



PORTFOLIO AREA: GOVERNANCE & RESOURCES

Date of Meeting: 13 February 2012

Public

Key Decision: No

Recorded in Forward Plan:

No

Inside Policy Framework

Title: CAPITAL BUDGET OVERVIEW AND MONITORING REPORT:
APRIL TO DECEMBER 2011

Report of: DIRECTOR of RESOURCES

Report reference: RD83/11

Summary:

This report provides an overview of the budgetary position of the City Council's capital programme for the period April to December 2011.

Recommendations:

The Executive is asked to:

- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to December 2011.
- (ii) Approve the release of £473,000 Kingstown Industrial Estate budget in 2011/12 to be used for Option 2 as detailed in Appendix F.

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

CITY OF CARLISLE

To: The Executive
13 February 2012

RD83/11

CAPITAL BUDGET OVERVIEW AND MONITORING REPORT
APRIL TO DECEMBER 2011

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Director of Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. It is the responsibility of individual Directors to control income and expenditure within their areas of responsibility and to monitor performance, taking account of financial information provided by the Director of Resources.
- 1.2 All Managers receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.
- 1.3 Throughout the report, the use of brackets indicates a credit or income budget.
- 1.4 It is important to understand the distinction between capital and revenue expenditure.

The general rule is that all expenditure must be treated as revenue expenditure unless it meets strict criteria allowing it to be treated as capital expenditure.

Capital expenditure is for fixed assets such as acquisition of land and buildings, construction, conversion or enhancement of existing buildings, or the purchase of new technology, vehicles, plant, machinery or equipment that yields benefits to the Council and the services it provides for more than one year.

Revenue expenditure is for the day to day running costs of providing Council services such as staff costs, premises, transport, and goods and services used in the delivery of services.

2. CAPITAL BUDGET OVERVIEW

2.1 The following statement shows the annual capital programme for 2011/12:

2011/12 Capital Budget	£
Original 2011/12 Programme (approved Feb 2011) including asset management plan	9,376,100
Carry forwards from 2010/11 (RD11/11 Council 19/07/11)	1,085,700
Bousteads Grassing Demolition (RD81/10 Council 26/04/11)	166,500
2011/12 Capital Programme (RD11/11 Council 19/07/11)	10,628,300
Additional contribution towards Disabled Facilities Grants	300,000
Additional contributions towards Play Area Schemes	99,600
Direct revenue financing for Trinity Church Multi Use Games Area	2,800
Reduction in Roman Frontier grant to match funding agreements	(146,000)
Revised 2011/12 Capital Programme (at Sept 2011)	10,884,700
Contribution/grant towards Chances Park Multi Use Games Area	13,300
Direct revenue financing for Chances Park Multi Use Games Area	12,800
Direct revenue financing for Vehicle Replacements	700
Revised funding for Roman Frontier project	17,300
Revised 2011/12 Capital Programme (at December 2011)	10,928,800
Carry forwards into 2012/13 (Subject to Council Approval)	(4,067,000)
Revised 2011/12 Capital Programme	6,861,800

Note:

Budget proposal presented to Council in February 2012 requested the approval of £4,067,000 to be carried forward into 2012/13.

2.2 A breakdown of the revised capital programme can be found in **Appendix A**.

3. 2011/12 BUDGET MONITORING

3.1 The position statement as at December 2011 can be summarised as follows:

Directorate	Annual Budget	Budget to date	Spend to date	Variance to date	Para. Ref.
	£	£	£	£	
Resources	3,521,800	741,751	624,228	(117,523)	3.6
Community Engagement	4,171,000	2,690,640	2,729,942	39,302	3.7
Local Environment	1,273,400	464,045	441,420	(22,625)	3.8
Economic Development	1,962,600	72,000	110,267	38,267	3.9
Total	10,928,800	3,968,436	3,905,857	(62,579)	

A detailed analysis of the schemes within each directorate can be found in **Appendices B to E** with the main issues for each directorate being summarised in the paragraphs below.

