

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 2015/16-2017/18 capital programme
 - transfer to reserves
 - award of grant

RECOMMENDATION

- 2.1 To approve changes, additions and progression of these on the capital programme as set out in Appendix 2 and highlighted in section 4.
- 2.2 To note the revised programme for 2015/16 in table 1 (paragraph 4.1) and the revised indicative programme for 2016/17-2017/18 as shown in table 2 (paragraph 4.5).
- 2.3 To transfer £180,000 to a specific reserve to fund the exit costs arising from the managed exit of the ICT contract with Serco as detailed in section 6.
- 2.4 To approve grants from the single homelessness allocation as detailed in section 7.

REASONS FOR RECOMMENDATION

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



Derby City Council

COUNCIL CABINET 15 April 2015

Report of the Acting Chief Executive

SUPPORTING INFORMATION

4. UPDATE ON CAPITAL PROGRAMME 2015/16 – 2017/18

Forecast Outturn

4.1 Table 1 – Revised Capital Programme 2015/16

Strategy Area	Original Approved Capital Programme £000's	Revisions Approved to 18 March cabinet £000's	Latest Approved (18 March Cabinet) Capital Programme £000's	Changes to the programme agreed under Scheme of Delegation £000's	Further Revisions (Appendix 2) £000's	Revised Programme £000's
CYP	10,945	(1,382)	9,563	0	0	9,563
Housing General Fund	3,691	10	3,701	0	0	3,701
Property Improvement	2,021	0	2,021	0	0	2,021
Property Maintenance and Refurbishment	5,651	100	5,751	0	0	5,751
Parks and Open spaces	1,359	65	1,424	0	0	1,424
Flood Defence	250	0	250	0	0	250
Highways and Transport	4,109	0	4,109	0	0	4,109
Vehicles, Plant and equipment	2,769	20	2,789	0	0	2,789
Regeneration	35,010	865	35,875	0	0	35,875
ICT	2,328	0	2,328	0	0	2,328
HRA	19,316	(134)	19,182	0	(140)	19,042
Strategic Projects	20,629	52	20,681	0	(10,189)	10,492
Sub-total	108,078	(404)	107,674	0	(10,329)	97,345
Less assumed capital slippage	(4,359)	0	(4,359)	0	0	(4,359)
Total	103,719	(404)	103,315	0	(10,329)	92,986

Details of the changes are shown in Appendix 2 with a summary of those changes over

£200,000 highlighted below

4.2 Highways and Transport

The Highways and Transport Programme requires the addition of the Wragley Way Footway Maintenance Scheme in 2015/16. In order to fund this scheme, it is requested that previously agreed funding within the highways maintenance strategy area for the Sinfin Moor Lane Scheme, is reduced by £25,000 and is re-allocated to the maintenance of Wragley Way Footway.

4.3 HRA

The HRA Programme requires a net decrease of £140,000 due to the following sites which have now been identified for start on site development or pre-site works at the start of 2015/16.

- £960,000 decrease to the New Build and Acquisitions Scheme to be reallocated to the new build schemes below.
- £80,000 re-allocated to the Ashlea Hostel Demolition Scheme.
- £220,000 re-allocation to the Alison Close Scheme.
- £220,000 re-allocation to the Edmund Road Scheme
- £440,000 re-allocation to the Alum Close Scheme of which £300,000 is requested to be allocated in 2015/16 and £140,000 in 2016/17.

4.4 Strategic Projects

The Strategic Projects Programme requires a net decrease of £10,189,000 in 2015/16 due to changes in the spend profile of the Our City Our River Scheme as a result of re-profiling to future years following the receipt of actual tendered costs..

- 4.5 Table 2 shows the 2015/16 – 2017/18 indicative programmes incorporating the changes from above.

Table 2 Revised Indicative Programme 2015/16 -2017/18

Strategy Area	2015/16 £000	2016/17 £000	2017/18 £000
CYP	9,563	9,786	9,576
Housing General Fund	3,701	2,504	2,297
Property Improvement	2,021	2,936	3,800
Property Maintenance and Refurbishment	5,751	2,037	2,000
Parks and Open Spaces	1,424	93	295
Flood Defence	250	250	250
Highways and Transport	4,109	10,490	3,800
Vehicles, Plant and Equipment	2,789	560	564
Regeneration	35,875	11,981	11,520

ICT	2,328	860	10,360
HRA	19,042	19,491	11,321
Strategic Projects	10,492	46,439	1,132
Sub total	97,345	107,427	56,915
Less assumed capital slippage	(4,359)	(400)	0
Total Programme	92,986	107,027	56,915

- 4.6 All projects are run using the Prince 2 methodology and carry individual risk registers. All risk implications are reported and monitored on a monthly basis at the Strategic Asset Management Board.

5 S106 Contributions

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 reported through the monthly contract and financial procedures matters reports and quarterly Capital monitoring reports as they arise. There are currently no changes to report.

6 Transfer to reserves

- 6.1 On the 10th December 2014 Cabinet approved a managed exit from the existing ICT contract with Serco. As part of the report, exit costs of around £180,000 were identified. This amount is currently included within the revenue outturn forecast for the Resources directorate, however due to timing the exit costs will now fall into the 2015/16 financial year.
- 6.2 It is recommended that £180,000 is transferred from the Resources 2014/15 revenue budget to a specific reserve to fund the exit costs in 2015/16.

7 Award of Grants

- 7.1 The Council has led a joint bid to secure £250,000 of funding for 'help for single homeless' from the DCLG. There has also been a local authority contribution of an additional £90,000 which helped secure the bid.
- 7.2 The Council are to receive the funds on behalf of the joint bid and will award grants to the following in 2014/15 and 2015/16
- North East Derbyshire District Council - £150,000
 - Derventio Housing Trust - £20,000
 - Derbyshire Dales District Council - £65,000

The remaining £105,000 will be retained by the Council and used as directed by the Derbyshire Homeless Officers Group.

- 7.3 It is recommended that the award of grants from the help the single homeless allocation is approved.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer	
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Estates/Property officer Service Director(s) Other(s)	Martyn Marples Director of Finance and Procurement
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 2015/16

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.

IT

- 4.1 None directly arising.

Equalities Impact

- 5.1 None directly arising.

Health and Safety

- 6.1 None directly arising.

Environmental Sustainability

- 7.1 None directly arising.

Property and Asset Management

- 8.1 None directly arising.

Risk Management

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

Corporate objectives and priorities for change

- 10.1 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 2015/2016	Latest Approved Capital Programme 2015/16 £000	Revised Capital Programme 2015/16 £000	Change £000	Category
Strategic Projects				
Our City Our River	19,292	9,103	(10,189)	S
Total Changes to The Strategic Projects Programme	19,292	9,103	(10,189)	
HRA				
New Builds and Acquisitions	3,200	2,240	(960)	R2 £820, S £140
Ashlea Hostel	0	80	80	R2
Alison Close	0	220	220	R2
Alum Close	0	300	300	R2
Edmund Road	0	220	220	R2
Total Changes to The HRA Programme	3,200	3,060	(140)	
TOTAL CHANGES TO PROGRAMME	22,492	12,163	(10,329)	
		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
R2	Re-allocated Within Departments Programme
R3	Re-allocated To Different Departments Programme