

CABINET

13 June 2012

Report of the Portfolio Holder for Core Services and Assets

CAPITAL OUTTURN REPORT 2011/12

PURPOSE

To advise members on the final outturn of the Authority's Capital Programme for 2011/12 (subject to audit confirmation) and to request formal approval to re-profile specific programme budgets into 2012/13.

This report is a key decision due to expenditure in excess of £50,000 requiring approval.

RECOMMENDATIONS

That Cabinet:

- 1. receive the final outturn position of the 2011/12 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 2012/13 (total £1.489m).**

RESOURCE AND VALUE FOR MONEY IMPLICATIONS

There are no additional financial implications from this report as all scheme budgets detailed for re-profiling into 2012/13 have already been committed against available capital resources.

There is a low to 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 2012.

As capital funding is very limited for 2012/13, 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 2011/12 capital programme identifies an underspend of £1.604m against the approved budget of £6.769m (actual spend £5.165m - no change since Provisional Outturn). However, it has been requested that £1.489m (as detailed in **Appendix B**) of scheme spend be re-profiled into 2012/13. This will result in an overall underspend of £115k for the 2011/12 capital programme.

The outturn on Housing Revenue Account (HRA) capital schemes is projected to be £4.537m (£4.539m projected at period 11) compared to a budget of £4.544m resulting in an underspend of £7k with £4k to be re-profiled into 2012/13 (£4k at period 11) in relation to delayed schemes meaning that the actual underspend against budget is £3k. This can be returned to capital resources.

It should be noted that the above figures include the capital programme originally approved by council on 22nd February 2011 and in year adjustments of £104k for the General Fund (including £100k additional Disabled Facilities Grant (DFG) funding from the Government - £48k and Partners - £52k) and £94k for Housing (approved by Cabinet on 14th March 2012) but do not include the £44.668m capital expenditure relating to the Housing Self Financing Reform which took place on 28th March 2012.

The outturn on General Fund capital schemes spend is £628k. (£752k projected at period 11) compared to a full year budget of £1.895m resulting in an underspend of £1.267m with £1.155k to be re-profiled into 2012/13 (£1.142m at period 11), meaning that the actual under spend is £112k.

The £130k remaining within the General Fund Housing Private Sector Improvement Grants (PSIG) Specific Contingency, £160k remaining in Return on Investment Contingency and £40k remaining in the General Fund General Contingency are requested to be re-profiled into 2012/13.

The request for re-profiled budgets totalling £1.489m (£1.020m in 2010/11) into next financial year is mainly due to the following schemes:

Scheme / Area	£'000	Comment
Improvement Grants	193.5	£70k was earmarked for empty properties strategy. However 19 properties were re-instated without the need to spend any capital funding. Work is currently under way to develop a project and bid with partner organisations for further government funding to support the empty homes strategy. The rest is to be allocated to other capital projects as they are developed which is likely to be in future years.
Replacement IT	70.6	Commitment outstanding in respect of joint disaster recovery project with Walsall DC. Remaining budget to be re-profiled in support of Transforming Tamworth and Corporate Change projects.
Castle HLF	722.6	HLF grant was awarded mid June. Major work will be undertaken Summer 2012. Will need to re-profile funds into 2012/13 based on current programme of works
Contingency Budget PSIG - Additional Housing Renewal Assistance Grant	130.0	Confirmation received from GOWM that budget can be carried across financial years to meet the costs of Development of Private Sector Housing Initiatives
Contingency Budget Return On Investment	160.0	Approved by Cabinet on 1 st December 2010 to fund schemes generating a return on investment

As detailed in the scheme comments, some measures have been put in place for the future – however, certain projects will require close monitoring during 2012/13.

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 2012/13 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**.

