

Strategy and Resources Scrutiny Committee 12 Oct 2015 - Item 15

General Fund: Mid-year Financial Review (MFR) October 2015 - AMENDMENT

The amendment is to recommendation 2.3 - the consequential changes are highlighted on the following and the attached replacement Section 6 (pages 15 to 19) of the MFR.

Appendix B(a) of the MFR will be updated to include the two new schemes outlined below.

[amend and replace report pack pages 232 and 254 to 258]

This amendment relates to two additional schemes that need incorporation into the MFR document since its publication.

(1) New proposal:

Fleet Maintenance and Management Service at Waterbeach - change recommendation to include as follows:

Capital

- 2.3 To note the changes to the Capital Plan as set out in Section 6 [pages 15 to 19 refer] of the MFR document and agree the new proposals:

Ref.	Description	2015/16 £000	2016/17 £000	Total £000
SC605	Replacement Building Access Control System	50	50	100
PR037a	Local Centres Improvement Programme - Cherry Hinton High Street	15	185	200
SC607	Fleet Maintenance and Management Service at Waterbeach	34	11	45
	Total Proposals	99	246	345

(2) New approved scheme:

Garret Hostel Lane - note that...

... the revised plan now includes an item approved under Urgent Decision for works to install a fence along the stone walkway/quay alongside the slipway to the river at the end of Garret Hostel Lane at a cost of around £22.3k, funded from an existing revenue budget, scheme ref SC606.

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Section 6

Capital plan

Approved plan

The capital plan was approved by Council in February 2015. Since then, Council has approved further changes to the plan including adding projects carried forward from 2014/15 of £13,289k and new approvals of £1,010k.

Approved since BSR	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Approved at BSR Feb 2015							
Programmes	10,307	533	520	700	0	0	12,060
Projects	1,161	36	31	36	0	0	1,264
Sub-total	11,468	569	551	736	0	0	13,324
Provisions	10,041	472	989	100	0	0	11,602
Total	21,509	1,041	1,540	836	0	0	24,926

Changes approved and adjustments made in year:							
Programmes	1,548	0	0	0	0	0	1,548
Projects	1,330	161	0	0	0	0	1,491
Sub-total	2,878	161	0	0	0	0	3,039
Provisions	9,430	322	(417)	120	56	487	9,998
Total	12,308	483	(417)	120	56	487	13,037

Current approved plan:							
Programmes	11,855	533	520	700	0	0	13,608
Projects	2,491	197	31	36	0	0	2,755
Sub-total	14,346	730	551	736	0	0	16,363
Provisions	19,471	794	572	220	56	487	21,600
Total	33,817	1,524	1,123	956	56	487	37,963

Changes to capital project approval processes

Changes to the capital project approval process were approved at Strategy and Resources Scrutiny Committee on 13 July 2015. All projects must now produce a detailed business case which is examined by the Capital Programme Board (CPB) to ensure that the project is properly planned and therefore deliverable. If the total cost of the project is over £300k, it also requires scrutiny and subsequent endorsement from the relevant Executive Councillor. The project can then be brought forward for funding approval through either the MFR or BSR processes. All projects are also assessed against a prioritisation matrix to support the allocation of limited capital funding. The matrix includes degree of alignment with council objectives, level of delivery risk and financial impact.

To ensure deliverability of projects already on the capital plan, a satisfactory detailed business case must be completed by the end of November 2015, or the project will be listed in the BSR for placement on the Projects under Development (PUD) list. It will then have to be put forward again for funding approval once a detailed business case has been produced.

Due to the change in approval processes, a number of urgent schemes were put forward for and received funding approval at Council on 23 July 2015, rather than be delayed for approval through this MFR. They are listed in the table below for completeness.

Mid-year capital spending proposals

The table also lists project proposals with detailed business cases that have been endorsed and are now recommended for inclusion in the Plan.

