

CAPITAL PROGRAMME 2014/15

1 SUMMARY

- 1.1 This report reviews the current Capital Programme for 2014/15 following closure of the Accounts for 2013/14.

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 2014/15 needs to be revised following the closure of the accounts for 2013/14 so that, where capital projects have been delayed or to match the timing of payments, the remaining budgets have been rolled into 2014/15. This does not have any additional impact on capital receipts balances as the expenditure is just delayed.

3 2013/14 OUTTURN

- 3.1 The total capital expenditure was £0.95m compared to a budget of £1.65m and the attached Appendix shows the actual expenditure in 2013/14 for all the projects. Details of the main areas of underspend are highlighted below. The Appendix gives details of where unspent budget has been rolled forward into 2014/15.

Item	Approved Budget £	Actual Expenditure £	Commentary
Wheelie Bins	114,000	2,829	Annual budget for replacement of bins, which was not spent pending a review of bin retention and storage to take into account new contract agreement for provision of bins and outcome of depot proposals.
Vehicles	48,000	21,990	Two vehicles were replaced during the year but insurance covered the cost of one.

Waste Vehicles	230,000	-	The 2013/14 allocation was for vehicles to extend collection for flats - the lead in time for delivery of the vehicles means they were received in July 2014, so the expenditure has been rolled forward into 2014/15. This is funded from a DCLG grant.
Depot	31,000	2,025	£20,000 was allocated for a feasibility study in to the options for replacing the depot buildings and £10,000 for Health and safety works. The options work for the depot was carried out internally. H&S works to the vehicle compound still to be carried out – remaining budget rolled to 2014/15
Rochford Offices	106,800	51,675	£17,700 has been carried forward to 2014/5 to finish off office ventilation works. Other works no longer required included further making good after 2012/13 heating and electrical works and window replacement at the old house due to planning permission issues.
Public Conveniences	30,000	-	Expenditure not incurred pending review of toilet provision.
Cherry Orchard Jubilee Country Park	25,000	14,338	The lake edge works were not completed in 2013/14 because ground conditions were not suitable due to a very wet autumn/winter.
Hockley Woods	45,000	1,499	The agents' fees were not required in full and will be carried over into 2014/15. The welfare facility for staff required redrafting of the specification which delayed the contract tender.

Parks & Open Spaces	43,700	785	Requirement for skate park at Canewdon removed from programme. £10,435 to carry out approved replacement of specific litter bins and benches rolled forward to 2014/15 due to lead in time on the delivery of the equipment.
Home Maintenance Grants	142,000	57,660	Budget was not spent because of reduced demand.

4 2014/15 REVISED CAPITAL PROGRAMME

- 4.1 The attached Appendix also includes the revised Capital programme for 2014/15, updated with new information principally following the closure of accounts for 2013/14. The current allocations for 2014/15 are shown in the column headed 'Revised 2014/15'.
- 4.2 A significant change is the timing of the expenditure on the recycling vehicles. As part of the renewal of the recycling contract, the Council will be financing the purchase of the new vehicles as it is cheaper for the Council to obtain financing. While the vehicles will be ordered in this financial year, the lead-in times for delivery mean that the vehicles will be delivered early in 2015/16, so the capital provision has been rolled forward.
- 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 presented separately to this meeting.
- 4.4 The full Capital Programme to 2019/20 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 received a quarterly monitoring report on the progress in implementing the Capital Programme.

- 5.3 The funding for disabled facilities grants (DFG), currently received direct by this Council, will become part of the Better Care funding that will be paid to the County Council, who will then allocated DFG funding to individual district councils. This comes into effect from April 2015 and creates some uncertainty over the future funding of these grants.

6 RESOURCE IMPLICATIONS

- 6.1 The Capital programme for 2014/15 has reduced from 3.17m to £2.07m, with the major expenditure on the recycling vehicles moved into 2015/16 to match the expected delivery date. The programme in 2014/15 will be financed by capital receipts and capital grants. The main source of capital receipts is from the sharing arrangements established as part of the Large Scale Voluntary Transfer of the Council's housing stock. The right to buy receipts for 2013/14 were £353,840 and VAT Shelter was £19,117; a total of £372,957, compared to an estimate of £396,500.
- 6.2 When the Capital Programme was agreed in January 2014, it was forecast the capital receipts would be exhausted in 2014/15, with a borrowing requirement of £1.09m during the year. The current forecasts for capital receipts is £745,286 at the end of 2014/15 and borrowing of £1.93m in 2015/16. This borrowing requirement will reduce as the Council's asset disposal programme is delivered. The borrowing is likely to be internally financed rather than taking on external debt.