Capital Programme 2011/12 – Outturn Summary

Appendix A

	Re-profiled from 2010/11 (Cabinet June 11) £000	Base Budget Approval (Council Feb 11) £000	Drawings from Contingency £000	Additional Approvals £000	Total Approved Budget 2011/12 £000	Less Re-profile to 2012/13 Requests (subject to approval) £000	Final Proposed Adjusted 2011/12 Budget £000	Actual Spend 2011/12 £000	Final Variance 2011/12 £000
Community Services	446	1,189	0	104	1,739	(1,036)	703	590	(113)
Corporate Services	71	85	0	0	156	(119)	37	38	1
General Fund Total	517	1,274	0	104	1,895	(1,155)	740	628	(112)
Housing Revenue Account	173	4,277	0	94	4,544	(4)	4,540	4,537	(3)
Approved Capital Programme	690	5,551	0	198	6,439	(1,159)	5,280	5,165	(115)
General Fund - Specific Contingencies	290	0	0	0	290	(290)	0	0	0
General Fund - General Contingencies	40	0	0	0	40	(40)	0	0	0
Grand Total	1,020	5,551	0	198	6,769	(1,489)	5,280	5,165	(115)

Community Services – 2011/12 Outturn and Budget Re-Profiling to 2012/13

Project Name	Budget b/f from 2010/11 £000	Approved Budget 2011/12 £000	Request to Re-profile to 2012/13 £000	Revised Budget 2011/12 £000	Actual Spend £000	Final Variance £000	Project Comment
Home Repair Assistance Grant	53.8	53.8	0.0	53.8	53.7	(0.1)	Sufficient applications to spend full budget during the year
Disabled Facilities Grant	67.4	408.0	30.8	377.2	377.3	0.1	DFG applications currently exceed the budget available so take up of full spend will not be an issue.
Private Sector Coalfields Fund	193.5	193.5	193.5	0.0	0.0	0.0	£70k was earmarked for empty properties strategy however 19 properties were re-instated without the need to spend any capital funding. Work is currently under way to develop a project and bid with partner organisations for further government funding to support the empty homes strategy. The rest to be allocated to other capital projects as they are developed which is likely to be in future years
Home Repairs Works In Default	0.0	120.0	0.0	120.0	7.1	(112.9)	Sufficient external funding was not received. Other sources of funding is being explored for future needs
Wigginton Pk Play (Lottery)	7.9	7.9	0.0	7.9	7.9	0.0	Completed.
Cctv Camera Renewals	0.0	17.1	4.9	12.2	12.2	0.0	Work on updating cameras nearly completed with update of computers and recording systems due to be complete by early 2012/13
Streetscene Tracking System	30.0	30.0	30.0	0.0	0.0	0.0	Scheme delayed due to M3 migration go-live date being postponed and ongoing teething problems with system. Will need to reprofile to 2012/13
Designate New Cemetery Land	25.0	25.0	25.0	0.0	0.0	0.0	Proposals drawn up for the scheme looking to put out to tender as soon as practically possible. Will need to reprofile funds to 2012/13.

Project Name	Budget b/f from 2010/11 £000	Approved Budget 2011/12 £000	Request to Re- profile to 2012/13 £000	Revised Budget 2011/12 £000	Actual Spend £000	Final Variance £000	Project Comment
Improvements To Marmion Hse	0.0	17.0	0.0	17.0	16.9	(0.1)	Completed.
Repair To River Bank Castle Pg	30.0	30.0	9.4	20.6	20.6	0.0	Reconstruction of River bank completed. Need to re-profile some funds to 2012/13 as the additional remediation works to the riverbank have been suspended due to the high level of activities on going – firm plans for additional remediation will be developed during Q3 of this year and undertaken over the winter months where appropriate
Waste Mgt & Recycling Expansion	12.1	12.1	12.1	0.0	0.0	0.0	Will need to reprofile some funds to 2012/13. The remaining budget was held pending the outcome of trial recycling methods at the high rise estate, given the trial has only recently been widened the outcome is still unknown budget may still be required to provide suitable infrastructure to enable participation on the recycling scheme to continue
Castle Hlf	0.0	787.0	722.6	64.4	64.4	0.0	HLF Grant awarded mid June - major work to be undertaken summer 2012. Will need to reprofile significant funds to next financial year based on current programme of works
Community Safety	26.4	36.4	7.5	28.9	28.9	0.0	Working on costing and details for a scheme to tackle noise related anti social behaviour. The intention is to purchase specialist equipment that can be utilised by the agencies across the community safety partnership.
Belgrave Swimming Pool	0.0	1.3	0.7	0.6	0.7	0.1	Funding to be used to contribute to cost of swimming pool changing room as at the Snow Dome. Will need to be re profiled to 2012/13
	446.1	1739.1	1036.5	702.6	589.7	(112.9)	

