



Report of:	Meeting	Date	Item No.
Cllr. Alan Vincent, Deputy Leader and Resources Portfolio Holder and Clare James, Head of Finance	Cabinet	17 October 2018	5

## Capital Programme Review and Monitoring Report

### 1. Purpose of report

- 1.1 To consider the summary of the Spending Officers' (April to end August 2018) review of the 2018/19 Capital Budget and its impact on the Capital Programme thereafter.

### 2. Outcomes

- 2.1 The delivery of the Capital Programme and its monitoring will demonstrate good financial management by ensuring that the Programme is soundly based and designed to deliver the Council's strategic priorities.

### 3. Recommendation

- 3.1 That the Capital Programme and its funding be updated to reflect the changes indicated in the report and that the impact on the Revenue Budget is reflected in the Medium Term Financial Plan (MTFP) and future revisions of the Revenue Estimates.

### 4. Background

- 4.1 As part of the Council's Performance Management process spending officers and Financial Services review the progress of Capital scheme expenditure against the approved Programme. These reviews are carried out at least three times a year to coincide with key budget planning cycles. The summary results of this first review of the 2018/19 programme, as at 31 August 2018, are contained in Appendix 1.

- 4.2** A full scheme analysis is available within the revised Ten Performance Management system under 'Performance, Reports, Capital Programme 2018/19'.
- 4.3** The Original Capital Budget for 2018/19 was set at £10,158,206. Details of the changes either in expenditure or its funding since then (see Appendix 1) can be found in the appropriate Cabinet, Audit Committee or Portfolio Holder reports. The main variations in spend against profiled budget and budget changes from the first review, as a result of Officers' information, are detailed in Appendix 2.

## **5. Key issues and proposals**

- Appendix 1 shows actual costs and commitments totalling £4,473,612 up to the end of period 5 against the Officers' profiled budget of £11,548,938 representing a spend of 38%. The main scheme variations in spend against profiled budget are shown in Appendix 2, section A.
- The current 2018/19 Capital Programme includes nine schemes that have been slipped from 2017/18. These schemes were reported to Audit Committee 24 July 2018 as part of the 2017/18 Final Accounts report and can be seen at Appendix 3.
- At 31 August 2018 there were two current year schemes that had not been reported to Portfolio Holders for scheme approval (see Appendix 2, section A1).
- As a result of the period 5 review, when compared to the current approved Budget taking into account rephasing of schemes and recognising increases/decreases, aggregate expenditure in 2018/19 is now expected to be £5,595,356 lower as listed in Appendix 2, section B1.

### Leisure, Health and Community Engagement Portfolio

- Poulton and Thornton Leisure Centres – A final settlement was reached in August and payment has now been made with a balance of £8,436 to be returned to the capital investment reserve. The scheme costs will be summarised in a detailed report to Cabinet by the Service Director for Health and Wellbeing as previously reported in the Capital Programme and Monitoring report 29 July 2015.
- Garstang Pool Sandfilters – the scheme is complete with retention outstanding.

### Neighbourhood Services and Community Safety Portfolio

- Disabled Facilities Mandatory Grants – Actual spend up to period 5 is £120,863 above profiled budget, this includes £81,191 advance spend from 2017/18 as reported to Audit Committee 24 July 2018 (see Appendix 3). Officers anticipate that the full budget will be spent by year end. The budget is to be increased by an additional £5,000 contribution from Regenda.

- Rossall Seawall Improvement Works – The scheme was open to the public on 1 June 2018 with several art works due to be installed later this year and retention yet to be paid. To enable more accurate budget monitoring the budget is to be reduced taking out the majority of the original contingency sum. If the current ongoing claim regarding the development of the revetment is successful, the budget will be reinstated and contingency claimed from the Environment Agency.
- Wyre Beach Management Business Case – this report assumes approval by the Neighbourhood Services and Community Safety Portfolio Holder for this scheme approved by the Environment Agency in August 2018.

#### Resources Portfolio

- Vehicle Replacement – the ongoing review of requirements is reflected in Appendix 2 section B. Revised costs are being met from the Vehicle Replacement Reserve. The reserve reflects the funding set aside at year-end for the purchase and ongoing replacement of the refuse collection vehicles in 2019/20 onwards.

