

## **TRAFFORD COUNCIL**

**Report to:** Executive  
**Date:** 16 November 2015  
**Report for:** Decision  
**Report of:** The Executive Member for Finance and  
the Director of Finance

### **Report Title**

**CAPITAL INVESTMENT PROGRAMME MONITORING 2015/16  
2<sup>nd</sup> Quarter (April – September)**

### **Summary**

This report summarises the budget position for the period to 30 September 2015. The salient features are:

- The updated 2015/16 budget approved in July 2015 was £44.3m. Taking into account minor amendments in the second quarter the programme remains at £44.3m.
- Capital expenditure to date is £13.5m, being 31% of the budget with an outturn projection for 2015/16 of £40.6m.  
(see Appendix 2 for detail by service area).

### **Recommendation(s)**

1. That the amendments to the 2015/16 Capital Investment Programme be approved.
2. That the monitoring report be noted.

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

**Name:** Mark Hughes  
**Extension:** 2072

## Implications:

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Capital expenditure to be contained within available resources in 2015/16.
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 2015/16.
Risk Management Implications	Not Applicable
Health and Safety Implications	A number of schemes are being undertaken in 2015/16 on the grounds of health and safety.

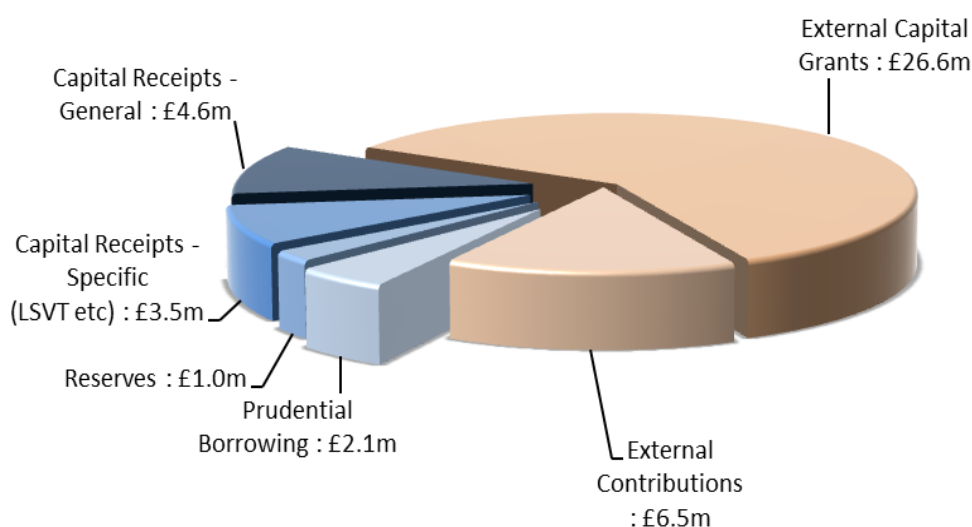
## 1. Capital Investment Programme Update

- 1.1 This report summarises the current position and progress of the 2015/16 Capital Investment Programme and its' financing as at 30 September 2015. It takes into account both financial and scheme progress monitoring undertaken with service area project officers.
- 1.2 Capital expenditure in 2015/16 is currently estimated at £44.3m which is the same as the budget estimate agreed in the Q1 Monitor Report in July 2015.
- 1.3 The TfGM funded City Cycle Ambition initiative is now close to completion and the final costs are lower than originally budgeted. As a result of this reduced requirement the level grant support has been reduced by £149k.
- 1.4 In partnership with the Trafford Clinical Commissioning Group (CCG) the Council has agreed to develop Davyhulme Library into a Doctor's Surgery, which the CCG will then lease. The CCG has agreed to fund the refurbishment, which is estimated to cost £300k. To date £70k of this funding has been confirmed. A budget to this value has been added to the Capital Programme and will be increased, up to £300k, as the CCG confirms the funding.
- 1.5 Two grant awards have been received to support additional investment in Sustainability and Greenspace projects:
  - Longford Park, Stretford - £10k: A grant from Trafford Housing Trust to support the continued development of the park.
  - Countryside Infrastructure - £20k: A Land Fill Tax grant has been awarded to support improvements to the Trans Pennine Trail at the Lesley Road area of Stretford.

## 2 Resourcing

- 2.1 The chart below shows the types and levels of resource available to finance the Capital Investment Programme. Internal funding of £11.2m equates to 25% of the total funding requirement, whilst external funding makes up the balance of £33.1m with 80% of this being government grants (£26.6m).

## Capital Programme 2015-16 (£44.3m) 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 (LSP). The table below shows the current value of estimated capital receipts available to support the capital budget has increased by £0.2m compared to the position reported in the Q1 Monitor Report as a result of a new site being added to the programme. Therefore the overall position remains the same as a surplus of £2.8m.

