

## TRAFFORD COUNCIL

**Report to:** Executive  
**Date:** 30 July 2012  
**Report for:** Decision  
**Report of:** The Executive Member for Finance and  
the Director of Finance

### Report Title

**CAPITAL INVESTMENT PROGRAMME MONITORING 2012/13**  
**1<sup>st</sup> Quarter (April – June)**

### Summary

This report summarises the findings from the budget monitoring for the period to 30 June 2012. The salient features are:

- The original 2012/13 budget approved in February 2012 was £64.5m. Additional external funding of £1.0m has increased the programme to £65.5m.
- Additional capital receipts of £0.9m have been identified which reduce the level of over-programming to £0.6m
- Capital expenditure to date is £14.1m, being 22% of the budget (see Appendix 3 for detail by service area). Included within this is £5.3m on schemes already completed. Including :
  - New 6<sup>th</sup> Form Centre at Altrincham College of Arts
  - Specialist housing scheme at Shawe View.
  - Wharfside Promenade landscaping project
- Of the amended budget 97% is either already spent or programmed to be spent in year, and no delivery issues have been identified.

### Recommendation(s)

1. That the amendments to the 2012/13 Capital Investment Programme be approved.
2. That the monitoring report be noted.

### Contact person for access to background papers and further information:

Name: Graeme Bentley

Extension: 4336

Background Papers – Capital Budget Report 2012/15 and Capital Outturn Report 2011/12

## 1. Capital Programme Update

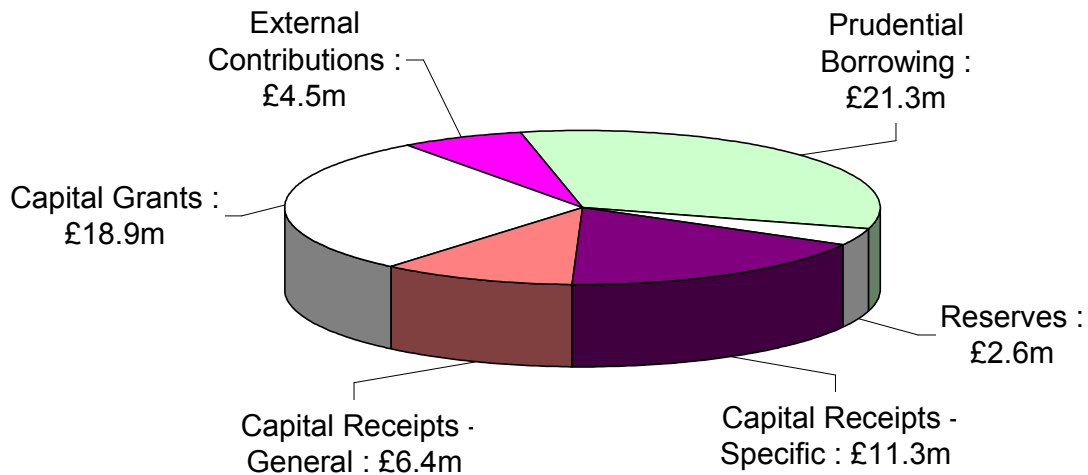
- 1.1 This report summarises the current position and progress of the 2012/13 Capital Investment Programme and its' financing as at 30 June 2012. It takes into account both financial and scheme progress monitoring undertaken with service area project officers.
- 1.2 Capital expenditure in 2012/13 is currently estimated at £65.5m which is £1.0m higher than the original estimate agreed by the Council in February 2012. The changes to the budget are detailed in Appendix 1 and are summarised as follows:-

<i>Capital Investment Programme 2011/12</i>	<b>Original 2011/12 £m</b>	<b>Q1 Revised 2011/12 £m</b>	<b>Change £m</b>
<b>Portfolio Analysis :</b>			
Supporting Children & Families	0.1	0.1	
Economic Growth & Prosperity	32.9	32.9	
Adult Care, Health & Wellbeing	4.1	4.1	
Education	17.4	17.6	+0.2
Environmental Services	1.0	1.0	
Highways & Transportation	5.7	6.7	+1.0
Safe, Strong Communities	0.7	0.5	-0.2
Transformation & Resources	2.6	2.6	
<b>Total</b>	<b>64.5</b>	<b>65.5</b>	<b>+1.0</b>
<b>Service Analysis :</b>			
Children & Young People	17.5	17.7	+0.2
Communities & Wellbeing	4.1	4.1	
Economic Growth & Prosperity	32.9	32.9	
Environment Transport & Operations	7.4	8.2	+0.8
Transformation & Resources	2.9	2.6	
<b>Total</b>	<b>64.5</b>	<b>65.5</b>	<b>+1.0</b>

