

APPENDIX 2

CAPITAL - KEY ISSUES & VARIANCES

Children & Families

<u>Extended Schools 2009/10</u>			
In year Budget	0.363	m	
Outturn	0.000	m	
Variance	0.363	m	Underspend
Realignment of Extended Schools 09/10 Allocation - £145k to Alsager High School & £218k to Malbank High School			

<u>Devolved Formula Capital 2007/08</u>			
In year Budget	0.608	m	
Outturn	0.300	m	
Variance	0.308	m	Underspend
<p>This project is funded by a grant allocation from the Department for Communities and Local Government, each of our schools has a set share of this funding which they can use on a variety of capital projects or save multiple allocations to undertake a large project.</p> <p>As each school has a set allocation of this project there are a variety of reasons why schools have underspent. The most consistent reason is due to schools being more cautious and not committing to large levels of capital spend whilst a central government review is being conducted into the future of capital funding for schools.</p> <p>The terms and conditions of this grant funding ring fence these funds to schools.</p>			

<u>Devolved Formula Capital 2009/10</u>			
In year Budget	2.248	m	
Outturn	1.121	m	
Variance	1.127	m	Underspend
<p>This project is funded by a grant allocation from the Department for Communities and Local Government, each of our schools has a set share of this funding which they can use on a variety of capital projects or save multiple allocations to undertake a large project.</p> <p>As each school has a set allocation of this project there are a variety of reasons why schools have underspent. The most consistent reason is due to schools being more cautious and not committing to large levels of capital spend whilst a central government review is being conducted into the future of capital funding for schools.</p> <p>The terms and conditions of this grant funding ring fence these funds to schools.</p>			

<u>Devolved Formula Capital in Advance</u>			
In year Budget	0.931	m	
Outturn	1.514	m	
Variance	0.583	m	Overspend
<p>This project is funded by a grant allocation from the Department for Communities and Local Government, each of our schools has a set share of this funding which they can used on a variety of capital projects or save multiple allocations to undertake a large project.</p> <p>During 2010-11 the Department for Communities and Local Government awarded £2.2M funding to Cheshire East schools. All of this grant income was received during the 2009-10 and 1.8M remained at the 31st March 2010, during 2010-11 schools spent more of this grant that originally anticipated but did not exceed the total of funding available.</p>			

<u>14-19 Diploma 2009/10</u>			
In year Budget	0.450	m	
Outturn	0.000	m	
Variance	0.450	m	Underspend
Realignment of 14-19 Diploma 09/10 Allocation			

<u>Integrated Childrens System (ICS) 2008/09</u>			
In year Budget	0.517	m	
Outturn	0.055	m	
Variance	0.462	m	Underspend
CARRIED FORWARD: Initially, replacement of the system were investigated into and it was decided to halt this and investigate issues with the existing system and what needed doing to determine whether this was fit for purpose. Agreement was to upgrade to the latest version of the software in conjunction with Adults services which is ongoing but has been delayed by issues with the financial module which are currently being resolved and tested. The service are nearing the end of recruitment for additional staff to complete process redesign in light of the substantial changes to the service in line with the use of the ICS system. The system is likely to require substantial changes following the Munro recommendations (report imminent), which may result in a new system. The money is required to support this ongoing work.			

<u>Capital For Kitchen & Dining Facilities</u>			
In year Budget	0.575	m	
Outturn	0.198	m	
Variance	0.377	m	Underspend
CARRY FORWARD REQUEST: Carried forward as grant funded.			

<u>School Modernisation Programme 2009/10</u>			
In year Budget	0.862	m	
Outturn	0.000	m	
Variance	0.862	m	Underspend
Realignment of Schools Modernisation Grant 09/10 Allocation - £505k to Alsager High School, £157k to Wilmslow High School & ££200k to Malbank High School			

<u>Stapely Broad Lane PS</u>			
In year Budget	0.904	m	
Outturn	0.500	m	
Variance	0.404	m	Underspend
CARRIED FORWARD: This scheme has been delayed due to weather delays and the project was due for completion in June 2011.			

<u>Kings Grove Mobile Replacement</u>			
In year Budget	0.788	m	
Outturn	0.426	m	
Variance	0.362	m	Underspend
CARRIED FORWARD: Delay in completion, committed scheme, onsite and underway.			

<u>TLC Sir William Stanier Comm 5</u>			
In year Budget	0.649	m	
Outturn	0.347	m	
Variance	0.302	m	Underspend
CARRIED FORWARD: Delay in completion, committed scheme, onsite and underway.			

<u>Electronic Social Care Records</u>			
In year Budget	0.250	m	
Outturn	0.000	m	
Variance	0.250	m	Underspend
CARRIED FORWARD: There have been preliminary investigations into the development/implementation of an Electronic Document and Records Management solution for Children's social care with outline reports of how this may work, however at the moment all effort is being concentrated on stabilising the processes around, and upgrading ICS – Integrated Children's System, which will feed into any ESCR system developed.			