#### Street Scene, Parks and Open Spaces Portfolio

- Playground Refurbishment Unallocated – the balance of this budget has been re-phased to 2019/20 owing to the success in attracting external funding.
- Mount Grounds Restoration Phase 2 Development – this scheme is complete with an underspend of £10,948 and has resulted in approval for the next phase by the Heritage Lottery Fund.
- Restoration of the Mount – this report includes the £1,956,942 capital element of the £2,417,454 project funded by the Heritage Lottery Fund and a local benefactor phased over the years 2018/19 to 2020/21, assuming the approval of the recent Street Scene, Parks and Open Spaces Portfolio Holder report.

#### Capital Grants, Contributions and Receipts

- There has been an increase in 2018/19 external funding since the original Capital Programme was approved by Cabinet 14 February 2018. The Better Care Funding award for 2018/19 was finalised with a further £135,350 for provision of Disabled Facilities Grants. An additional £5,000 has also been received from Regenda towards Disabled Facilities Grants. A £415,000 grant allocation from the Environment Agency has been received for the Wyre Beach Management Business Case. Approval has been received from the Heritage Lottery Fund for up to £1,760,700 capital funding (revenue funding (£258,700), Mount Ground Restoration (total funding £2,019,400). There are no additional capital receipts to report at this stage.

<b>Financial and legal implications</b>	
Finance	The changes to the Capital Programme expenditure following the review as at the end of period 5 and the funding indicated in Appendix 1 (2018/19 through to 2022/23) do not require any additional use of Capital Receipts.
Legal	None arising directly from this report

### **Other risks/implications: checklist**

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

<b>implications</b>	<b>✓ / x</b>
community safety	<b>x</b>
equality and diversity	<b>x</b>
sustainability	<b>x</b>
health and safety	<b>x</b>

<b>risks/implications</b>	<b>✓ / x</b>
asset management	<b>✓</b>
climate change	<b>x</b>
data protection	<b>x</b>

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<b>List of background papers:</b>		
<b>name of document</b>	<b>date</b>	<b>where available for inspection</b>
Capital Programme Monitoring Papers		Financial Services Team

### **List of appendices**

Appendix 1 – Capital Programme and Funding.

Appendix 2 – 2018/19 Expenditure Changes and Funding Issues as at 31 August 2018 Review.

Appendix 3 – Extract from 2017/18 Final Accounts report Appendix 2 – Table 2 to Audit Committee 24 July 2018.

**Capital Programme and Funding**

**Appendix 1**

	Full Year Budget £	Funded by ..... Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	Total Funded £
<b>Capital Budget - 2018/19</b>						
Original overall approval, part of 18/19 Council Tax setting	10,158,206	9,743,518	371,000	43,688	0	10,158,206

<p>Overall approval after changes for new schemes Civic Centre Roof Works, IT Service Management Software, Poulton and Fleetwood Leisure Centre Roof Works, Relocation of the ICT and Digital Team, Childrens' Playground Refurbishment Jean Stansfield Park, Restoration of the Mount, increase in Better Care Funding of DFGs, Wyre Beach Management Business Case, Citizen Access Portal and Website re-design, Cash Receipting System Upgrade and Bob Williamson Park.</p> <p>Also after 2017/18 Final Accounts report to Audit Committee 24/7/18 in which slippage to 2018/19, advance spend of 18/19 budget and Vehicle Replacement year end review movement were agreed.</p>						
	14,673,359	13,490,252	1,084,365	98,742	0	14,673,359

<b>All 2018/19 schemes - by Director</b>	Actual to 31st August 2018 £	Commitments £	Profiled budget to end of Period 5 £	Current Full Year Budget £
<u>Service Director for:-</u>				
Health and Wellbeing	948,017	14,311	849,977	2,204,753
People and Places	2,826,502	602,581	10,609,958	12,143,360
Performance and Innovation	68,939	13,262	89,003	325,246
	<u>3,843,458</u>	<u>630,154</u>	<u>11,548,938</u>	<u>14,673,359</u>

<b>All 2018/19 schemes - by Portfolio</b>	Actual to 31st August 2018 £	Commitments £	Profiled budget to end of Period 5 £	Current Full Year Budget £
<u>Portfolio:-</u>				
Leisure, Health and Community Engagement	-32,747	14,311	0	206,243
Neighbourhood Services and Community Safety	3,736,139	479,879	11,280,772	12,981,044
Planning and Economic Development	47,518	3,200	49,720	49,720
Resources	130,324	26,639	85,483	872,965
Street Scene, Parks and Open Spaces	-37,776	106,125	132,963	563,387
	<u>3,843,458</u>	<u>630,154</u>	<u>11,548,938</u>	<u>14,673,359</u>

