

Report of	Meeting	Date
Executive Director – Corporate & Customer and the Director of Finance (Introduced by the Executive Member for Resources, Councillor G Morgan)	Executive Cabinet	24 August 2006

CAPITAL PROGRAMME MONITORING 2006/07

PURPOSE OF REPORT

- To update members on the progress of the 2006/07 Capital Programme, and to seek member support and approval for a number of recommendations from the Capital Programme Board.

CORPORATE PRIORITIES

- The schemes within the Capital Programme contribute to the achievement of all the Councils corporate priorities.

RISK ISSUES

- The issue raised and recommendations made in this report involve risk considerations in the following categories:

Strategy	✓	Information	
Reputation	✓	Regulatory/Legal	
Financial	✓	Operational	
People		Other	

- The Capital Programme sets out the council strategic investment plans and if these are not delivered it will not fully achieve its strategic objectives, running the risk of damaging the Councils reputation.
- The Capital Programme also carries a significant financial risk. This is in terms of ensuring value for money, maximising resources available, and managing the performance to ensure the least possible impact on the revenue account.
- The estimated financing of the programme in 2006/07 takes into account capital receipts from the sales of assets that have not yet been received. Should they not be received some schemes within the programme may need to be frozen or the level of external borrowing increased.

BACKGROUND

- This report follows the same format as the Capital Monitoring reports in 2005/06, which details the performance of the capital programme followed by recommendations from the Capital Programme Board.
- On the 29th June 2006 Executive Cabinet approved the 2006/07 capital programme budget of £12,160,320.

HOW ARE WE PERFORMING?

9. The Capital Programme Board has been established now for 15 months, and has made good progress ensuring a more controlled and successful delivery of the programme.
10. Chorley Council's approach to project management is a well thought of method within the North West. In May we hosted a North West eGovernment Group event, which involved a presentation on how we approach project management here in Chorley. Recently the North West Centre of Excellence also chose our project management toolkit, to promote as being best practice for managing projects.

(A) Key Performance Indicators

11. High level monitoring of the Capital Programme is carried out through 4 Performance Indicators, which have been described in previous Executive Cabinet reports. Table 1 lists these and shows targets and current performance.

Performance Indicator	Target 2006/07	Performance August 2006
	%	%
1. The % of the Capital Programme budget actually spent.	90	49
2. The % of projects using the toolkit.	70	59
3. The % of successful projects.	90	0
4. The % of capital schemes intended to be completed during the year actually completed.	85	0

Table 1 - Capital Programme 2006/07 - Key Performance Indicators

12. The performance of the first two targets is already very promising and ahead of schedule.
13. The percentage of the budget actually spent is ahead of target, but this is mainly due to a recent £4.5 million payment in respect of the Eaves Green Link Road.
14. The percentage of projects using the toolkit is already ahead of the 2005/06 year-end result of 34%.
15. The Project Support Officer is working with project managers to increase the number of schemes using the project management toolkit, starting with the largest projects in terms of cost, timescale, and risk, as these schemes will benefit the most from being managed and controlled more effectively.
16. The percentage of successful projects can only be measured on schemes that both use the toolkit, and that have been completed. As no schemes have yet been completed this year, there is currently no data for these measures. This is not uncommon for this time of year.

(C) Capital Monitoring 2006/07

17. The latest Capital Programme forecast for 2006/07 shows an increase in the programme of £1,921,100 to £14,081,420. Table 2 below summarises the changes.

Executive Cabinet Date	Details	£	Note
29/06/06	Approved Capital Programme Plus	12,160,320	
	Slippage from 2005/06	100,620	A
	Other changes	1,820,480	B
24/08/06	Revised Capital Programme	14,081,420	

Table 2 - Capital Programme 2006/07 - Total Capital Spending

Note A: A scheme by scheme analysis of the expenditure slipped from last year is shown in appendix 1.

Note B: A scheme by scheme analysis of the 'other changes' is given in appendix 1, with brief explanations of the changes given in appendix 2.

(D) Capital Receipts Monitoring

18. Appendix 3 gives a high level summary of the capital receipts expected and achieved to date this year. As detailed in the risks above, the financing of the programme depends on these receipts being achieved.
19. The Right To Buy (RTB) sales are on target, however there are issues with the sale of some assets which were expected to be achieved last year.
20. The Capital Programme Board is monitoring the progress of the sales of assets, and where necessary are putting measures into place, in an effort to ensure they are received within this financial year as required.

