

WIRRAL COUNCIL

CABINET

27 JULY 2015

SUBJECT	CAPITAL MONITORING 2015/16 QUARTER 1 (APRIL TO JUNE 2015)
WARD/S AFFECTED	ALL
REPORT OF	ACTING SECTION 151 OFFICER
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

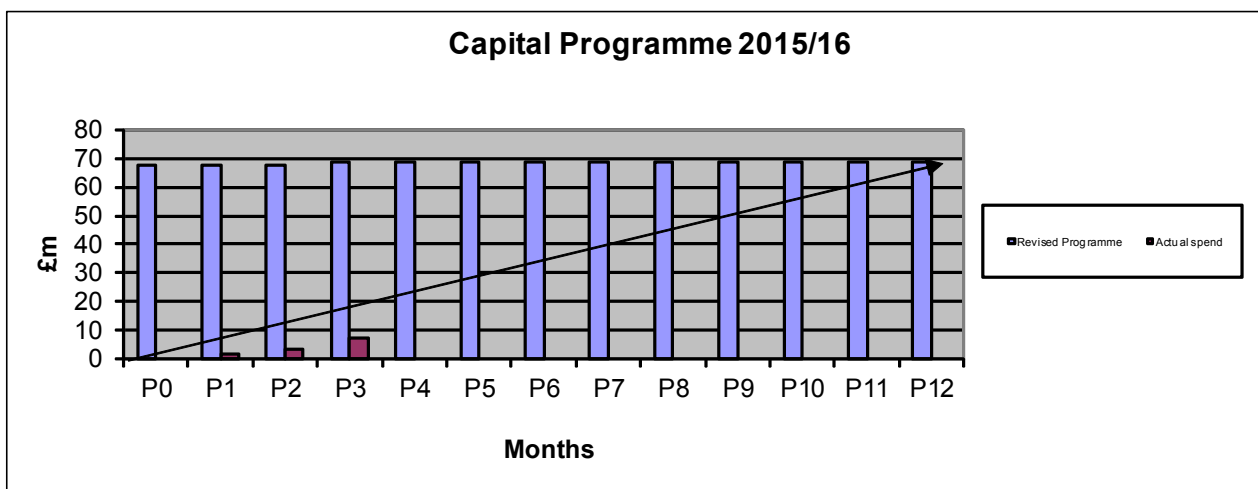
1 EXECUTIVE SUMMARY

1.1 This report provides an update on the progress in delivering the Capital Programme 2015/16 at the end of Quarter 1 (June 2015).

2 OVERALL POSITION AT END OF QUARTER 1 (30 JUNE 2015)

2.1 The actual spend against the Capital Programme is summarised in Table 1.

Chart 1: Capital Programme spend below line of best fit



3 ORIGINAL AND PROPOSED CAPITAL PROGRAMME FOR 2015/16

3.1 The Programme for 2015/16 is subject to change and reflects the Programme agreed by Cabinet on 10 February 2015 together with subsequent amendments. Broadly these reflect the re-profiling identified since the 2014/15 Budget Cabinet. The revisions differ from that reported in the 2014/15 Outturn report which shows re-profiling relating to the 2014/15 programme only, whilst this report also shows post 2014/15 adjustments. Revisions to the programme also include any changes regarding external financial support, primarily the latest grant notifications and any estimated re-profiling of schemes into the 2016/17 year.

- 3.2 To aid the monitoring process, schemes are categorised against five gate points being Conception, Approval, Start Up, Delivery and Completion.

Table 1: Capital Programme 2015/16 at end of Quarter 1 (30 June)

	Capital Strategy	Revisions Since Budget Cabinet	Revised Capital Programme	Actual Spend June 2015
	£000	£000	£000	£000
Universal & Infrastructure	8,956	-190	8,766	505
Families – Children	8,517	2,337	10,854	1,054
Families – Adults	8,263	-2,446	5,817	213
Families – Sport & Rec	1,865	1,725	3,590	581
R&E– Env & Regulation	12,633	2,491	15,124	180
R&E– Hsg & Comm Safety	6,412	2,381	8,793	374
R& E – Regeneration	1,808	3,751	5,559	4,322
Transformation Resources	1,600	1,404	3,004	115
Total expenditure	50,054	11,453	61,507	7,344

- 3.3 As outlined above a number of schemes within the 2014/15 Programme have been reprofiled with expenditure now likely in 2015/16. A smaller number of schemes had spend re-profiled from 2015/16 into the 2014/15 Programme to reflect accelerated progress. Details of significant variances are shown in Table 2.

