
CAPITAL PROGRAMME 2015/16

1 SUMMARY

- 1.1 This report reviews the current Capital Programme for 2015/16 following closure of the Accounts for 2014/15.

2 INTRODUCTION

- 2.1 As part of the Medium Term Financial Strategy (MTFS), each year the Council agrees a Capital Programme for the coming financial year and the following four years. The Programme covers all General Fund services and other Housing and shows the programme of expenditure and how it will be financed.
- 2.2 The Capital Programme for 2015/16 needs to be revised following the closure of the accounts for 2014/15 so that, where capital projects have been delayed or to match the timing of payments, the remaining budgets have been rolled into 2015/16. This does not have any additional impact on capital receipts balances as the expenditure is just delayed.

3 2014/15 OUTTURN

- 3.1 The total capital expenditure was £0.91m compared to a budget of £1.333m and the attached Appendix shows the actual expenditure in 2014/15 for all the projects. The Appendix gives details of where unspent budget has been rolled forward into 2014/15.

4 2015/16 REVISED CAPITAL PROGRAMME

- 4.1 The attached Appendix includes the revised Capital programme for 2015/16, updated with new information, principally following the closure of accounts for 2014/15. The current allocations for 2015/16 are shown in the column headed 'Proposed 2015/16'.
- 4.2 A significant expenditure in the programme is the purchase of the recycling vehicles. As part of the renewal of the recycling contract the Council is financing the purchase of the new vehicles as it is more economical for the Council to obtain financing. While the vehicles were ordered in 2014/15, the lead-in times for delivery mean that the vehicles are being delivered in 2015/16 and the capital provision has been made accordingly.
- 4.3 The attached Programme includes provision for replacement of the office accommodation and facilities at the depot site, Rochford, subject to Council agreement of the item.
- 4.4 The full Capital Programme to 2020/21 will be presented to Members as part of the budget setting process later in the year.

5 RISK IMPLICATIONS

- 5.1 Delays in completing the items in the Capital programme could prevent the Council from achieving its strategic objectives and lead to adverse publicity. The allocation of resources needs to be carefully managed to ensure that the Programme is properly funded and the revenue consequences are included in the MTFS for the General Fund.
- 5.2 When agreeing the MTFS, Council also agrees the monitoring, reporting and decision making arrangement for the Capital Programme items. The Executive receives a quarterly monitoring report on the progress in implementing the Capital Programme.
- 5.3 The funding for disabled facilities grants (DFGs), which earlier came direct from Central Government, has now become part of the Better Care funding that is being administered by the County Council, who allocates DFG funding to individual District Councils. This came into effect from April 2015 and some uncertainty is expected over the future of these grants.

6 RESOURCE IMPLICATIONS

- 6.1 The Capital programme for 2015/16 has now been revised, which increases it from £3.71m to £4.01m, £250,000 of which is due to rolling forward last year's unspent allocations. The programme in 2015/16 will be financed by capital receipts and capital grants. The main source of capital receipts is the sharing arrangements established as part of the Large Scale Voluntary Transfer of the Council's housing stock. The right to buy receipts for 2014/15 were £151,375 and VAT Shelter was £6,000; a total of £157,375, compared to an estimate of £300,000.
- 6.2 When the Capital Programme was agreed in January 2015, it was forecast that the capital receipts would be exhausted in 2015/16, with a borrowing requirement of £1.71m during the year. The current forecasts for capital financing come from fully utilising the balance in the capital pot of £1.61m, forecast capital receipts of £150,000 and external borrowing of £1.73m. At present there is no asset disposal programme to deliver.

7 RECOMMENDATION

- 7.1 It is proposed that Council **RESOLVES** to agree the revised Capital Programme for 2015/16, subject to Council agreement on the depot building project.



Joseph Raveendran

Assistant Director, Resources

Background Papers:-

None.

For further information please contact Joseph Raveendran on:-

Phone: 01702 318029

Email: joseph.raveendran@rochford.gov.uk

If you would like this report in large print, Braille or another language please contact 01702 318111.