Ref.	Description	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
-	5% top-slice of 'BSR 2015 funding available' for feasibility budget (revenue)	36	66	82	82	94	94	454
	Approved since BSR Feb 2015							
SC601	Replacement Telecommunications & Local Area Network	400	0	0	0	0	0	400
SC602	Buchan Street Community Centre - new roof replacement	60	0	0	0	0	0	60
SC603	Ross Street Community Centre - new boiler system	36	0	0	0	0	0	36
SC604	Replacement Financial Management System	81	161	0	0	0	0	242
Misc	Section 106 misc	272	0	0	0	0	0	272
SC606	Garret Hostel Lane	22	0	0	0	0	0	22
	Total Approved since BSR Feb 2015	871	161	0	0	0	0	1,032
	Amendments since BSR Feb 2015							
	Costs (and funding) revised							
PV192	Development Land North side Kings Hedges Rd	(174)	(10)	47	0	0	0	(137)
PV554	Development of Land at Clay Farm	(578)	(58)	(789)	120	56	487	(762)
	Transferred from Plan to PUD							
PR030e	Cavendish Road (public art element)	(30)	0	0	0	0	0	(30)
PR030g	East Barnwell Comm Centre improv, Phase 1 S106	(255)	0	0	0	0	0	(255)
PR031g	Milton Rd Lib Comm Meeting Space S106	(100)	0	0	0	0	0	(100)

Ref.	Description	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
	Total Adjustments since BSR Feb 2015	(1,137)	(68)	(742)	120	56	487	(1,284)
	Proposals							
SC605	Replacement Building Access Control System	50	50	0	0	0	0	100
PR037a	Local Centres Improvement Programme - Cherry Hinton High Street	15	185	0	0	0	0	200
SC607	Fleet Maintenance and Management Service at Waterbeach	34	11	0	0	0	0	45
	Total Proposals	99	246	0	0	0	0	345
	Total Approved and Proposed	(131)	405	(660)	202	150	581	547

The prioritisation scores for the two proposed schemes are as follows:

Prioritisation category	SC605 – Access control system	PR037a – Improvements to Cherry Hinton high Street	SC607 - Fleet Maintenance and Management Service
Statutory requirement or business critical	Yes	No	Yes
Alignment with council objectives [Degree of alignment scored against objectives in Annual Statement, then averaged. 0 = no alignment, 5 = will deliver this objective in a value-added / innovative way with additional benefits for the council]	0.3 out of 5 (Scores 2 on 'Protecting essential services and transforming council delivery')	0.6 out of 5 (Scores 4 on 'Protecting our city's unique quality of life')	0.9 out of 5 (Scores 3 on 'Protecting essential services and transforming council delivery'), 2 on "Tackling the housing crisis" and 1 on "Investing in improving transport"
Financial impact	0 = cost neutral	0 = cost neutral	2 = increasing additional net income
Delivery risk – project planning	Low	Medium	Low
Delivery risk – project complexity	Medium	High	High

If the above proposals are accepted, the effect of these schemes, along with schemes already approved in year on the level of unapplied capital funding available is shown in the following table.

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Funding available and unapplied per BSR Feb 2015	(712)	(1,312)	(1,630)	(1,630)	(1,880)	(1,880)
Funding S106	(272)	0	0	0	0	0
Capital Feasibility Fund	36	66	82	82	94	94
Approved since BSR Feb 2015 - S106	272	0	0	0	0	0
Approved since BSR Feb 2015 - Other	577	161	0	0	0	0
Proposed new schemes	99	246	0	0	0	0
Revised capital funding availability	0	(839)	(1,548)	(1,548)	(1,786)	(1,786)

Revised plan

If the above proposals are approved, the revised capital plan will be as follows:

MFR Proposals	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Current approved plan – as above:							
Total	33,817	1,524	1,123	956	56	487	37,963

Changes proposed:							
Programmes	15	185	0	0	0	0	200
Projects	84	61	0	0	0	0	145
Sub-total	99	246	0	0	0	0	345
Provisions	0	0	0	0	0	0	0
Total	99	246	0	0	0	0	345
Proposed plan:							
Programmes	11,870	718	520	700	0	0	13,808
Projects	2,575	258	31	36	0	0	2,900
Sub-total	14,445	976	551	736	0	0	16,708
Provisions	19,471	794	572	220	56	487	21,600
Total	33,916	1,770	1,123	956	56	487	38,308

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