Report of	Meeting	Date
Chief Executive (Introduced by the Executive Member for Resources, Policy and Performance)	Executive Cabinet	21 February 2013

CAPITAL PROGRAMME MONITORING 2012/13 & 2013/14 – 2015/16 PROGRAMME

PURPOSE OF REPORT

1. To update the Capital Programme for 2012/13 to take account of proposed budget changes and the rephasing of expenditure between years.

2. To update capital budgets for 2013/14 to take account of rephasing of expenditure and other changes.

RECOMMENDATION(S)

3. That the Council be recommended to approve the proposed amendments to the Capital Programme for 2012/13, as presented in columns (2) and (3) of Appendix 1.

4. That the Council be recommended to approve the proposed amendments to the Capital Programme for 2013/14, as presented in columns (2) and (3) of Appendix 2.

EXECUTIVE SUMMARY OF REPORT

5. Council approved amendments to the 2012/13 to 2014/15 Capital Programme on 8th January 2013. Further amendments, in particular the rephasing of expenditure from 2012/13 to later years, were agreed by Executive Cabinet on 17th January 2013. Draft figures for 2015/16 were also agreed. These proposed changes have not yet been approved by Council.

6. This report presents further changes, which if approved will be combined with the previously reported changes when recommended to Council on 28th February 2013. Again the main change to the 2012/13 Capital Programme is the rephasing of expenditure to 2013/14, which is estimated to total £1,865,280.

7. Proposals for additional capital investment are presented in a separate report on this agenda - General Fund Revenue and Capital Budget and Council Tax 2013/14 - so that projects can be recommended to Council for inclusion in the Capital Programme.

Confidential report Please bold as appropriate	Yes	**No**

Key Decision? Please bold as appropriate	**Yes**	No

Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

8. The 2012/13 and 2013/14 Capital Programmes should be amended to reflect the rephasing of expenditure between years.

9. An increase in the budget for play facilities by £11,000 needs to be reversed, because the funding would not be received by the Council, but the scheme would still receive the benefit.

10. Recharges from revenue in 2012/13 should be reduced by £56,440 to reflect the reduced value of the programme. A 2013/14 play facilities budget should be reduced by £7,300 because it would be used to finance appropriate expenditure charged to the revenue budget in 2012/13.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

11. None

CORPORATE PRIORITIES

12. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	✓	A strong local economy	✓
Clean, safe and healthy communities	✓	An ambitious council that does more to meet the needs of residents and the local area	✓

BACKGROUND

13. The revised Capital Programme for 2012/13 totalling £5,184,590 was approved by Council on 8th January 2013. Further amendments to the 2012/13 programme were reported to

Executive Cabinet on 17th January 2013. It was recommended that the 2012/13 Capital Programme should be reduced by a net total of £572,420 to £4,612,170. The net reduction consisted of £224,460 additional expenditure less £68,470 transferred to the revenue account budget, and the rephasing of £728,410 to later financial years.

14. It was also recommended that the 2013/14 and 2014/15 Capital Programmes should be updated to take account of the rephasing of expenditure from 2012/13, and the grossing up of budgets for Disabled Facilities Grants (DFGs) to include costs funded with contributions from housing associations. Expenditure rephased to 2013/14 should total £522,370 and the DFG budget should be grossed up by £68,670, which should increase the 2013/14 Capital Programme to £8,733,360. Expenditure rephased to 2014/15 should total £79,210 and the DFG budget should be grossed up by £68,670, which should increase the 2014/15 Capital Programme to £1,215,860.

15. It was recommended that the 2015/15 Capital Programme should consist of the regular commitments, being Asset Improvements (£200,000), Disabled Facilities Grants (£630,410), Leisure Centres Improvements (£283,780), and Replacement of Refuse/recycling Bins (£115,000), making a total of £1,229,190 including £126,830 rephased from 2012/13. The grant available to finance DFGs was assumed to be £269,000, but would be updated when further information became available.

