

**AGENDA MANAGEMENT SHEET**

**Name of Committee** Cabinet

**Date of Committee** 18 November 2010

**Report Title** Capital Programme Review as at Quarter 2

**Summary** This report gives an update on the variations in projected capital spending on individual projects as at Quarter 2.

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**Would the recommended decision be contrary to the Budget and Policy Framework?** No.

**Background papers** None

**CONSULTATION ALREADY UNDERTAKEN:-**

Details to be specified

- Other Committees
- Local Member(s)
- Other Elected Members  Cllr Roodhouse, Cllr Saint, Cllr Tandy – for information
- Cabinet Member  Cllr Heatley, Cllr Wright – for comment
- Chief Executive
- Legal  Sarah Duxbury
- Finance  David Clarke – reporting officer
- Other Chief Officers
- District Councils
- Health Authority
- Police

Other Bodies/Individuals

**FINAL DECISION** **YES**

**SUGGESTED NEXT STEPS:**

Details to be specified

Further consideration by this Committee  Further monitoring reports will be brought to Cabinet with the final outturn report due in July 2011.

To Council

To Cabinet

To an O & S Committee

To an Area Committee

Further Consultation

**Cabinet - 18 November 2010.**

**Capital Programme Review as at Quarter 2**

**Report of the Strategic Director, Resources**

**Recommendations**

1. That Cabinet notes the revised spending forecast for capital schemes as shown in Appendix A of the report.
2. That Cabinet approves the additions to the programme and other changes to project budgets detailed in Appendices B and C of the report.

**1. Introduction**

- 1.1 In September 2010, Cabinet approved the Quarter 1 review of the capital programme, discussing anticipated changes as at 30<sup>th</sup> June 2010 from the programme approved in February. The purpose of this report is to update Members on the position as at **30<sup>th</sup> September 2010**, focussing on individual variances to the total anticipated spend on projects, in accordance with Financial Standing Orders. Schemes approved by Members as an addition to the capital programme after the Quarter 1 report and before 30<sup>th</sup> September, are therefore not reported as variances here.
- 1.2 Members should note that the Environment & Economy Directorate are reviewing the forecasted costs of the Rugby Western Relief Road (RWRR) project. A further report on RWRR will come to Members at the Communities Overview and Scrutiny Committee on 29<sup>th</sup> November and then to Council on 14<sup>th</sup> December.
- 1.3 Cabinet will consider a paper regarding Project Transform as an item at the same meeting as this paper. Hence no adjustments are shown in this paper for this project. However, if Cabinet approve any changes to the capital programme with respect to Project Transform, these changes will be picked up in the Quarter 3 overall programme monitoring report.

**2. Definition of Capital**

- 2.1 Capital expenditure is spending on assets which have a life of more than one year. It is defined by statute and includes acquisition of land, construction and

improvement of buildings and roads, and the purchase of plant, machinery, equipment and software.

### **3. Changes to the cost of schemes**

- 3.1 The changes which require reporting to Members according to the requirements of Financial Standing Orders are listed in **Appendix A**. Additionally, some new schemes have been developed and Members are asked to approve the addition of these schemes to the capital programme now. These schemes are detailed in **Appendix B**.

DAVID CLARKE  
Strategic Director, Resources

Shire Hall  
Warwick  
November 2010

## Appendix A - Total Project Cost Variations

Project Title	Total Budget Last seen by Members £000	Latest Estimate Total Budget £000	Variance £000	Explanation of variance
<b>Children, Young People and Families</b>				
Kineton High Artificial Turf Pitch	400.0	485.0	85.0	The school has confirmed that it will make available £85,000 of its own funds, mainly devolved formula capital, to increase the value of the works on this project.
<b>Communities, Workforce &amp; Governance</b>				
LPSA2 Local Information System	15.0	40.0	25.0	Approval to spend £15,000 of capital grant was given at Cabinet on 22nd April 2010 as part of the LPSA2 allocation. The total project cost for the required information system is £40,000. A revenue contribution of £25,000 will be made to cover the cost of the balance of the scheme.