Table 2: Significations variations to the 2015/16 Programme

Scheme	£000
Universal & Infrastructure	
Re-profiling	
Building refurbishment to increase occupancy	
Fund to assist land assembly and resale	-643
Park depot rationalisation	-113
	670
Families & Wellbeing – Children	
Re-profiling	
School remodelling and additional classrooms	-550
Condition/Modernisation	1,864
Youth Capital	149
Universal Free School Meals	209
Somerville Mobile Replacement	366
Wirral Youth Zone rephased into 2016/17	0
Grants	
Condition/Modernisation	-1,706
Basic Needs	1,897
Families & Wellbeing – Adults	
Citizen and provider portal	450
Transformation of day service	1,115
Integrated I.T.	1,085

Extra Care Schemes reprofiled to 2016/17	-3,896
Pensby Wood – day service remodelling and additional rooms reprofiled to 2016/17	-1,200
Families & Wellbeing – Sport & Recreation	
Re-profiling	
West Kirby/Guinea Gap/Europa Pools	824
West Kirby Marine Lake	690
Reg & Env – Environment & Regulation	
Re-profiling	
Active Travel	101
Highway Maintenance	146
Bridges	352
Energy schemes (LED Street Lighting)	236
Parks vehicles replacement	684
Allotments	165
Additional Grant – STEP	500
Reg & Env – Housing & Community Safety	
Re-profiling	
LIFT programme	298
DFG/ Aids and adaptations	1,162
Home Improvements	-878
Clearance	519
Improvement for sale grants	180
New House Building Programme	520
Cluster of Empty Homes Grant	650
Reg & Env – Regeneration	
Re-profiling and additional grant	
Other Regional Growth Fund Schemes	3,208
LEP Regional Growth Fund Schemes	1,102
Hamilton Square Access Improvements to 2016/17	-600
Transformation & Resources	
Re-profiling	
I.T. development	1,404
Total of variances below £100,000 each	493
Overall Total	11,453

3.4 Universal and Infrastructure Services

Cleveland Street Transport Depot works are continuing refurbishing existing buildings to allow a phased move from various parks depots that will reduce revenue implications and/or produce a capital receipt.

Other spend to date includes the continuation of building refurbishment works to increase occupancy, energy efficiency and land assembly.

3.5 Families and Wellbeing - Children

This area of the Programme includes investment in Schools which is essentially funded by Government Grant. The Government Grant announcements have been confirmed annually just prior to the financial year, however this year 3 year announcements have been made providing allocation amounts from 2015/16 – 2017/18. This 3 year allocation will assist in the programming of significant school projects. The works to the buildings are undertaken in co-operation with the schools and, mindful of the impact upon the service, such works are largely arranged for completion outside of term-times wherever possible. These factors impact upon the timing of the actual spend with frequent revisions to be accommodated. A design framework is being developed to allow the use of external Designers i.e. Architects, Mechanical and Electrical engineers, Cost Surveyors to enable schemes to progress in partnership with Local Authority Designers team and Asset Management.

Woodslee Primary School scheme [£550,000] is nearing completion replacing the nursery and creating a new library/resource area.

Fender Primary School scheme to create two additional classrooms and internal remodelling [£600,000] is now on site and progressing well, with anticipated completion October 2015.

Stanley Special School scheme [£750,000] to further develop two classrooms and external remodelling to enable the school to receive additional pupils places to be ready for September 2016.

Legal documentation has been drafted between OnSide Youth Zones and Hill Dickenson and competitive tendering undertaken for the building works in respect of the Youth Zone. A formal planning application is expected early in the new financial year. To date approximately £5m of the overall £6m funding required has been secured with OnSide hoping to secure the rest by July. The Council's contribution is now more likely to be drawn down during 2016/17.

3.6 Families and Wellbeing - Adults

The Integrated I.T. scheme (Liquidlogic) went live during September 2014. The next phase of the project will see the procurement and implementation of the additional modules relating to the citizen and provider portals. Implementation will support the delivery of some Care Act duties from April 2015. £500,000 has been committed in the year to date. Additional modules and implementation costs may increase the committed spend in year.

Transformation of Day Services is ongoing. Plans for the Local Authority implementation have been delayed slightly resulting in some of the capital works being delayed until next year.

3.7 Families and Wellbeing – Sport and Recreation

The programme for the year involves £3.6 million of investment across a range of Leisure facilities.

West Kirby Concourse – phase 1 – creation of the new fitness suite is now open to all user groups. There are some delays with phase 2, which includes remodelling of other areas of the building and completion is now expected during September.

3.8 Regeneration and Environment – Environment and Regulation

This element of the capital programme will involve £15.1 million of investment.