	Full Year Budget £	Funded by ..... Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	Total Funded £
<b>Latest Capital Budget 2018/19 after Period 5 review</b>	<b>9,078,003</b>	<b>7,918,449</b>	<b>1,096,474</b>	<b>63,080</b>	<b>0</b>	<b>9,078,003</b>

Appendix 1 - Continued

	Full Year Budget £	Funded by Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	Total Funded £
<b>Capital Budget - 2019/20</b>						
Original overall approval, part of 18/19 Council Tax setting	1,997,969	1,653,469	344,500	0	0	1,997,969
Overall approval after changes for new scheme Restoration of the Mount and increase in Wyre Beach Management Business Case. No change proposed at Audit Committee 24/07/18.	3,057,313	2,712,813	344,500	0	0	3,057,313
<b>Latest Capital Budget 2019/20 after 2018/19 P5 review</b>	<b>5,985,374</b>	<b>2,865,212</b>	<b>3,084,500</b>	<b>35,662</b>	<b>0</b>	<b>5,985,374</b>
<b>Capital Programme and Funding</b>						
	Full Year Budget £	Funded by Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	Total Funded £
<b>Capital Budget - 2020/21</b>						
Original overall approval, part of 18/19 Council Tax setting	2,080,169	1,653,469	426,700	0	0	2,080,169
Overall approval after the change for new scheme Restoration of the Mount. No change proposed at Audit Committee 24/07/18.	2,693,036	2,266,336	426,700	0	0	2,693,036
<b>Latest Capital Budget 2020/21 after 2018/19 P5 review</b>	<b>2,828,386</b>	<b>2,401,686</b>	<b>426,700</b>	<b>0</b>	<b>0</b>	<b>2,828,386</b>
	Full Year Budget £	Funded by Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	Total Funded £
<b>Capital Budget - 2021/22</b>						
Original overall approval, part of 18/19 Council Tax setting	1,854,969	1,633,469	221,500	0	0	1,854,969
No change proposed at Audit Committee 24/07/18.	1,854,969	1,633,469	221,500	0	0	1,854,969
<b>Latest Capital Budget 2021/22 after 18/19 P5 review</b>	<b>1,993,314</b>	<b>1,768,819</b>	<b>224,495</b>	<b>0</b>	<b>0</b>	<b>1,993,314</b>
	Full Year Budget £	Funded by Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	Total Funded £
<b>Capital Budget - 2022/23</b>						
Original overall approval, part of 18/19 Council Tax setting	1,694,469	1,633,469	61,000	0	0	1,694,469
<b>Latest Capital Budget 2022/23 after 18/19 P5 review</b>	<b>1,829,819</b>	<b>1,768,819</b>	<b>61,000</b>	<b>0</b>	<b>0</b>	<b>1,829,819</b>

## 2018/19 Period 5 Expenditure changes and Funding Issues

## Appendix 2

## A) Main Scheme variations - actuals and commitments to 31/08/18 compared with profiled budget

	Actual to 31st August 18 £	Commitments £	Profiled budget to end Period 5 £	Current Full Year Budget £
<b>A1) Schemes for which Portfolio Holder approval reports have yet to be considered</b>				
<u>Neighbourhood Services and Community Safety</u>				
Empty Homes Delivery	0	0	0	17,049
<u>Street Scene, Parks and Open Spaces</u>				
Playground Refurbishment Unallocated	0	0	0	36,688
<b>A2) Main Schemes with slower spend progress than anticipated</b>				
<u>Leisure, Health and Community Engagement</u>				
Garstang Pool Sandfilters	-10,000	0	0	0
<u>Neighbourhood Services and Community Safety</u>				
Rossall Seawall Improvement Works	2,747,930	459,787	10,421,078	10,421,078
<u>Street Scene, Parks and Open Spaces</u>				
Mount Ground Restoration Phase 2 Development	2,616	0	13,564	13,564
<b>A3) Main Schemes with greater spend progress than anticipated</b>				
<u>Neighbourhood Services and Community Safety</u>				
Disabled Facilities Mandatory Grants	970,764	0	849,901	2,187,628
Wyre Beach Management Business Case	13,807	20,000	0	320,996
<u>Resources</u>				
Vehicle Fleet Replacement Programme	98,903	16,577	44,000	415,000
	<b>3,824,020</b>	<b>496,364</b>	<b>11,328,543</b>	<b>13,412,003</b>

