

CABINET

20 June 2007

PRINCIPAL SCRUTINY COMMITTEE

23 July 2007

CAPITAL OUTTURN 2006/07

REPORT OF THE HEAD OF FINANCE

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RECENT REFERENCES:

CAB 1182:	Capital Programme & Budget 2005/06 to 2010/11,	18 January 2006
CAB 1268:	Capital Outturn 2005/06,	21 June 2006
CAB1270:	Capital Strategy & Programme 2006,	26 July 2006
CAB1378:	Capital Programme 2006/07 to 2011/12,	17 January 2007

EXECUTIVE SUMMARY:

This report provides an overview of actual expenditure for 2006/07 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.

In 2006/07 total capital expenditure was £10.240m, compared with an Original Budget of £12.390m and a Revised Budget of £12.502m producing a net underspend of £2.150m and £2.262m respectively. Requests to carry forward unspent budgets to 2007/08 amount to £2.213m.

RECOMMENDATIONS:

That it be recommended to Council to approve the carry forward of capital funds totalling £2.213m from 2006/07 to 2007/08, in accordance with Financial Procedure Rule 7.9.

CABINET20 June 2007PRINCIPAL SCRUTINY COMMITTEE23 July 2007CAPITAL OUTTURN 2006/07REPORT OF THE HEAD OF FINANCE1 Introduction

1.1 This report provides an overview of the actual expenditure on the capital programme for 2006/07 and gives comment on any significant variations.

2 Summary

2.1 Overall the outturn position at 31 March 2007 compared with the expected position was as follows:

- total expenditure on the capital programme was £10.240m, which is £2.150m less than the original budget and £2.262m less than the revised budget;
- Carry forward requests amount to £2.213m.
- The most significant elements of expenditure are shown below:

	<u>£000</u>
Housing Major Repairs	3,900
RPLC Capital Repairs	1,462
Purchase of Property	863
Replacement Bins	829
ICT- E Government	429
Renovation Grants - Mandatory	400
Other	2,357
Total capital expenditure	10,240

3 Variances

3.1 Notes on outturn variances are shown in Appendix 1 to this report.

3.2 Requests for funding to be carried forward into 2007/08 are listed below:

Scrutiny Panel	Description	Reason for carry forward request	£'000
Social Issues	Sewage Treatment Works	Scheme delays due to land acquisition taking longer than anticipated. Now out to tender.	216
	Renovation grants - mandatory	Grants approved later in the year and therefore committed but not yet spent.	79
	Open Space & Recreation Facilities	Refurbishment plan for playground equipment and North Walls tennis court lighting was been delayed due to the outdoor recreation officer post being vacant.	118
	Capital grants	Relates to 8 capital grants that have been committed but not yet paid out because of project delays.	76
Environment	Replacement Bins	Roll out timetable slipped plus anticipated additional demand from the public.	129
	Denmead Environmental improvements	Scheme delayed. Due to start early 2007/08	62
Local Economy	Car Parks	Schemes delayed to early 2007/08	136
	Groundworks in Jewry Street	Contribution to filling in air-raid shelters on Cultural Centre site- fully committed	180
Resources	E-government programme	Relates to slippage in a number of projects (see appendices for detail).	228
	Purchase of Property	Terms agreed and legal documentation in progress	620
	West Wing	Works in progress	162
	Abbey House capital repairs	Works in progress	40
	City Museum	Works in progress	4
	City Offices capital repairs & equipment	Works in progress	8
	Guildhall capital repairs	operational property repairs	42
	River Park Leisure Centre	Work substantially complete but further works ongoing into 2007/08	113
Total Requests to be carried forward to 2007/08			2,213

- 3.3 If approved, in accordance with Financial Procedure Rules 7.8 and 7.9, the requests to carry forward a total of £2.213m will increase the 2007/08 capital programme budget by that amount. In accordance with Financial Procedure Rule 7.9 this requires the approval of Council.

OTHER CONSIDERATIONS:

4 CORPORATE STRATEGY (RELEVANCE TO):

- 4.1 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.

5 RESOURCE IMPLICATIONS:

- 5.1 As discussed in the body of the report.