16. Neither the Revised Estimate for 2012/13 nor the Capital Programme for 2013/14 to 2015/16 have yet been approved by Council. This report presents further proposed changes to the 2012/13 and 2013/14 budgets, which would be combined with the changes agreed by Executive Cabinet on 17th January 2013 to be presented to Special Council on 28th February 2013.

REVISED ESTIMATE 2012/13

17. The Capital Programme for 2012/13 should be reduced from £4,612,170 (as reported to Executive Cabinet on 17th January 2013) to £2,679,450. The changes to individual budgets making up the £1,932,720 reduction are presented in columns (2) and (3) of Appendix 1.

18. Further rephasing to 2013/14 of capital expenditure totalling £1,865,280 is proposed. Specific figures are presented in column (2) of Appendix 1. The largest budget to be rephased is £725,910 in respect of the Buckshaw Parkway Railway Station. The sum to be rephased exceeds the budget provision for 2012/13, leaving a negative budget of £133,540 for 2012/13. This represents a correction to the expenditure assumed when the 2011/12 accounts were closed. The 2011/12 figure was based on an estimate of final expenditure provided by Network Rail, but actual expenditure is now expected be less than assumed last year. This means that a larger budget to be funded with developers' contributions would be available in 2013/14.

19. Other reductions totalling £67,440 are presented in column (3) of Appendix 1. One reduction is the reversal of an £11,000 increase proposed to the last Executive Cabinet meeting. A scheme to improve play facilities will receive the benefit of the external funding, but the cash will go directly to Groundwork rather than through the Council's accounts. Salaries recharged to capital schemes from revenue accounts should be reduced by £56,440, and revenue financing of the capital programme should be reduced by the same value to ensure there is not an adverse impact on the revenue budget. Recharges from revenue appear high compared to the reduced value of the 2012/13 capital budgets.

20. Not reflected in Appendix 1 is the possibility that revenue budget savings could be achieved by borrowing to finance replacement vehicles and plant rather than continuing to lease them.

CAPITAL PROGRAMME 2013/14

21. The revised Capital Programme for 2013/14 would be increase from £8,733,360 to £10,591,340. The main change would be the net rephasing of £1,865,280 from 2012/13, as presented in column (2) of Appendix 2. Of this total, it is proposed that £5,000 of the Eaves Green Play Development budget should be rephased back to 2012/13 to fund drainage design fees. In addition, the 2013/14 budget for Play, Recreation and Public Open Space projects to be funded with S106 contributions should be reduced by £7,300. The S106 contribution would be used to fund expenditure charged to the revenue budget in 2012/13 instead.

22. If these changes are approved, they would be combined with the recommendations of 17th January Executive Cabinet when presented to Special Council on 28th February 2013.

CAPITAL PROGRAMME 2014/15 AND 2015/16

23. No changes are proposed to the figures for the regular commitments in 2014/15 and 2015/16 that were reported to the last meeting of Executive Cabinet. At present, the 2014/15 and 2015/16 budgets for Disabled Facilities Grants take account of the estimated value to be recharged to housing associations and the estimated level of central government funding. The central government grant is assumed to be the same as the core grant allocated for 2012/13, being £269,000. However, additional funding for DFGs was awarded in 2011/12 and 2012/13, taking grant totals to £321,273 and £364,230 respectively. When the actual funding for DFGs is notified for 2013/14, the budgets for 2014/15 and 2015/16 could be updated on the assumption that funding continues at the same level.

ADDITIONAL CAPITAL INVESTMENT

24. Proposals for increased capital investment have been identified. The report "General Fund Revenue and Capital Budget and Council Tax 2013/14" presents the specific proposals, including source of financing and estimated capital financing costs that would be chargeable to the revenue budget. None of these proposed budgets are currently included in the 2012/13 or 2013/14 – 2015/16 Capital Programmes.

IMPLICATIONS OF REPORT

25. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

26. Financial implications are set out in the body of the report.

COMMENTS OF THE MONITORING OFFICER

27. The Monitoring Officer has no comments.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Michael Jackson	5490	28th January 2013	Capital Programme Monitoring 2012-13 & 2013-14-2015-16 Programme Feb 2013.doc