Project Title	Total Budget Last seen by Members £000	Latest Estimate Total Budget £000	Variance £000	Explanation of variance
<b>Environment and Economy</b>				
<b>Transport - Structural Maintenance of Roads</b>				
Highways Maintenance - Local Transport Plan & Base Programme 2010/11	8,856.4	7,733.4	(1,123.0)	A DfT grant of £1,123,000 was reported to Cabinet as an addition to the capital programme on 27/05/2010. It has now been determined that this grant will be used to fund revenue expenditure only, and hence is removed from the capital programme.
<b>Transport - Structural Maintenance of Bridges</b>				
Spernal Bridge	285.1	322.3	37.2	This scheme was significantly reduced in scope at Qtr 1 this year. Further design work and negotiations have therefore been necessary which have required the restatement of some budget.
Structural Maintenance of Bridges 2009/10	1,053.9	1,169.0	115.1	Completion of schemes commenced in 2009/2010. Capital schemes often cross several years. The current year's allocation will be applied to the schemes commenced in previous years.
<b>Developer Schemes</b>				
Rugby A4071 Bilton Roadworks For Wimpey Housing Development	2,999.3	3,148.3	149.0	Higher than anticipated land compensation claims have been incurred on this project.
<b>Rural Strategy</b>				
Smallholdings Maintenance - Base Programme 2009/10	410.9	449.4	38.5	Completion of essential maintenance works commenced in 2009/10 budget. Capital schemes will often cross several years and we will always have to apply the current year's allocation to schemes commenced in previous years.

## Appendix B - Additional Projects

### A. Adult, Health and Community Services

#### 1. Use of Adult Social Care Reform Grant 2010/11

WCC has received a capital grant of £282,047 from the Department of Health for Adult Social Care Reform. This grant is non-ringfenced but is provided for the purpose of supporting the delivery of personal budgets and for transforming social care. AHCS are proposing to spend up to **£250,000** of the grant on a Bedworth scheme to provide supported housing for adults with learning disabilities, and extra care housing for the elderly. AHCS are currently finalising a mini tender process to deliver these schemes, both of which hope to provide immediate and significant revenue savings to the authority. Following conclusion of the process, AHCS will clarify the exact amount to be spent on this scheme and seek approval for use of the remaining amount of the grant elsewhere.

#### 2. Virement of Common Assessment Framework Grant 2009/10

AHCS need to make a small virement to use some of the remaining 2009/10 Common Assessment Framework (CAF) Grant to refurbish a building at the St Nicholas Annexe site in Alcester. This small scheme, costing **£14,000**, will refurbish an office in the current building to allow it to be used by the CAF team and to house hardware associated with the project. The remainder of the building is still in use by the PCT, and the CAF team will remain on site for two years.

### B. Resources

#### 1. Revenue funded scheme to redevelop current Data Centre arrangements

Resources ICT have developed a plan to deal with the problems they currently encounter in WCC's Data Centre, including shortage of space, leaks and flooding. In recognition of the financial environment they are replacing their capital bid made earlier this year with a smaller scheme which they intend to fund entirely from the ICT development revenue fund over the next two years, at a total cost of **£480,000**. The scheme will involve vacating two rooms in Shire Hall, taking up three rooms at Centenary Business Centre in Nuneaton and refurbishing two rooms already used for this purpose in Saltisford. This approach will allow ICT to manage the problem over the short to medium term whilst retaining their responsibility to future developments such as downsizing of the organisation, development of G-cloud processes and moves towards shared services with partner organisations.

## 2. Revenue funded scheme to pursue planning consent for future disposal site at Europa Way

The Council owns 50 acres of land to the west of Europa Way and to the north of Gallows Hill in Warwick. This forms part of a larger site that was identified in Warwick District Council's 'Core Strategy – Preferred Options' document as a preferred location for future residential/employment development. Officers have begun working towards a potential Collaboration Agreement with the other landowners which could lead to a significant capital receipt for the Council. Whilst negotiations continue, officers and our potential partners agree that it is now appropriate to begin work towards securing planning consent for the joint site. The cost to the Council is currently estimated at **£125,000**. It is proposed to finance this work with a revenue contribution from the Capital Fund, which is an earmarked reserve used to support the costs of disposals. A further report will be brought to Members in due course to seek approval for the signing of the Collaboration Agreement, and to progress the site towards disposal.

