



Derby City Council

COUNCIL CABINET
11 September 2013

Report of the Cabinet Member for Business,
Finance and Democracy

ITEM 15

Contract and Financial Procedure Matters Report

SUMMARY

- 1.1 This report deals with the following items that require reporting to and approval by Council Cabinet under Contract and Financial Procedure rules:
- changes to the current 2013/14-2015/16 capital programme
 - use of reserve.

RECOMMENDATION

- 2.1 To approve changes and additions to the capital programme as set out in Appendix 2 and highlighted in section 4.
- 2.2 To note the revised programme for 2013/14 in table 1 (paragraph 4.1) and the revised indicative programme for 2013/14-2015/16 as shown in table 2 (paragraph 4.8).
- 2.3 To approve the use of the Budget Risk reserve as detailed in section 6.

REASONS FOR RECOMMENDATIONS

- 3.1 To comply with the Council's Contract and Financial Procedure rules.



Derby City Council

COUNCIL CABINET **11 September 2013**

Report of the Strategic Director for Resources

SUPPORTING INFORMATION

4. UPDATE ON CAPITAL PROGRAMME 2013/14 – 2015/16

4.1 Forecast Outturn

Table 1 - Revised Capital Programme 2013/14

Strategy Area	Original Approved Capital Programme	Revisions Approved to 14 August cabinet	Latest Approved 14 August Cabinet) Capital Programme	Further Revisions (Appendix 2)	Revised Programme
	£000's	£000's	£000's	£000's	£000's
CYP	15,619	(737)	14,882	407	15,289
Housing General Fund	2,704	1,755	4,459	(1,365)	3,094
Property Improvement	8,164	(4,948)	3,216	(50)	3,166
Property Maintenance and refurbishment	6,119	(208)	5,911	(60)	5,851
Parks and Open spaces	832	(101)	731	(37)	694
Flood Defence	314	13	327	0	327
Highways and Transport	9,483	1,098	10,581	9	10,590
Streetpride Plant and equipment	4,645	735	5,380	100	5,480
Regeneration	23,707	1,646	25,353	1,120	26,473
ICT	2,554	3,447	6,001	(1,184)	4,817
HRA	11,690	1,130	12,820	3,978	16,798
Strategic Projects	31,100	(11,913)	19,187	10	19,197
Sub-total	116,931	(8,083)	108,848	2,928	111,776
Less assumed capital slippage at 10%	(12,462)	12,462	0	0	0
Total	112,060	4,379	108,848	2,928	111,776

Note: Slippage for schemes funded from corporate sources, mainly unsupported borrowing, have been allocated against the 10% slippage planning assumption. This assumption has now been met.

Details of the changes are shown in Appendix 2 with a summary of those changes over £200,000 highlighted below.

4.2 Children and Young people

The Children and Young People programme require a number of changes totalling a net increase of £407,000. These include:

- Ashgate Primary School - £214,000 increase for additional costs associated with complications with external works and landscaping and issues arising from listed building status.

4.3 Housing General Fund

The Housing General Fund requires a net reduction of £1,365,000. This is due to the Poets Corner Scheme no longer going ahead, as it is no longer affordable therefore Derby Homes have withdrawn from negotiations.

4.4 Property Improvement

The Property Maintenance and Refurbishment programme requires a net decrease of £50,000. These include:

- Nottingham Road Cemetery - £300,000 increase due to the development of a detailed brief and costing for the scheme, which was previously at a very early stage and so unavailable.
- Beaufort Business Centre - £300,000 reduction as correction to August reporting.
- Markeaton Cemetery – Re-profiling of £50,000 to 2014/15 due to issues of land ownership on the proposed site.

4.5 Regeneration

The Regeneration Programme requires an increase of £1,120,000 for projects to establish public Wi-Fi Hotspots within Council operated building and across the City and District centres. The project is to be funded by an approved grant from the Department of Culture, Media and Sport. The grant will also fund a revenue project supporting super fast broadband installations in business within the city.

4.6 ICT

The ICT Programme requires a net reduction of £1,184,000. This includes:

- Adult Health/Children Young Peoples Replacement ICT scheme - £1,068,000 requires re-profiling to 2014/15 due to the outcome of the first tender resulting in no compliant tenders for CYP; necessitating the need to retender.

4.7 HRA

The HRA Programme requires a net increase of £3,978,000. This includes the following additions to the programme:

- Bath Street £1,680,000 addition for the new extra care scheme.
- New Build and Acquisitions £1,280,000 addition for new build schemes to be confirmed during the year
- Clarion Court £920,000 addition to purchase 9 newly built properties.

4.8 Table 2 shows the 2013/14 – 2015/16 indicative programmes incorporating the changes from above.

Table 2 Revised Indicative Programme 2013/14 -2015/16

Strategy Area	2013/14 £000	2014/15 £000	2015/16 £000
CYP	15,289	17,826	8,938
Housing General Fund	3,094	2,628	2,544
Property Improvement	3,166	8,510	1,550
Property Maintenance and Refurbishment	5,851	5,856	4,300
Parks and Open Spaces	694	1,816	854
Flood Defence	327	250	250
Highways and Transport	10,590	6,920	3,800
Streetpride Plant and Equipment	5,480	1,970	2,114
Regeneration	26,473	37,338	10,859
ICT	4,817	3,235	0
HRA	16,798	15,155	12,010
Strategic Projects	19,197	24,442	12,437
Sub total	111,776	125,946	59,656
Less assumed capital slippage	0	(13,613)	(4,341)
Adjustment for slippage of over-programming	0	0	13,613
Total Programme	111,776	112,333	68,928

5 S106 Contributions

- 5.1 It was agreed through the S106 working group that any allocation of S106 monies would be reported to Cabinet during the year to inform members what specific contributions are intended to be used for. Any in- year allocations are generally reported through the monthly Contract and Financial Procedures Matters reports, and quarterly Capital Monitoring reports, as they arise. There are no new allocations to report.