<u>Devolved Formula Capital</u>			
In year Budget	0.674	m	
Outturn	0.000	m	
Variance	0.674	m	Underspend
<p>"This project is funded by a grant allocation from the Department for Communities and Local Government, each of our schools has a set share of this funding which they can use on a variety of capital projects or save multiple allocations to undertake a large project.</p> <p>As each school has a set allocation of this project there are a variety of reasons why schools have underspent. The most consistent reason is due to schools being more cautious and not committing to large levels of capital spend whilst a central government review is being conducted into the future of capital funding for schools.</p> <p>The terms and conditions of this grant funding ring fence these funds to schools."</p>			

<u>Schools Modernisation Programme 10/11</u>			
In year Budget	0.912	m	
Outturn	0.000	m	
Variance	0.912	m	Underspend
Realignment of Schools Modernisation Grant 10/11 Allocation			

<u>Alsager High School Performing Arts Centre</u>			
In year Budget	1.134	m	
Outturn	0.373	m	
Variance	0.761	m	Underspend
CARRIED FORWARD: Delay in completion, committed scheme, onsite and underway.			

<u>Poynton High School</u>			
In year Budget	0.250	m	
Outturn	0.000	m	
Variance	0.250	m	Underspend
CARRY FORWARD: Committed scheme with school, design underway			

<u>Malbank School and Sixth Form</u>			
In year Budget	1.185	m	
Outturn	0.304	m	
Variance	0.881	m	Underspend
CARRIED FORWARD: Delay in completion, committed scheme, onsite and underway.			

Adults, Community and Health & Wellbeing

<u>Extra Care Housing</u>			
In year Budget	0.300	m	
Outturn	0.040	m	
Variance	0.260	m	Underspend
The DCLG withdrew funding for all Housing PFI projects under contract and in procurement due to Central Government spending review settlement. The remaining balance of £20k of Government funding carried forward, is to develop a specific Extra Care Housing strategy, ring fenced for this purpose.			

<u>Sandbach United Football Complex</u>			
In year Budget	2.200	m	
Outturn	0.700	m	
Variance	1.500	m	Underspend
This self financing scheme was approved by Council in October 2009; the initial projections indicated that the scheme would progress quickly in 2009/10. However, delays due to securing the external funding prior to contractor appointment indicate that the balance being spent by August 2011, thus removing the declared current year under spend.			

<u>Land South west of Moss Lane</u>			
In year Budget	0.400	m	
Outturn	0.100	m	
Variance	0.300	m	Underspend
Due to the South Macclesfield development not taking place, the works to be funded by Seddon Homes Ltd contribution of £260,138.64 were not required and therefore returned to the developer.			

Places

<u>2010/11 DeTtrunked Road - A523 Bosley</u>			
In year Budget	0.829	m	
Outturn	0.069	m	
Variance	0.760	m	Underspend
<p>These works were designed in quarter 3 and issued for tender in the last quarter of the year with a programmed start on site in the Spring of 2011. The works had to be reduced in extent and re-tendered as the original tender was over the budget available for the scheme.</p>			

<u>2005/06 Alderley Edge By Pass</u>			
In year Budget	15.774	m	
Outturn	12.300	m	
Variance	3.474	m	Underspend
<p>The underspend comes from a slower rate of spend as a result of lower payment requests and slower rate of Birse subcontract final account resolution and impact on programme of wet weather delaying completion of outstanding works beyond road opening</p>			

<u>2004/05 Queens Park Restoration</u>			
In year Budget	3.026	m	
Outturn	2,183	m	
Variance	0.843	m	Underspend
<p>Bad weather during the winter period has delayed the completion of the major building works and this has affected the commissioning of follow on works. A delay in planning consent for the structures has also delayed the completion of this package of work.</p>			

<u>2010/11 CCTV Rationalisation</u>			
In year Budget	0.503	m	
Outturn	0.133	m	
Variance	0.370	m	Underspend
<p>Delivery of the CCTV Rationalisation project has been delayed by several factors.</p> <p>The initial scope was changed in January 2010 to include moving Urban Traffic Control (UTC) services from Backford Hall into the new CCTV control room within the Cheshire East area. The project had to be re-designed to incorporate the additional requirements. (This was later removed as responsibility for the future of UTC was passed to the re-tender of the Highways Contract).</p> <p>After the departure of the CCTV technical manager through voluntary redundancy in April 2010, the project lost its in-house expertise to build the new CCTV room, the procurement route was re-assessed and proceeded along a Design and Build (D&B) route utilising skills externally rather than attempt an in-house build. To save procurement costs it was also decided at this stage to combine procurement with the ICT Data centre project.</p> <p>In July 2010, the Council was given notice of eviction from Crewe Market premises and the Crewe CCTV room had to be moved earlier than expected, this diverted project resource away from project delivery.</p> <p>The new procurement route chosen was an established framework which was shortly after frozen by the Borough Solicitor who sought legal advice from a barrister on its future use by the council use. The outcome was that the project could continue to use the framework, meanwhile little progress could be made.</p> <p>In November, a capital freeze was instigated by the Chief Executive and the project was on hold while the business case was re-submitted. The project is linked to the Data Centre project which will house the back-end hardware for the new CCTV system benefiting from its security. The Data Centre project has required an extra options appraisal at design stage and as a natural consequence of this dependency, the CCTV project has had to wait until both projects are ready to proceed to construction.</p> <p>In January, the use of the framework for the Design and Build was successfully challenged by the market and we had to reduce the offer to Design and Manage, consequently requiring the council to find a new route to secure a contractor to build the CCTV room. A link with an ongoing framework in Assets was established.</p> <p>The issues above total a delay to the project of 27 weeks. The project is about reaching the end of the design stage and successfully procured a contractor, ISG, who will be starting on site in August 2011.</p>			

