

**COUNCILLOR PHIL DAVIES****CABINET****18 JULY 2017****CAPITAL MONITORING 2016/17****QUARTER 1 (TO JUNE 2016)****Councillor Phil Davies (Leader of the Council) said:**

'It is important that we are robust and transparent in how we manage all Council expenditure. This report demonstrates the major investment we are making against our priorities and that we are taking sensible and pragmatic steps to make best use of resources to develop our assets to support our services to the public.'

REPORT SUMMARY

This report provides an update on the progress in delivering the Capital Programme 2016/17 at the end of June 2016. The report recommends that Cabinet agrees the 2016/17 Capital Programme of £58.97 million which now takes into account re-profiling identified during both the 2015/16 final accounts process and the current year together with any additional grant funding notified to the Council. Expenditure to date is £2.7 million.

This matter is a key decision which affects all Wards within the Borough.

RECOMMENDATIONS

To note the spend to date at Month 3 of £2.7 million, with 25% of the financial year having elapsed, a period when a number of payments relate to the 2015/16 accounts.

To agree and refer to Council the revised Capital Programme of £58.97 million (Table 1).

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

1.1 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.

2.0 OTHER OPTIONS CONSIDERED

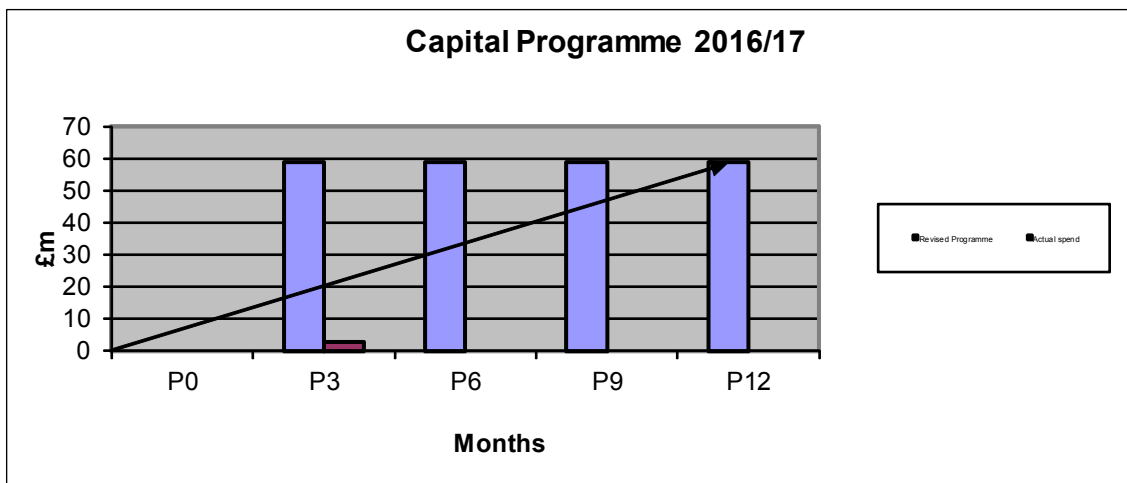
2.1 No other options have been considered.

3.0 BACKGROUND INFORMATION

OVERALL POSITION AT END OF JUNE 2016

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

Chart 1: Capital Programme spend below line of best fit



ORIGINAL AND PROPOSED CAPITAL PROGRAMME FOR 2016/17

3.2 The Programme for 2016/17 is subject to change. Presently it reflects;

	£000
Programme agreed by Cabinet on 22 February 2016	48,107
Variations identified Month 10 monitoring 2015/16	2,750
Year end re-profiling	6,364
Additional grant funding	1,750
Revised 2016/17 Programme	58,971