Impact on 2015/17 Capital Investment Programme	2015/16 £m	2016/17 £m	Total £m
<b>Resources available :</b>			
Gross Value of LSP	(2.8)	(6.5)	(9.3)
Receipts carried forward from earlier years incl LSVT VAT receipts	(11.1)		(11.1)
Other specific receipts	(0.3)		(0.3)
<b>Less:-</b>			
Disposal costs	0.2	0.2	0.4
Voluntary repayment of debt (re Long Term Accommodation)	1.4		1.4
Receipts required to be set aside in lieu of Sale Waterside Private Finance Initiative Minimum Revenue Provision	0.2	0.2	0.4
<b>Net Value of LSP</b>	<b>(12.4)</b>	<b>(6.1)</b>	<b>(18.5)</b>
Capital Programme requirement	8.1	7.6	15.7
<b>Current (Surplus)/Deficit at Q2</b>	<b>(4.3)</b>	<b>3.5</b>	<b>(2.8)</b>

- 2.3 It is not intended to commit these available capital receipts to further capital investment at this stage. The Council is awaiting the outcome of the Comprehensive Spending Review as the capital receipts may be required to help support the revenue budget indirectly, such as repaying debt or meeting staff severance costs which would otherwise fall on constrained revenue resources.

### 3. Actual Expenditure – 2<sup>nd</sup> Quarter (April – September)

- 3.1 There are 259 schemes currently allocated in the capital investment programme. All schemes have been reviewed with project officers for both physical and financial progress. The review provides a robust plan for schemes and projections of expenditure in the year.
- 3.2 Actual expenditure for the second quarter of the financial year is £13.5m and a service area breakdown is shown below along with a budget profiled against the expected start on completion dates of projects. Further service area details are shown in Appendix 2.

Capital Investment Programme : Expenditure at Quarter 2 2015/16	Q2 Spend £m	Profiled Budget £m	Proportion of budget
<b>Portfolio Analysis :</b>			
Adult Social Services & Community Wellbeing	1.0	1.6	62.5%
Children's Services	7.8	9.5	82.1%
Communities & Partnerships	-	0.1	-
Economic Growth & Planning	1.3	1.4	92.9%
Environment & Operations	2.7	3.7	73.0%
Transformation & Resources	0.7	0.7	100.0%
<b>Total</b>	<b>13.5</b>	<b>17.0</b>	<b>79.4%</b>
<b>Service Analysis :</b>			
Children, Families & Wellbeing	8.8	11.1	79.3%
Economic Growth, Environment & Infrastructure	4.0	5.2	76.9%
Transformation & Resources	0.7	0.7	100.0%
<b>Total</b>	<b>13.5</b>	<b>17.0</b>	<b>79.4%</b>

- 3.3 Expenditure incurred to date amounts to £13.5m, the main areas of spend are:
- **£7.8m** on a number of ongoing schools schemes which will provide additional school places and address condition issues through rewire, boiler, roof and kitchen ventilation works.
  - **£1.0m** on range of Adult Social Care schemes including Disabled Facilities Grants, Assistive Technology and the extension of Liquid Logic ICT system.
  - **£2.5m** from a budget of £11.2m for a range of highways & transport schemes, that have now been approved and preliminary work started.
  - **£1.0m** on the development of town centres across the borough, including design works for major redevelopment of Altrincham and Stretford and the completion of improvements to the pedestrian areas of Sale.
  - **£0.5m** on the new Customer Relationship Management ICT system.
- 3.4 An assessment has been undertaken of the likely projected outturn expenditure. This is now forecast to be £40.6m as a result of the following:
- **CFW** – £0.9m across schools and social care services includes:
    - £0.4m of schools capital maintenance budget has yet to be allocated and whilst there are schemes which could utilise this, due to the requirement to programme works in line with school holidays it is not expected be spent in 2015/16.

- £0.5m of Social Care Grant has not yet been allocated to specific projects in 2015/16.
- **EGEI** – £1.9m of projects are not expected to start in 2015/16 as originally programmed, these include:
  - Corporate Landlord Budgets (£0.5m) – The Community Asset Transfer budget is yet to be allocated and whilst negotiations are on-going with community groups, these can be protracted. However, there will be commitments on the leisure portfolio in respect of capital repairs to buildings.
  - LED Replacement Programme (£0.9m) – Work to replace the LED luminaires, to be undertaken by Amey, is not now expected to start until April 2016, but will be complete as expected, in mid-2017/18.
  - Additional Burial Land (£0.4m) – Agreement has been reached on the purchase of the land. However planning permissions have to be granted for the infrastructure works which are not now expected to be undertaken in 2015/16.
- **T&R** – £0.9m across a number of ICT includes:
  - £0.6m of the CRM Replacement Project budget where the continuing consultation and scoping with the appointed contractor has provided a more accurate profile of the budget.
  - £0.3m on five further projects which were originally planned for delivery in 2015/16 are not now expected to start until 2016/17.