## B) 2018/19 Period 5 Review changes

	Budget Adjustment £	Funded by .....	Revenue £	Capital Receipts £	Loan £	Total Funded £
		Grants and Contributions £				
<b>B1) Capital Budget - 2018/19 changes</b>						
<u>Changes in schemes as a result of rephasing, increased costs, reduced costs and externally funded schemes</u>						
<u>Neighbourhood Services and Community Safety</u>						
Disabled Facilities Mandatory Grants	5,000	5,000	0	0	0	5,000
Empty Homes Delivery	-17,049	-17,049	0	0	0	-17,049
Rossall Seawall Improvement Works	-5,548,806	-5,548,806	0	0	0	-5,548,806
<u>Resources</u>						
Vehicle Fleet Replacement Programme	12,109	0	12,109	0	0	12,109
<u>Street Scene, Parks and Open Spaces</u>						
Playground Refurbishment Unallocated	-28,662	0	0	-28,662	0	-28,662
Tebay Playground Refurbishment	-7,000	0	0	-7,000	0	-7,000
Mount Ground Restoration Phase 2 Development	-10,948	-10,948	0	0	0	-10,948
	<b>-5,595,356</b>	<b>-5,571,803</b>	<b>12,109</b>	<b>-35,662</b>	<b>0</b>	<b>-5,595,356</b>
<b>B2) Capital Budget - 2019/20 changes</b>						
<u>Neighbourhood Services and Community Safety</u>						
Disabled Facilities Mandatory Grants	135,350	135,350	0	0	0	135,350
Empty Homes Delivery	17,049	17,049	0	0	0	17,049
<u>Resources</u>						
Vehicle Fleet Replacement Programme	1,915,000	0	1,915,000	0	0	1,915,000
<u>Street Scene, Parks and Open Spaces</u>						
Playground Refurbishment Unallocated	28,662	0	0	28,662	0	28,662
Tebay Playground Refurbishment	7,000	0	0	7,000	0	7,000
Wheeled Bins	825,000	0	825,000	0	0	825,000
	<b>2,928,061</b>	<b>152,399</b>	<b>2,740,000</b>	<b>35,662</b>	<b>0</b>	<b>2,928,061</b>
<b>B3) Capital Budget - 2020/21 changes</b>						
<u>Neighbourhood Services and Community Safety</u>						
Disabled Facilities Mandatory Grants	<b>135,350</b>	<b>135,350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135,350</b>
<b>B4) Capital Budget - 2021/22 changes</b>						
<u>Neighbourhood Services and Community Safety</u>						
Disabled Facilities Mandatory Grants	135,350	135,350	0	0	0	135,350
<u>Resources</u>						
Vehicle Fleet Replacement Programme	2,995	0	2,995	0	0	2,995
	<b>138,345</b>	<b>135,350</b>	<b>2,995</b>	<b>0</b>	<b>0</b>	<b>138,345</b>
<b>B4) Capital Budget - 2022/23 changes</b>						
<u>Neighbourhood Services and Community Safety</u>						
Disabled Facilities Mandatory Grants	<b>135,350</b>	<b>135,350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135,350</b>

