

3 September 2019

Report of	Assistant Chief Executive	Author	Paul Cook ☎ 505861
Title	Update on approved capital programme 2019/20		
Wards affected	Not applicable		

1 Action required

- 1.1 To review progress on 2019/20 capital programme.

2 Reason for Scrutiny

- 2.1 To ensure that
- spending on projects is within agreed budgets
 - projects are delivered to the required level to support service delivery objectives
 - the Council maximises its available capital resources, supporting the Council's Treasury Management Strategy and associated statutory requirements.
 - Members have assurance that the key risks associated with the capital programme are being managed to ensure efficient and effective delivery of the programme.
- 2.2 This report also gives the Committee the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets and project delivery.

3 Background

- 3.1 The capital programme covers General Fund services; the Housing Investment Programme, and Revolving Investment Fund (RIF) projects.
- 3.2 The capital programme for 2020/21 will be set as part of the budget process
- 3.3 The capital programme has been adjusted to reflect the financial impact of the 2018/19 capital outturn reported to Scrutiny Committee 30 June 2019.
- 3.4 The programme includes £21.9m for new schemes. The main changes are £19.8m for the 2019/20 Housing Investment Programme, £1.3m new Government Grant for Disabled Facilities Grants and £914k for additional borrowing to support lending to the new housing company. These changes to the Capital Programme are shown in the table below.

Additional schemes (£k)	
11,485	Housing Investment Programme revenue contributions
8,052	Housing Investment Programme external borrowing
914	Lending to Housing Company external borrowing
1,280	Disabled Facilities Grants – Government Grant
250	Housing Investment Programme – Capital receipts
21,981	

- 3.5 The table below provides a revised forecast of the capital programme by service area: Accrued capital spending for the first three months of the year totalled £6.7 million. It is expected total expenditure in 2019/20 will now be £67.8m.

SUMMARY	Total Programme	Spend Q1	2019/20	2020/21	2021/22
Communities	10,958	379	7,698	1,857	1,403
Environment	4,207	322	3,116	1,092	0
Policy & Corporate	43,723	2,462	13,144	30,539	40
Revolving Investment Fund (RIF)	29,413	2,966	23,276	6,137	0
Completed Schemes	158	10	158	0	0
Total (General Fund)	88,459	6,138	47,392	39,625	1,443
Housing Revenue Account	22,368	593	20,461	1,907	0
Total Capital Programme	110,828	6,731	67,853	41,532	1,443

4 Strategic Plan references

- 5.1 The Council's Capital Programme is aligned to the Strategic Plan.

6 Financial implications

- 6.1 Within the details of this report.

7 Risk management implications

- 7.1 Risk management issues are considered as part of individual capital projects. Currently the key risk within the capital programme as reported relates to the finalisation of funding arrangements to enable key schemes primarily within the RIF to progress. Relevant officers are endeavouring to formalise funding arrangements where necessary. The position is being continuously monitored.

8 Other standard references

- 8.1 Having considered consultation, publicity, equality, diversity and human rights, community safety, and health and safety implications, there are none that are significant to the matters in this report.

Background papers - None

Scheme Status Appendix

COMMUNITIES (£k)	Total	Spend Q1	2019/20	2020/21	2021/22	RAG
Tiptree P C - Store & WCs S106	89	0	89	0	0	G
St Luke's Church Hall Tiptree	42	0	42	0	0	G
Collingwood Road Scout Hut	70	33	70	0	0	G
Walls - new merged scheme	110	10	10	50	50	G
Heritage Lighting	146	1	146	0	0	G
Stanway Community Centre	118	1	118	0	0	G
Mercury Theatre Redevelopment Phase 2	6,631	153	5,881	750	0	G
Cemetery Extension	39	0	39	0	0	G
Cemetery Exterior Lighting	20	0	20	0	0	G
Mandatory Disabled Facilities Grants	3,459	176	1,222	957	1,280	A
Private Sector Renewals - Loans and Grants	235	4	62	100	73	G
	10,958	379	7,698	1,857	1,403	

Comments on Mandatory Facilities Grant	<p>The Disabled Facilities Grant is a mandatory grant to pay for adaptations to enable disabled people to remain living at home with increased independence.</p> <p>The newly formed Health Homes Team is now in place. There is currently one F/T vacancy for a Healthy Homes Support Officer within the team that is out to advert.</p> <p>There has been a total of 18 grants paid in Quarter 1. There are 38 grants approved with a total commitment standing at £320k at the end of Quarter 1. (As of 08/08/19 there are 55 grants approved and the current financial commitment is £443k).</p> <p>There was a total of 62 DFGs completed in 2018/19, compared to 80 in 2017/18. In 19/20, there have been a total of 26 DFGs completed as of 08/08/19. If the majority of committed cases are completed and paid in year, combined with in house staffing costs expenditure should be approx. £600-650k, however, new grant application are being received each week.</p>
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ENVIRONMENT (£k)	Total Programme	Spend Q1	2019/20	2020/21	2021/22	RAG
Shrub End Depot	1,041	0	100	941	0	A
Waste Fleet Vehicles	2,816	216	2,665	151	0	G
Wivenhoe Adult Gym	16	0	16	0	0	G
Castle Park Cricket Pavilion Extension S106	125	0	125	0	0	G
Castle Park Improvements	183	106	183	0	0	G
Mile End Sports Ground	2	0	2	0	0	G
Highwoods Country Park - Coffee Shop improvements	25	0	25	0	0	G
	4,207	322	3,116	1,092	0	
Comments on Shrub End Depot	Preliminary works have been undertaken to provide sufficient space for staff in the new Neighbourhoods Service to collocate at Shrub End. Project planning has commenced for the remaining redevelopment works to make the Depot fit for the future					

