

Appendices
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Item No.
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NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	CAPITAL PROGRAMME 2007-08 – POSITION AS AT END OF OCTOBER 2007
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	3 December 2007
Key Decision:	YES
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Governance and Improvement
Accountable Cabinet Member:	Malcolm Mildren
Ward(s)	Not Applicable

1. Purpose

1.1 The purpose of the report is to:

- Request approval for capital schemes in, or to be added to, the Council's capital programme for 2007-08
- Advise Cabinet of the slippage of unfinished schemes from 2006-07 into the 2007-08 capital programme
- Advise Cabinet of the latest proposed capital programme for 2007-08
- Advise Cabinet as to how the 2007-08 capital programme will be funded
- Advise Cabinet on the latest capital programme monitoring position and future reporting arrangements for the capital programme

2. Recommendations

2.1 That Cabinet approve the inclusion of the following schemes into the capital programme for 2007-08

a) Schemes already identified in the draft capital programme for 2007-08

GF / HRA	Directorate	Scheme Reference & Description	2007-08 £000	Future Years £000	Funding Source
Housing Revenue Account	Customers & Service Delivery	2007-08/CS0018 Decent Homes Re-wiring	500	-	Major Repairs Allowance £59k; HRA Revenue Contribution £441k

b) Schemes to be added to the capital programme for 2007-08

GF / HRA	Directorate	Scheme Description	2007-08 £000	Future Years £000	Funding Source
General Fund	Customers & Service Delivery	Recycling Improvements to access normally hard to reach areas (Waste Performance & Efficiency Grant - WPEG)	88	-	Waste Performance and Efficiency Grant

2.2 That Cabinet note:

- a) The slippage of unfinished schemes from 2006-07 into the 2007-08 capital programme as set out at Annex B
- b) The latest proposed capital programme for 2007-08 as set out at Annex C
- c) The funding arrangements for the 2007-08 capital programme as set out at Annex D
- d) The capital programme monitoring position as at end of October 2007 as set out at Annex E
- e) The future reporting arrangements for the capital programme throughout the year

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Council's capital programme for 2007-08, and associated amendments, has been approved by Cabinet at meetings throughout the year to date:
- 9 December 2006
 - 29 January 2007
 - 30 July 2007
 - 1 Oct 2007
 - 5 Nov 2007

3.2 Issues

Approval of Capital Projects

- 3.2.1 All proposals put forward for approval with this report have been submitted on capital project appraisal forms, which have been signed off by, amongst others, the relevant Corporate Director, the Section 151 Officer and the appropriate Member with Portfolio. Copies of the capital project appraisals are available on request
- 3.2.2 Approval of the draft HRA capital programme for 2007-08 on 29 January 2007 was subject to the proposed schemes for 2007-08 being assessed in accordance with the normal capital scheme appraisals mechanism, and brought back to a future meeting of the Cabinet for consideration prior to any expenditure commitments being made.
- 3.2.3 The majority of the HRA capital schemes for 2007-08 were approved at 1 October Cabinet. However approval is still outstanding for three schemes, of which one - **Decent Homes Re-wiring** - is brought to this Cabinet for approval. Approval is requested for a budget of £500k compared with £631k in the draft programme.
- 3.2.4 The remaining HRA schemes will be brought to Cabinet at a future date.
- 3.2.5 As it is best practice for all schemes in the capital programme to be backed up by capital appraisals, these are also to be submitted for all General Fund Schemes where they have not already been provided. The remaining General Fund schemes will be brought to Cabinet at a future date.
- 3.2.6 In addition, a new General Fund capital scheme has been put forward for Cabinet approval for inclusion in the 2007-08 capital programme, as follows:
- **Recycling - Improvements to access normally hard to reach areas (Waste Performance & Efficiency Grant - WPEG)**
- 3.2.7 Further details of each of the schemes above are given at Annex A. All the schemes are fully funded, either by internal resources or from external funding arrangements.

Slippage from 2006-07

- 3.2.8 On 29 January 2007 Cabinet approved the following:

“... the principle that slippage between years for capital schemes should be more automatic, subject to the approval of the Council’s Chief Financial Officer (or nominated representative). A report would then be brought to Cabinet after the end of each financial year detailing the capital outturn and reporting the approved slippage it will be adopted for the 2006/07 financial year onwards and will be more explicitly detailed in the Council’s Financial Management Framework which is currently under review“

3.2.9 A report was submitted to Cabinet on 5 November 2007 outlining the capital outturn position for 2006-07, in which Cabinet were advised that a report on capital programme slippage would be brought to Cabinet on 3 December. This report fulfils that requirement.

3.2.10 Annex B shows the amount of slippage to be brought forward from 2006-07 into the 2007-08 capital programme on a scheme by scheme basis.