- 3.2 As at the end of December, expenditure of £3,905,857 has been incurred. This is £62,579 less than the profiled budget of £3,968,436.
- 3.3 Council approved carry forwards of £1,085,700 from 2010/11 into the 2011/12 capital programme in July 2011 (RD11/11). Expenditure of £440,519 has been incurred against this budget leaving £645,181 carried forward from 2010/11 unspent as at December 2011. It is expected that these will be fully spent by the financial year end.
- 3.4 A review of the 2011/12 capital programme has been undertaken to identify accurate project profiles. To date, £4,067,000 has been identified as needing profiled into future years and has been put forward to Council for approval as part of the 2012/13 budget process.

Directorate	Annual Budget	Carry Forwards	Revised Annual Budget	Spend to Date	Budget Remaining
	£	£	£	£	£
Resources	3,521,800	(1,452,500)	2,069,300	624,228	1,445,072
Community Engagement	4,171,000	(835,700)	3,335,300	2,729,942	605,358
Local Environment	1,273,400	0	1,273,400	441,420	831,980
Economic Development	1,962,600	(1,778,800)	183,800	110,267	73,533
Total	10,928,800	(4,067,000)	6,861,800	3,905,857	2,955,943

The unspent balance remaining of the revised annual budget of £6,861,800 is £2,955,943 as at December 2011.

- 3.5 Additional carry forwards have been identified totalling £41,000. This reduces the balance remaining to be spent within the remainder of the year to £2,914,943. The carry forwards identified are summarised below:

Project	Carry forward identified £
Housing Strategy Empty Property	(11,000)
Enhancements to Council Property	(30,000)
Total	(41,000)

These and any further carry forwards will be considered by the Executive and Council as part of the out-turn reports in June 2012.

- 3.6 The variance in Resources is attributable to the following:
- (i) A delay in expenditure on Bousteads Grassing Demolition due to having to re-tender the project.

- (ii) Delays in work on Enhancements to Council Property (Civic Centre & Tullie House) due to a number of uncontrollable factors. It is expected that a carry forward will be required into future years to complete the planned work for the year.

3.7 Community Engagement is responsible for a significant proportion of the City Council's 2011/12 capital programme. The variance in Community Engagement is attributable to the Sheepmount Drainage project. This project is however funded from a provision at the year end which is sufficient to fund the level of expenditure incurred to date.

A new prioritisation system for DFGs has been implemented which balances control over the level of expenditure while minimising the risk to clients and has been running for over 6 months now. Expenditure has been lower in the initial period while the new process was embedded, but has started to increase again and level out. There is no significant variance as at December 2011. Spending on this statutory service will be in line with recent year on year trends but due to the introduction of the new prioritisation system it is anticipated that there will be no significant variance at the year end. Work is ongoing between Communities Housing and Health and Finance to continue to monitor the situation. Contributions have been received from Riverside Group and additional funding has been agreed with Social Care and Health as well as raising the issue with Government. An additional allocation of £54,000 has recently been notified from Government which has not been included in the figures in this report. Action is being taken to achieve better value for money through more effective procurement and work processes are also being reviewed using a 'lean' approach.

The new procedures for the approval of grants and reducing the overall capital expenditure on Disabled Facilities Grants will have a negative impact on the revenue income generated from fees.

- 3.8 The variance in Local Environment is mainly attributable to the following:
- (i) A delay in commencement of work in relation to Keenan Park Play Area. The project has been out to tender and will commence once this process is complete.
 - (ii) A saving on Chances Park. The capital element of this project is practically complete with funding coming from Heritage Lottery.
- 3.9 The variance in Economic Development is attributable to the Sub Regional Employment Sites project. Additional work relating to asbestos was required due to damage caused to the site through vandalism. This was over and above the level of

expenditure agreed to be funded within the funding agreement. A claim has been submitted to the Council's insurers to try and recover the additional costs incurred. If unsuccessful, the Council may have to fund this additional expenditure as North West Development Agency had confirmed they are unable to make further contributions. The Council funded £223,000 in 2010/11 pending the outcome of the insurance claim. The variance in 2011/12 is projected to be more than the £40,000 deficit to date as outstanding commitments with contractors are being agreed.

- 3.10 A number of schemes are included in the capital programme for 2011/12 that require reports to be presented to the Executive for the release of funding before the project can go ahead.