POLICY & CORPORATE (£k)	Total Programme	Spend Q1	2019/20	2020/21	2021/22	RAG
Assistance to Registered Housing Providers	36	0	36	0	0	G
Use of 1-4-1 Right to Buy Receipts	671	112	112	519	40	G
Purchase of properties for temporary accommodation	54	1	54	0	0	G
Lending to new Council Housing Company	28,800	400	1,000	27,800	0	A
Equity Investment in CCHL	7,300	1,500	7,000	300	0	G
Equity investment in CAEL	80	80	80	0	0	G
Facility Loan to CAEL	2,520	400	1,300	1,220	0	A
District Heating Project North	0	(43)	0	0	0	G
Colchester Northern Gateway Heat Network	4,089	0	3,389	700	0	G
CCTV Monitoring	87	12	87	0	0	G
LWC - Aqua Springs Refurbishment	85	0	85	0	0	G
	43,723	2,462	13,144	30,539	40	
Comments on Lending to new Housing Company	The programme will be delivered but the advances will be made mainly in 2020/21					
Comments on Facility Loan to CAEL	The programme will be delivered but some advances will be made mainly in 2020/21					

REVOLVING INVESTMENT FUND (£k)	Total Programme	Spend Q1	2019/20	2020/21	2021/22	RAG
Northern Gateway North	56	3	56	0	0	G
CNGN - Mile End Cricket	14	0	14	0	0	G
CNGN - Sports Hub	21,930	2,419	20,229	1,701	0	A
Northern Gateway South	30	33	30	0	0	G
CNGS - Detailed Planning	214	158	214	0	0	G
CNGS - Boulevard	3,250	72	500	2,750	0	G
Development Site (jnct 28)	0	0	0	0	0	G
Town Centre	2,185	102	500	1,685	0	A
Jacks - St Nicholas St	644	113	644	0	0	G
St Nicholas Square & Balcerne Gardens	26	2	26	0	0	G
Sheepen Road	0	0	0	0	0	G
Sheepen Road Phase 2	85	54	85	0	0	G
St Botolphs Public Realm	118	0	118	0	0	G
East Colchester Enabling Fund	213	0	213	0	0	G
Breakers Park	69	0	69	0	0	G
Site Disposal Costs	5	0	5	0	0	G
Moler Works Site	3	0	3	0	0	G
Digital Strategy - feasibility	160	10	160	0	0	G
Sport & Leisure Asset Review	120	0	120	0	0	G
Grow-on former Queen St Bus Depot	31	0	31	0	0	G
Broad Lane Sports Ground Wivenhoe	12	0	12	0	0	G
Pre development/feasibility funds	250	0	250	0	0	G

29,413	2,966	23,276	6,137	0
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Comments on Sports Hub	Main contractor on site and work is well underway with target completion of May 2020. Work ongoing to satisfy funding conditions from sports funders and HIF
Comments on Town Centre	The programme will be delivered but some spend in 2020/21

HOUSING REVENUE ACCOUNT	Total Programme	Spend Q1	2019/20	2020/21	2021/22	RAG
Housing Improvement Programme	8,663	(532)	8,663	0	0	G
Adaptations to Housing Stock	722	76	722	0	0	G
Sheltered Accommodation	300	0	300	0	0	G
Housing ICT Development	617	0	617	0	0	G
Council House New Build	759	71	759	0	0	G
Purchase of properties - HRA	7,400	975	7,400	0	0	G
New Build on Garage Sites	3,907	4	2,000	1,907	0	A
	22,368	593	20,461	1,907	0	
Comments on New Build on Garage Sites	It is expected part of this allocation will be used for the Mill Road development					
Comments on Town Centre	The programme will be delivered but some spend in 2020/21					

Status Key

Status	Definition	Action
Red	There are significant issues with one or more aspects of the scheme (time, cost, scope), which require corrective action to meet the project objectives. The issue cannot be mitigated by the project manager or project team.	Escalate to project sponsor immediately. Highlight to PMB and the Scrutiny Panel.
Amber	Timing differences identified or one or more aspects of the project are at risk and are being flagged. Project performance is expected to be addressed by the project manager or project team.	Reprofiling or briefing to project sponsor. Report as part of overall summary.
Green	All aspects of the project are performing to plan.	No action required. Report as part of overall summary.