The largest element of the programme is LED lighting scheme. The tender process for the installation has been completed, and installation will commence mid-August. The scheme remains on schedule and the budget savings are expected to be achieved.

Cabinet 20 July 2015 received reports detailing planned use of transport block g and Sustainable Transport Enhancements Package (STEP) funding.

3.9 Regeneration and Environment – Housing and Community Safety

Investment of £8.8 million is planned for this element of the programme. This includes support for the provision and re-provision of new housing through the clearance programme with £1.8 million deferred to 2015/16 from 2014/15 as well as approximately half of the 2014/15 Home Improvement allocation.

The authority has received DCLG funding via Liverpool City Council (acting as the accountable body) of £1.2m for a grant scheme entitled “Cluster of Empty Homes Fund”. This capital funding is to be used in accordance with the bid conditions to bring empty property (including commercial property) into use as housing. £31,657 has been used to support the Council’s Empty Homes Grant programme. The remaining funding has been allocated to contribute to the overall costs of renovating and converting the Old Court House in Manor Road and The Ark, Birkenhead.

Disabled Facilities Grants/Aids and Adaptations continue to be approved and the spend committed but the incurring of this spend is determined by the grant applicants which may result in delays.

3.10 Regeneration and Environment – Regeneration

Approximately £5.6 million of expenditure is forecast in the year for this area. £4.3 million has been incurred to date in respect of Regional Growth Fund activity.

3.11 Transformation and Resources

The programme comprises £3 million of expenditure mainly in respect of the continued programme of IT development. Expenditure of £112,000 has been incurred to date.

4 FINANCING OF THE CAPITAL PROGRAMME

4.1 Table 3 summarises the financing sources for the original and latest programmes.

Table 3: Revised Capital Programme Financing

Capital Programme Financing	Capital Strategy	Revised Programme
	£000s	£000s
Unsupported Borrowing	19,090	21,410
Capital Receipts	12,693	14,436
Revenue and Reserves	537	1,387
Grants	17,734	24,274
Total Financing	50,054	61,507

4.2 Any reprofiling of the Capital Programme which reduces the borrowing requirement will produce one off in-year revenue savings. A permanent saving will only occur if schemes are permanently ceased, otherwise the full budget will be required in 2016/17 when the re-profiled expenditure is incurred.

5 PROJECTED LONGER TERM CAPITAL PROGRAMME

5.1 Funding for the forecast 2015/16 to 2017/18 Capital Programme is shown in Table 4. This reflects the 2015-18 Capital Programme agreed by Cabinet on 10 February 2015 together with any subsequent amendments for additional reprofiling and subsequent grant notifications.

Table 4: Capital Programme Financing 2015/16 to 2017/18

Capital Programme Financing	2015/16 Revised Estimate	2016/17 Revised Estimate	2017/18 Revised Estimate	Total Programme
	£000	£000	£000	£000
Unsupported Borrowing	21,410	9,362	0	30,772
Capital Receipts	14,436	5,445	2,414	22,295
Revenue / Reserves	1,387	120	66	1,573
Grants	24,274	15,075	9,511	47,563
Total Financing	61,507	30,002	11,991	102,203

6 SUPPORTED AND UNSUPPORTED BORROWING AND THE REVENUE CONSEQUENCES OF UNSUPPORTED BORROWING

6.1 Based on the current cost, £1 million of Prudential Borrowing would result in additional revenue financing costs of £80,000 per annum in the following year. As part of the Capital Strategy 2015/16 to 2017/18 the Council has included an element of prudential borrowing. At Month 3 there is a sum of £30.7 million of new unsupported borrowing included over the three years, which will result in approximately £2.5 million of additional revenue costs detailed at Table 5, if there is no change in the Strategy.

Table 5: Unsupported Borrowing Forecasts & Revenue Costs

	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000
New Unsupported Borrowing	21,410	9,362	0	0
Cumulative	21,410	30,772	30,772	30,772
Annual Revenue repayment costs				
Cumulative	0	1,713	2,462	2,462

6.2 The re-profiling of the capital programme and the use of internal borrowing i.e. using the Councils cash balances rather than taking out external loans, means that Treasury Management costs are anticipated to be £1 million less in 2015/16. With cash investments currently yielding low rates of return and the interest rate on external loans being much higher it is financially advantageous to use cash balances to fund certain capital projects.

7 CAPITAL RECEIPTS POSITION

7.1 The Capital Programme is reliant on the Council generating capital receipts to finance future schemes. The Capital Receipts Reserve at 1 April 2015 contained £8.3 million of receipts. The table assumes the proposed spend, set out at Section 4.1 is agreed. Receipts and funding assumptions are based upon the latest estimates available.