**Other Options**

Not applicable. Decisions about any review of the Capital Investment Programme will be taken in February 2016.

**Consultation**

Not applicable.

**Reasons for Recommendation**

Additional grants have been received by the Council and the projects upon which these monies will be spent need to be formally adopted into the Capital Investment Programme.

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

**Legal Officer Clearance**                    *(type in initials).....JF.....*

**Director of Finance**

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 To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

## Appendix 1

Capital Investment Programme 2015/16 : Budget changes during Quarter 2			Budget 2015/16 £'000	Budget 2015/16 £'000
<b><i>Budget reported at Quarter 1</i></b>				<b>44,290</b>
<b><i>Amendments during Quarter 2</i></b>				
	<b>New Schemes &amp; Increases</b>	Financed :		
	Parks Infrastructure – Longford Park, Stretford	THT grant	10	
	Countryside Infrastructure – Trans Pennine Trail	Land Fill Tax	20	
	Davyhulme Library : Conversion to doctors surgery	NHS	70	100
	<b>Reductions to Schemes (see para.1.3)</b>			
	City Cycle Ambition Grant	TfGM		(149)
	<b>Reprofiling – budget accelerated from 2016/17</b>			
	Schools Maintenance – Broadheath PS		25	25
<b>Budget at 30 September 2015</b>				<b>44,266</b>

## Children, Families &amp; Wellbeing

Capital Investment Programme 2015/16	Budget 2015/16 £m	Q2 Profiled Budget £m	Q2 Expend 2015/16 £m	Proportion of budget
<b>Quarter 2 Budget</b>	<b>21.6</b>	<b>11.1</b>		
Schools				
Primary Schools	10.5	6.2	5.0	80.6%
Secondary Schools	0.7	0.2	0.1	50.0%
Special Schools	5.7	2.8	2.5	89.3%
Other Schemes	0.6	0.3	0.2	66.7%
Children & Adult Social Care	4.1	1.6	1.0	62.5%
<b>Total</b>	<b>21.6</b>	<b>11.1</b>	<b>8.8</b>	<b>79.3%</b>

**Schools** – The major schemes within this area include:

- **Schools Basic Need Grant:** The 2015/16 budgets for these projects total £14.0m. Included in this are four major projects:
  - Brentwood School - £5.5m
  - Bowdon CoE Primary School - £3.5m
  - Oldfield Brow Primary School - £2.8m
  - Willows Primary School - £0.9m

The scheme at Willows Primary School is now complete, Bowdon CoE Primary School is due to complete in December whilst the others are on site and project officers are confident that the budgets will fully utilised in the year.
- **Capital Maintenance Grant:** A budget of £2.2m is programmed for 2015/16 across 25 new schemes and retentions on 10 schemes undertaken in 2014/15. The works cover a range of condition issues, including rewires, boilers, roofs and kitchen ventilation. 19 of the schemes have been completed over the school summer holidays with the balance due to complete over the October half-term holidays.

**Children and Adult Social Care** –The major schemes included in the report are:

- Disabled Facilities Grants : £1.9m - £0.3m has been incurred to date continuing the provision of grant to support adaptations which allow people to remain independent in their own homes.
- Replacement ICT System for Social Care : £0.7m – The new project to allow for integration of children social care requirements has begun, expenditure of £0.2m has been incurred in line with expectations.
- Telecare & Assistive Technology : £0.4m - £0.3m has been incurred on the continuing provision of equipment to support older people in their own homes.
- Personal Social Services Grant : £0.8m - £0.5m of this has yet to be allocated and is not expected to be utilised in 2015/16.

## Economic Growth, Environment & Infrastructure

Capital Investment Programme 2015/16	Budget 2015/16 £m	Q2 Profiled Budget £m	Q2 Expend 2015/16 £m	Proportion of budget
<b>Quarter 2 Budget</b>	<b>19.8</b>	<b>5.2</b>		
<b>Corporate Landlord</b>				
Mechanical & Electrical	0.3	-	-	-
Health & Safety (inc DDA)	0.4	0.1	0.1	100.0%
Public Building Repairs	1.7	0.1	0.1	100.0%
Long Term Accommodation	0.1	0.1	0.1	100.0%
<b>Regeneration &amp; Strategic Planning</b>	3.8	1.1	1.0	90.9%
<b>Housing Services</b>	0.1	-	-	-
<b>Highways</b>				
Traffic & Transport	6.4	1.7	0.4	23.5%
Highway Maintenance	4.6	1.7	2.0	117.6%
Bridges	0.3	0.1	0.1	100.0%
<b>Bereavement Services</b>	0.8	0.1	-	-
<b>Sustainability &amp; Greenspace</b>	1.0	0.2	0.2	100.0%
<b>Public Protection</b>	0.3	-	-	-
<b>Total</b>	<b>19.8</b>	<b>5.2</b>	<b>4.0</b>	<b>76.9%</b>