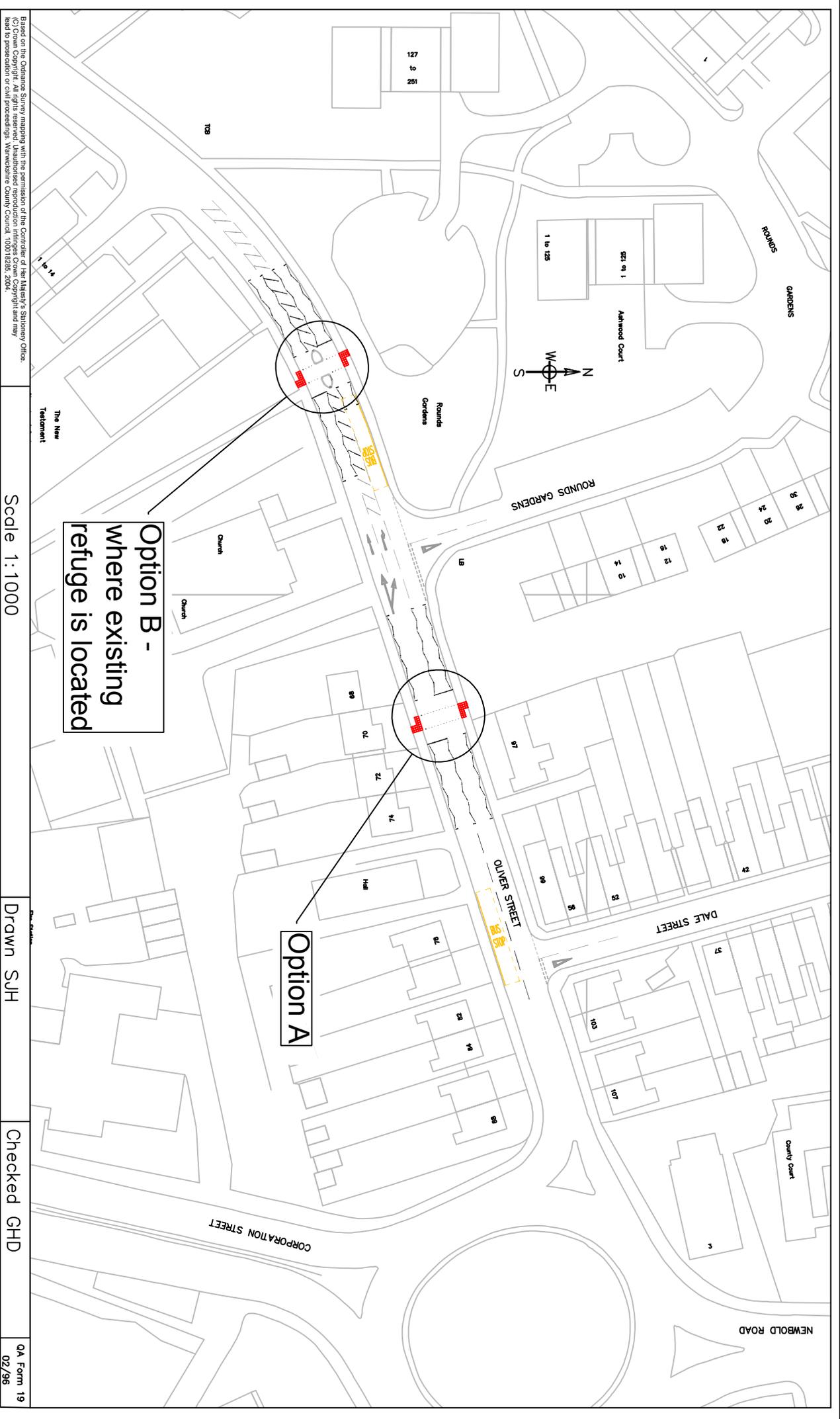
### C. Environment & Economy Directorate

#### 1. Temporary virement to cover delayed capital receipt

Environment and Economy are undertaking a temporary virement of **£248,000** from the Nitrate Vulnerable Zone scheme in 2010/11 to cover the late receipt of money from the sale of 2 Heath End, Snitterfield. This will cover the cost of works at Dunkleys / Poplars Farm pending the capital receipt, which is now expected in 2011/12. The original scheme was approved at Cabinet on the 17<sup>th</sup> June 2010.

#### 2. Rugby, Oliver Street – Puffin Crossing

As part of planning for the Asda food store and additional retail units at Chapel Street, Rugby, it is proposed to provide a Puffin crossing on Oliver Street, Rugby. It is estimated that the works associated with the implementation of this scheme will cost **£65,000**. In addition to the scheme cost, a one-off payment of £20,000 will be provided by the developer for the operational costs associated with its maintenance and routine inspections for the Puffin crossing during its lifecycle. It is proposed to carry out the consultation and design in 2010/11 and the implementation of the scheme on site during 2011/12. Please see Appendix C for the drawings of the site.



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The New Testament  
 Church  
 Church

Scale 1:1000

Drawn SJH

Checked GHD

**Cabinet**

Oliver Street near Rounds Gardens, Rugby

**PROPOSED OPTIONS FOR LOCATION OF PUFFIN CROSSING**

Warwickshire  
 County Council  
 Paul Galland  
 Strategic Director  
 ENVIRONMENT AND  
 ECONOMY DIRECTORATE  
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QA Form 19  
 02/96