Table 6: Projected Capital Receipts position

	2015/16	2016/17	2017/18
	£000	£000	£000
Capital Receipts Reserve	8,300	364	4,469
In - Receipts Assumption	6,500	9,550	9,550
Out - Funding assumption	-14,436	-5,445	-2,414
Closing Balance	364	4,469	11,605

7.2 There are 3 possible major site disposals. Bids from various developers for the site at Acre Lane are being assessed. Marketing of the Manor Drive site has commenced. The third site is Rock Ferry High School where Secretary of State approval would be required should the Council decide on any sale.

8 RELEVANT RISKS

8.1 The possibility of failure to deliver the Capital Programme will be mitigated by the monthly review by a senior group of officers, charged with improving performance.

8.2 The generation of capital receipts may be influenced by factors outside the authority's control e.g. ecological issues. Lambert, Smith, Hampton are still providing external support.

9 OTHER OPTIONS CONSIDERED

9.1 No other options have been considered.

10 CONSULTATION

10.1 No consultation has been carried out in relation to this report.

11 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

11.1 There are no outstanding actions.

12 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

12.1 As yet, there are no implications for voluntary, community or faith groups.

13 RESOURCE IMPLICATIONS

13.1 The whole report is about significant resource implications.

14 LEGAL IMPLICATIONS

14.1 There are no legal implications arising directly from this report.

15 EQUALITIES IMPLICATIONS

15.1 An Equality Impact Assessment is not attached as there are none.

16 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

16.1 There is no carbon reduction or environmental implications arising directly from this monitoring report.

17 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

18 RECOMMENDATIONS

18.1 That Cabinet is asked to note:

- a) The spend to date at Month 3 of £7.3 million, with 25% of the financial year having elapsed;

18.2 That Cabinet is asked to agree and refer to Council:

- a) The revised Capital Programme of £61.5 million (Table 1);

18.3 That the Capital Monitoring report be presented to Cabinet after the end of each quarter, which is in line with Performance Management Monitoring arrangements.

19 REASONS FOR RECOMMENDATIONS

19.1 Regular monitoring and reporting of the Capital Programme enables decisions to be taken faster which may produce revenue benefits and will improve financial control of the Programme.

19.2 Any variations to the Capital Programme are agreed by Cabinet but then referred to Council to formally approve the changes.

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SUBJECT HISTORY

Council Meeting	Date
Capital monitoring reports, from September 2012	
Capital Programme – Council	25 February 2014
Capital Programme – Council	24 February 2015

Capital Programme and Funding 2015/16**ANNEX 1**

Universal & Infrastructure	Revised Programme £000	Spend to Date £000	Council Resources £000	Revenue/ Reserves £000	Grants £000	Total Funding £000
Building refurbishment to increase occupancy	2,119	337	2,119	-	-	2,119
Fund to assist land assembly and re-sale	623	63	623	-	-	623
Cleveland St Transport Depot	3,115	-	3,115	-	-	3,115
Park depot rationalisation	1,270	-	1,270	-	-	1,270
Energy efficiency Initiatives	596	105	596	-	-	596
Demolish Stanley Special & External Renovation Work	150	-	150	-	-	150
Demolish Bebington Town Hall and Liscard Municipal	378	-	378	-	-	378
Demolish former Rock Ferry High	395	-	395	-	-	395
Demolish Foxfield	120	-	120	-	-	120
	8,766	505	8,766	-	-	8,766

Families and Wellbeing - CYP	Revised Programme £000	Spend to Date £000	Council Resources £000	Revenue/ Reserves £000	Grants £000	Total Funding £000
Elleray Park Special School redevelopment	850	198	850	-	-	850
School remodelling and additional classrooms (Primary Places)	2,050		1,800	-	250	2,050
Condition/Modernisation	4,658	397	-	-	4,658	4,658
Basic Need allocation	1,897	66	-	-	1,897	1,897
PFI	150	-	-	150	-	150
Children's centres	53	-	-	-	53	53
Aiming Higher	24	53	-	-	24	24
Youth Capital	149		98	-	51	149
Birkenhead High Girls Academy	80	157	-	69	11	80
Funding for 2 year olds	18	-	-	-	18	18
Universal Free School Meals	209	-	-	-	209	209
Somerville Mobile Replacement	366	134	366	-	-	366
Family Support Scheme	200	49	200	-	-	200
Stanley Special School - additional classrooms, medical/hygiene provision	150	-	150	-	-	150
	10,854	1,054	3,464	219	7,171	10,854