BACKGROUND DOCUMENTS:

Operational and financial records held in the Finance and other Divisions.

APPENDICES:

- Appendix 1 Capital Programme Outturn 2006/07
Appendix 2 E-Government Capital Outturn 2006/07

CAPITAL PROGRAMME OUTTURN 2006/07

Scrutiny Panel / Section / Description	ORIGINAL BUDGET 2006/07 £000	REVISED BUDGET 2006/07 £000	OUTTURN 2006/07 £000	VARIANCE Overspend / (underspend) £000	FUNDING (See below)	Lead Officer	Notes on outturn variance	Carry forward requested £000	Committee Reports
SOCIAL ISSUES									
<u>Housing Revenue Account</u>									
Housing Major Repairs	3,278	3,259	3,900	641	MRA/HRA RC	Clive Broomfield	The higher expenditure in the year relates to works in line with the approved programme for 2005/06 and 2006/07 completed ahead of schedule, in final quarter, taking advantage of the good weather. Funded from the Major Repairs Reserve.	-	
Sewage Treatment Works	200	417	201	(216)	CR	Patrick Aust	The underspend relates to a scheme to replace a treatment works at Ilchen Abbas which has been delayed because of land acquisition problems and the need to adapt to staff changes. The scheme is now out to tender. Work is anticipated to start in August with a likely completion date of December 2007.	216	
<u>Housing General Fund</u>									
Renovation Grants - Mandatory	450	479	400	(79)	CR/G	Andrew Nairn	The underspend relates to grants approved later in the year and not completed at 31st March 2007. Carry forwards therefore represent commitments.	79	
Renovation Grants - Discretionary	170	170	147	(23)	CR	Andrew Nairn	Estimated expenditure not realised due to a drop in demand for grant aid through the Home Improvement Agency.	-	
Affordable Housing/Social Housing Grants	375	375	348	(27)	CR	Andrew Palmer	Expenditure is restricted by the pooled element of capital receipts.	-	
Affordable Housing/Regeneration	500	500	0	(500)	-	Andrew Palmer	This is a provision to take up capital receipts that might otherwise be pooled. However, there were no relevant capital receipts during 2006/07.	-	
Affordable Housing / funded by developers' contributions	0	403	385	(18)	DC	Andrew Palmer	-	-	
<u>Community Development</u>									
Open Space & Recreation Facilities	90	190	72	(118)	DC	Amanda Ford	North walls tennis court lighting scheme and playgrounds refurbishment plans delayed due to vacant outdoor recreation officer post (now filled)	118	CAB792
Capital Grants	100	131	38	(93)	CR	Steve Lincoln	Three grants totalling £17k unclaimed due to the funded project not proceeding. Eight further projects with grants totalling £76k delayed for various reasons (unable to find contractors, delay in securing other funding etc) and expected to proceed during 2007/08.	76	
Guildhall Improvements	0	11	11	0	CR	Eloise Appleby	3 year maintenance plan now prepared for Cabinet as a basis for future capital programme allocation.	-	
Hyde Abbey Garden	0	0	10	10	D	Eloise Appleby	Funded by donations	-	
Guildhall Community Facilities	75	75	0	(75)	-	Steve Tilbury	When the budget was set it was envisaged that there would be some redecoration and improvement works. However this has not been possible and will need to be rescheduled at some time in the future.	-	