Corporate Services – 2011/12 Outturn and Budget Re-Profiling to 2012/13

Project Name	Budget b/f from 2010/11 £000	Approved Budget 2011/12 £000	Request to Re- profile to 2012/13 £000	Revised Budget 2011/12 £000	Actual Spend £000	Final Variance £000	Project Comment
Replacement It Technology	11.6	85.7	70.7	15.0	15.0	0.0	Budget now includes virement of £4,110 being underspend on Benefits E-claim project. Commitment outstanding in respect of hardware ordered in support of joint disaster recovery project with Walsall Council. Remaining budget to be re-profiled in support of Transforming Tamworth & Corporate Change projects.
EDRMS (Electronic Document Records Management System)	2.7	2.7	2.7	0.0	0.0	0.0	Implementation of EDRMS in Housing and HR has been postponed therefore no spend likely until 2012-13. Re-profiled budget to be requested to be released into new TT/Agile Working/Telephony/EDRMS scheme
IP/ Telephone/ Network	26.5	23.5	23.5	0.0	0.0	0.0	£3k virement processed to TIC Works scheme. Remaining budget to be utilised in support of Transforming Tamworth review, but no spend expected this financial year therefore budget required to be re-profiled & requested to be released into new TT/Agile Working/Telephony/EDRMS scheme
Replacement ICT - Northgate M3	8.3	8.3	8.3	0.0	0.0	0.0	Remaining budget for phases 2 and 3 of the contract - no spend expected in 2011-12. Requirements to be reviewed as part of Transforming Tamworth/Corporate Change projects.
Benefits leg 4 E-Claim	9.7	5.6	0.0	5.6	5.6	0.0	e-Claims software is now live, and the final invoice has been paid. The underspent budget of £4,110 was vired back into Replacement It Technology, from where this scheme was initially part-funded.

Project Name	Budget b/f from 2010/11 £000	Approved Budget 2011/12 £000	Request to Re-profile to 2012/13 £000	Revised Budget 2011/12 £000	Actual Spend £000	Final Variance £000	Project Comment
Gazetteer Development	0.7	15.7	14.0	1.7	1.7	0.0	Budget in respect of Phase 2 of the migration - amount remaining to be re-profiled into 12-13.
Tic Relocation	11.8	14.8	0.0	14.8	15.5	0.7	The main building works at the Phil Dix building were completed in April. Further costs have been incurred for associated landscaping, display boards and signage, in respect of which a £3k virement from the IP/Telephony scheme above was approved.
	<u>71.3</u>	<u>156.3</u>	<u>119.2</u>	<u>37.1</u>	<u>37.8</u>	<u>0.7</u>	

Housing Revenue Account – 2011/12 Outturn and Budget re-profiling to 2012/13

Project Name	Budget b/f from 2010/11 £000	Approved Budget 2011/12 £000	Request to Re-profile to 2012/13 £000	Revised Budget 2011/12 £000	Actual Spend £000	Final Variance £000	Project Comment
Bathroom Refurbishments	0.0	921.3	0.0	921.3	918.0	(3.3)	Final year of contract with Wates, includes apportionment of asbestos budget.
Upgrade of Electrical Installations	0.0	583.6	0.0	583.6	578.2	(5.4)	Final year of contract with Wates, includes apportionment of asbestos budget.
Kitchen Refurbishments.	0.0	1,708.6	0.0	1,708.6	1,713.0	4.4	Final year of contract with Wates, includes apportionment of asbestos budget.
Central Heating Renewals	0.0	439.8	0.0	439.8	449.7	9.9	Final year of contract with PH Jones
Major Roofing Overhaul and Renewals	0.0	62.4	0.0	62.4	62.0	(0.4)	All identified works now complete.
Structural Surveys and Repairs	0.0	43.0	0.0	43.0	38.0	(5.0)	Ad-hoc service, generally in response to requests from the housing maintenance team.
Window and Door Renewals	5.2	105.2	0.0	105.2	105.1	(0.1)	Completed
High Rise Lift Refurbishments	93.1	71.0	0.0	71.0	67.3	(3.7)	Works at Glenfield are nearing completion. Lift commissioned and in use from last week of January
External and Environmental Works	4.0	0.1	0.0	0.1	0.0	(0.1)	Completed
Disabled Adaptations	0.0	534.9	0.0	534.9	536.0	1.1	Final year of contract with Wates, includes apportionment of asbestos budget.
Asbestos Testing and Removal	0.0	0.0	0.0	0.0	0.0	0.0	Budget reappportioned to Bathroom Replacements, Upgrade of Electrical Installations, Kitchen Refurbishments & Disabled Adaptations as per September cabinet report