Table 1: Capital Programme 2016/17 at 30 June 2016

	Capital Strategy	Revisions Since Budget Cabinet	Revised Capital Programme	Actual Spend June 2016
	£000	£000	£000	£000
Transformation Resources	7,863	1,755	9,618	637
Families – Children	9,185	3,766	12,951	564
Families – Adults	10,255	794	11,049	167
Families – Sport & Rec	2,871	368	3,239	351
R&E– Env & Regulation	10,016	2,635	12,651	551
R&E– Hsg & Comm Safety	7,317	847	8,164	430
R& E – Regeneration	600	699	1,299	4
Total expenditure	48,107	10,864	58,971	2,704

- 3.3 As outlined above a number of schemes within the Programme have been re-profiled to reflect updated project delivery forecasts and changes in available funding. These are reflected in Table 1. The expenditure figures are suppressed by the inclusion of a number of credits for capital accruals charged against the 2015/16 year in accordance with accounting practice. The significant variances which have arisen since Budget Cabinet are shown in Table 2 below.

Table 2: Significant Variations (> £0.2m) to the 2016/17 Programme

Scheme	£000
Transformation & Resources	
Building refurbishment to increase occupancy – schemes proceeding ahead of schedule	-202
Park depot rationalisation – re-profiled	252
Energy efficiency initiatives – re-profiled	218
I.T. Development – re-profiled	1,423
Families & Wellbeing – Children	
School Place Planning – re-profiled	1,617
Condition/Modernisation – re-profiled	1,028
Basic Needs – re-profiled	1,096
Wirral Youth Zone (The Hive) – scheme proceeding ahead of schedule	-500
Families & Wellbeing – Adults	
Citizen and Provider Portal – re-profiled	617
Reg & Env – Environment & Regulation	
Transport for Growth – re-profiled	216
Highway Maintenance – re-profiled	222

Additional Grant Funding – flood defence, pot holes, integrated transport, highways maintenance	1,750
Reg & Env – Housing Aids, Adaptations and DFGs – reduced requirement to reflect a more deliverable programme	-612
New House Building Programme	1,000
Reg & Env – Regeneration Business Investment Grants – re-profiled	675
	8,800

- 3.4 Schemes will be subject to an ongoing review to ensure that a deliverable programme is in place, that they are compatible with the 2020 Vision and to try and identify any savings.

FINANCING OF THE CAPITAL PROGRAMME

- 3.5 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	16,852	20,970
Capital Receipts	13,339	14,762
Revenue and Reserves	1,004	1,184
Grants	16,912	22,055
Total Financing	48,107	58,971

- 3.6 Any re-profiling which reduces borrowing will produce one-off revenue savings. A permanent saving only occurs if schemes cease, otherwise the full budget will be required in 2017/18 when the re-profiled expenditure is incurred.

PROJECTED LONGER TERM CAPITAL PROGRAMME

- 3.7 Funding for the forecast 2016/17 to 2018/19 Programme is in Table 4. This reflects the 2016-19 Capital Programme agreed by Cabinet on 22 February 2016 with subsequent amendments for reprofiling and revised grant notifications. The programme post 2016/17 is fairly small at the moment but may increase as 2015/16 schemes are reprofiled and new schemes are identified for inclusion in future capital programmes during the year.

Table 4: Capital Programme Financing 2016/17 to 2018/19

Capital Programme Financing	2016/17 Revised Programme	2017/18 Programme	2018/19 Programme	Total Programme
	£000	£000	£000	£000
Unsupported Borrowing	20,970	2,040	1,720	24,730
Capital Receipts	14,762	2,414	0	17,176
Revenue / Reserves	1,184	66	50	1,300
Grants	22,055	13,135	0	35,190
Total Financing	58,971	17,655	1,770	78,396

SUPPORTED AND UNSUPPORTED BORROWING AND THE REVENUE CONSEQUENCES OF UNSUPPORTED BORROWING

- 3.8 Based on the current cost, £1 million of Prudential Borrowing would result in additional revenue financing costs of approximately £75,000 per annum in the following year. As part of the Capital Strategy 2016/17 to 2018/19 the Council has included an element of prudential borrowing. Presently there is £24.7 million new unsupported borrowing included over the three years, which will result in approximately £1.9 million of additional revenue costs detailed at Table 5.

