

CABINET MEETING – 20th June 2012
EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Capital Programme Outturn 2011/2012

Author:

Executive Director of Commercial and Corporate Services

Purpose of Report:

This report details the Council's capital programme outturn for 2011/2012.

Description of Decision:

Cabinet is asked to approve amendments to the Capital Programme since it was reported to Council in March 2012 and to note the projected outturn position for 2011/2012.

Is the decision consistent with the Budget/Policy Framework? Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

To note variations in the Capital Programme which have arisen since the 2011/2012 Capital Programme was previously reported to Cabinet.

Alternative options to be considered and recommended to be rejected:

No alternative options are proposed.

Impacts analysed:

Equality ☒ Privacy ☒ Sustainability ☒ Crime and Disorder ☒

Is this a "Key Decision" as defined in the Constitution?

Yes - new capital projects detailed at Appendix B estimated to cost above £250,000.

Is it included in the Forward Plan?

Yes

Scrutiny Committee:

Cabinet – 20th June 2012

Capital Programme Outturn 2011/2012

Report of the Executive Director of Commercial and Corporate Services

1. Purpose of Report

- 1.1 This report details the Capital Programme Outturn for 2011/2012.

2. Description of Decision:

- 2.1 Cabinet is asked to approve amendments to the Capital Programme since it was reported to Council in March 2012 and to note the projected outturn position for 2011/2012.

3. Introduction

- 3.1 The capital programme outturn position for 2011/2012 detailed below reflects both positive performance and robust budget management across the programme, with the majority of planned activity delivered and expenditure retained within budget.

4 Capital Outturn 2011/2012

- 4.1 Since the last capital review in January 2012 and additions in respect of schemes approved subsequently by Cabinet, there have been changes to the Capital Programme both in terms of expenditure and resourcing. The report sets out details of the net reduction in spending across all capital schemes of £6.353m (circa 10%) which has led to a final outturn position of £56.847m in 2011/2012.

- 4.2 Scheme variations are detailed at Appendix A and can be categorised as follows:

- Reprofiled of expenditure between 2011/2012 and future years amounts to £7.648m
- Additional schemes and scheme variations approved since the Capital Programme was last reported leading to a net increase of £1.164m
- Technical adjustments amounting to £0.131m primarily in respect of transfers between capital and revenue programmes.

4.3 Reprofiled Expenditure between 2011/2012 and future years

- 4.3.1 The expenditure and resources to be reprofiled between 2011/2012 and future years since the third capital review was reported amount to £7.648m and are detailed at Appendix A. The primary reasons for this reprofiling relate to external influences outside of the Council's control. The schemes where there has been significant reprofiling of expenditure and resources are set out below.

4.3.2 Leader

Vaux Advance Site Works

Estimated expenditure of £0.611m has been reprofiled into 2012/2013 following delays arising from the need to clear and make safe asbestos discovered on the site. Work is currently progressing with the construction of the temporary car park, cultivation works, fencing and lighting.

4.3.3 Children and Learning City

Schools Devolved Formula Capital (DFC)

Devolved Formula Capital Grant is subject to a three year approval and each school receives an annual grant allocation to be used to support capital expenditure needs identified in the Schools Asset Management Plan. The grant is based upon schools' pupil numbers from the previous academic year and although the local authority monitors the purposes for which schools use this funding, the timing of spend is outside of the control of the Council. Expenditure of £0.287m has been reprofiled from 2012/2013 into 2011/2012 as schools have reviewed their capital priorities during the financial year.

Schools Asset Management Priorities

Expenditure of £0.572m has been reprofiled from 2011/2012 into 2012/2013 to enable works to be undertaken during Easter school holidays in April and therefore minimise disruption to staff and pupils.

4.3.4 Prosperous City

Software Centre

Finalisation of the the information and communication technology fit out at the Software Centre has led to a requirement to reprofile spend of £1.535m from 2011/2012 into 2012/2013, the building is now scheduled to open in mid September 2012.

Market Square

Estimated expenditure of £0.340m in respect of the environmental improvements to Market Square has been reprofiled into 2012/2013 due to the temporary suspension of work during December and January to allow Café Nero to be constructed at the entrance to the Bridges. The work is due to be completed by the end of June 2012.

4.3.5 Health and Well Being

Extra Care

The completion date for the purchase of three reablement apartments at Bramble Hollow was 3rd April 2012 and consequently £0.296m has been reprofiled into 2012/2013 to meet this cost.

4.3.6 Attractive and Inclusive City

Sunderland Strategic Transport Corridor (New Wear Crossing)

Estimated expenditure of £0.314m has been reprofiled into 2012/2013 as a result of the deferred CPO Public Inquiry to April 2012 and to meet the final design stage costs.