Scheme	Budget £	Note
Industrial Estates	473,000	1
Old Town Hall	66,700	
Economic Development Environmental Enhancements	1,900,000	
Total	2,439,700	

Note:

- The 2011/12 budget process approved a budget of £638,100 to be used for improvements to Industrial Estate Roads. £165,100 has been released to progress work on Willowholme Industrial Estate, and approval is now sought for the release of the remaining budget (£473,000) to be used for improvements to Kingstown Industrial Estate roads as detailed in **Appendix F**.

- 3.11 A number of schemes are included in the capital programme for 2011/12 that will result in future savings on the revenue account.

Scheme	Budget £	Payback period (years)	Annual Savings after payback	Notes
Network Print Solutions	75,000	5.0	15,000	
Mechanical Sweepers	100,000	5.0	20,000	
Bousteads Grassing Demolition	166,500	2.6	64,800	
Photovoltaic solar panels (part of asset management plan)	50,000	12.0	4,167	1
Total	391,500		103,967	

Note:

- It is likely that the Photovoltaic panels scheme will come in over budget by approximately £9,000 due to the scheme being enhanced as the Feed in Tariffs are not being reduced as much as previously thought.

A further report on a new Photovoltaic solar panel scheme is considered elsewhere on the agenda for this Executive. The impact of any decision on this additional scheme will be incorporated in to future Capital Monitoring reports.

4. FINANCING

4.1 The 2011/12 capital programme can be financed as follows:

	Budget at December £	Revised Budget £
Total Programme to be financed (para 2.1)	10,928,800	6,861,800
Financed by:		
Capital Receipts (including PRTB receipts)	5,176,300	3,498,100
Capital Grants		
• Disabled Facilities Grant	663,000	663,000
• General	592,600	592,600
Direct Revenue Financing	285,700	285,700
Other Contributions	629,200	629,200
Earmarked Reserves	1,692,800	1,082,800
Internal Borrowing	1,889,200	110,400
Total Financing	10,928,800	6,861,800

5. CAPITAL RESOURCES

The following table shows the position as at December 2011 of the capital resources due to be received during 2011/12:

	2011/12 Original Budget £	2011/12 Revised Budget £	2011/12 Actual £	2011/12 Not yet received £	Note
Capital Receipts					
• General	(410,000)	(410,000)	(400,000)	10,000	1
• Asset Review	(3,920,000)	(2,697,000)	(945,500)	1,751,500	1
• Renovation Grants repaid	0	0	(11,762)	(11,762)	
• PRTB Sharing agreement	(300,000)	(150,000)	0	150,000	2
Capital Grants					
• Disabled Facilities Grant	(663,000)	(663,000)	(663,000)	0	
• Old Town Hall	(37,500)	(37,500)	0	37,500	
• Roman Frontier	(206,200)	(206,200)	(100,518)	105,682	3
• Chances Park	(22,100)	(22,100)	(10,204)	11,896	
• General	(57,100)	(57,100)	(32,900)	24,200	4
Capital Contributions					
• Disabled Facilities Grants	(300,000)	(300,000)	(236,997)	63,003	5
• Section 106	(63,000)	(63,000)	0	63,000	6
• General	(80,500)	(80,500)	(79,501)	999	7
Total	(6,059,400)	(4,686,400)	(2,480,382)	2,206,018	

Notes:

1. Receipts for 2011/12 are anticipated to be received from the Lovells agreement (£10,000) and general capital receipts (£400,000). These have been revised from £160,000 and £250,000 respectively. The asset review sales anticipated to be received were originally revised upwards to include the receipts from sales budgeted for in 2010/11 (£720,000) but not completed until 2011/12. As part of the 2012/13 budget process, Council was asked to approve moving £1,223,000 from 2011/12 to 2012/13 to reflect the revised Asset Management Plan.
2. PRTB income for the year is received on 28 April following the year-end but is accrued into the relevant year. Current budget projections have been revised to £150,000 based upon information received from Riverside Group who are forecasting a maximum of 6 sales during the year. This position is being monitored regularly and revised projections are expected to be approximately £253,000, however further information will be provided as part of the out-turn report. As at 31 December there have been 4 sales to date.
3. Funding has been adjusted to reflect revised funding of the capital element of the project.
4. Grants are expected towards the cost of Play Area Developments (£16,900), City Play Trail (£32,900) and Chances Park Multi Use Games Area (£7,300).
5. Contribution from Riverside Group to help support Disabled Facilities Grants.
6. Contributions from Section 106 agreements to Play Areas at Keenan Park (£45,000) and Acredale Road (£18,000). Although the monies have been received this year will be a year end accounting adjustment.
7. Contributions from other organisations are expected towards the cost of Trinity Church MUGA (£54,800), Play Area Developments (£19,700) and Chances Park Mini Multi Use Games Area (£6,000).