Table 5: Unsupported Borrowing Forecasts & Revenue Costs

	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
New Unsupported Borrowing	20,970	2,040	1,720	0
Cumulative	20,970	23,010	24,730	24,730
Annual Revenue repayment costs				
Cumulative	367	1,608	1,756	1,855

CAPITAL RECEIPTS POSITION

- 3.9 The Capital Programme is reliant on the Council generating capital receipts to finance future schemes. Available capital receipts at 1 April 2016 were £8.047 million. The table assumes the proposed spend, set out at Table 1 is agreed. Receipts and funding assumptions are based upon the latest estimates.

Table 6: Projected Capital Receipts position

	2016/17	2017/18	2018/19
	£000	£000	£000
Capital Receipts Reserve	8,047	285	4,871
In - Receipts Assumption	7,000	7,000	4,500
Out - Funding assumption	-14,762	-2,414	0
Closing Balance	285	4,871	9,371

3.10 Additional flexibilities relating to the use of future capital receipts were announced in the Autumn Statement. This may result in a re-assessment of the Authority's intended use of future receipts with a subsequent impact on the financing of future capital programmes.

3.11 The Council is currently negotiating with the prospective developers of Acre Lane and the Manor Drive sites. No account has been taken as yet for any potential receipt in connection with the former Rock Ferry High School.

4.0 FINANCIAL IMPLICATIONS

4.1 The revised 2016/17 Capital Programme is £58.97 million and anticipated capital receipts remaining at the year-end £0.3 million.

5.0 LEGAL IMPLICATIONS

5.1 There are none arising directly from this report.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

6.1 There are none arising directly from this report.

7.0 RELEVANT RISKS

7.1 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.

7.2 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.

8.0 ENGAGEMENT/CONSULTATION

8.1 There has been no specific consultation with regards to this report.

9.0 EQUALITY IMPLICATIONS

9.1 There are none arising directly from this report

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APPENDICES

Appendix 1 – Capital Programme and Funding 2016/17

Appendix 2 – Capital receipts 2016/17

SUBJECT HISTORY

Council Meeting	Date
Capital monitoring reports presented to Cabinet previous report to Cabinet	Various
Capital Programme – Council	24 February 2015
Capital Programme – Council	3 March 2016

Capital Programme and Funding 2016/17**APPENDIX 1**

Transformation & Resources	Revised Programme £000	Spend to Date £000	Council Resources £000	Revenue/ Reserves £000	Grants £000	Total Funding £000
Building refurbishment to increase occupancy	1,417	395	1,417	-	-	1,417
Cleveland St. Transport Depot	2,878	-	2,878	-	-	2,878
Demolish Bebington Town Hall	378	-	378	-	-	378
Demolish former Rock Ferry High	395	-	395	-	-	395
Park depots rationalisation	1,002	37	1,002	-	-	1,002
Energy efficiency Initiatives	218	-	218	-	-	218
Demolish Stanley Special & external renovation work	18	-	18	-	-	18
Demolish Foxfield	30	-	30	-	-	30
CCTV Cameras and other equipment	100	-	100	-	-	100
I.T. development	1,423	190	1,423	-	-	1,423
Transport Museum	261	-	261	-	-	261
Flaybrick Cemetery	175	12	175	-	-	175
Industrial Estates	150	-	150	-	-	150
Millennium Centre re-modelling	523	2	523	-	-	523
Treasury Building	650	-	650	-	-	650
	9,618	636	9,618	-	-	9,618

