

CABINET

5 JULY 2004

CAPITAL OUTTURN 2003/04

REPORT OF THE DIRECTOR OF FINANCE

Contact Officer: Fred Lyon Tel No: 01962 848224 (email: flyon@winchester.gov.uk)

RECENT REFERENCES:

CAB741: Capital Programme and Budget 2003/04 to 2008/09 17 December 2003

CEN40: 2003 Asset Management Plan 28 October 2003

CAB674: Capital Strategy and Programme 30 July 2003

EXECUTIVE SUMMARY:

This report provides an overview of actual expenditure for 2003/04 against the capital programme. The report includes the original capital programme budget and revisions to the programme approved by Cabinet during the course of the year.

Explanations of any significant variations in expenditure are also given and a request for carry forward of funding is made.

RECOMMENDATIONS:

1. That it be recommended to Council to approve the carry forward of capital funds totalling £1.858m from 2003/04 to 2004/05, in accordance with Financial Procedure Rule 7.8.

CABINET5 JULY 2004CAPITAL OUTTURN 2003/04REPORT OF THE DIRECTOR OF FINANCE1 Introduction

1.1 This report provides an overview of the actual expenditure on the capital programme for 2003/04 and gives comment on any significant variations.

1.2 For discreet capital projects and defined programmes the project budget and prior year spend is included to give a more comprehensive picture.

2 Summary

2.1 Overall the outturn position at 31 March 2004 compared with the expected position was as follows:

- total expenditure on the capital programme was £7.7m, a shortfall of £4.5m against the original budget and £2.3m against the revised budget;
- some capital budgets had cash flow variances against estimate as project timings altered and these will be offset against future years budgets, other budgets were overspent because of cash flow variances with previous years;
- some underspendings also arose from the timing of expenditure or lead in times on projects, these are the subject of requests to carry forward budget provision to 2004/05;
- Some capital projects have not proceeded as expected because more preparation work needs to be done or further approvals need to be obtained;
- Carry forward requests amount to £1.858m.

3 Variances

3.1 A note on outturn variances is shown in the appendix to this report.

3.2 The following major projects have a total budget allocation in the capital programme.

- |                                  |         |         |
|----------------------------------|---------|---------|
| ➤ Friarsgate Car Park            | £1.000m |         |
| ➤ Guildhall Community facilities | £1.000m | (Bapsy) |
| ➤ Swanmore Community Scheme      | £0.855m |         |

Where there are delays for various reasons these are reported to cabinet and revised allocations made in the capital programme – these are referenced in the appendix.

3.3 Where there is a rolling programme for the provision of services any slippage or bringing forward of expenditure will be taken up within the total funding allocated to that programme

4 Carry forward of funding

4.1 Requests for funding to be carried forward into 2004/05 include the following items:

- a) Housing Major Repairs £513,000 – work funded from Major Repairs Allowance (MRA),
  - b) Sewage Treatment Works £150,000 – a programme for future works is being prepared for Cabinet,
  - c) Sussex Street Homeless Hostel £40,000 – work on this has commenced in 2004/05,
  - d) Public conveniences £180,000 – the new toilets at Jewry Street will be incorporated in the building of the Winchester Cultural Centre,
  - e) Friarsgate £80,000 – preparatory work on Friarsgate scheme,
  - f) Guildhall Community Facilities £50,000 – Bapsy options are being considered by the appropriate Performance Improvement Committee,
  - g) North Walls Waterways £73,000 – scheme delayed due to absence of key personnel,
  - h) Meadowside Centre and Sports Ground £42,000 – outstanding works will be completed in 2004/05,
  - i) ICT E-govt £218,000 – ongoing work per the IEG Statement,
  - j) Operational property capital repairs and improvements £460,000 – including reception facilities at Avalon House and City Offices, work linking to the new service centre and roof works at Abbey House.
- 4.2 If approved, the requests to carry forward a total of £1,858,000 will increase the 2004/05 capital programme budget by that amount. In accordance with Financial Procedure Rule 7.8 this requires the approval of Council.
- 4.3 Where there is an annual capital programme as in 3.3 above variances are generally taken into account in succeeding years of the programme.

#### OTHER CONSIDERATIONS:

##### 5 CORPORATE STRATEGY (RELEVANCE TO):

- 5.1 Preparation of the capital budget had regard to the corporate and capital strategies. Monitoring of the capital programme is an intrinsic part of measuring whether the strategies' objectives have been achieved.

##### 6 RESOURCE IMPLICATIONS:

- 6.1 As discussed in the body of the report.

#### BACKGROUND DOCUMENTS:

Operational and financial records held in the Finance Department and by other Departments.

#### APPENDICES:

- Appendix 1 Capital Programme Outturn Report 2003/04