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Swanmore Community Scheme	10	38	38	0	CR	Lorraine Mansfield	Project completed in 2006/07	-	
Total - Social Issues	5,248	6,048	5,550	(498)				489	
ENVIRONMENT									
<i>Environmental Health</i>									
Replacement bins	960	960	829	(131)	CR/G	David Boardman	The ABC programme was rescheduled by some months in order to ensure that all bin deliveries were in place before commencement and that minimum disruption occurred to customers over the Christmas period. Therefore the purchase of some of the refuse bins has been delayed.	129	
<i>Conservation</i>									
Env improvements in rural areas	15	15	0	(15)	CR	Vivienne Ffield	No new applicants for grants.	-	
Denmead Environmental Improvements		62	0	(62)	-	Greg White	Scheme delayed. Due to start early 2007/08.	62	
Waterways Improvements		59	56	(3)	CR	Patrick Aust	-	-	
Total - Environment	975	1,096	885	(211)				191	
LOCAL ECONOMY									
<i>Transportation</i>									
Car Parks	180	225	84	(141)	R	Basil Davies	Installation of Variable Message Signs for car parks in Winchester town to be provided by HCC has been delayed until June 2007. Also improvement schemes started in 2006/07 (resurfacing works at Worthy Lane and Bishops Waltham) to be completed early in 2007/08.	136	
Footway Lighting	10	0	0	0	-	Neville Crisp	de-minimus - now treated as revenue	-	
<i>Cultural Services</i>									
Market Lane Window Display	15	14	14	0	CR	Eloise Appleby	complete	-	CAB 1073
Groundworks in Jewry Street	0	180	0	(180)	-	Eloise Appleby	Relates to preservation works to Air Raid shelters in Library Car Parks - fully committed - will be invoiced by HCC, therefore to be carried forward.	180	CAB 1207
Winchester Cultural Centre	330	330	330	0	CR	Eloise Appleby	Project is on target for completion with one further final instalment due around December 2007 (which is already included in the capital programme for 2007/08).	-	
Total Local Economy	535	749	428	(321)				316	

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RESOURCES									
<i>Finance</i>									
ICT Equipment	130	130	153	23	R/RC	Sheila Davidge	New equipment was required earlier than anticipated resulting in £6k overspent to be brought forward from 2007/08 budget; and £17k balance financed from business units.	(6)	
ICT E-govt (see Appendix 2)	1,976	625	429	(196)	R/RC	Sheila Davidge	A number of projects are underway, some of which have been delayed because of illness and proof of concept taking longer than anticipated, resulting in £357k slippage to be carried forward, which has been offset by £148k expenditure brought forward from 2007/08 for the Storage Area Network.	209	
Digital Print Software	0	25	0	(25)	-	Sheila Davidge	Proof of concept has taken longer than was anticipated - final supplier is expected to be agreed imminently.	25	
<i>City Secretary</i>									
Land Charges Computerisation	0	15	12	(3)	R	Howard Bone	-	-	
Electoral Registration Software		0	16	16	G/RC	Stephen Whetnall	Met from Electoral Registration budget.	-	
Magdalen Hill Cemetery Improvements	30	5	5	0	RC	Stephen Whetnall	-	-	
<i>Estates</i>									
Purchase of Property	2,000	1,483	863	(620)	CR	Tony Langridge	Terms agreed and legal documentation in progress.	620	CAB1358
West Wing		190	28	(162)	CR	Tony Langridge	Works in progress.	162	CAB1366
Abbey House Capital Repairs	50	150	110	(40)	CR	Clive Broomfield	Works substantially complete in 2006. Further associated works planned in 2007/08.	40	
Abbey Mill Capital Repairs	0	25	8	(17)	CR	Clive Broomfield	Works are complete - with some of the expenditure accounted for in 2005/06.	-	
City Museum & Westgate Museum Handrail	55	137	133	(4)	CR	Clive Broomfield	Works substantially complete in 2006. Further associated works planned in 2007/08.	4	CAB 1073
City Offices Capital Repairs & Equipment	20	45	37	(8)	CR	Tony Langridge	Access Control Software & Access works.	8	
New Offices - fees	150	40	0	(40)	-	Tony Langridge	Initial costs accounted for as revenue.	-	CAB1192
Casson Block repairs		108	107	(1)	R	Tony Langridge	-	-	
Guildhall Capital Repairs	23	56	14	(42)	CR	Tony Langridge	Mechanical & electrical works.	42	
RPLC Capital Repairs	1198	1575	1,462	(113)	CR	Clive Broomfield	Works substantially complete in 2006. Further works ongoing in 2007/08.	113	
Total Resources	5,632	4,609	3,377	(1,232)				1,217	

CAPITAL PROGRAMME OUTTURN 2006/07

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GRAND TOTAL	12,390	12,502	10,240	(2,262)				2,213	