Capital Programme, Actuals for 2014/15 and Revised for 2015/16

The budgets showing under the Approved column were agreed by Council in January 2015.

| | Approved 2014/15 | Actual 2014/15 | Approved 2015/16 | Proposed 2015/16 | Commentary |
|---|---------------------|-------------------|---------------------|---------------------|--|
| Information & Communications | | | | | |
| ICT Strategy | 104,362 | 18,705 | 300,000 | 385,600 | Budget allocated to ensure Council has adequate IT data storage facilities. Revised ICT Strategy will set out detailed plans and expenditure approved by Chief Officer. Remaining funds from 2014/15 added to cover incomplete works regarding backup, storage and installation of i-share maps. |
| Vehicles and Equipment | | | | | |
| Wheelie Bins | 55,000 | 56,539 | 55,000 | 55,000 | Rolling budget for replacement of wheelie bins. As part of the new contract arrangements, RDC is responsible for providing bins. |
| Vehicle Replacements | 50,000 | 36,766 | - | 30,500 | An iveco tipper which was agreed out of the 2014/15 replacement programme has been purchased in 2015/16. |

| | Approved 2014/15 | Actual 2014/15 | Approved 2015/16 | Proposed 2015/16 | Commentary |
|---------------------------------|---------------------|-------------------|---------------------|---------------------|---|
| Waste Vehicles | 225,000 | 225,010 | 2,336,185 | 2,388,782 | <p>Approved 2015/16 £2.3m was to purchase a fleet of waste vehicles for the main recycling collection contract to enable revenue savings.</p> <p>Proposed 2015/16 Budget allocation has been increased to reflect the actual cost of the vehicles and required modifications to the lifting mechanisms. £300,000 will come from DCLG grant funding</p> |
| Cemetery Equipment | 500 | 1,128 | 10,000 | 10,000 | <p>Approved 2015/16 Budget allocated to provide a storage container.</p> |
| Replacement Telephony system | 25,800 | 13,886 | - | 11,900 | <p>Proposed 2015/16 Carry forward of unspent provision to cover outstanding works.</p> |
| Equipment Replacement Programme | 46,644 | 24,320 | 8,000 | 18,900 | <p>Approved 2015/16: £7,000 for post room equipment; Building Control Online Payments- £1,000</p> <p>Proposed 2015/16: Additional £10,900 allocated to support the implementation of the focal-point ordering system; Annual allocation 2016/17 onwards reduced to £20k. Expenditure to be approved by Chief Officer</p> |

| | Approved 2014/15 | Actual 2014/15 | Approved 2015/16 | Proposed 2015/16 | Commentary |
|---------------------------|---------------------|-------------------|---------------------|---------------------|--|
| Operational Assets | | | | | |
| Cemeteries | 5,000 | - | 71,100 | 71,100 | <p>"Original allocation to Hall Road Extension £535k Remaining £160k split over three years (2015/16 to 2017/18) Total budget remains within original approved budget.</p> <p>Chief Officer to approve following works: 2015/16 £4,500 planned asset management works to resurface the bellmouth; Any other expenditure to be approved by Executive"</p> |
| Depot | 60,000 | 5,800 | 400,000 | 400,000 | <p>2014/15 - costs for temporary replacement office accommodation at the council depot, funded from Earmarked Reserves and insurance settlement</p> <p>2015/16 – Provision for permanent replacement of building. Subject to Council agreement as a separate item</p> |

| | Approved 2014/15 | Actual 2014/15 | Approved 2015/16 | Proposed 2015/16 | Commentary |
|------------------|---------------------|-------------------|---------------------|---------------------|--|
| Rochford Offices | 49,200 | 37,444 | 39,500 | 51,200 | <p>2015/16 Approved Programme: CCTV - £12,500; Air Conditioning - £10,000; Lighting upgrades - £10,000</p> <p>Replacement of waterless urinals - £1,000 Structural repairs to reception canopy - £6,000 2015/16 Proposed: (Incomplete 2014/15 approved works) Ventilation works to scanning room - £8,200 Reception pathway resurfacing works - £3,500</p> <p>Final programme to be agreed by Executive.</p> |
| Rayleigh Offices | 3,000 | 859 | 15,000 | 26,500 | <p>2015/16 Programme: Replacement of waterless urinals - £5,500; Lighting upgrades - £13,500; CCTV replacement - £7,500</p> <p>Final programme to be agreed by Executive"</p> |
| Windmill | 12,500 | 4,093 | 750 | 8900 | 2015/16 - Upgrade of CCTV plus unfinished works rolled from the 2014/15 agreed programme |