6. BALANCE SHEET MANAGEMENT

- 6.1 In line with CIPFA guidance and best practice, information relating to significant capital items on the Council's balance sheet is provided in this section. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis and will ensure that the Council is using its resources effectively and that appropriate governance arrangements are in place around the use of Council assets and liabilities.

- 6.2 Fixed assets are revalued on a five-year rolling programme to ensure that an up to date value is held in the balance sheet. The revaluation programme is the responsibility of Property Services. It should be noted that some expenditure will be incurred during the course of the year which can be correctly classified as capital expenditure, but which will not increase the value of any of the Council's assets. This expenditure is written off to the revaluation reserve or through the Comprehensive Income and Expenditure Statement as appropriate.
- 6.3 The value of fixed assets is a significant part of the balance sheet. In the 2010/11 accounts, fixed assets totalled £159million (2009/10 £154million). This represents 92% of the net current assets of the City Council.
- 6.4 Debtors
This relates to the amount of income due to the Council that has not yet been received. For capital items, this mainly relates to grants and contributions that the Council is able to claim towards funding capital expenditure, and receipts for the Council's share of the PRTB (Preserved Right to Buy) agreement. Generally capital debtors arise due to timing differences where a cut off point occurs (e.g. the financial year-end) and/or expenditure has been incurred in advance of making the grant claim. As at 31 December 2011 debtors of £58,593 (£1.46million at 31 March 2011) were outstanding for capital grants, contributions and receipts. PRTB receipts for 2010/11 were received in May in accordance with the agreement.
- 6.5 Creditors
This is the amount of money due to be paid by the Council for goods and services received from its external customers and contractors. For capital schemes this also includes retentions i.e. the amount due to the contractor after a specified period (normally one year) following the completion of a project; this time is used to assess and correct any defects outstanding on the scheme. Amounts earmarked for retention as at December 2011 totalled £64,273 (£946,343 at 31 March 2011).

7. PERFORMANCE

- 7.1 The 2011/12 programme has been kept to a level that takes account of the Council's ability to deliver schemes with regard to capacity and available resources. Work is ongoing to continue to monitor the profiling of budgets, and these are adjusted to reflect progress in current capital schemes. The review of the 2011/12 capital programme is included in the narrative within this report, and has been considered as part of the 2012/13 budget process. The review has reduced the level of carry forwards at the year end, but it is likely that there will still be a requirement for some

carry forwards at the end of the year due to further slippage and delays on projects in the remainder of the year.

7.2 Senior Management Team will provide strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities and objectives. Technical project support and quality assurance of business cases and associated project management activities will be managed by a Project Assurance Group chaired by the Chief Executive. Decisions to proceed or otherwise with proposed projects will be made in the usual way in accordance with the Council decision making framework.

7.3 A review of all capital expenditure incurred is ongoing to ensure that the expenditure has been correctly allocated between revenue and capital schemes. This will facilitate the year end classification of assets.

8. CONSULTATION

8.1 Consultation to Date

SMT & JMT have considered the issues raised in this report.

8.2 Consultation Proposed

Resources Overview & Scrutiny Panel will consider the report on 16 February 2012.

9. RECOMMENDATIONS

- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to December 2011.
- (ii) Approve the release of £473,000 Kingstown Industrial Estate budget in 2011/12 to be used for Option 2 as detailed in Appendix F.

10. REASONS FOR RECOMMENDATIONS

As stated above.

11. IMPLICATIONS

- Staffing/Resources – Not applicable
- Financial – Contained within the main body of the report
- Legal – Not applicable
- Corporate – SMT have been involved in the preparation of this report.
- Risk Management – Not applicable
- Equality Issues – Not applicable
- Environmental – Not applicable
- Crime and Disorder – Not applicable

12. IMPACT ASSESSMENTS

Does the change have an impact on the following?