Comparison of Capital Expenditure to Budget

	Updated Revised 2017/18 Budget £	To 31st March 18 Actuals £	Variance £	Advance spend of 18/19 Budget £	Overspend £	Underspend £	Slippage £	Comments
<b><u>LEISURE, HEALTH AND COMMUNITY ENGAGEMENT PORTFOLIO</u></b>								
<b><u>Performance and Innovation Directorate</u></b>								
Garstang Pool Sandfilters	52,750	53,163	413	0	413	0	0	Complete with minor overspend
Marine Hall Roof	7,170	7,170	0	0	0	0	0	Complete
Thornton Little Theatre Boilers	30,000	29,659	-341	0	0	-341	0	Complete with minor underspend
Fleetwood Market Public Convenience Turnstiles	10,439	10,439	0	0	0	0	0	Complete
<b>Portfolio Total</b>	<b>100,359</b>	<b>100,431</b>	<b>72</b>	<b>0</b>	<b>413</b>	<b>-341</b>	<b>0</b>	
<b><u>NEIGHBOURHOOD SERVICES AND COMMUNITY SAFETY PORTFOLIO</u></b>								
<b><u>Health and Wellbeing Directorate</u></b>								
<b><u>Housing (subject to external funding confirmation)</u></b>								
Disabled Facilities Mandatory Grants	1,623,150	1,704,341	81,191	81,191	0	0	0	Covered by £500k of 17/18 funding which was slipped into 18/19 quarter 3
Additional Disabled Facilities Grants and Social Capital Projects	157,994	157,918	-76	0	0	0	-76	Complete with minor underspend
<b><u>People and Places Directorate</u></b>								
<b><u>Coastal Protection</u></b>								
Cell 11 Monitoring (Yr 2 of 5 year programme approved annually):External C	2,998	4,297	1,299	0	1,299	0	0	
Cell 11 Monitoring (Yr 2 of 5 year programme approved annually):In House	16,910	11,395	-5,515	0	0	-1,298	-4,217	Underspend of external grant slipped to 18/19
Rossall Seawall Improvement Works	12,741,673	9,819,444	-2,922,229	0	0	-1,151	-2,921,078	
Rossall Seawall Improvement Works In House Fees	112,470	112,866	396	0	396	0	0	Slippage to complete landscape works in April and May.
Wyre Beach Management Study	22,862	0	-22,862	0	0	-22,862	0	Scheme complete funds to be returned to Environment Agency(EA)
Wyre Beach Management Business Case	60,000	20,004	-39,996	0	0	0	-39,996	Slippage for completion of business case for new EA funded scheme
Flood Relief - Repair and Renew Grant	156,752	155,513	-1,239	0	0	-1,239	0	Complete - externally funded
<b>Portfolio Total</b>	<b>14,894,809</b>	<b>11,985,778</b>	<b>-2,909,031</b>	<b>81,191</b>	<b>1,695</b>	<b>-26,550</b>	<b>-2,965,367</b>	
<b><u>PLANNING AND ECONOMIC DEVELOPMENT PORTFOLIO</u></b>								
<b><u>Performance and Innovation Directorate</u></b>								
Fleetwood Market Lighting	47,520	0	-47,520	0	0	0	-47,520	Slipped due to scheme respecification and retendering exercise.
<b>Portfolio Total</b>	<b>47,520</b>	<b>0</b>	<b>-47,520</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-47,520</b>	
<b><u>RESOURCES PORTFOLIO</u></b>								
<b><u>People and Places Directorate</u></b>								
Vehicle Fleet Replacement Programme	160,035	146,651	-13,384	0	30,616	-44,000	0	Increased costs re replacement vehicles funded internally and externally and two vehicles rephased for purchase next year.
Copse Road Depot MOT Test Centre	52,115	47,664	-4,451	0	0	-2,251	-2,200	Slippage for signage at completed centre.
<b><u>Performance and Innovation Directorate</u></b>								
IT Server and Storage	202,979	202,978	-1	0	0	-1	0	Complete
Fleetwood Market Digital Hub	8,500	18,270	9,770	0	9,770	0	0	Complete with overspend to be reported to Cabinet early 18/19.
<b>Portfolio Total</b>	<b>423,629</b>	<b>415,563</b>	<b>-8,066</b>	<b>0</b>	<b>40,386</b>	<b>-46,252</b>	<b>-2,200</b>	
<b><u>STREET SCENE, PARKS AND OPEN SPACES PORTFOLIO</u></b>								
<b><u>People and Places Directorate</u></b>								
Memorial Park Fleetwood Heritage scheme Phase 2	5,848	0	-5,848	0	0	0	-5,848	Slippage for consultant services required until dispute with contractor is resolved.
Mount Grounds	4,650	4,649	-1	0	0	-1	0	Complete
Mount Grounds Restoration Phase 2	158,840	130,756	-28,084	0	0	-14,520	-13,564	Scheme near completion with unspent contingency reflecting underspend.
Mariners Close Playground Removal/Relandscaping	6,863	0	-6,863	0	0	0	-6,863	Slipped to reduce costs if new park Friends Group are successful in raising funds.
King George's Playing Field, Thornton	3,300	3,300	0	0	0	0	0	Scheme continuing in 18/19.
<b>Portfolio Total</b>	<b>179,501</b>	<b>138,705</b>	<b>-40,796</b>	<b>0</b>	<b>0</b>	<b>-14,521</b>	<b>-26,275</b>	
<b>GRAND TOTAL</b>	<b>15,645,818</b>	<b>12,640,477</b>	<b>-3,005,341</b>	<b>81,191</b>	<b>42,494</b>	<b>-87,664</b>	<b>-3,041,362</b>	