7 RECOMMENDATION

- 7.1 It is proposed that Council **RESOLVES** to agree the revised Capital Programme for 2014/15, subject to Council agreement of the separate item on this agenda for the depot buildings.



Yvonne Woodward

Head of Finance

Background Papers:-

Report to the Meeting of the Executive, 16 July 2014 - *Replacement office accommodation and facilities at the Council depot, Rochford*

For further information please contact Yvonne Woodward (Head of Finance) on:-

Phone: 01702 318029

Email: yvonne.woodward@rochford.gov.uk

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

Capital Programme, Actuals for 2013/14 and Revised for 2014/15

The budgets showing under the Approved column were agreed by Council on 29 January 2014.

	Approved 2013/14	Actual 2013/14	Approved 2014/15	Proposed 2014/15	Commentary
Information & Communications					
ICT Strategy	47,400	46,502	75,000	82,131	Allocation is for implementation of ICT Strategy and Code of Connection compliance to ensure continued access to Government's networks. £7,131 Increase is due to additional expenditure funded by Defra capital grant for geographical data sharing (INSPIRE EU Directive)
Vehicles and Equipment					
Wheelie Bins	114,000	2,829	55,000	166,000	Rolling budget for replacement of wheelie bins. As part of the new contract arrangements, RDC is responsible for providing bins. Unspent budget of £111,000 from 2013/14 not carried forward; demand will be reviewed later in the year.
Vehicle Replacements	48,000	21,990	75,000	75,000	2013/14 - two vehicles replaced - Insurance payout covered cost of one replacement vehicle. 2014/15 provision for replacement depot vehicle and possible replacement of civic car. Civic Car replacement to be reported to Executive. Depot vehicle purchase to be approved by Head of Service.

	Approved 2013/14	Actual 2013/14	Approved 2014/15	Proposed 2014/15	Commentary
Waste Vehicles	230,000	-	1,620,000	230,000	<p>The 2013/14 allocation was for vehicles to extend collection for flats - the lead in time for delivery of the vehicles means they won't be received until June 2014, so the expenditure has been rolled forward into 2014/15. This is funded from a DCLG grant.</p> <p>The 2014-15 allocation of £1.6m was to purchase a fleet of waste vehicles for the main recycling collection contract to enable revenue savings. The expenditure is now expected to be incurred in 2015/16 upon delivery of the vehicles.</p>
Cemetery Equipment	45,000	40,807	20,000	20,000	Equipment to fund cemeteries being brought in house
Replacement Telephony system	100,000	74,199	-	25,800	Carry forward of unspent provision to cover outstanding works and system administration training on the new telephony system.
Equipment Replacement Programme	51,500	28,717	23,500	28,500	2014/15 Allocations: Printer equipment - £12,500 Woodlands equipment - £5,000 Noise Equipment - £6,000 plus £5,000 carried forward from 2013/14 for mobile working. Expenditure to be approved by Head of Service

	Approved 2013/14	Actual 2013/14	Approved 2014/15	Proposed 2014/15	Commentary
Operational Assets					
Cemeteries	42,000	24,734	160,400	80,400	Original allocation to Hall Road Extension £535k plus £12k for staff facilities. Remaining £160k split over two years (2014/15 and 2015/16) Total budget remains within original approved budget.
Depot	31,000	2,025	-	438,893	2013/14 - planned health and safety works carried out internally. 2014/15 - costs for replacement office accommodation and facilities at the council depot. Programme of works reported to Executive 16 July 2014.
Rochford Offices	106,800	51,675	31,000	48,700	2014/15 allocations agreed by Executive: Air conditioning - £11,000 Replacement of door entry system - £12,500 Replacement of waterless urinals - £1,000 Roofing replacements - £6,500 plus £17,700 carried forward for ventilation works.
Rayleigh Offices	12,000	11,900	4,500	4,500	2014/15 allocations agreed by Executive: Replacement of door entry system - £3,000 Replace waterless urinals - £1,500
Windmill	2,500	3,269	-		Storage heater installed. Costs also include recharge for officer time.
Acacia House	21,200	17,945			Costs associated with the disposal