Assessment	Impact Yes/No?	Is the impact positive or negative?
Equality Impact Screening Does the policy/service impact on the following?		
Age	No	
Disability	Yes	Positive
Race	Yes	Positive
Gender/ Transgender	No	
Sexual Orientation	No	
Religion or belief	No	
Human Rights	No	
Health inequalities	Yes	Positive
Rurality	Yes	Positive

If you consider there is either no impact or no negative impact, please give reasons:

Capital Programme includes a range of positive projects that will directly benefit protected characteristics:

Disabled Facilities Grant budget, The Resource Centre, Housing Strategy (includes rural), Play Area Development, Families Accommodation Replacement, Trinity Multi Use Games Area, Play Trail.

If an equality Impact is necessary, please contact the P&P team.

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Director of Resources

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2011/12 CAPITAL PROGRAMME

APPENDIX A

Scheme	Original Capital Programme 2011/12 £	Carry Forwards from 2010/11 £	Other Adjustments £	Proposed Carry Forward £	Revised Capital Programme 2011/12 £
<u>Current non-recurring commitments</u>					
Families Accommodation Replacement	878,000	27,700		(835,700)	70,000
Old Town Hall	66,700				66,700
Resource Centre	1,493,400	69,900			1,563,300
Roman Frontier	654,600	(214,000)	(128,700)		311,900
Kingstown Industrial Estate	499,100		(26,100)		473,000
Willowholme Industrial Estate	139,000		26,100		165,100
Customer Contact Centre	90,000				90,000
Document Image Processing		45,000			45,000
	3,820,800	(71,400)	(128,700)	(835,700)	2,785,000
<u>Recurring commitments</u>					
Asset Review Purchases	1,842,500			(1,452,500)	390,000
Housing Strategy - Empty Homes		38,500			38,500
Housing Strategy - Decent Homes		54,700			54,700
Planned Enhancements to Council Property	530,000	(22,500)			507,500
Vehicles, Plant & Equipment	200,000	383,600	700		584,300
ICT Shared Service	145,800	56,200			202,000
IT Equipment	99,000				99,000
RBS Shared Service		32,900			32,900
	2,817,300	543,400	700	(1,452,500)	1,908,900
<u>New non-recurring commitments</u>					
Econ Dev Environmental Enhancements	1,900,000	(10,800)		(1,778,800)	110,400
Network Print Solutions	75,000				75,000
Mechanical Sweepers	100,000				100,000
Bousteads Grassing Demolition			166,500		166,500
Multi Use Games Areas			26,100		26,100
	2,075,000	(10,800)	192,600	(1,778,800)	478,000
<u>Disabled Facilities Grants</u>					
Private Sector Grants	663,000		300,000		963,000
	663,000	0	300,000	0	963,000
<u>Continuing Schemes</u>					
City Play Trail		74,400			74,400
Play Area Developments		156,100	99,600		255,700
Environmental Enhancements		65,000			65,000
Trinity Church MUGA		127,800	2,800		130,600
Chances Park		22,100			22,100
Castle Street Public Realm		130,000			130,000
Waste Minimisation		12,100			12,100
Connect 2 Cycleway		15,000			15,000
Regeneration Improvements		6,700			6,700
	0	609,200	102,400	0	711,600
<u>Flood</u>					
ODPM Private Sector Renewal		9,300			9,300
Sheepmount Development		6,000			6,000
	0	15,300	0	0	15,300
TOTAL	9,376,100	1,085,700	467,000	(4,067,000)	6,861,800