| | Approved 2014/15 | Actual 2014/15 | Approved 2015/16 | Proposed 2015/16 | Commentary |
|--|---------------------|-------------------|---------------------|---------------------|---|
| Car Parks | 20,000 | 1,920 | 45,000 | 63,000 | 2015/16 Approved Programme: Resurfacing Programme - £40,000; Lighting Upgrade - £5,000; 2015/16 Proposed (Incomplete 2014/15 approved works) Back lane Car park resurfacing - £18,000 Final programme to be agreed by Executive |
| Pavilion Refurbishments | 40,000 | 40,846 | 30,000 | 30,000 | 2015/16 Programme: £15k for Pavilion refurbishment and £15k for Pavilion car park resurfacing Final programme to be agreed by Executive |
| Town & Village improvements | | | | | |
| Community Funding | 12,950 | 12,779 | 17,050 | 17,050 | £2,050 underspend from 2014/15 carried forward to be allocated in 2015/16. £15,000 provision for 2015/16 agreed by Council in December 2014, £9,790 awarded so far. |
| Signage Enhancements | 9,000 | 2,249 | 5,000 | 9,500 | Programme to replace and upgrade the highway directional signage to our facilities, including council offices and leisure facilities. Expenditure will be approved by Chief Officer. £4,500 rolled from 2014/15 allocation to cover unfulfilled orders. |

| | Approved 2014/15 | Actual 2014/15 | Approved 2015/16 | Proposed 2015/16 | Commentary |
|-------------------------------------|---------------------|-------------------|---------------------|---------------------|--|
| Parks & Play Facilities | | | | | |
| Play Spaces | 28,500 | 6,660 | 25,000 | 46,800 | 2015/16 Proposed Original approved programme plus: Hullbridge Parish Council £20,000 match funding for skateboard / BMX facilities at Canewdon Recreation ground. £1,800 for remainder of 2014/15 Hullbridge Recreation ground project match funded by Hullbridge Parish |
| Cherry Orchard Jubilee Country Park | 58,000 | 47,195 | | - | The Management Plan for the Country Park is currently under review. |
| Hockley Woods | 40,000 | 12,584 | - | 22,500 | 2015/16 Proposed (2014/15 approved works) £2,500 of uncompleted works for staff facilities £20,000 to develop concession facilities. |
| Land Purchase | 23,500 | | | | |
| Leisure Buildings | 40,000 | 41,211 | | | |

| | Approved 2014/15 | Actual 2014/15 | Approved 2015/16 | Proposed 2015/16 | Commentary |
|--|---------------------|-------------------|---------------------|---------------------|--|
| Parks & Open Spaces Programme | 50,000 | 38,594 | 59,500 | 61,100 | 2015/16 Approved £10k access improvements at Millview Meadows £5k land drainage at Clements Hall playing field £44,500 unallocated to be approved by Portfolio holder 2015/16 Proposed £1,600 rolled from 2014/15 for unfinished resurfacing at Canewdon Rec |
| Housing | | | | | |
| Home maintenance and Adaptation Grants | 70,000 | 80,219 | 70,000 | 50,000 | 2015/16 Proposed Level of expenditure reduced in line with reduction in Better Care funding received. |
| Disabled Facilities Grants | 300,000 | 202,281 | 250,000 | 250,000 | Funding for DFGs is centralised through Counties with effect from 2015/16. Expenditure is based on 40:60 split between RDC and grant funding |
| Total | 1,328,956 | 911,086 | 3,737,085 | 4,008,332 | |

| | Approved 2014/15 | Actual 2014/15 | Approved 2015/16 | Proposed 2015/16 | Commentary |
|--|---------------------|-------------------|---------------------|---------------------|---|
| Statement on Financing of Programme | | | | | |
| Capital Grant | 255,275 | 32,345 | - | 300,000 | 2014/15 DCLG grant for refuse vehicles |
| Housing Grants | 167,892 | 191,015 | 150,000 | 219,000 | Uncertainty over funding from 2015/16 onwards as it will become part of the Better Care Fund and paid by ECC. |
| Revenue Funding | 72,500 | | | | |
| Prudential Borrowing | | - | 1,708,487 | 1,726,058 | Borrowing not required in 2014/15 as originally envisaged. |
| Capital Receipts Required | 833,289 | 687,727 | 1,878,598 | 1,763,274 | |
| Total Financing | 1,328,956 | 911,086 | 3,737,085 | 4,008,332 | |
| Statement of Capital Receipts | | | | | |
| Capital Receipts B/fwd | 2,091,887 | 2,091,887 | 1,578,598 | 1,613,274 | |
| Received in Year - Housing | 300,000 | 157,375 | 300,000 | 150,000 | Right to buy and VAT Sharing arrangements with Rochford Housing Association. |
| Received in Year - General | 20,000 | 51,738 | | | |
| Receipts used in year | (833,289) | (687,727) | (1,878,598) | (1,763,274) | |
| Capital Receipts C/fwd | 1,578,598 | 1,613,274 | - | - | |