

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
12 February 2013

Subject: CAPITAL MONITORING PROCESS

All Wards
Portfolio Holder for Resources: Councillor R Kirk

1.0 PURPOSE AND BACKGROUND:

- 1.1 Following concerns raised by Cabinet in September 2012 and again in January 2013 over the progress of the Capital Programme 2012/13, this report sets out a series of actions that will ensure that future capital schemes are programmed and delivered evenly throughout the year. Also, that a more comprehensive reporting mechanism to Cabinet and the wider Membership is adopted to highlight issues at the earliest opportunity.
- 1.2 These actions will ensure that the issues that have transpired in relation to the delivery of the capital programme are not repeated in future years. Also, that the revised Capital Programme for 2012/13 set out in Annex A is delivered by 31 March 2013.

2.0 APPROVAL OF CAPITAL EXPENDITURE:

- 2.1 In March 2013 a report will be presented to Cabinet outlining the draft Capital Programme 2013/14 for approval. This will be informed by the 10 year capital programme which will also be presented for approval.
- 2.2 The report will demonstrate that each scheme requested is business critical, will help meet specific objectives within the Council Plan and that the schemes represent value for money. It will then be the responsibility for each Director to attribute an estimated completion date for the scheme and to ensure that completions are programmed throughout the year avoiding 31 March 2014 as the completion date for all schemes.

3.0 MONITORING CAPITAL EXPENDITURE:

- 3.1 Each Director will monitor expenditure against capital schemes allocated to their business group on a monthly basis with their nominated accountant. Variations against capital scheme budgets or completion dates will be discussed and reported to the Capital Monitoring Steering Group.
- 3.2 The Capital Monitoring Steering Group consists of all Directors and includes representation from capital scheme project managers. This Group was established in October 2012 to monitor the progress of capital schemes and where appropriate, take actions to ensure schemes are delivered within budget and on time.
- 3.3 The minutes from the Capital Monitoring Steering Group directly inform a revised Capital Monitoring Report to be presented to Cabinet on a monthly basis.

4.0 REPORTING CAPITAL EXPENDITURE:

- 4.1 A revised Capital Monitoring Report is attached as Annex A, this gives a detailed account of the progress made against the capital programme up until December 2012. It is envisaged that this report will be presented to Cabinet initially on a monthly basis.
- 4.2 The report gives an account of both the number of schemes complete and ongoing within each business group and the expenditure attributable against those schemes.
- 4.3 Attached to the report is an Annex with details of each scheme in the capital programme (Annex A(1)). This is split between completed schemes and ongoing schemes, to assist Members in reviewing progress.
- 4.4 In 2012/13 a number of schemes, in particular Bedale Station and Bridge and Domestic Violence Refuge consist of funding provided by a third party for a specific initiative. Delays beyond the control of the Council have rolled these schemes forward for a number of years. It is proposed that these schemes be removed from the capital programme and that the funding be earmarked within the Capital Reserve until the issues are resolved and the schemes can be taken forward.
- 4.5 It is proposed that each business group use the information within the Capital Monitoring Report (Annex A) to report progress against the capital programme at their relevant Performance Board. This will assist in informing the wider Membership of the Council's progress against the capital programme.

5.0 RISK ASSESSMENT:

- 5.1 There are no risks associated with this report.

6.0 RECOMMENDATIONS:

- 6.1 It is recommended that Cabinet:-
 - (1) approve the proposed capital approval, monitoring and reporting processes, including the new Capital Monitoring Report (Annex A);
 - (2) note the progress to date against the capital programme for 2012/13; and
 - (3) note the revised capital programme for the Resources Business Group for 2012/13.

JUSTIN IVES

Background papers: None

Author ref: JI

Contact: Justin Ives
Director of Resources
Direct Line No 767022

CAPITAL MONITORING REPORT – DECEMBER 2012**1.0 PURPOSE AND BACKGROUND:**

- 1.1 The purpose of the report is to provide Members with an update on the progress of the Capital Programme 2012/13. A full schedule of schemes is shown in Annex A(1), together with a relevant update on the progress of each scheme.

2.0 CAPITAL PROGRAMME SUMMARY:

- 2.1 The table below gives a summary of the number of capital schemes approved for each business group, the number delivered to date, and the number remaining. In addition, it shows the number of schemes to be rolled forward into 2013/14.