DECEMBER 2011 - CAPITAL BUDGET MONITORING

APPENDIX B

RESOURCES

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
IT Shared Service	301,000	0	301,000	10,001	9,777	(224)	Part of Shared Service Business Case.
Planned Enhancements to Council Property	507,500	0	507,500	377,997	317,833	(60,164)	Budget released by Executive 26/07/11 (RD26/11). Schemes slightly delayed and may require a carry forward at year end to complete the scheduled works.
Vehicles & Plant	584,300	0	584,300	137,700	137,706	6	Replacement plan was revised due to transformation. Budget released by the Executive 22/11/11 (RD61/11). Vehicles are currently out to tender.
Bousteads Grassing Demolition	166,500	0	166,500	121,052	55,599	(65,453)	Council approved the addition of this scheme to the 2011/12 capital programme in April 2011. Project has been slightly delayed. Final costs to be agreed with contractor.
Document Image Processing	45,000	0	45,000	0	0	0	Discussions currently ongoing regarding requirements with completion expected by financial year end.
Network Print Solutions	75,000	0	75,000	75,000	81,751	6,751	Implementation completed in September 2011 with final account settled in October 2011.
Asset Management Plan	1,842,500	(1,452,500)	390,000	20,001	21,562	1,561	A five year Development and Investment Plan for the City Council's property portfolio with the aim of delivering additional income or reduced costs in the revenue account on a recurring basis is being developed. Anticipated spend in 2011/12 of up to £390,000 on a sustainable energy project at the Civic Centre and strategic property purchases.
Grand Total	3,521,800	(1,452,500)	2,069,300	741,751	624,228	(117,523)	

COMMUNITY ENGAGEMENT

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
Customer Services	90,000	0	90,000	0	3,204	3,204	Phase 2 and 3 of the refurbishment of the Customer Contact Centre.
Disabled Facilities Grants	963,000	0	963,000	653,224	661,120	7,896	A new prioritisation system for DFGs has been implemented which balances control over the level of expenditure while minimising the risk to clients. Expenditure was lower in the initial period while the new process was embedded, but has started to increase again and level out. It is anticipated that there will be no significant variance at the year end due to the budget being increased for external contributions received. Work is ongoing with Housing and Finance to continue to monitor the position. Further additional funding has been agreed from Social Care and Health as well as raising the issue with Government. Action is also being taken to get better value for money through more effective procurement. Work processes are also being reviewed using a 'lean' approach.
Disabled Facilities Grants Pilot	0	0	0	0	5,080	5,080	Expenditure is to be fully funded by grant.
Housing Strategy - Decent Homes	54,700	0	54,700	19,988	22,256	2,268	Expenditure in relation to Fuel Poverty and is funded from the Energy Efficiency Advice Reserve.
Housing - Investment in Empty Homes	38,500	0	38,500	13,002	13,000	(2)	Outstanding commitments to grants from 2010/11. Carry forward anticipated at year end.
Resource Centre	1,563,300	0	1,563,300	1,452,900	1,443,559	(9,341)	Project progressing as intended.
Ghyll Bank Gypsy & Travellers Site	0	0	0	0	328	328	Project complete.
Families Accommodation Replacement	905,700	(835,700)	70,000	30,001	30,222	221	Expenditure for planning and design fees this financial year with completion in Spring 2013.
MUGA - Trinity Church	130,600	0	130,600	124,401	119,066	(5,335)	Contract awarded and work commenced 27th June 2011. Project is now complete.
RBS Shared Service	32,900	0	32,900	14,500	14,453	(47)	Part of Shared Service Business Case.
Sheepmount Drainage	6,000	0	6,000	6,000	44,701	38,701	Project is funded from an earmark reserve and a carry forward for additional works approved.
Roman Frontier	311,900	0	311,900	311,900	311,756	(144)	Capital element of project complete.
City Play Trail	74,400	0	74,400	64,724	61,197	(3,527)	External grant received to fund this project.
Grand Total	4,171,000	(835,700)	3,335,300	2,690,640	2,729,942	39,302	

