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|-----------------------------------------|-----------------------------------------------------------------------|
| Report Title | Capital Accounts Monitoring Report Period 7 – October 2007 |
| Reporting Officer, Team and Role | Peter Willett, Deputy Director of Finance |
| Executive Director | Rowann Limond, Executive Director of Finance |
| Meeting | Quarterly Monitoring Meeting |
| Date | 18 December 2007 |
| Agenda Item | |
| Status of Report | Non-Confidential |

1. SUMMARY & RECOMMENDATIONS

- 1.1 This report set outs the key issues affecting the financial position in respect of the capital programme for the period to end of October 2007 and provides commentary on and estimated impact of key risks affecting the forecast for the year to 31st March 2008.
- 1.2 The report shows a forecast under spend against confirmed resources of £1.653m as a result of the slippage of the external decoration programme into 2008/09.
- 1.3 The resources required to be carried forward to 08/09 to cover the deferred planned preventative maintenance (external decorations) projects amount to £2.239m. Therefore there is effectively £0.586m over programming still to be managed out through under spends or slippage not yet identified.
- 1.3 The Committee is recommended to note the report;

2. CAPITAL PROGRAMME

- 2.1 Current and forecast spend is shown in [Appendix A](#). The current budget shown is that recommended to the Council by the Board, representing the revised Capital Programme previously agreed.
- 2.2 Confirmed anticipated resources are as follows:

| Source of Funding | £000s |
|----------------------------------------------------------------------------|---------------|
| Supported Capital Expenditure | 6,233 |
| Major Repairs Allowance 2007/08 | 11,991 |
| Financing from Capital Receipts (Saltram Close receipt of £1,054 deferred) | 0 |
| Carry-Forward from Social Services 2006/07 | 329 |
| Carry-Forward from Major Repairs Allowance 2006/07 | 212 |
| Total Resources | 18,765 |

- 2.5 The current forecast of expenditure against resources shows a net variance of:
- | | |
|----------------------------|-----------------|
| Resources (as above) | £18.765m |
| Expenditure (as appendix) | £17.112m |
| Forecast Underspend | £ 1.653m |

- 2.6 The major part of this underspend relates to the deferring of the Planned Maintenance Programme (external decorations) until 2008/09, as previously agreed by the Board.
- 2.8 The current forecast of expenditure against budget shown in the appendix amounts to a net variance of £2.707m, pending the adjustment in respect of Saltram Close.
- 2.9 A prudent level of over-programming has been agreed in order to maximise the use of available resources in-year. A total allowance of £1.345m has been applied, which will be managed out over the course of the financial year. A further £0.586m needs to be identified to enable the underspend of £2.239m on planned preventative maintenance to be carried forward into 2008/09.
- 2.10 Commentary on the progress of works on each of the elements of the Capital Programme is shown in the appendix.
- 2.11 An assessment of the risks involved in the financial management of the Capital Programme is set out below:

| Risk Description | Risk Owner | Impact if risk occurs | Probability of risk occurring | Mitigating Action | Status |
|-----------------------------------------------------------------|-------------------|------------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------|
| Programme slippage leads to underspend | R Watts | Medium | Medium | Monitor and manage; Bring forward "reserve" schemes; Seek Council agreement to carry-forward of planned underspends | Open |
| That the over commitment of the programme leads to an overspend | R Watts | Medium | Low | Monitor and manage; Defer commitment of lower priority schemes. | Open |

3. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE

- 3.1 The Executive Director of Finance has no further comment.

| HRA CAPITAL PROGRAMME | Original Budget £000s | Current Budget £000s | YTD Budget £000s | YTD Actual £000s | YTD Variance £000s | Forecast Outturn £000s | Forecast Variance £000s | Comments |
|-------------------------|--------------------------|-------------------------|---------------------|---------------------|-----------------------|---------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| H201 Aids & Adaptations | 1,000 | 1,329 | 1,197 | 1,243 | 46 | 1,329 | - | Budget fully committed and no further projects possible. Approx. 60 projects in pipeline awaiting funding which have been assessed by occupational therapists, specified and priced. A further 40 have been assessed and are with HfH surveyors for specifying but client instruction is not to progress currently due to budget situation. Provision for repairs over £500 also needs to be identified for periods 6 – 12. Urgent discussions being held with Adult, Culture & community Services |
| H203 Cash Incentives | 250 | 250 | 146 | 94 | (52) | 250 | - | Spend is behind profile but it is expected to catch up by period 8 and a full spend is projected. 10 grants have been completed. |

