahead, remaining budget to be re-profiled.
Solway Tamworth LTD LATC	4,000	4,000	-	(4,000)	4,000	4,000	Budget to be re-profiled
Directorate Total	12,131	12,131	-	(12,131)	12,131	12,131	
AD Assets							
Disabled Facilities Grant	72	722	531	(191)	190	722	Performance issues have meant that not all works in pipeline have been completed. There remains sufficient work to take up full budget so the remainder will need to be reprofiled.
Agile Working Phase 2	124	114	-	(114)	114	114	Request to re-profile to fund potential requirements re Covid 19 recovery
Energy EFF Upgrade Commercial and Industrial Properties	-	75	3	(72)	-	3	Ad hoc budget not expected to be spent in full.
Castle Grounds Toilet Refurbishment	180	180	173	(7)	7	180	Remaining budget to be carried forward re completion of rear office area
Directorate Total	376	1,091	707	(384)	311	1,018	
AD Neighbourhoods							
Homelessness Reduction Act	30	30	-	(30)	30	30	Budget not expected to be spent this year
CCTV Camera Renewals	49	49	49	-	-	49	Spend in 2019/20 in support of CCTV service review

Directorate	Budget Reprofiled from 2018/19 £000	Budget £000	Actual Spend £000	Variance £000	Reprofile to 2020/21 £000	Outturn £000	Comments
CCTV Infrastructure	-	140	124	(16)	16	140	Budget established from Invest to Save Capital Contingency in line with Cabinet approval
Directorate Total	79	219	173	(46)	46	219	
AD Partnerships							
Private Sector Coalfields Fund	92	92	-	(92)	-	-	Not expected to be spent and to be returned to balances
Directorate Total	92	92	-	(92)	-	-	
GF Contingency							
Gf Contingency	35	35	-	(35)	35	35	Not likely to be required
Cont-Return On Investment	160	20	-	(20)	20	20	£140k released for CCTV investment costs
GF Contingency Plant and Equipment	100	100	-	(100)	100	100	Contingency for plant and equipment purchases supported by a business case approach - not likely to be required this year
Civil Contingencies Technology 17/18 (Contingency)	19	19	-	(19)	-	-	No longer required
Refurbishment of Marmion House Reception (Contingency)	100	100	-	(100)	100	100	Re-profile requested to fund works in 20/21
GDPR Compliance (Contingency)	31	31	-	(31)	31	31	To be c/f re potential Advanced s/w costs (subject to approval)

Directorate	Budget Reprofiled from 2018/19 £000	Budget £000	Actual Spend £000	Variance £000	Reprofile to 2020/21 £000	Outturn £000	Comments
Mobile Phone Contract (Contingency)	20	20	-	(20)	20	20	Review underway, but unlikely to be released/spent before year end
Private Sector Improvement Grants (Coalfields Funding)	130	130	-	(130)	-	-	Not likely to be required
Directorate Total	594	454	-	(454)	306	306	
GENERAL FUND TOTAL	17,929	18,912	4,734	(14,178)	15,077	19,811	

Directorate	Budget Reprofiled from 2018/19 £000	Budget £000	Actual Spend £000	Variance £000	Reprofile to 2020/21 £000	Outturn £000	Comments
HOUSING REVENUE ACCOUNT							
AD Assets							
Structural Works	-	200	108	(92)	-	108	Works done on an ad-hoc basis
Bathroom Renewals	30	598	569	(29)	-	569	Anticipate underspend at year-end - all identified works completed.
Gas Central Heating Upgrades and Renewals	203	739	592	(147)	147	739	Remaining budget to be re-profiled - identified for upgrades to Ankermoor communal areas but work not yet issued.
Kitchen Renewals	36	1,073	1,004	(69)	-	1,004	Anticipate underspend at year-end - all identified works completed
Major Roofing Overhaul and Renewals	-	911	816	(95)	95	911	Some works still on site and not completed at year end due to Covid 19
Window and Door Renewals	-	649	690	41	-	690	Anticipate overspend at year-end due to recodes from void works
Neighbourhood Regeneration	-	499	538	39	-	538	Overspends on projects linked to garage sites
Disabled Facilities Adaptations	24	236	124	(112)	112	236	Some works remain on site but delayed due to COVID-19. The demand remains and will need to be completed once appropriate.
Rewire	-	262	-	(262)	-	-	It was anticipated that there would be a transfer of costs from the repairs budget, it has not been possible to identify large scale electrical works arising.

Directorate	Budget Reprofiled from 2018/19 £000	Budget £000	Actual Spend £000	Variance £000	Reprofile to 2020/21 £000	Outturn £000	Comments
CO2 / Smoke Detectors	-	64	53	(11)	-	53	All identified works completed
Insulation	-	18	-	(18)	-	-	Ad hoc spend according to identified need - not expected to be spent
Strode House Car Park and Garages	171	171	23	(148)	-	23	All works complete and no further costs due.
Renew High Rise Lifts	280	280	21	(259)	243	264	Old project still on site, new lifts won't commence until next year. £16k to offset overspend on High Rise Lift Renewals 2012
High Rise Lift Renewals 2012	158	158	174	16	-	174	Scheme now completed - minor overspend to be offset by Renew High Rise Lifts
Fire Upgrades To Flats 2012	1,985	1,985	1,534	(451)	150	1,684	Need to carry some budget forward to complete installations where residents denied access.
Sheltered Schemes	-	100	93	(7)	-	93	All identified works complete
Energy Efficiency Improvements	-	70	5	(65)	-	5	Not anticipating spending available budget.
High Rise Balconies	43	43	(15)	(58)	20	5	Minor works to be completed following installation of lifts. Credit due to 2018/19 accruals adjustment.
Works to High Rise Flats	863	863	258	(605)	605	863	Reflects reduced costs due to doors being removed from programme, still to be completed.

Retention of Garage Sites	-	500	321	(179)	179	500	Projects identified but not completed due to delays in consultation and approvals arising from Covid 19
Directorate	Budget Reprofiled from 2018/19 £000	Budget £000	Actual Spend £000	Variance £000	Reprofile to 2020/21 £000	Outturn £000	Comments
Capital Salaries	-	200	205	5	-	205	
Tinkers Green	10,753	10,753	8,582	(2,171)	1,796	10,378	Project progressing and due to complete Autumn 2020.Re-profiling figures based on latest estimates of final costs
Kerria Estate Project	6,762	6,762	6,410	(352)	1,068	7,478	Project progressing and due to complete Autumn 2020. Re-profiling figures based on latest estimates of final costs
Regeneration General	-	50	(31)	(81)	81	50	Identified for Stonepit project but not able to complete due to consultations and approvals.
Other Acquisitions	946	3,996	2,589	(1,407)	1,407	3,996	Ad hoc spending based on availability of property. Some completions still planned for April onwards but likely to be delayed due to COVID-19.
Directorate Total	22,254	31,181	24,662	(6,519)	5,904	30,566	
HRA Contingency							
HRA Contingency	100	100	-	(100)	100	100	Not likely to be required
Directorate Total	100	100	0.00	(100)	100	100	
HRA Total	22,354	31,281	24,662	(6,619)	6,004	30,666	
TOTAL	40,283	50,193	29,395	(20,797)	21,080	50,476	

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