

REPORT TO COUNCIL

REPORT OF: PORTFOLIO HOLDER – FINANCE AND ASSETS

REPORT NO.: CHFR117

DATE: 4TH September 2008

TITLE:	REVISION OF THE CAPITAL PROGRAMME FOR 2008/09
FORWARD PLAN ITEM:	YES
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	March 2008
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Budget Policy Framework

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Cllr M Spencer-Gregson O.B.E.	
CORPORATE PRIORITY:	Effective Use of Resources	
CRIME AND DISORDER IMPLICATIONS:	None	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publicly available on the Council's web site www.southkesteven.gov.uk via the local democracy link	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Not Applicable	Full impact assessment required? No
BACKGROUND PAPERS:	CHFR91 Budget setting report 2008/09	

1. INTRODUCTION

The Council approved the capital programme for 2008/09 to 2010/11 at the budget setting meeting on 3 March 2008. As part of ensuring good financial planning a review of the capital programme is necessary to ensure it remains up to date and fully reflects the Council's spending programme.

This report represents a complete review of the capital programme for 2008/09. The housing capital programme for 2008/09 has been reviewed in light of current and up coming contractual commitments for completing work on the Council's housing stock in the remaining part of 2008/09. The general fund has also been reviewed to reflect slippage from the 2007/08 programme and new additional projects that have been scored by the Capital Assets and Management Group.

Currently there has been no amendment to the general fund or housing capital programme for future years. The Capital Asset Management Group has completed scoring of capital bids in accordance with the Council's capital scoring matrix. A full review of the capital programme for the financial year 2009/10 and the future years to 2011/12 will be undertaken at the time of setting the budget; this will be presented to Council in March 2009.

2. RECOMMENDATIONS

It is recommended that Council:

- Approve the revised housing capital programme as attached at appendix A.
- Approve the revised General Fund programme as attached at appendix B.
- Approve the revised Summary Financing Statement as shown at appendix C.

3. DETAILS OF REPORT

HOUSING CAPITAL PROGRAMME

The revised housing capital programme is attached at appendix A. The programme for 2008/09 has been reviewed to take account of the expected outturn position. This includes: current officer and contractor capacity available to deliver the 2008/09 capital programme; programme slippage from 2007/08 into 2008/09; and the most to up date costing information.

The projected outturn for the housing capital programme is now revised to £7.512m to be completed in 2008/09. This is an overall increase in budget of £561k. This is made up of a number of under and over spends on the different projects underway.

The budget has been increased in the following areas:

- Upgrading sheltered housing scheme – delay in commencing contract resulting in programme slippage into 2008/09 of £50k
- Structural repairs – programme slippage into 2008/09 of £20k
- Re-roofing – programme slippage into 2008/09 of £14k
- Re-wiring – programme slippage into 2008/09 of £118k
- Kitchen and Bathroom refurbishments – an under spend of £167k has been carried forward into 2008/09 although there has been an overall programme reduction amounting to £449K. Therefore the forecasted outturn for this scheme is £3.987m.

- An additional amount of £300k in respect of DDA (Disability Discrimination Act) and fire assessment work in respect of sheltered housing complexes with communal facilities
- Total repairs module slippage of £42k
- Total Mobile module slippage of £11k

GENERAL FUND CAPITAL PROGRAMME

The revised General Fund capital programme is attached at appendix B. The programme for 2008/09 has been increased by £534k to £4.254m. The slippage from the 2007/08 programme is identified as:

- Stamford Gateway grant contribution – discussions are being held in order to finalise agreement for the release of the final payment. The balance of £80k has been moved into the 2008/09 programme.
- Economic grant Northfields Market Deeping – The Council has agreed a grant of £160k towards the development of Northfields Market Deeping. Due to ongoing works to the pumping station a sum of £125k will slip into 2008/09.
- Disabled Facilities Grant a variance of £81k under spend against programme.
- Cemetery works (phase 2 and 3) – due to a delay in the commencement of the works an amount of £68k has slipped into 2008/09
- Service transformation programme – due to delays in the delivery of the modernisation programme a sum of £172k has slipped into 2008/09. This amount will be spent in accordance with the non-key decision report POI007 (5 November 2007)
- Within the heading 'provision for existing assets' the following schemes have been identified for the current year:

Provision of new Guildhall Arts Centre seating for theatre	£15,000
Stone wall repairs to rear of Council Offices Grantham	£25,000
Carriageway reconstruction and resurfacing works at Alma Park Industrial Estate Grantham (unadopted roadway)	£190,000
Car park reconstruction and stone wall repairs at Stamford Arts Centre	£40,000

All of the items have been identified from the Asset Management Plan and have been identified as a priority in order to mitigate further additional cost to the Authority.

A number of inspections have been carried out to determine the condition of the highway at both Ruston Road and Isaac Newton Way (Alma Park Industrial Estate). The general condition of the carriageway at Ruston Road is fair with certain areas showing only minor signs of distress. However at Isaac Newton Way, both carriageway and footpaths are in a poor condition which has necessitated the proposed expenditure.

- Expansion of green waste collection service – the procurement of a further two vehicles has been brought forward from the 2009/10 financial year to the 2008/09 financial year. The budget provision has been increased from £260K to £300K to reflect the current market cost and to allow flexibility in respect of the type of waste vehicle to be procured.

It is proposed to fund the slippage from the Major Repairs Reserve in respect of the HRA and the usable capital receipts reserve in respect of the General Fund. This funding proposal is in accordance with CHFR91 Budget report approved by Council on 3 March 2008.

4. OTHER OPTIONS CONSIDERED AND ASSESSED

None

5. COMMENTS OF SECTION 151 OFFICER

My comments are contained within the body of the report.

6. COMMENTS OF MONITORING OFFICER

As part of the budget policy framework it is essential the recommendation for review of the capital programme is approved by full Council.

7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

None

8. CONCLUSION/SUMMARY

This report has provided members with an update on the progress of the delivery of the Capital Programme for 2008/09 and has also identified for approval some amendments to the programme to take account of the outturn position for 2007/08 and the current officer and contractor capacity to deliver the programme by the end of the financial year.

9. CONTACT OFFICER

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