Southern Radial Route

Estimated expenditure of £0.542m has been reprofiled into 2012/2013 in respect of the remaining land acquisition costs arising from compulsory purchase orders. The timing of expenditure is dependent on the outcome of negotiations with landowners and their legal representatives.

Central Car Park Demolition

The demolition of the central car park and majority of associated works were completed during 2011/2012. Conclusion of final account requirements with the contractor has led to the need to reprofile £0.264m into 2012/2013 to meet remaining financial commitments.

4.3.7 Sustainable Communities

Area Renewal

The timing of expenditure on area renewal is difficult to forecast and is dependent on legal agreements being reached with property owners in the area. Estimated expenditure of £0.888m has been reprofiled into 2012/2013 in respect of the Area Renewal Programmes to meet the cost of the remaining property acquisitions in Maudlin Street and the purchase of industrial premises including the former dairy.

4.4 Additional Schemes and Cost Variations 2011/2012

- 4.4.1 A variety of fully funded schemes and cost reductions (including technical adjustments) as a result of finalising scheme details have been included in the programme leading to a net increase of £1.295 million as set out in Appendix A.

5. Reasons for Decision

- 5.1 To report on the outturn position compared to the budget for 2011/2012.

6. Alternative Options

- 6.1 No alternative options are proposed.

7. List of Appendices

- 7.1 Appendix A - Reprofiting of Expenditure and Resources between 2011/2012 and future years and other capital scheme variations to those previously reported

8. Background Papers

Sunderland City Council Capital Programme 2011/12 to 2015/16

Appendix A

Reprofiling of Expenditure and Resources between 2011/2012 and future years

	£000	£000
Reprofiling into 2012/2013		
Leader		
Strategic Land Acquisitions –approved by Cabinet 15 th February 2012	419	
Vaux Advance Site Works	(611)	(192)
Cabinet Secretary		
Other Schemes		(50)
Deputy Leader		
Telephony Upgrade – procurement agreed April 2012	(200)	
Call Manager Replacement – currently being reviewed following building rationalisation	(254)	
Other Schemes	(427)	(881)
Children and Learning City		
Schools Devolved Funding	287	
Asset Management Programme	(572)	
Other Schemes	(76)	(361)
Prosperous City		
Software Centre	(1,535)	
Market Square	(340)	
Quick Wins – street scene improvements to reflect timing of utility works	(182)	
Economic Development Provision – Spend relates to compliance with grant conditions	(162)	
Other Schemes	35	(2,184)
Health and Well Being		
Extra Care – Bramble Hollow	(296)	
Other Schemes	(450)	(746)
Responsive Services		
Other Schemes		(176)
Safer City and Culture		
Other Schemes		(97)
Attractive and Inclusive City		
Major Highways Schemes – Southern Radial Route	(542)	
Sunderland Strategic Transport Corridor	(314)	
Central Car Park demolition	(264)	
Crematorium – main building works completed, canopy entrance works required 2012/2013	(179)	
Seafront Marine Walk – interpretation trails, pods and caves completed in 2012/2013	(159)	
Other Schemes	(469)	(1,927)
Sustainable Communities		
Area Renewal – Negotiations ongoing with owners on acquisition of assets	(888)	
Other Schemes	(146)	(1,034)
Total Reprofiling		(7,648)

Appendix A

Other 2011/2012 variations from those previously reported

	£000	£000
Additional Schemes and Revisions to Scheme Costs 2011/2012 - Fully Funded		
Children and Learning City		
City Learning Centres – funding from specific grant	208	
Biddick School all weather pitch upgrade – funded by school and Education grants	64	272
Prosperous City		
Sheepfolds Asset Acquisitions - approved by Cabinet 14 th March 2012 funded by HCA		755
Health and Well Being		
Learning Disabilities Service Resettlement Scheme – additional works funded by PCT		80
Attractive and Inclusive City		
Recycling Bring Sites – new containers and skips provided through the Council's Waste Disposal Contract		(147)
Other Fully Funded Additional Schemes and Variations		204
Total Additional / Amended Schemes		1,164
Technical Adjustments 2011/2012		
Deputy Leader		
Corporate Computing Model – expenditure and funding transferred to revenue		(281)
Health and Well Being		
Regional Loans Scheme – scheme costs recovered from third party contributions		241
Prosperous City		
Ryhope Community Association Roof – expenditure and funding transferred from revenue		118
Software Licenses		
Funded from Directorate Resources– expenditure and funding transferred from revenue		53
Total Technical Adjustments		131
TOTAL VARIATIONS 2011/2012		(6,353)

