
REPORT TO THE MEETING OF THE EXECUTIVE ON 28 JANUARY 2009

PORTFOLIO HOLDER: RESOURCES

REPORT FROM HEAD OF FINANCE, AUDIT AND PERFORMANCE MANAGEMENT

**SUBJECT: CAPITAL PROGRAMME – MONITORING REPORT
QUARTER 3 2008-09**

1 DECISION BEING RECOMMENDED

- 1.1 This report provides an update on the financial progress in completing the General Fund Capital Programme for 2008/09, which is shown in the appendix to this report.

2 REASON/S FOR RECOMMENDATION

- 2.1 To enable the Executive to raise any queries on progress in implementing the current capital programme. Expenditure is monitored on a monthly basis by the Financial Programmes Group, a multidisciplinary officer group.

3 OTHER SALIENT INFORMATION

Summary

- 3.1 This report provides an update on the financial progress in completing the General Fund Capital Programme for 2008/09, which is shown in the appendix to this report.

Introduction

- 3.2 The revised Capital Programme for 2008/09 was agreed by Council on 26 June 2008, in the light of updated information following the closure of the accounts for 2007/08.
- 3.3 Where budgets were underspent but still required, these were carried forward into the 2008/09 allocations and can be seen in the appendix as the large increases from original to revised budgets.

Consideration

- 3.4 75% of the projected capital expenditure has been spent and committed to the end of the third quarter. The majority of the capital provision is for three projects, the largest of which is the purchase of the new bins for the Waste Contract. The invoice for these has just been received. The amount shown against this item in the appendix is for the commitment for this expenditure.

- 3.5 Expenditure relating to major projects, such as Cherry Orchard Jubilee Country Park or the Cemetery extension are the subject of separate reports to the responsible Portfolio Holder or the Executive as appropriate, detailing progress, so this report provides only a summary against each item.
- 3.6 Unused budget that is still required will be carried forward into 2009/10. Following the closure of capital accounts, a report will be presented to Council in June, on the final position for the Capital Programme for 2008/09 and the implications for 2009/10.

Capital Receipts

- 3.7 The capital programme has historically been funded by capital receipts from the sale of council housing. Since the transfer of our housing stock, we are less able to predict the income that we will receive. Rochford Housing Association now deal with all Right to Buys (RTB) and we are entitled to an element of the proceeds dependant on the timing of the sale. This income is payable annually, therefore any sales in 2008/09 will not be received until 2009/10.
- 3.8 The Capital Programme presented to Council in June was amended to show an anticipated decrease in proceeds.

4 RISK IMPLICATIONS

- 4.1 Delays in completing the items on the Capital Programme could prevent the Council from achieving its strategic objectives and lead to adverse publicity for the Council. The allocation of resources is therefore carefully managed to ensure that the Programme is properly funded and the revenue consequences are included in the Medium Term Financial Strategy for the General Fund.

5 RESOURCE IMPLICATIONS

- 5.1 In the current economic climate, house prices are decreasing. For the RTB market, this may see an increase in the number of properties sold, however, this is dependent on reductions in interest rates being passed to mortgage applicants, the availability of mortgages, and also the effect of the job market and other financial pressures on the tenants. If the latter points still remain an issue, then this could mean a dip in receipts.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

SMT Lead Officer Signature: _____

Head of Finance, Audit and Performance Management

Background Papers:-

None

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GENERAL FUND CAPITAL PROGRAMME 2008/09 – EXPENDITURE & COMMITMENTS AS AT 31 DECEMBER 2008

PROGRAMME ITEM	Responsible Officer (See Key)	Original Provision	Revised Provision	Spent & Committed	Notes
IT requirements	HICS	30,000	30,000	23,375	Available for required IT expenditure in the year.
Wheelie Bins	HES	1,090,000	1,121,165	1,087,389	The invoice for the wheelie bins was received in January. The increase in budget provision is the roll forward of unspent budget from 2007/08.
Vehicle Replacement	HES	16,000	16,000	15,884	Completed
Equipment Replacement Programme	HICS	60,000	52,300	47,464	Print Room Equipment has been received and was installed the first week of January.
Depot	HES	345,000	327,000	127,401	The works are underway on the contractors side of the depot and are due to be completed early February. Tenders for the Council side of the Depot will be sought before the end of this financial year, with work commencing subject to the Contractor's work programme. £18k has been moved from this budget to cover the electrical works cost.
Hall Road Cemetery	HLS	15,000	10,000	5,046	The required surveys are currently being prepared. A planning application will be submitted before year end. A report is on the agenda for this meeting.
Electrical Works	PMHM	60,000	78,000	74,516	Contractors have begun the works on the electrical rewiring. The cost has come in higher than originally estimated and this has been met by a virement from the Depot provision.
Rayleigh Accommodation Works	PMHM	60,000	60,000	13,799	The oil tank decommissioning and boiler replacements are currently being prepared for tender. The redesign of Rayleigh Reception is dependent on the outcome of the Access to Services business case.

PROGRAMME ITEM	Responsible Officer (See Key)	Original Provision	Revised Provision	Spent & Committed	Notes
Building Works	PMHM	50,000	50,000	-	This budget is allocated at year end to capitalise any special items work that can be classed as Capital.
District Boundary Signs	CE	40,000	30,000	-	A report has been drafted and will be presented to the Executive by the end of February.
Great Wakering Public Conveniences	PMHM	25,000	25,000	300	Tenders have been received and are being processed.
Play Spaces	PMHM	50,000	100,000	45,766	The programme covered by the brought forward budget is now underway. The budget has increased to include the roll forward of the 2007/08 unspent budget allocation. It is this that has been spent. The current year's allocation of £50,000 is under discussion.
Cherry Orchard Jubilee Country Park – Land purchase and associated works	HLS	425,000	700,713	695,336	All land has been purchased. Some fees are outstanding that will commit the remainder of budget. The budget has been increased to include the unspent allocation from 2007/08 from delayed land purchase.
Cherry Orchard Jubilee Country Park – Capital Works to Existing Land	HES	25,000	61,300	12,856	The second piece of land has now been purchased. Executive in December agreed a supplementary budget of £36,300 to allow works to begin in 2008/09, this is now underway.
Open Spaces Programme	HES	125,000	141,408	4,079	Ground works specification for Sweyne Park is currently being written with ground works proposed to start in February/March. Fencing and some auxiliary works will begin this month. Options for this year's open space programme have been agreed and are being progressed. The budget has increased to include the unspent allocation from 2007/08.

PROGRAMME ITEM	Responsible Officer (See Key)	Original Provision	Revised Provision	Spent & Committed	Notes
Teen Shelters Rolling Programme	HCS	20,000	20,000	-	A report has been signed off by the portfolio holder on the placement of the shelters, and discussions are now being had with parishes to move this forward.
Freight House Resurfacing	PMHM	40,000	40,000	38,796	This has been completed.
Great Wakering Youth Facilities	HCS	65,000	89,026	8,535	Options for this facility are being considered in conjunction with the Chief Executive and other parties, including County and the Parish Council. The budget will not be used this year and will be moved into 2009/10, the increased budget includes the unspent allocation from 2007/08.
GENERAL FUND CAPITAL PROGRAMME TOTAL		2,541,000	2,951,912	£2,200,542	Percentage complete = 74.55%