	Approved 2013/14	Actual 2013/14	Approved 2014/15	Proposed 2014/15	Commentary
Car Parks	-		26,500	26,500	2014/15 Allocations: - Pay & Display car park resurfacing - £25,000 Lighting - £1,500
Pavilion Refurbishments	26,700	29,892	60,000	60,000	2013/14 - A replacement fan convector was needed when carrying out the alterations to the heating system. Costs also include recharge for officer time. 2014/15 - £30,000 to be spent on refurbishment of Fairview Pavilion. Remainder of programme to be agreed by the Executive.
Town & Village improvements					
Public Conveniences	30,000		-	-	Expenditure not incurred pending review of toilet provision.
Community Funding	48,500	48,431	15,000	15,000	Allocations for 2014/15 agreed. £2,407 remaining for a later grant round or to carry forward into 2015/16.
Signage Enhancements	5,000	1,231	10,000	13,700	Programme to replace and upgrade the highway directional signage to our facilities, including council offices and leisure facilities. Expenditure will be approved by Head of Service. Revised includes carry forward of £3,700 from 2013/14.

	Approved 2013/14	Actual 2013/14	Approved 2014/15	Proposed 2014/15	Commentary
Parks & Play Facilities					
Play Spaces	50,000	46,076	50,000	50,000	Programme of works:- £16,000 at Hullbridge Recreation Grounds £15,000 installation of play equipment £4,000 for play space audit £10,000 at Rochford Recreation Ground
Cherry Orchard Jubilee Country Park	25,000	14,338	252,600	262,600	Unused budget has been carried forward. The Management Plan for the Country Park is currently under review.
Hockley Woods	45,000	1,499	300,000	63,500	£100,000 match funding for natural play equipment, £200,000 for car park. Subject to final approval by Executive and obtaining match funding. £23,500 for land purchase a carried forward from 2013/14 and £20,000 from Parks and Open Spaces provision to develop concession facilities.
Leisure Buildings	30,000	32,250	20,000	20,000	Detailed programme of works to be agreed by the Executive

	Approved 2013/14	Actual 2013/14	Approved 2014/15	Proposed 2014/15	Commentary
Parks & Open Spaces Programme	43,700	23,656	50,000	40,400	2013/14 expenditure of £22,871 on Grove Road car park funded by ECC grant. £10,400 rolled forward from 2013/14 to complete programme. Programme agreed by Executive June 2014: £20,000 on improvements, £20,000 to develop permanent concession at Hockley Woods (budget transferred to Hockley Woods line) and £10,000 on upgrades.
Housing					
Home maintenance and Adaptation Grants	142,000	57,660	70,000	70,000	
Disabled Facilities Grants	352,000	367,964	250,000	250,000	Funding for DFGs is likely to be centralised through Counties with effect from 2015/16 which may have funding implications.
Total	1,649,300	949,588	3,168,500	2,071,624	

	Approved 2013/14	Actual 2013/14	Approved 2014/15	Proposed 2014/15	Commentary
Statement on Financing of Programme					
Capital Grant	230,000	22,871	-	237,131	2014/15 Defra Grant for Geographical Data Sharing and DCLG grant for refuse vehicles
Housing Grants	160,717	166,531	167,892	167,892	Uncertainty over funding from 2015/16 onwards as it will become part of the Better Care Fund and paid to ECC.
Prudential Borrowing			1,093,866		Borrowing not required in 2014/15 as originally envisaged.
Capital Receipts Required	1,258,583	760,187	1,906,742	1,666,601	
Total Financing	1,649,300	949,588	3,168,500	2,071,624	
STATEMENT OF CAPITAL RECEIPTS					
Capital Receipts B/fwd	1,857,958	1,867,490	1,564,742	2,091,887	
Received in Year - Housing	396,500	372,957	342,000	300,000	Right to buy and VAT Sharing arrangements with Rochford Housing Association.
Received in Year - General	568,867	611,627		20,000	2013/14 - Acacia House - £570,000, 58 Main Road - £18,867 2014/15 - Depot Insurance
Receipts used in year	(1,258,583)	(760,187)	(1,906,742)	(1,612,383)	
Capital Receipts C/fwd	1,564,742	2,091,887	-	745,286	