## 2 Resourcing

- 2.1 The chart below shows the types and levels of resource available to finance the capital investment programme. Internal funding of £42.1m equates to 64% of the total funding requirement, whilst external funding makes up the balance (£23.4m). The majority of the external funding is government grants (81%) and whilst a number of these are no longer ring-fenced they support some major programmes, particularly on the schools programme, hence there is limited discretion over the application of these resources.

**Capital Programme 2012-13 (£65.5m)  
Financing by Resource Type**



2.2 The current estimate of capital receipts has been updated to reflect the latest information from the Land Sales Programme and an additional £0.9m has been identified, being £0.6m of compensation for the M63 widening scheme and changes to valuation estimates on several sites. The deficit position on the overall three year programme has therefore reduced to £0.6m.

<i>Impact on 2012/15 Capital Programme</i>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
<b>Resources available :</b>				
Capital receipts estimate	16.6	5.8		22.4
LSVT VAT receipts	2.0			2.0
<b>Total discretionary Resources</b>	<b>18.6</b>	<b>5.8</b>		<b>24.4</b>
Capital Programme requirement	18.3	5.3	1.4	25.0
<b>Current Surplus/(Deficit) at Q1</b>	<b>0.3</b>	<b>0.5</b>	<b>(1.4)</b>	<b>(0.6)</b>

2.3 The level of available capital resources is assessed throughout the year to ensure the Capital Programme remains affordable. The level of deficit will be monitored to ensure the Council's investment plans remain affordable.

### 3. Actual Expenditure – 1<sup>st</sup> Quarter (April – June)

3.1 Actual expenditure for the first quarter of the financial year is shown below, with further details of the service areas in Appendix 3.

<i>Capital Investment Programme : Expenditure at Quarter 1 2011/12</i>	<b>Q1 Spend £m</b>	<b>Projection for Year £m</b>	<b>% of spend to budget</b>
<b>Portfolio Analysis :</b>			
Supporting Children & Families	-	0.1	-
Economic Growth & Prosperity	7.4	32.9	22.5%
Adult Care, Health & Wellbeing	1.2	4.1	29.3%
Education	5.3	17.6	30.1%
Environmental Services	-	1.0	-
Highways & Transportation	0.2	6.7	3.0%
Safe, Strong Communities	-	0.5	-
Transformation & Resources	0.0	2.6	1.5%
<b>Total</b>	<b>14.1</b>	<b>65.5</b>	<b>21.5%</b>
<b>Service Analysis :</b>			
Children & Young People	5.3	17.7	29.7%
Communities & Wellbeing	1.2	4.1	29.1%
Economic Growth & Prosperity	7.4	32.9	22.7%
Environment Transport & Operations	0.2	8.2	1.8%
Transformation & Resources	0.0	2.6	1.5%
<b>Total</b>	<b>14.1</b>	<b>65.5</b>	<b>21.5%</b>

3.2 Included in the £14.1m is £5.3m for schemes completed in Q1. These include:

- Primary School Places schemes at 2 schools
- New 6<sup>th</sup> Form Centre at Altrincham College of Arts
- Specialist housing scheme at Shawe View.
- Wharfside Promenade landscaping project
- A number of DDA and Public Building related projects.

3.3 Whilst there are low levels of expenditure in the Environment, Transport & Operations schemes to date, schemes have now been approved and preliminary work has started. It is expected that the budget of £6.0m will be fully invested in year.

3.4 The budget for Transformation & Resources of £2.6m is predominantly (£2.3m) ICT related schemes. Whilst current levels of expenditure (£40k) are lower than expected, the value of schemes on-site or programmed to start in year is £1.9m. The major schemes are in negotiation with procurement and suppliers and it is expected that the budget will be spent in year.