6 Use of Reserve

- 6.1 During the 2013/14 budget setting process Government announced the continuation of the Extended Rights to Free Home to School Transport funding. It was assumed that the Council would continue to receive funding of £304,000 based on 2012/13 allocations. Notification of the actual award for this funding has now been received and Derby City Council will receive funding of £263,000 in 2013/14 which has resulted in a small budget shortfall.

- 6.2 It is proposed that the shortfall of £41,000 is funded through the one-off use of the Budget Risk Reserve for 2013/14. There will be no impact on future budgets as this funding was only assumed to be available for 2013/14 in the budget setting process.
- 6.3 It is recommended that £41,000 is transferred from the Budget Risk reserve to fund the identified budget shortfall.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	Chloe Bowes, Head of Corporate Finance
For more information contact: Background papers: List of appendices:	Mark Nash 01332 643364 e-mail mark.nash@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Summary of further changes to the capital programme 2012/2013

IMPLICATIONS

Financial and Value for Money

- 1.1 As detailed in the main body of the report and appendices.

Legal

- 2.1 None directly arising.

Personnel

- 3.1 None directly arising.

Equalities Impact

- 4.1 None directly arising.

Health and Safety

- 5.1 None directly arising.

Environmental Sustainability

- 6.1 None directly arising.

Asset Management

- 7.1 As detailed in the main body of the report and appendices.

Risk Management

- 8.1 As detailed in the main body of the report and appendices.

Corporate objectives and priorities for change

- 9.1 These recommendations where relevant are in line with approved capital strategy and Asset Management Plans which accord with the Council's corporate priorities.

Appendix 2

Summary of further changes to the capital programme 2013/2014	Latest Approved Capital Programme 2013/14 £000	Revised Capital Programme 2013/14 £000	Change £000	Category
Children and Young People				
Schools Access Initiative	50	34	(16)	R2
Griffe Field Primary School SAI	0	10	10	R2
Ridgeway Infant School DDA SAI	0	6	6	R2
Silverhill Primary School two additional classrooms and improvements to admin areas	249	304	55	R2
Lakeside Primary PFI basic needs school places extension	1,587	1,627	40	
Arboretum	1,051	956	(95)	R2
Ashgate Primary School	2,089	2,303	214	R2
Littleover Phase 1	1,230	1,328	98	R2
Firs Estate Primary School playground expansion	70	105	35	R2
Biomass Boiler	30	57	27	R2
Markeaton Primary School two additional classrooms (Bromley House)	120	225	105	R2
Markeaton Primary Capital Programme scheme	229	124	(105)	R2
2Yr Capital Programme	75	0	(75)	R2
Lord Street Nursery School; 2 Yr provision	0	90	90	R2
Breadsall Hill Top Youth Centre/Field Way Drive	45	63	18	R2

Total Changes to Children and Young people	6,825	7,232	407	
Housing General Fund				
Poets Corner	1,365	0	(1,365)	R1
Total Changes to Housing General Fund	1,365	0	(1,365)	
Property Improvements				
Nottingham Road Cemetery	100	400	300	R1
Beaufort Business Centre Derby Workstyle refurbishment and partial demolition	650	350	(300)	R1
Markeaton Cemetery provision	50	0	(50)	S
Total Changes to Property Improvements	800	750	(50)	
Property Maintenance and Refurbishment				
Stores Road Depot chimney rebuild	60	0	(60)	R1
Total Changes to Property Maintenance and Refurbishment	60	0	(60)	
Parks and Open Spaces				

Cheviot Street Play Area	1	0	(1)	R1
Knightsbridge Play Area	3	0	(3)	R1
Sunnydale Park Path Extension	47	22	(25)	S
Sinfin Golf Club House	8	0	(8)	R1
Total Changes to Parks and Open Spaces	59	22	(37)	
Highways and Transport				
Asset Management- Highways Maintenance	2,145	2,154	9	A
Total Changes to Highways and Transport	2,145	2,154	9	
Streetpride Plant and Equipment				
Refuse Vehicles and Plant	1,355	1,421	66	R1
New Vehicle Fleet for in-house Highway Maintenance Service	902	978	76	R1
Communal Bins	42	0	(42)	S
Total Changes to Streetpride Plant and Equipment	2,299	2,399	100	
Regeneration				
Growth through connectivity	0	1,120	1,120	A
Total Changes to Regeneration	0	1,120	1,120	
ICT				
EDRMS	217	177	(40)	S

e-Services	1,763	1,665	(98)	S
MS Software	361	383	22	S
AHH/CYP Replacement	2,000	932	(1,068)	S
Total Changes to ICT	4,341	3,157	(1,184)	

HRA				
Bath Street	0	1,680	1,680	A
New Build and Acquisition	0	1,280	1,280	A
Clarion Court	0	920	920	A
Cambridge Street	0	98	98	A
Total Changers to HRA	0	3,978	3,978	
Strategic Projects				
Extra Care	0	10	10	S
Total Changes to Strategic Projects	0	10	10	
TOTAL CHANGES TO PROGRAMME	17,894	20,822	2,928	

Key of Categories	
A	Additional schemes from new funding secured
A1	Scheme increase funded by previous years' reserves income
S	Re-phasing
R1	Other Adjustments - Scheme Reductions/Increases
Re-allocation:	

R2	Within Department's programme
R3	To different Departments programme