The major schemes within this Service Area are:

- **Corporate Landlord Works: £2.5m** – A range of works are due to be undertaken to protect the Council’s assets in year. The Corporate Landlord Group has agreed a number of schemes covering M&E, DDA and Public Building Repairs work which are to be undertaken as part of the Joint Venture with Amey. *As yet a detailed programme of milestone dates is yet to be received and the £0.5m budget for community asset transfer works has not yet been committed. It is anticipated that there will be little investment in the year. However, there will be commitments on the leisure portfolio in respect of capital repairs to buildings.*
- **Town Centre Regeneration: £3.8m** – Work to bring town centres back to life and to encourage business opportunities. The first phase of the development of Altrincham completed in September whilst Stretford town centre work is at the design & consultation stage and works will commence once all external funding has been secured.
- **Highways Related Schemes : £11.4m** – This area includes :
  - *Highways Structural Maintenance (inc bridges)* – 32 schemes with a budget of £2.2m. A programme of works to be undertaken as part of the Joint Venture has been agreed with the majority of projects starting in the second half of the year. All are expected to complete in 2015/16
  - *Integrated Transport Programme* – 26 schemes with a budget of £0.7m. Progress in line with Highways Structural Maintenance above.



- *Street Lighting and LED Replacement Programme - £1.2m.* As part of the Joint Venture the LED Replacement Programme is now not expected to commence until April 2016.
- *Major Projects - £6.9m* - Includes Trafford's contribution to the extension of the Metrolink and Altrincham Interchange improvements which are programmed to fall due towards the end of the year. Whilst the TfGM funded schemes on the Bridgewater Way, Cycling Initiatives and Better Bus Routes are now practically complete.
- The second phase of the TfGM funded City Cycle Ambition initiative has now been approved with Trafford receiving grant totalling £1.8m. Three projects will commence in 2015/16 with a budget of £0.4m.

There is a need to address problems caused by large highway forest trees. Restrictions for pedestrians and damage to the footway, surface kerb line and the channel have been identified at a number of sites across the borough. Approximately £60k is needed to address these issues and savings have been identified from within existing highways budgets to cover these costs.

- **Sustainability & Greenspace: £1.0m** – Schemes for the improvement and provision of open spaces, parks and play areas including the upgrade of equipment and the improvement of paths and lighting. Following the additional of £0.3m of S.106 funded projects included in the last report schemes are progressing through the design and consultation stages with the expectation that all will be complete in year.
- **Bereavement Services - £0.8m**
  - *Additional Burial Land - £0.4m:* Agreement has been reached for the purchase of additional burial land in Altrincham and is expected to complete this year, due to planning permissions the associated infrastructure works are programmed for 2016/17.
  - *Altrincham Crematorium cremators - £0.5m:* The scheme has commenced and the first cremator has been installed. Work to replace the second cremator is due to start and is expected to complete in year.

## Transformation & Resources

Capital Investment Programme 2015/16	Budget 2015/16 £m	Q2 Profiled Budget £m	Q2 Expend 2015/16 £m	Proportion of budget
<b>Quarter 2 Budget</b>	<b>2.9</b>	<b>0.7</b>		
Performance & Improvement	0.3	-	-	-
Information Technology	2.6	0.7	0.7	100.0%
<b>Total</b>	<b>2.9</b>	<b>0.7</b>	<b>0.7</b>	<b>100.0%</b>

The majority of the budget within this Service Area relates to ICT schemes

The major schemes programmed for 2015/16 include:

- **CRM Replacement/ Upgrade: £1.8m** – The implementation programme for the project has now been finalised and consultation and scoping continue with Civica. As a result a more accurate profile of spend has been achieved with an expectation that £0.6m of the year's budget will be incurred in 2016/17.
- **Other ICT Projects: £0.8m** – A review of each of the 15 projects has been undertaken and as a result it is expected *5 will not be able to be delivered in the year and are planned for 2016/17. These are :*
  - *Proactive Server Monitoring - £36k*
  - *ICT provision for Members - £32k*
  - *ICT System Disaster Recovery - £102k*
  - *ICT - SAP SRM Upgrade - £40k*
  - *ICT - VMware ESX Memory Capacity Upgrade - £25k*