#### 4. Status of 2012/13 Projects

- 4.1 There are 273 individual schemes currently allocated in the programme. These include some major projects including the rebuild of St Ambrose College and the Long Term Accommodation scheme. All schemes in the budget were reviewed into the following categories to identify the level of projected expenditure in 2012/13 :

<i>Status of 2012/13 Projects</i>	<b>£m</b>	<b>% of Adjusted Budget</b>
Already complete	5.3	8.1%
Schemes on site	48.4	73.9%
Programmed Schemes – to start later in year	10.0	15.3%
Not yet programmed	1.8	2.7 %
<b>Total</b>	<b>65.5</b>	<b>100.0%</b>

- 4.2 The first three categories give a good indication of the level of confirmed expenditure that will be undertaken during the year. An analysis by service area is shown in Appendix 2. An analysis of the schemes not yet programmed is shown below.

<i>Analysis of Not yet programmed budgets</i>	<b>£m</b>	<b>% of Adjusted Budget</b>
Children & Young People (Schools)	0.1	3.3%
Communities & Wellbeing	-	-
Economic Growth & Prosperity	0.6	31.0%
Environment, Transport & Operations	0.5	27.4%
Transformation & Resources	0.6	38.3%
<b>Total</b>	<b>1.8</b>	<b>2.7%</b>

## 5. Recommendations

- 5.1 That the amendments to the 2012/13 Capital Investment Programme be approved. That the monitoring report be noted.

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Capital expenditure to be been contained within available resources in 2012/13.
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Staffing/E-Government/Asset Management Implications	A number of improvement schemes are being undertaken in 2012/13.
Risk Management Implications	Not Applicable
Health and Safety Implications	A number of schemes are being undertaken in 2012/13 on the grounds of health and safety.

### **Other Options**

The Executive could decide to put a hold on any new commitments where potential schemes are supported by Trafford's internal resources. This would provide some benefit to the revenue account as interest costs would be avoided and also provide a source of capital resources that could be used to support any invest to save proposals that come forward as part of the 2013/14 revenue budget process.

### **Consultation**

Consultation has taken place with budget holders, responsible officers and professional services to ascertain the best projection of capital expenditure to be incurred in 2012/13.

### **Reasons for Recommendation**

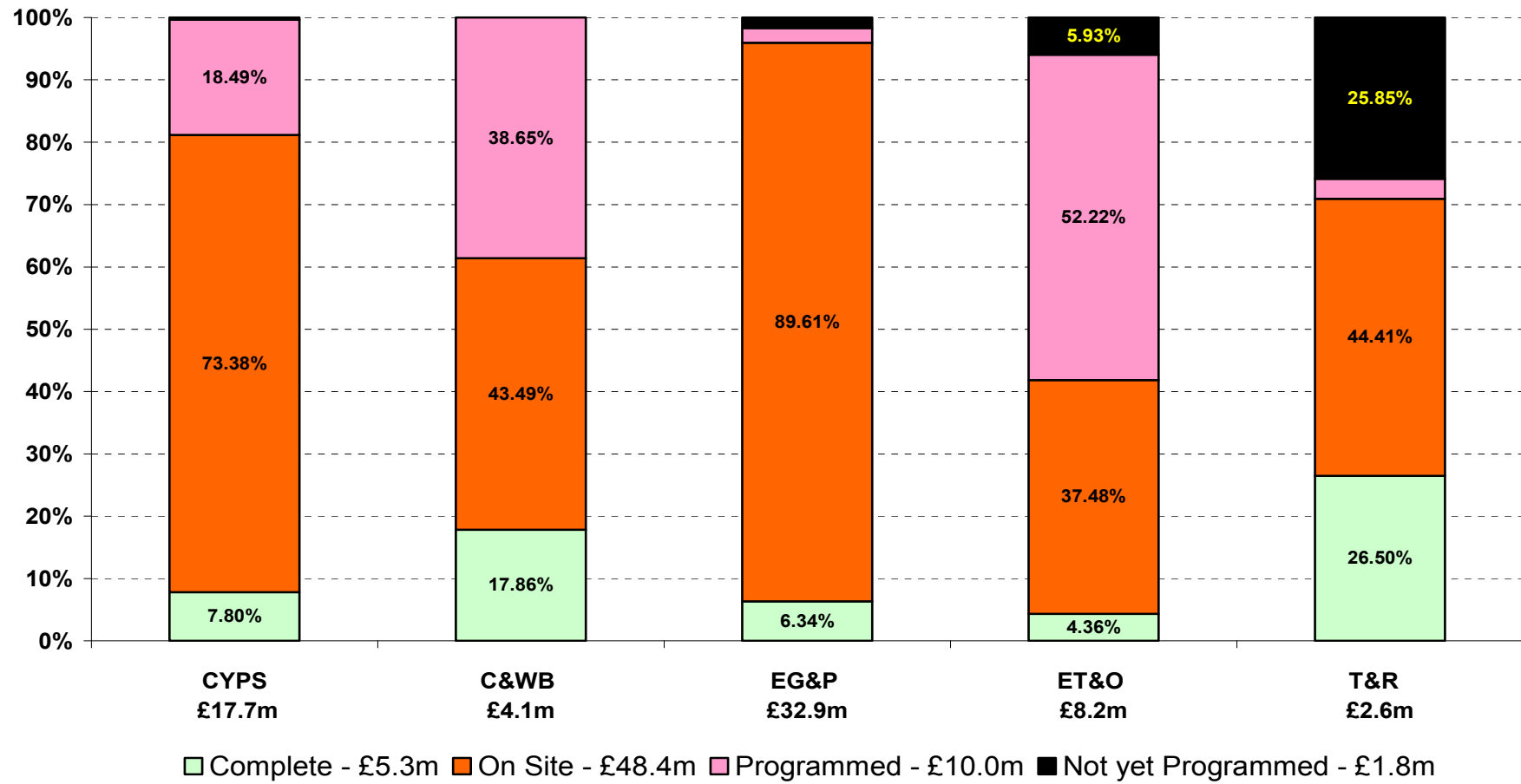
The Authority is regularly assessed on the performance of its Capital Investment Programme and how delivery matches corporate policies and proposed spending plans. To reflect budgets in line with revised expectations will assist in evidencing that compliance with the above criteria is being met.