	Total Number of Schemes	Schemes Complete	Schemes to Complete in 2012/13	Scheme Rolled Forward to 2013/14
Corporate Services	5	1	3	1
Customer Services	11	6	2	3
Housing and Planning Services	3	0	2	1
Leisure and Health Services	19	11	7	1
Resources Services	5	0	5	0
	43	18	25	6

- 2.2 In total 43 schemes made up the capital programme for 2012/13, 18 have been completed, it is envisaged that a further 19 will be completed by 31 March 2013, with 6 schemes rolling forward into 2013/14.
- 2.3 Details of the schemes rolling forward with a full explanation is given below:-

Thirsk Cobbles

It is anticipated that work will start on this scheme in February with 80% completed by the end of March. The scheme will be finished in April and every effort will be made to minimise disruption in the town centre over the Easter holidays.

Bedale Station and Bridge

The funding for this scheme consists of a grant from North Yorkshire County Council to fulfil a planning condition. The scheme requires rolling forward as there are a number of issues preventing its delivery, including planning consent. However, the scheme is being progressed with Bedale Members.

Adoptions – Northallerton, Thurston Road

There are ongoing discussions with North Yorkshire County Council on the level of work required to ensure the road is of adoptable standard. This is being progressed with Members but will not be completed in 2012/13.

Adoptions – Stokesley, Ellerbeck Court

There are ongoing discussions with North Yorkshire County Council on the level of work required to ensure the road is of adoptable standard. This is being progressed with Members but will not be completed in 2012/13.

Domestic Violence Refuge

This scheme represents monies held on behalf of Broadacres Housing Association to develop a domestic violence refuge. The Council has no control over the completion of this scheme and it will not be completed in 2012/13.

Pool Filters – Stokesley and Bedale Leisure Centres

The scheme has been rolled forward into 2013/14 as the current filters have been assessed and do not need replacing until next year. To replace them now would not represent value for money.

- 2.4 The original capital programme for the Resources Business Group consisted of a number of ICT schemes that were considered necessary under the shared service arrangement that was in place when the schemes were approved. Following the decision to repatriate the service a full review of the 2012/13 capital programme has been undertaken with a revised capital programme presentation in Annex A(2) for information. This does not request any additional resource in 2012/13 but reallocates resources to projects deemed business critical in light of the new service arrangements.
- 2.5 The table below gives a summary of the capital expenditure to date against budget for each Business Group. Although expenditure to date is low, only 34% of the revised capital programme, it is anticipated that all of the schemes in the programme, other than those detailed in paragraph 2.3, will be delivered by 31 March 2013.

	Original Budget	Budget Moved to 2013/14	Revised Budget	Expenditure to Date	Expenditure Remaining
Corporate Services	205,608	-	205,608	52,455	153,153
Customer Services	465,070	(176,484)	288,586	111,473	177,113
Housing and Planning Services	309,860	(121,000)	188,860	106,405	82,455
Leisure and Health Services	797,700	(125,000)	672,700	234,542	438,158
Resources Services	181,000	-	181,000	20,502	160,498
	1,959,238	(422,484)	1,536,754	525,377	911,377

3.0 RISK ASSESSMENT:

3.1 There are no risks associated with this report.

4.0 RECOMMENDATIONS:

4.1 It is recommended that Cabinet:-

- (1) notes the progress to date against the capital programme for 2012/13; and
- (2) notes the revised capital programme for the Resources Business Group.