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	72	-	72	-	-	72
School Place Planning	3,117	61	2,423	-	694	3,117
Condition/Modernisation	4,114	243	-	-	4,114	4,114
Basic Need allocation	2,510	95	-	-	2,510	2,510
Children's centres	32	-	-	-	32	32
Youth Capital	149	-	98	-	51	149
Funding for 2 year olds	17	-	-	-	17	17
Universal Free School Meals	-	13	-	-	-	-
Somerville Mobile Replacement	101	-	101	-	-	101
PFI	85	-	-	85	-	85
Family Support Scheme	237	45	237	-	-	237
Wirral Youth Zone – the Hive	1,900	-	1,900	-	-	1,900
Stanley Special - additional classrooms, medical/hygiene provision	617	107	617	-	-	617
	12,951	564	5,448	85	7,418	12,951

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	156	92	-	-	156	156
Integrated IT	461	75	461	-	-	461
Pensby Wood day service re-modelling	1,200	-	1,200	-	-	1,200
Extra Care housing	2,000	-	1,000	-	1,000	2,000
LD Extra Care housing	3,000	-	3,000	-	-	3,000
Integrated social care – Girtrell Court	2,000	-	2,000	-	-	2,000
Assistive Technology	615	-	230	-	385	615
Community Intermediate Care Services	1,000	-	1,000	-	-	1,000
	11,049	167	8,891	-	2,158	11,049

Families and Wellbeing - Sports & Recreation

West Kirby/Guinea Gap/Europa Pools	242	3	242	-	-	242
Refurb of Artificial Turf Pitch & perimeter fence repairs at the Tennis & Sports Centre	48	-	48	-	-	48
West Kirby Marine Lake – Integrated accommodation and service delivery	825	37	675	-	150	825
Leasowe Leisure outdoor 3G pitches	820	-	820	-	-	820
The Oval re-development	979	45	979	-	-	979
Bidston Tennis Centre re-roofing	325	266	325	-	-	325
	3,239	351	3,089	-	150	3,239

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	97	52	97	-	-	97
Active Travel	78	-	78	-	-	78
Bridges	292	8	292	-	-	292
Highway Maintenance	3,373	257	311	-	3,062	3,373
Preventative maintenance to unclassified and residential streets	500	-	500	-	-	500
Pothole Action Fund	206	-	-	-	206	206
Transport for Growth	478	-	-	-	478	478
Integrated Transport	1,375	-	-	-	1,375	1,375
Start Active, Play Active, Stay active	14	5	14	-	-	14
Wirral Way - widening / safety improvements	4	2	4	-	-	4
Cemetery Extensions and Improvements	273	-	273	-	-	273
Coast Protection	242	-	242	-	-	242
East Float access improvements Tower Road	200	-	-	-	200	200
Wirral International Business Park connections	200	-	-	-	200	200
East Float access improvements Duke Street	400	12	-	-	400	400
Energy schemes (LED Street Lighting)	32	55	32	-	-	32
Allotments	121	150	121	-	-	121
Parks vehicles replacement	117	-	117	-	-	117
West Kirby Flood Alleviation	1,953	-	503	150	1,300	1,953
Gorsefield Avenue flood relief	100	-	20	-	80	100
Dock Bridges Replacement	2,596	8	771	-	1,825	2,596
	12,651	549	3,375	150	9,126	12,651

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	3,696	317	1,550	-	2,146	3,696
Clearance	1,443	5	712	350	381	1,443
Home Improvement	722	108	423	299	-	722
Improvement for sale grants	180	-	-	180	-	180
Housing renewal	470	-	350	120	-	470
New House Building Programme	1,001	-	1,001	-	-	1,001
Cluster of Empty Homes Fund	652	-	-	-	652	652
	8,164	430	4,036	949	3,179	8,164

Regeneration and Environment - Regeneration

Business Investment Grants	975	-	975	-	-	975
The Priory	24	4	-	-	24	24
Growth Fund	300	-	300	-	-	300
	1,299	4	1,275	-	24	1,299

Total	58,971	2,701	35,732	1,184	22,055	58,971
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Capital Receipts 2015/16**APPENDIX 3**

Cash Received	£000
Ex-HRA Magenta Housing Right to Buy	389
North Star, 294 Laird Street	15
One O'clock Gun House	10
Empty Homes (various)	55
Total	469