**Finance Officer Clearance** *(type in initials)*...JK.....

## Appendix 1

<b>Capital Investment Programme 2012/13 : Budget changes during Quarter 1</b>		<b>Budget 2012/13 £'000</b>	<b>Budget 2012/13 £'000</b>
<b>Budget reported at February 2012</b>			<b>64,471</b>
<b>Amendments during Quarter 1</b>			
<b>New Schemes &amp; Increases</b>	Financed by :		
Broadheath Primary School	S.106	12	
Altrincham College of Arts : 6 <sup>th</sup> Form	YPLA	150	
Stretford High School – Sports facilities	School	28	
Altrincham Interchange – Bridge	Developer	150	
Congestion Performance Works	DoT	74	
Better Bus : Area Funding	TfGM & S.106	509	
London 2012 – Lat Mile Improvements	LOCOG	138	
Event Day Parking : Old Trafford	LOCOG	122	
Hale Rd, Hale – Puffin crossing	S.106	55	1,238
<b>Reductions</b>			
CPO Properties	Capital receipts		(200)
<b>Budget at 30 June 2012</b>			<b>65,509</b>

## Capital Programme 2012/13 - Status of schemes by Service Area





## Children &amp; Young People

<i>Capital Investment Programme 2012/13</i>	Number of Schemes	Q1 Budget 2012/13 £m	Q1 Expend 2012/13 £m	% of spend to budget
<b>Quarter 1 Budget</b>		<b>17.7</b>		
<b>Schools</b>				
Primary Schools	14	3.7	0.4	10.8%
Secondary Schools	11	9.5	4.5	47.4%
Other Schemes	40	4.3	0.4	9.3%
<b>Youth Service</b>	3	0.1	-	-
<b>Children's Service</b>	4	0.1	-	-
<b>Total</b>	<b>72</b>	<b>17.7</b>	<b>5.3</b>	<b>29.7%</b>

The 2012/13 budget approved in February was £17.5m. The Q1 monitoring undertaken has resulted in the budget being increased to current levels of £17.7m. The increase being additional funding received for Altrincham College of Arts: 6th Form Building (£150k from YPLA) and Stretford High School (£28k from school).

## Communities &amp; Wellbeing

<i>Capital Investment Programme 2012/13</i>	Number of Schemes	Q1 Budget 2012/13 £m	Q1 Expend 2012/13 £m	% of spend to budget
<b>Quarter 1 Budget</b>		<b>4.1</b>		
Services for Adults	10	4.1	1.2	29.3%
<b>Total</b>	<b>10</b>	<b>4.1</b>	<b>1.2</b>	<b>29.3%</b>

The Q1 monitoring has identified that the DFG programme (£2.1m) is working well. The introduction of new frameworks is showing reduced costs per grant award and a faster turnaround of applications to completion. Also the replacement Social Care ICT system is programmed to start in August '12 with it anticipated to "go-live" from the start of 2013/14.