PROGRAMME BOARD RECOMENDATIONS

21. Set out below are a summary of requests received at the last two meetings of the Capital Programme Board on the 21st and 31st July 2006, and in each case the Boards recommendations. These are listed under the two headings of 'Exception Reports' and 'New Schemes and Projects'.

Exception Reports

22. All exception reports relate to schemes, which were overspent at the end of 2005/06.

(A) Access to Home Working

23. A retrospective exception report was submitted by the Director of ICT Services requesting an additional £14,254 of LGOL grant funding in order to widen the scope of the scheme. The original scope was to enable remote access to the Council's network and applications, however the additional funding would also provide a fully featured home working solution for Revenues and Benefits. No additional Council funding will be required.
24. Board Recommendations - To approve a £14,254 increase in budget to be financed from LGOL grant funding.

(B) Chorley Cemetery Extension

25. This scheme was overspent by £5,380 at the end of 2005/06 as a result of slippage being accounted for before the final salary recharge. The exception report by the Interim Streetscene Manager recommended reducing this year's budget by the amount of last year's overspend.
26. Board Recommendations – To reduce this year's budget by £5,380 to cover the overspend in 2005/06.

(C) New & Replacement Litter & Dog Waste Bins

27. This scheme was overspent by £2,766 at the end of 2005/06. This was due to a number of incidents of bins being damaged by vehicles and vandalised toward the end of the year. This meant that replacement bins and emergency repairs were required.
28. Boards Recommendations – To reduce this year's budget by £2,766 to account for last years overspend.

New Schemes and Projects

29. A business cases for a new project was submitted to the Board for consideration. This has been uploaded onto the Loop and can be found here, <http://theloop/section.asp?sectionType=list&catid=12334>, under 'New Projects for Consideration'.

Project	Priority	Outcome	Estimated Budget
PIMSS Asset Management	Place	5.1 5.2	£25,000

Table 3 - Summary of new scheme recommended for inclusion into Category C

30. The Board recommends that the new project listed in Table 3 be included as a category 'C' scheme and as such on the reserve list for future consideration when resources become available.

Allocation of the Regional Housing Capital Grant

31. The Board reviewed the options for the allocation of the £493,000 Regional Housing Capital Grant. They agreed that the first priority should be to use the grant to replace the £150,000 Housing Revenue Account revenue contribution to capital. The Board felt that more information was required on other priorities such as affordable housing and additional disabled facilities grants before recommendations can be made regarding the allocation of the remaining grant.
32. The board therefore recommends that £150,000 of the regional housing capital grant be used to replace the HRA revenue contribution to capital.

COMMENTS OF THE DIRECTOR OF HUMAN RESOURCES

33. There are no Human Resources implications to this report.

RECOMMENDATION(S)

34. That the revised Capital Programme for 2006/067 in the sum of £14,081,420 be approved.

35. That the following recommendations of the Capital Programme Board be approved:

Exception Reports

- a. To approve a £14,254 increase in the 2005/06 Access to Home Working budget to be financed from LGOL grant funding.
- b. To reduce this year's 'Chorley Cemetery Extension' budget by £5,380 to cover the overspend in 2005/06.
- c. To reduce this year's 'Litter/Dog Waste/On-street recycling bins' budget by £2,766 to account for last years overspend.

New Capital Schemes and Projects

- d. That the PIMSS Asset Management scheme be placed on the reserve list (category C) for future consideration when resources become available:
- e. That £150,000 of the regional housing capital grant be used to replace the HRA revenue contribution to capital.

**REASONS FOR RECOMMENDATION(S)
(If the recommendations are accepted)**

- 36. To revise the 2006/07 Capital Programme.
- 37. To approve considered recommendations for schemes which are either overspending or require additional resources.
- 38. To bring forward a new scheme which members may consider for inclusion in the future Capital Programme.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 39. None.

PAUL MORRIS
EXECUTIVE DIRECTOR – CORPORATE & CUSTOMER

GARY HALL
DIRECTOR OF FINANCE

There are no background papers to this report.

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