FUNDING					
Capital Receipts	7,952	7,363	4,910	(2,453)	CR
Grants	270	337	290	(47)	G
Donations	0	0	10	10	D
ICT reserve	370	525	405	(120)	R
Other Reserves	390	450	203	(247)	R
HRA Major Repairs Reserve	3,278	3,259	3,612	353	HRA
HRA Contribution from Revenue			290	290	RC
GF Contribution from Revenue	130	5	54	49	RC
Developers Contributions	0	563	466	(97)	DC
Total	12,390	12,502	10,240	(2,262)	

E-GOVERNMENT CAPITAL OUTTURN 2006/07

project	Revised Budget £000	Outturn expenditure £000	Variance £000	Carry forward requested £000
<u>EDRMS</u>				
Software	80	1	(79)	
<i>Sub total</i>	80	1	(79)	78
<u>GIS</u>				
Software	41	21	(20)	
Communities mobile data capture	20	0	(20)	
ESRI Local View Intranet Version	20	0	(20)	
ESRI Local View Internet Version	20	18	(2)	
Ordnance Survey Point X data	7	3	(4)	
Sites and monuments record	12	0	(12)	
Positional accuracy improvements	29	0	(29)	
Tree survey system	12	19	7	
<i>Sub total</i>	161	61	(100)	97
<u>CRM - Phase II</u>				
Software development	5	7	2	
<i>Sub total</i>	5	7	2	
<u>Content Management System</u>				
Software upgrade	57	55	(2)	
e - payments	5	3	(2)	
Community Web Portal	10	0	(10)	
Members website	10	0	(10)	
<i>Sub total</i>	82	58	(24)	24

E-GOVERNMENT CAPITAL OUTTURN 2006/07

project	Revised Budget £000	Outturn expenditure £000	Variance £000	Carry forward requested £000
<u>Infrastructure upgrades</u>				
Storage area network (SAN)	0	148	148	
<i>Sub total</i>	0	148	148	(148)
<u>e-forms</u>				
Development of e-forms	35	10	(25)	
<i>Sub total</i>	35	10	(25)	25
<u>Integrated HR/Payroll system</u>				
Software	42	23	(19)	
<i>Sub total</i>	42	23	(19)	19
<u>CAPS</u>				
CAPS for Dev Services	8	0	(8)	
UFIS - historical update	6	0	(6)	
I/face - GIS/CAPS	4	0	(4)	
Local development framework	5	4	(1)	
LDF upgrade	6	4	(2)	
<i>Sub total</i>	29	8	(21)	21
<u>Interfaces</u>				
I/face - LLPG/SX3	8	0	(8)	
<i>Sub total</i>	8	0	(8)	8
<u>Flexible working</u>				
Software	50	50	0	
Integration	10	7	(3)	
<i>Sub total</i>	60	57	(3)	3

E-GOVERNMENT CAPITAL OUTTURN 2006/07

project	Revised Budget	Outturn expenditure	Variance	Carry forward requested
	£000	£000	£000	£000
<i>Performance management</i>				
Software	50	14	(36)	
<i>Sub total</i>	50	14	(36)	35
<i>e-democracy</i>				
video council proceedings	20	5	(15)	
Citizen database	20	0	(20)	
<i>Sub total</i>	40	5	(35)	35
<i>High level info audit</i>	10	10	0	
<i>Sub total</i>	10	10	0	0
<i>Car Parking upgrade</i>				
Software	23	11	(12)	
<i>Sub total</i>	23	11	(12)	12
<i>Other - Funded from RCCO</i>				
IT Software	0	11	11	
HR Training Software	0	5	5	
<i>Sub total</i>	0	16	16	0
Total (net)	625	429	(196)	209

E-GOVERNMENT CAPITAL OUTTURN 2006/07

project	Revised Budget £000	Outturn expenditure £000	Variance £000	Carry forward requested £000
<u>FUNDING</u>				
ICT reserve	575	405	(170)	170
Other Reserves	50	0	(50)	39
Contribution from Revenue	0	24	24	
Capital receipts	0	0	0	
Total	625	429	(196)	209