DECEMBER 2011 - CAPITAL BUDGET MONITORING

APPENDIX D

LOCAL ENVIRONMENT

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
ODPM Private Sector Renewal	9,300	0	9,300	6,978	4,546	(2,432)	Budget required to complete ongoing flood works due for completion 2011/12.
Lowry Hill	0	0	0	0	(511)	(511)	Retention came in less than originally provided for.
Multi Use Games Areas	26,100	0	26,100	26,100	28,600	2,500	External funding received towards this project.
Play Areas	255,700	0	255,700	201,667	187,184	(14,483)	All schemes are externally funded and contained within level of carry forward. Additional contributions from Section 106 agreements received.
Chances Park	22,100	0	22,100	22,100	12,023	(10,077)	Capital element of project complete.
Environmental Improvements	65,000	0	65,000	0	5,301	5,301	Budget required to complete schemes approved in 2010/11. Cenotaph works due to commence and complete by year end.
Kingstown Industrial Estate Roads	473,000	0	473,000	10,000	5,608	(4,392)	Scheme is currently being reviewed and the budget is requested to be released to progress the scheme as detailed in Appendix F.
Willowholme Industrial Estate Roads	165,100	0	165,100	165,100	157,393	(7,707)	The main section of works are complete. Additional works in progress and are contained within the revised budget.
Castle Street Public Realm Improvements	130,000	0	130,000	20,000	29,022	9,022	Project to be completed by year end. Final costs expected to be contained within remaining budget.
Connect 2 Cycleway	15,000	0	15,000	0	154	154	
Mechanical Sweepers	100,000	0	100,000	0	0	0	Budget released by Executive 18.04.11 (LE09/11) and are currently out to tender for the vehicles.
Waste Minimisation	12,100	0	12,100	12,100	12,100	0	The purchase of new bins.
Grand Total	1,273,400	0	1,273,400	464,045	441,420	(22,625)	

DECEMBER 2011 - CAPITAL BUDGET MONITORING

APPENDIX E

ECONOMIC DEVELOPMENT

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
Regeneration Improvements	6,700	0	6,700	0	0	0	Budget relates to match funding for the Citadel Court Square project
Old Town Hall - Strategic TIC	66,700	0	66,700	0	0	0	Project due to commence this year with main expenditure to be incurred in 2012/13.
Sub Regional Employment Sites	0	0	0	0	40,000	40,000	Additional work relating to asbestos caused by damage to the site through vandalism. Other commitments on scheme are being finalised and an insurance claim is outstanding to potentially fund this overspend.
Economic Development Environmental Enhancements	1,889,200	(1,778,800)	110,400	72,000	70,267	(1,733)	Expenditure in relation to advice on contaminated land.
Grand Total	1,962,600	(1,778,800)	183,800	72,000	110,267	38,267	

Kingstown Broadway (North) - Highway improvements for adoption Request for Funding Release

Background.

The 2011/12 budget process approved a total budget of £638,100 to improve the quality of roads at Kingstown Industrial Estate and Willowholme Industrial Estate, to a traditional standard that would allow the roads to be accepted for adoption by Cumbria County Council.

Willowholme Industrial Estate highways work has been progressed at a budget of £165,100 leaving £473,000 available for improvements elsewhere.

Kingstown Broadway North Road is showing substantial signs of distress, and it is therefore recommended that priority be given to this area of the site. To achieve adoption historically, a specification standard for 10 years design life (with minimum maintenance) was accepted. Specifications standards for adoption have recently been enhanced by Cumbria County Council to a 40 year design life.

It is anticipated that the budgetary constraints will prohibit the full extent of works required to achieve 40 year life, and hence adoption, and options need to be considered:

Options

There are two options to consider for the progression of this scheme:

1. Carry out the full extent of the works required to achieve 40 years design life, and hence adoption. This would require completely removing the existing road and replacing (6,750m²). Estimated costs for these works could be in excess of £700,000 (subject to tender returns). This estimate assumes:
 - a. there is no contaminated land,
 - b. there are no special requirements for underground or over head services,
 - c. no additional drainage is required or alterations/repairs to existing drainage is needed unless specified, or
 - d. similarly no reconstruction / alterations of kerbs are needed unless specified.

These would all increase the cost of the scheme.

This can therefore not be achieved within the current budget and would require additional resources in excess of £226,900 from the Council to ensure completion to the required 40 year standard. There is also no guarantee at this stage that the road would be adopted should these works be completed. This option has therefore been rejected.

2. Carry out works to a standard that will achieve an estimated 10 year design life, with minimum maintenance. This will involve a combination of refurbishment depending on the quality of the road, including 1,950m² of new construction and 4,800m² of surface replacement.

It is the estimated that this level of work can be completed within the current available budget (subject to tender returns). This option is recommended.

Risks

The risks associated with the detailed site are:

- The Industrial Estate Road is currently deteriorating and requires attention within next 12 months.
- It is currently envisaged that the budget will only facilitate option 2 above.
- Tenders may not come back within estimates.
- Other, Kingstown roads not included in above considerations may also require improvements in future.

Way Forward:-

As Option 2 is within budget, this will be progressed subject to the Executive releasing the budget.