<u>2010/11 Disabled Facilities Grant</u>			
In year Budget	1.123	m	
Outturn	0.836	m	
Variance	0.287	m	Underspend
<p>The Disabled Facilities Grant programme entails individual grants to households to carry out major adaptations, in response to assessments by Occupational Therapists within Adult Services. Slippage of this programme has occurred as a result of grant applications late in the financial year and delays on site. The full budget has been committed and contracts entered, and will be fully spent in 2011-12.</p>			

<u>2009/10 Private Sector Assistance</u>			
In year Budget	0.999	m	
Outturn	0.510	m	
Variance	0.489	m	Underspend
<p>The budget was deferred to 2011-12 as a result of the freeze on Capital expenditure.</p>			

<u>2008/09 Housing Grants (\$106)</u>			
In year Budget	0.712	m	
Outturn	0.447	m	
Variance	0.265	m	Underspend
<p>Moorlands Housing Association have a contract with the Council to spend this money on bringing empty homes in the rural areas back into use on a shared ownership basis. Because of the dip in the housing market in 2009/10 they did not buy any properties because they were concerned about their ability to sell them. This changed in 2010/11 when they proceeded to buy a further 6 properties. Housing associations make claims in 2 parts so 50% of the Council's obligation towards these properties (£172,000) was paid in 2010/11 and a further 50% will be paid in 2011/12.</p>			

<u>2008/09 Social Housing Grants</u>			
In year Budget	0.948	m	
Outturn	0.257	m	
Variance	0.691	m	Underspend
<p>The majority of this variance (£500,000) is committed to bringing empty homes back into use in 2011-12 and 2012-13. Delivery of the project slipped as the Council negotiated leasing schemes with Registered Providers, to take over the management of the property once they are improved to a decent standard. The first leasing scheme is now in place, and further schemes are expected to be in place in 2012-13. The remainder of the funding is available to be spent on supported housing and was awaiting the outcome of a review of all temporary accommodation for homeless people in the borough. This review has only recently been completed and the funds will be spent in 2011/12 partly on refurbishment of the homeless hostel on Roe St in Macclesfield (this work is nearly complete) and partly on funding new supported housing in the borough</p>			

<u>2007/08 Affordable Housing Initiatives</u>			
In year Budget	0.423	m	
Outturn	0.113	m	
Variance	0.310	m	Underspend
<p>All of this money consists of commuted sums from the former Congleton BC. During 2010/11 It was intended that this money would help bring forward a Plus Dane affordable housing scheme on Dunkirk Lane in Holmes Chapel however it only went to Planning Committee on 1st June 2011 and planning permission for this scheme was refused. We will be looking at alternative ways to use this commuted sum in 2011/12</p>			

<u>2009/10 Tatton Conservatory/Orangery</u>			
In year Budget	0.298	m	
Outturn	0.035	m	
Variance	0.263	m	Underspend
<p>The main reason for the delay was the appointment of the Contractor after the detailed specification of the project had been agreed, which included looking at the complex issues of glass design and drawing up an appropriate roof opening mechanism. The appointed contractors are now on site, work commenced last week of March 2011, and after some further delays due to additional remedial works being identified, the project is expected to be completed in late September/early October 2011. The budget cost for the project as a result of these problems has increased to £376,000, excluding the Fees element. Asset Management will be applying for a Supplementary capital estimate.</p>			

Performance and Capacity

<u>Data Centre Macclesfield</u>			
In year Budget	0.460	m	
Outturn	0.000	m	
Variance	0.460	m	Underspend
<p>The project was delayed in Q1 of 10/11 due to a procurement issue with the use of framework agreements by the council as a whole. The ITQ was eventually released towards the end of Q2 with the design consultant being appointed in Q4. The initial ITQ scope had to be changed as a result of wrong information received as part of the PQQ stage, this in turn has had a knock on effect with regards to what we could commission in FY11/12. It is now anticipated that the full £467k will be committed in Q2/3 covering the Design Consultancy and the M&E fit out. Since appointing the design consultant, the project has made good progress.</p>			

<u>Building Maintenance Programme</u>			
In year Budget	0.328	m	
Outturn	0.000	m	
Variance	0.328	m	Underspend
Prudential borrowing not required			

<u>Office Accommodation Strategy</u>			
In year Budget	5.409	m	
Outturn	2.742	m	
Variance	2.666	m	Underspend
Planned slippages ongoing programme			

<u>Building Maintenance</u>			
In year Budget	4.500	m	
Outturn	2.565	m	
Variance	1.935	m	Underspend
Revenue funded element			