CAPITAL MONITORING STATEMENT 2012/2013 - ONGOING SCHEMES

Code	Project Sponsor	Approval Granted	Programme		Expenditure to date	Anticipated Outturn	Variance over/(under)	Anticipated Completion Date	Comments
			HDC	Grants					
			£	£	£	£	£		
<u>Corporate Services</u>									
HZ6010	MR	29.11.11	100,000	-	100,000	100,000	-	Roll Forward	Tenders due for return 5th Feb 2013, start on-site planned for 18th Feb 2013, planned 80% complete by the end of March and finalised in April
HZ6013	MR	17.04.12	48,000	-	48,000	48,000	-	31/03/13	On-site works planned to be carried out in March 2013
HZ6300	MR	20.03.12	51,170	-	51,170	49,170	(2,000)	31/03/13	Work on going completed by the end of March 2013 - £2,000 kept for knock downs roll forward to 2013/14
HZ6012	MR	20/07/12	6,510	-	6,510	6,510	-	31/03/13	On-site works planned to be carried out in March 2013
			205,680	0	205,680	203,680	-2,000		
<u>Customer Services</u>									
HZ6325	SW		99,000	-	99,000	99,000	-	31/03/13	Contract signed. Work on site to start Feb 2013, will be complete by end of March. Retention of £3,836 to be rolled forward to 2013/14 for payment 12 months after project completion. Additional funding required to implement a wireless solution, subject to a further Cabinet report.
HZ6030	SW	17.04.12	63,000	-	63,000	-	(63,000)	Roll Forward	Grant from the County Council to fulfill a planning condition. Planning issue with bridge scheme. Roll forward £63,000 to 2013/14.
HZ6023	SW	20.03.12	130,000	-	130,000	63,616	(66,384)	Roll Forward	Roll forward £66,384. Discussions completed with NYCC, cabinet report to be submitted seeking additional capital funding to complete remedial works
HZ6024	SW	2006	49,100	-	49,100	5,000	(44,100)	Roll Forward	Roll forward £44,100. Discussions with NYCC complete, await NYCC confirmation on remedials extents, cabinet report to be submitted seeking additional capital funding to complete remedial works.
HZ6032	SW	2010	21,520	-	21,520	21,520	-	31/03/13	End of maintenance period remedials to be completed before handback to NYCC, planned Feb 2013. Town Council agreed to adopt street furniture.
			362,620	-	362,620	189,136	(173,484)		
<u>Housing & Planning</u>									
HZ6600/HZ6601	MJ	17.04.12	38,860	-	38,860	38,860	-	31/03/13	Annual programme of replacement. The funds will be spent by 31.03.13. Orders placed for £33,716, giving a spent and committed total of £38,815
HZ6200	MJ		-	121,000	121,000	-	(121,000)	Roll Forward	Scheme to be Rolled Forward. This is a payment to Broadacres funded from S106 contributions from new housing developments in Northallerton.
HZ6000/HZ6002/HZ6003	MJ		50,000	100,000	150,000	269,148	119,148	31/03/13	The budget of £208,658 is spent or committed and further expenditure of £19,294 is possible giving a potential outturn of £227,952. In December a further grant of £60,490 was received and it is proposed that this be paid into the budget and £41,196 of Council funding be returned to the Capital Fund.
			88,860	221,000	309,860	308,008	(1,852)		

CAPITAL MONITORING STATEMENT 2012/2013 - ONGOING SCHEMES

Code	Project Sponsor	Approval Granted	Programme		Expenditure to date	Anticipated Outturn	Variance over/(under)	Anticipated Completion Date	Comments
			HDC	Grants					
Leisure & Health									
HZ6436/HZ6426/HZ6427/HZ6428	DG	20.03.12	125,000	-	-	-	(125,000)	Roll Forward	Move into 2013/14 - Pool filters have not reached a state where they need replacing
HZ6822/HZ6821/HZ6823/HZ6824	DG	17.04.12	120,000	-	3,750	105,000	(15,000)	31/03/13	Due for completion March 2013
HZ6429/HZ6431/HZ6432/HZ6433	DG	17.04.12	15,000	-	-	15,000	-	31/03/13	Rolling programme for work - work ongoing.
	DG	17.04.12	28,000	-	-	19,000	(9,000)	31/03/13	Complete by March 2013, £11,000 saving.
	DG	17.04.12	21,000	-	-	25,000	4,000	31/01/13	Work ongoing, due for completion March 2013, may require Roll Forward
	DG	17.04.12	80,000	-	-	72,000	(8,000)	28/02/13	Contract signed, work to start in January 2013.
	DG	17.04.12	80,000	-	-	72,000	(8,000)	28/02/13	Contract signed, work to start in January 2013.
	DG	17.04.12	80,000	-	-	72,000	(8,000)	28/02/13	Contract signed, work to start in January 2013.
			549,000	-	3,750	380,000	(169,000)		
Total Leisure & Health									
Resources									
HZ6804	Jl	17.04.12	30,000	-	20,502	30,000	-	31/03/13	The capital programme in respect of ICT was stalled awaiting a decision on the future of the Shared Service.
HZ6810	Jl	17.04.12	16,000	-	-	16,000	-	31/03/13	Now that there is a clear mandate to reprocure the service a programme of work is being designed to achieve this.
HZ6812	Jl	17.04.12	23,000	-	-	23,000	-	31/03/13	This will include a further allocation of Capital resources that was approved by Cabinet in the Financial Strategy, however the £181,000 allocated to 2012/13 will be spent by 31st March 2013.
HZ6813	Jl	17.04.12	60,000	-	-	60,000	-	31/03/13	
HZ6814	Jl	17.04.12	22,000	-	-	22,000	-	31/03/13	
HZ6815	Jl	17.04.12	30,000	-	-	30,000	-	31/03/13	
			181,000	-	20,502	181,000	-		
			1,387,160	221,000	198,182	1,261,824	(346,336)		
Total									