Approved Capital Programme

3.2.11 The latest proposed capital programme is set out on a scheme-by-scheme basis at Annex C. This incorporates the original draft programme for 2007-08, slippage from 2006-07, other agreed changes, and the further amendments and additions proposed in this report.

Capital Programme Funding

3.2.12 All schemes in the capital programme, whether included in the original programme, arising from slippage, or added to the programme during the year, are fully funded, either from borrowing, internal resources or from external funding arrangements.

3.2.13 The financing of the programme is set out at Annex D.

3.2.14 Internal financing includes the use of capital receipts. The figures in the financing table are based on forecasts for the current year. As such there is an inevitable level of uncertainty and a degree of risk attached to the projections. Actual receipts will be closely monitored and this figure will be firmed up as the year progresses.

3.2.15 As the 2006-07 agreed capital programme was to be part funded by prudential borrowing that was not actually drawn upon, this is now shown as a funding source to help meet the costs of slippage. As the use of prudential borrowing has a revenue budget impact, in the form of repayment of principal and interest, it will be used as the funding source of last resort when the capital programme is financed at year end.

Capital Programme Monitoring

3.2.16 In line with best practice and with CPA requirements, capital programme monitoring information is to be brought to Cabinet on a monthly basis.

3.2.17 Annex E shows the position as at the end of October.

3.2.18 For the purposes of this report the outturn position is shown as being in line with budget and the forecast slippage is shown as nil. However it is usual with capital programmes for the in-year budget to underspend. This is due to delays caused by a number of factors, for example procurement time lines, inclement weather etc. In these instances expenditure against agreed schemes, and the associated financing, will slip into the following year. Future reports to Cabinet will include forecast outturn and slippage information, which will be pulled together from information supplied by budget managers.

3.3 Choices (Options)

3.3.1 Cabinet are asked to approve the inclusion of the capital schemes set out at Annex A into the Council's capital programme

4. Implications (including financial implications)

4.1 Policy

4.1.1 All schemes within the capital programme are within existing policy

4.2 Resources and Risk

4.2.1 All schemes included in the capital programme, or put forward for approval, are fully funded, either through borrowing, internal resources or external funding arrangements. The financing of the programme is set out at Annex D.

4.2.2 Any revenue budget implications related to the capital projects are set out in the capital project appraisals, and fed into revenue budget planning as appropriate (ie through revenue budget monitoring, budget build or medium term financial planning).

4.2.3 Financial and non-financial risks related to the capital projects are addressed in the capital project appraisals.

4.3 Legal

4.3.1 Legal implications related to the capital projects are addressed in the capital project appraisals.

4.3.2 There are no specific legal implications arising from this report.

4.4 Equality

4.4.1 Equalities implications related to the capital projects are addressed in the capital project appraisals. Many of the schemes in the programme are specifically targeted at addressing equalities issues.

4.5 Consultees (Internal and External)

4.5.1 The capital project appraisals and project variations for schemes in the programme have been put together by the Project Manager, in consultation with:

- The Budget Manager
- The Finance Manager (Capital & Treasury)
- The Corporate Director (or the Chief Executive)
- The Member with Portfolio,
- The Section 151 Officer

4.5.2 In respect of consultation with stakeholders on individual schemes, details are contained within the capital project appraisals

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The extent to which each project meets the Council's objectives and priorities is described within the individual capital project appraisals.

4.6.2 The use of capital project appraisals to determine and agree capital schemes in accordance with the objectives and priorities of the authority, and the effective monitoring and reporting of capital programme activity both contribute to improving the CPA Use of Resources score. This supports the Council's priorities of:

- Continuing to improve our weakest services, and
- Continuing to strengthen our financial management.

4.7 Other Implications

4.7.1 There are no other specific implications arising from this report.

5. Background Papers

5.1 Cabinet Reports

- 4 December 2006 – General Fund Capital Programme 2006-07 and onwards
- 29 January 2007 – General Fund Capital Programme 2006-07 and onwards
- 29 January 2007 – Housing Revenue Account Capital Programme 2006-07 Onwards
- 1 October 2007 – General Fund Capital Programme 2007-08 – Additions and Amendments

- 1 October 2007 – Housing Revenue Account Capital Programme 2007-08 - Approval of Schemes
- 5 November 2007 – Capital Programme 2006-07 - Outturn Position
- 5 November 2007 – Capital Programme 2007-08 Additions & Amendments
- 5 November 2007 – CASPAR Plus Projects

5.2 Capital Project Appraisals:

- 2007-08/CS0018 - Decent Homes Re-wiring
- 2007-08/CS0019 - Recycling - Improvements to access normally hard to reach areas (Waste Performance & Efficiency Grant - WPEG)

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