Families and Wellbeing - DASS	Revised Programme £000	Spend to Date £000	Council Resources £000	Revenue/ Reserves £000	Grants £000	Total Funding £000
Citizen and Provider Portal for Social and Health Services	617	-	-	-	617	617
Transformation of Day Service	1,115	90	500	-	615	1,115
Integrated IT	1,085	123	1,000	-	85	1,085
Community Intermediate Care Services	1,000	-	-	-	1,000	1,000
Integrated Social Care and Health Learning Disability Service - Girtrell Court	2,000	-	2,000	-	-	2,000
	5,817	213	3,500	-	2,317	5,817

Families and Wellbeing - Sports & Recreation	Revised Programme £000	Spend to Date £000	Council Resources £000	Revenue/ Reserves £000	Grants £000	Total Funding £000
West Kirby Concourse Fitness Suite	112	-	112	-	-	112
Guinea Gap 3G Football pitches	99	-	99	-	-	99
West Kirby/Guinea Gap/Europa Pools	2,024	581	2,024	-	-	2,024
Refurb of Artificial Turf Pitch & perimeter fence repairs at the Tennis & Sports Centre	240	-	240	-	-	240
West Kirby Marine Lake – Integrated accommodation and service delivery	690	-	690	-	-	690
Bidston Tennis Centre re-roofing	425	-	425	-	-	425
	3,590	581	3,590	-	-	3,590

Regeneration and Environment - Environment & Regulation	Revised Programme £000	Spend to Date £000	Council Resources £000	Revenue/ Reserves £000	Grants £000	Total Funding £000
Road Safety	157	14	84	-	73	157
Active Travel	185	13	185	-	-	185
Transportation	104	11	104	-	-	104
Bridges	1,566	-	728	-	838	1,566
Street Lighting	76	18	26	-	50	76
Highway Maintenance	3,105	80	400	-	2,705	3,105
Integrated Transport	1,558	-	-	-	1,558	1,558
Start Active, Play Active, Stay active	34	6	24	10	-	34
Wirral Way - widening and safety improvements	14	-	14	-	-	14
Cemetery Extensions and Improvements	171	-	171	-	-	171
Coast Protection	251	4	251	-	-	251
Energy schemes (LED Street Lighting)	4,236	-	4,236	-	-	4,236
Allotments	165	-	165	-	-	165
Parks Improvements	13	8	-	13	-	13
Royden Park	2	-	-	-	2	2
Parks vehicles replacement	684	23	684	-	-	684
Reeds Lane Play Area	23	3	-	-	23	23
West Kirby Flood Alleviation	1,500	-	-	200	1,300	1,500
Dock Bridges Replacement	280	-	280	-	-	280
Preventative Maintenance to Unclassified and Residential Streets	500	-	500	-	-	500
Preventative Maintenance to Classified Roads	500	-	500	-	-	500
	15,124	180	8,352	223	6,549	15,124

Regeneration and Environment - Housing & Community Safety	Revised Programme £000	Spend to Date £000	Council Resources £000	Revenue/Reserves £000	Grants £000	Total Funding £000
Aids, Adaptations and Disabled Facility Grants	3,235	263	1,162	-	2,073	3,235
LIFT	298	2	298	-	-	298
Clearance	1,840	16	755	350	735	1,840
Home Improvement	854	66	485	369	-	854
Improvement for sale grants	180	-	-	180	-	180
Empty Property Interventions	236	27	190	46	-	236
New House Building Programme	1,500	-	1,500	-	-	1,500
Cluster of Empty Homes Fund	650	-	-	-	650	650
	8,793	374	4,390	945	3,458	8,793

Regeneration and Environment - Regeneration	Revised Programme £000	Spend to Date £000	Council Resources £000	Revenue/Reserves £000	Grants £000	Total Funding £000
Other Regional Growth Fund Schemes	3,208	3,208	-	-	3,208	3,208
LEP Regional Growth Fund Schemes - Targeted Assistance	1,102	1,102	-	-	1,102	1,102
Business Investment Grants	780	-	780	-	-	780
The Priory	69	12	-	-	69	69
Hamilton Square Accessibility Improvements	400	-	-	-	400	400
	5,559	4,322	780	-	4,779	5,559

Transformation & Resources	Revised Programme £000	Spend to Date £000	Council Resources £000	Revenue/ Reserves £000	Grants £000	Total Funding £000
CCTV cameras and other equipment	100	-	100	-	-	100
I.T Development	2,904	115	2,904	-	-	2,904
	3,004	115	3,004	-	-	3,004
Programme Total	61,507	7,344	35,846	1,387	24,274	61,507