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|---------------------------|--------------------------|-------------------------|---------------------|---------------------|-----------------------|---------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| H210 Planned Maintenance | 857 | 2,577 | 168 | 129 | (39) | 338 | (2,239) | Two 2007/8 external decoration contracts have been slipped until April 2008 due to a delay in procurement process which has prevented a start on site being achieved before January 2008. This will avoid Winter working. £338k spend this year made up of fees (£237k) and final accounts on previous projects (£101k). Council Corporate Finance requested to agree to roll forward budget provision into 08/09. |
| H211 Structural Works | 46 | 609 | 229 | 269 | 40 | 752 | 143 | Projects are ahead of programme and a planned overspend is projected balancing under spends elsewhere. |
| H212 Extensive Voids | - | 1,000 | 583 | 656 | 73 | 1,000 | - | Full spend is projected. |
| H214 Energy Conservation. | 300 | 307 | 119 | 119 | - | 227 | (80) | The project is on site and progressing well. New measures to be investigated to take up the full budget including heating or boiler replacement works. All qualifying work attracts matched funding from British Gas. |
| H216 Capitalised Repairs | 8,713 | 4,363 | 2,545 | 2,545 | - | 4,363 | - | Full spend is projected. |

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|-----------------------------------------|--------------------------|-------------------------|---------------------|---------------------|-----------------------|---------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| H222 Overprogramming | 750 | (1,345) | - | - | - | - | 1,345 | |
| H229 Decent Homes Standard | 500 | 4,114 | 1,230 | 1,032 | (198) | 2,778 | (1,336) | Unable to progress Saltram Close as funding (from the sale of the playground site and the ring fencing of the receipt is not yet available). This accounts for £980k of the projected variance. The majority of the balance relates to savings on final accounts. |
| H230 Environmental Improvements | 36 | 1,209 | 455 | 197 | (258) | 1,230 | 21 | Generally progressing well. A small overspend is projected. |
| H231 External Decorations | 118 | - | - | - | - | - | - | |
| H233 Building Services Works | 393 | 3,211 | 1,645 | 1,252 | (393) | 2,741 | (470) | Spend projected to be below budget due to the long lead in period for the delivery of new lifts and a delay on the Oatfield/Twyford rewiring project. |
| H234 Departmental Overheads | | 1,215 | 709 | 661 | (48) | 1,077 | (138) | Under spend is due to holding 2 vacant posts in the asset management team pending the commencement of the decent homes programme.. |
| H235 Asbestos Removal | - | 212 | 123 | 151 | 28 | 259 | 47 | Overspend projected due to higher than expected demand. This is largely a reactive programme. |
| H236 Kenneth Robbins, Millicent Fawcett | 1,492 | - | - | - | - | - | - | |

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|-------------------------------------|--------------------------|-------------------------|---------------------|---------------------|-----------------------|---------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| H237 Essential Capital Works | 744 | 243 | - | - | - | 243 | - | To date the following projects have been identified: Fire risk assessment enforcement notices £100k Milton Rd electrical supply £5k Tangmere fire doors £7k Love Lane water tanks £35k Urgent Door Entry security works £22k. Full take up expected. |
| H238 External Decorations Programme | 2,500 | - | - | - | - | - | - | |
| H239 Long Leasehold Dilapidations | 525 | 525 | - | - | - | 525 | - | Awaiting confirmation on resources from property services following completion of the hand back process. Indication on at least one site is that full provision may not be required. |
| H240 Saltram Close Regeneration | 1,054 | - | - | - | - | - | - | |
| Programme Contingency | - | - | - | - | - | - | - | |
| Total HRA Capital | 19,278 | 19,819 | 9,149 | 8,348 | (801) | 17,112 | (2,707) | |