CAPITAL MONITORING STATEMENT 2012/2013 - COMPLETED SCHEMES

	Project Sponsor	Approval Granted	Programme		2012/13 Expenditure		Total Expenditure	Anticipated Outturn	Variance over/(under)	Anticipated Completion Date	Comments
			HDC	Grants	Expenditure to date	Commitment					
			£	£	£	£	£	£	£		
Corporate Services	JMR	20.03.12	50,000	-	31,959	18,041	50,000	50,000	-	Complete	Scheme complete with final payments outstanding.
Total Corporate Services			50,000	0	31,959	18,041	50,000		0		
Customer Services	SW	2007	36,000	-	-	-	-	-	(36,000)	Complete	Retention monies to fund a possible future survey as part of the ERDF Grant condition
Northallerton Evolution Business Centre	SW	2006	37,420	-	17,372	-	17,372	17,370	(20,050)	Complete	Claim settled with the administrator, scheme complete. Return £20,050 to fund.
Momentum (Grow on Units), Stokesley	SW	2010	3,730	-	8	3,722	3,730	3,730	-	Complete	Scheme complete, retention to be paid.
Adoptions - Leeming Bar Phases 2 and 3	SW	2010	2,300	-	-	2,300	2,300	2,300	-	Complete	Complete but invoices outstanding.
WOJH Windows, Roof & Emergency Lighting	SW	20.03.12	20,000	-	270	19,730	20,000	20,000	-	Complete	Retention to be paid
Springboard Car Park Extension	SW		3,000	-	-	3,000	3,000	3,000	-	Complete	Dispute with Contractor
Total Customer Services			102,450	-	17,650	28,752	46,402		(56,050)		
Housing & Planning											
Total Housing & Planning											
Leisure & Health	DG		24,000	-	27,401	-	27,401	27,401	3,401	Complete	Scheme Complete, £3,401 overspend
Gym Equipment Refresh	DG		9,000	-	10,201	-	10,201	10,201	1,201	Complete	Scheme Complete, £1,201 overspend
SLC Intruder & Fire Alarms	DG		20,000	-	9,708	10,292	20,000	20,000	-	Complete	Scheme complete with final payments outstanding.
BLC Intruder & Fire Alarms	DG	2010	2,700	-	(12)	2,700	2,688	2,700	-	Complete	Scheme complete with final payments outstanding.
Thirsk All Weather Pitch	DG	20.03.12	24,670	-	11,792	12,878	24,670	24,670	-	Complete	Scheme complete with final payments outstanding.
Roof Repairs SLC & HLC	DG	2010	49,330	-	37,674	11,656	49,330	49,330	-	Complete	Scheme complete with final payments outstanding.
Voltage Optimisers Civic Centre & HLC	DG		24,000	-	-	24,000	24,000	24,000	-	Complete	Scheme complete with final payments outstanding.
Voltage Optimisers SLC & BLC	DG	17.04.12	16,000	-	-	16,000	16,000	16,000	-	Complete	Scheme complete with final payments outstanding.
Voltage Optimisers TLC	DG		7,000	-	7,471	-	7,471	7,471	471	Complete	Scheme complete, £471 overspend
Pipework Insulation SLC, TSP & BLC	DG	20.03.12	22,000	-	18,000	-	18,000	18,000	(4,000)	Complete	Scheme complete
Hambleton Forum - asset transfer project	DG	11.09.12	-	-	31,032	-	31,032	32,032	32,032	Complete	Scheme complete
Vehicles	DG										
Total Leisure & Health			198,700	-	153,266	77,526	230,792		33,105		
Resources											
Total Resources											
Total			351,150	-	202,876	124,319	327,195		(22,945)		

Revised Resources Capital Programme

EXPENDITURE

	General Ledger Code	Project Sponsor	Date	Roll Forward in 10 Yr Plan	Year End Roll Forward Adj	2012/13 Budget in 10 Yr Plan	2012/13 Budget 01.04.12	2012/13 Revised Budget
C O R P O R A T E M A N A G E M E N T				12/13	12/13	12/13	12/13	12/13
Servers	HZ6810	JI	17.04.12			16,000	16,000	37,900
Network & Security	HZ6812	JI	17.04.12			23,000	23,000	11,537
Desktops	HZ6814	JI	17.04.12			22,000	22,000	55,063
Communications	HZ6813	JI	17.04.12			60,000	60,000	0
Software	HZ6813	JI	17.04.12			30,000	30,000	46,500
Service Applications	HZ6804	JI	17.04.12	30,000			30,000	30,000
C O R P M A N A G E M E N T - E X P T O T A L S £k>				30,000	0	151,000	181,000	181,000