## Economic Growth & Prosperity

<i>Capital Investment Programme 2012/13</i>	Number of Schemes	Q1 Budget 2012/13 £m	Q1 Expend 2012/13 £m	% of spend to budget
<b>Quarter 1 Budget</b>		<b>32.9</b>		
<b>Corporate Landlord</b>				
Mechanical & Electrical	20	0.7	0.2	21.9%
Health & Safety (inc DDA)	16	0.5	0.1	29.1%
Public Building Repairs	29	0.8	0.2	20.4%
Long Term Accommodation	2	16.5	1.7	10.1%
<b>Regeneration</b>	3	11.4	3.2	28.3%
<b>Strategic Planning</b>	2	0.7	-	-
<b>Housing Services</b>	4	2.3	2.0	88.2%
<b>Total</b>	<b>76</b>	<b>32.9</b>	<b>7.4</b>	<b>22.5%</b>

The major schemes within this Service Area are:

- **Long Term Accommodation Strategy : £16.5m** – which includes the development of the new Town Hall facility, which is progressing well with re-occupation expected to commence in February 2013.
- **Lancashire County Cricket Club redevelopment : £11.3m** – which continues the redevelopment of the ground and facilities and has resulted in test match cricket being awarded again.
- **Local Authority Mortgage Scheme (LAMS) : £2m** – Scheme which is aimed at assisting first-time buyers and stimulating the local economy.

## Environment Transport & Operations

<i>Capital Investment Programme 2012/13</i>	Number of Schemes	Q1 Budget 2012/13 £m	Q1 Expend 2012/13 £m	% of spend to budget
<b>Quarter 1 Budget</b>		<b>8.2</b>		
<b>Highways</b>				
Traffic & Transport	36	2.7	-	-
Highway Maintenance	24	3.5	0.1	2.9%
Bridges	15	0.4	-	-
<b>Bereavement Services</b>	2	0.7	-	-
<b>Sustainability &amp; Greenspace</b>	11	0.4	0.1	22.2%
<b>Public Protection</b>	4	0.3	-	-
<b>Waste Management</b>	2	0.2	-	-
<b>Total</b>	<b>94</b>	<b>8.2</b>	<b>0.2</b>	<b>1.8%</b>

The 2012/13 budget approved in February was £7.4m. The Q1 monitoring undertaken has resulted in the budget being increased to current levels of £8.2m.

The increase in the budget relates to for a number of schemes including :

- **Better Bus : Area Funding: £509k** – New grant from TfGM of £1.2,m cross two years to be supplemented by S.106 to take the total budget up to £3.2m. The funding will provide 3 schemes to enhance bus access to key growth points.
- **London 2012 – Lat Mile Improvements & Event Day Parking : £260k** – LOCOG funding has been secured which will provide a number of initiatives to improve the highways, footpaths, signage and parking around the venues in Trafford being used for the 2012 Olympics.
- **Altrincham Interchange – Bridge: £150k** - The demolition of the bridge is to be undertaken financed by a contribution from the developer.
- **Congestion Performance Works : £74k** - Additional grant from TfGM to continue work from previous years.
- **Hale Rd, Hale – Puffin crossing : £55k** : As a result of the rebuilding of St.Ambrose College S.106 funding is being used to install a new crossing on Hale Road, Hale.

## Transformation & Resources

<i>Capital Investment Programme 2012/13</i>	Number of Schemes	Q1 Budget 2012/13 £m	Q1 Expend 2012/13 £m	% of spend to budget
<b>Quarter 1 Budget</b>		<b>2.6</b>		
Performance & Improvement	2	0.3	-	-
Information Technology	18	1.7	-	-
SWiTch – HR / Payroll	1	0.6	0.0	4.7%
<b>Total</b>	<b>21</b>	<b>2.6</b>	<b>0.1</b>	<b>1.5%</b>

The budget for Transformation & Resources of £2.6m is predominantly (£2.3m) ICT related schemes. The major schemes being :

- Customer Relationship Manager Upgrade : £1.1m
- Electronic Data Records System (EDRMS) : £0.7m
- Web / Customer Strategy : £0.4m

These are all negotiation with procurement and suppliers and it is expected that the budget will be spent in year.