Project Name	Budget b/f from 2010/11 £000	Approved Budget 2011/12 £000	Request to Re- profile to 2012/13 £000	Revised Budget 2011/12 £000	Actual Spend £000	Final Variance £000	Project Comment
Upgrade Homelink Equipment	70.0	70.0	3.7	66.3	66.3	0.0	Works on 4 schemes now completed. Tender out for remaining schemes to be awarded Feb. Will need to reprofile some funds to 2012/13.
Improvements to Thermal Comfort in Properties	0.0	3.6	0.0	3.6	3.6	0.0	
	<u>172.3</u>	<u>4,543.5</u>	<u>3.7</u>	<u>4,539.8</u>	<u>4,537.2</u>	<u>(2.6)</u>	

Contingency Budgets - 2011/12 Outturn and Budget Re-Profiling to 2012/13

General Fund:

Project Name	Budget b/f from 2010/11 £000	Approved Budget 2011/12 £000	Request to Re-profile to 2012/13 £000	Revised Budget 2011/12 £000	Actual Spend £000	Final Variance £000	Project Comment
PSIG - Additional Housing Renewal Assistance Grant	130.0	130.0	130.0	0.0	0.0	0.0	Confirmation received from GOWM that budget can be carried across financial years to meet the costs of Development of Private Sector Housing Initiatives
Cont-Return On Investment	160.0	160.0	160.0	0.0	0.0	0.0	Approved by Cabinet on 1 st December 2010 to fund schemes generating a return on investment
Contingency Budget	40.0	40.0	40.0	0.0	0.0	0.0	
	<u>330.0</u>	<u>330.0</u>	<u>330.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
Grand Total	<u>1,019.7</u>	<u>6,768.9</u>	<u>1,489.4</u>	<u>5,279.5</u>	<u>5,164.7</u>	<u>(114.8)</u>	

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

Community Services:

The Community Services Directorate capital budgets for 2011/12 total £1,739k including £446k re –profiled from 2010/11. Total spend is £590k giving an underspend of £1,149k. This is mainly due to a number of schemes which are yet to start and will need to be carried forward. It is anticipated that carry forward to 2012/13 will be £1,036k at the year end resulting in an underspend of £113k.

This underspend of £113k is, in the main, due to Home Repairs Works in Default budget. This was not spent and external funding received was not sufficient. Other sources for funding are being explored for future needs.

Grants

Sufficient work has been identified to take up the full budget allocation of the Home Repair Facilities Grants. Disabled Facilities Grant applications have been identified to take up the budget allocation but, as delivery of this project is very much in the hands of the grant applicants as they arrange for the work to be carried out, £31k will need to be carried forward into 2012/2013.

Private Sector Coalfield Fund – delays around the Empty Homes Grants scheme mean it will be necessary to re-profile the budget of £193k but there is approval from GOWM to carry forward any under spend at year end.

Castle HLF.

The HLF grant was awarded in June 2011 but as most of the major work will be undertaken in the Summer of 2012 £723k will need to be carried forward into 2012/2013.

Other significant re –profile requests are:-

Streetscene Tracking System £30k, Designate Cemetery Land £25k.

Corporate Services:

The provisional outturn for Corporate Services is a total spend of £38k against budgets of £156k. Several schemes are still in progress and it is requested that £119k be re-profiled to 2012/13

Significant re-profile requests are:-

Replacement IT equipment £71k, IP/Telephone network £23k,
Gazetteer Development £14k

Housing Revenue Account:

The outturn on Housing Revenue Account (HRA) capital schemes is projected to be £4.537m compared to budget of £4.544m resulting in an underspend of £7k with £4k to be re-profiled into 2012/13 in relation to Upgrade Homelink Equipment. The actual underspend against budget is £3k.

These figures are pertinent to the original capital programme approved on 22nd February 2011 plus the in-year adjustment of £94k overspend approved by Cabinet on 14th March 2012 and do not include the £44.668m capital expenditure relating to the Housing Self Financing Reform.

Report Author

Stefan Garner
Director of Finance.

Tel 01827 709242

