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**Report to:** Cabinet

**Date of Meeting:** 17 July 2014

**Subject:** Capital Outturn 2013/14

**Report of:** Head of Corporate Finance & ICT **Wards Affected:** All

**Is this a Key Decision?** No

**Is it included in the Forward Plan** No

**Exempt/Confidential**

No

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**Purpose/Summary**

To advise Members of the Capital Outturn for 2013/14.

**Recommendation(s)**

Cabinet is recommended to note the contents of this report

**How does the decision contribute to the Council's Corporate Objectives?**

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity		√	
3	Environmental Sustainability		√	
4	Health and Well-Being		√	
5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy		√	

**Reasons for the Recommendation:**

To advise Members of the capital outturn for 2013/14

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

None

**(B) Capital Costs**

There are no capital implications of this report

**Implications:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Legal</b>		
<b>Human Resources</b>		
<b>Equality</b>		
1.	No Equality Implication	<input checked="" type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

**Impact on Service Delivery:**

**What consultations have taken place on the proposals and when?**

The Head of Corporate Finance and ICT (FD 3066/14) is the author of the report

Head of Corporate Legal Services (LD 2371/14) have been consulted and any comments have been incorporated into the report.

**Are there any other options available for consideration?**

**Implementation Date for the Decision**

After call in following Cabinet.

**Contact Officer:** Jeff Kenah

**Tel:** 0151 934 4104

**Email:** Jeff.kenah@sefton.gov.uk

**Background Papers:**

None.

## 1. Introduction/Background

This report gives details of the Council's overall capital spending in 2013/14 and reasons for major variations in expenditure on individual schemes.

## 2. 2013/14 Expenditure

- 2.1 The Authority's capital expenditure for the year was £29.458m, a summary of which is attached at Annex A.
- 2.2 There was a net rephasing of expenditure of £5.996m (16.91%) when compared to the revised estimate of £35.454m. Members are asked to note that the term rephasing is used in the context of the capital programme as, generally, "underspendings" on projects in a given financial year represent unexpected delays in works and therefore expenditure will usually slip into subsequent years. On the other hand "overspendings" can represent actual cost increases that need to be met from available capital, and potentially revenue, resources or delays in the generation of capital receipts planned to fund the scheme.
- 2.3 The main reasons explaining the major variations on the 2014/2015 capital programme are detailed below:

### a) Young People & Families (Rephasing of £2.010m)

Comments on the major variations are noted below: -

#### i) **Litherland One School Pathfinder (£0.703m).**

This project is now complete but delays in the resolution of outstanding defects have prevented resolution of the final account. In addition, a portion of the overall IT budget is still retained in order to meet initial refresh costs as required by the funding body. Discussions are ongoing with the contractor regarding the final account but it is currently possible to confirm that there will be a minimum of £150k saving against current budget provisions.

#### ii) **Capital Maintenance Schemes (£0.698m).**

Many capital maintenance schemes are carried out at schools each year and in total these underspent by £698k due to general slippage and delays. These schemes include the following:

- Netherton Moss Primary roof works (£93k)
- Litherland Moss Primary boiler replacement (£90k)
- Hatton Hill Primary roof works (£87k)
- Emergency Schemes (£74k)
- Kitchen Canopy replacements (£59k)
- Crosby High Sports Hall (£55k)
- Larkfield Primary roof renewal (£52k)
- Meols Cop High Library & Classrooms (£49k)

iii) **Devolved Formula Capital (£0.248m).**  
This budget is spent on behalf of individual schools and will be carried forward to 2014/2015 to be spent then.

iv) **Primary Capital Programme (£0.191m).**  
Final agreement with regards to the Lander Rd Primary School project has been delayed due to complications following the main contractor going into Administration. The final costs for the Davenhill phases 1 & 2 projects have however now been concluded. Overall it is now possible to confirm an overall saving of £137,184 against current budget provisions.

b) **Transportation (Rephasing of £2.613m).**

Thornton to Switch Island Link Road (**£2.395m**).  
Slippage on the scheme has occurred due to persistent wet weather which delayed the start of the earthworks 6 weeks until the 3<sup>rd</sup> week in February 2014. This earlier start would have generated a significant amount of expenditure.

c) **Economy & Tourism (Rephasing of £1.131m).**

REECH scheme (**£1.057**).

Slippage on this scheme has occurred scheme due to the payments to the Registered Social Landlords being delayed due to audits of the scheme by the Department for Communities and Local Government. Also, this programme has been extended so that expenditure can now be incurred at a slower rate.

## ANNEX A

### Summary of Capital Expenditure 2013/2014

	Revised Estimate	Actual	Rephasing
	£'000	£'000	£'000
Corporate Services	61	21	40
Built Environment			
Economy & Tourism	3,351	2,220	1,131
Environmental	837	753	84
IPI – Admin Builds & Other Properties	789	245	544
IPI – Transportation			
Thornton Switch Island Scheme	4,284	1,889	2,395
Asset Management Development	32	13	19
Highway Maintenance	2,959	2,718	241
Bridges & Structures	234	220	14
Integrated Transport Programme	1,135	1,289	-154
LSTF – Merseyside	85	102	-17
LSTF – Sefton / West Lancs.	155	135	20
LSTF – Major Project	240	289	-49
Sustrans; Linking to Schools	82	79	3
Transport Feasibility Works	141	0	141
	<b>9,347</b>	<b>6,734</b>	<b>2,613</b>
IPI – Housing Services			
Housing Investment	2,999	2,897	102
Housing Strategy	2,027	1,753	274
	<b>5,026</b>	<b>4,650</b>	<b>376</b>
Older People			
Health & Wellbeing			
Arts & Cultural Services	1,486	1,484	2
Sports Services	774	854	-80
Libraries	10	21	-11
	<b>2,270</b>	<b>2,359</b>	<b>-89</b>
Vulnerable People	64	65	-1
Street Scene			
Operational Services	1,535	1,714	-179
Landscape Services	3,405	3,933	-528
	<b>4,940</b>	<b>5,647</b>	<b>-707</b>
Young People & Families			
General	3,476	2,392	1,084
Primary Capital Programme	239	48	191
Capital Maintenance Schemes	3,829	3,131	698
Other Schemes	225	188	37
	<b>7,769</b>	<b>5,759</b>	<b>2,010</b>
Capitalisation – Maintenance Projects	1,000	1,005	-5
<b>Total Expenditure</b>	<b>35,454</b>	<b>29,458</b>	<b>5,996</b>