

CAPITAL PROGRAMME 12/13 – CHANGES TO APPROVED PROGRAMME

EXECUTIVE MEMBER: Councillor Gillian Troughton

LEAD OFFICER: Darienne Law, Head of Corporate Resources

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WHY HAS THIS REPORT COME TO FULL COUNCIL?

The purpose of this report is to seek Council's approval for the proposed amendment to the Capital Programme 2012/13 detailed within this report. The original Capital Programme 2012/13-2014-15 was reviewed and considered Executive prior to being approved at Full Council at its special meeting of 14 February 2012.

Approval or amendment of the Council's policy framework, including the Capital Programme, are reserved to Council by Chapter 5 of the Constitution (Functions and Terms of Reference of full Council)

This report is therefore being presented as a recommendation from Executive at its meeting of the 21st August 2012 to outline changes to the agreed 2012/13 capital programme to be considered at this Full Council meeting.

RECOMMENDATIONS:

- I. Council be recommended to approve a revised capital programme for 2012/13, which
 - a. includes the Gillfoot shaft work,
 - b. removes the land management contingency,
 - c. as no business case exists, as the Council does not have a property where a suitably sized installation can be provided economically nor will the feed in tariff that the Council will be eligible for generate enough income to offset the cost of the installation, therefore omit the investment in photo voltaic system, and
 - d. recognises the changes to the programme timings for the Millom Cemetery expansion investigative work and the works at Rottington beck .
- II. That Council delegates Executive to approve any future in year changes.

1.0 INTRODUCTION

- 1.1. This report aims to provide Council with an update to the capital programme agreed at Council including the need for the inclusion of other projects which require capital funds, and reprioritisation of the existing schemes in response to emergent need.
- 1.2. The monitoring of the capital programme is undertaken monthly and reported to the Executive quarterly.

2.0 REVISIONS TO THE CAPITAL PROGRAMME 2012/13

- 2.1 The Capital programme for 2012/13 and the gross Capital Programme budget of £1,543,649 was approved by Council on 23rd February 2012.
- 2.2 An addition to the Capital programme of £80,000 (which is fully externally funded) in relation to the Moor Row Play Area was approved at Executive on 27th March 2012 bringing the revised gross Capital Programme budget to £1,623,649.
- 2.3 This was further amended due to carry forwards of £303,707 from 2011/12 budget to complete projects and was detailed in the Capital Outturn Report presented to Full Council 14th June 2012, bringing the amended budget to date to £1,927,356.

3.0 New Commitments - Gillfoot Shaft

- 3.1 Concerns were raised to Copeland Borough Council in August 2011 of suspected subsidence of the ground in a piece of land adjacent to Gillfoot shaft, owned by the Council. An initial study and review of document archived at Whitehaven records office was carried out by the Contracts and Property team. The findings of the study included evidence of mining in the area in reasonably close proximity to the ground level and a mine shaft located on the land.
- 3.2 A number of investigations have been carried out by various companies. The result of these investigations is the recommendation from Atkins Ltd that the Council should drill on and around the location of the shaft. It is unknown if the shaft has been treated but the initial drilling will establish this. If it found that the shaft has not been treated, remedial work will be required to make the shaft safe and prevent collapse. It is proposed that the Council appoints a single contractor to undertake this work under the supervision of Atkins Ltd as a specialist consultant. The work would be undertaken using a phased approach with progression to the second phase only being required if treatment of the shaft cannot be confirmed.
- 3.3 An invitation to tender for this work has resulted in the following costs shown in Table 1 below:

Table 1: Cost of works for Gillfoot shaft

Detail	Cost £
Phase 1 – Investigative Drilling	29,320
Phase 2 – Treatment of shaft	66,880
Professional Fees	8,650
Current year costs funded from revenue	117
10% contingency	10,485
TOTAL	115,452

- 3.4 The costs incurred to date (shaded in the table above) has been classified and funded as revenue but as a result of the investigations, the work that needs to be carried out is of a capital nature and therefore all costs associated are eligible for capital funding. It is proposed that the costs previously recognised as revenue are reclassified as capital in year. The total capital funding requirement for 2012/13 is therefore estimated at £115,452.

- 3.5 These works require capital funding allocation from within the current programme budget and therefore any agreed spend will require a reprioritisation of the agreed programme and reallocation of capital budget.
- 3.6 Council on the 23rd February 2012, as part of its budget setting process approved in principal £180,000 for public building maintenance and a further £52,800 for energy efficiencies. Executive approved the detailed programme of work for these capital budgets on 24th April 2012.
- 3.7 The approved allocation of the £52,800 energy efficiencies budget included £32,800 for the provision of a photo voltaic system and insulation upgrades at a suitable Council property subject to a feasibility study to be carried out by the Contracts and Property department
- 3.8 The feasibility study was completed in May 2012 and concluded that there was no business case for the installation of the photo voltaic system, and so therefore remains uncommitted. Executive also approved on 24th April 2012 the allocation of the public buildings budget of £180,000 within which was £50,000 for “land management”, which at the moment remains uncommitted.
- 3.9 It is anticipated that part of the Millom Cemetery project will not be completed this year and so the budget will not be fully spent within this financial year. The total budget of £149,216 is however, vital to the completion of the project in 2013/14 and so priority should be given to this project in the setting of the 2013/14 capital programme budget, ensuring that after re-profiling that the total budget is replenished.
- 3.10 Executive therefore recommend to Council the following identified budgets shown in Table 2 below are re-allocated from their original purpose and utilised to fund the costs of the works at Gillfoot shaft:

Table 2: Proposed funding for works at Gillfoot shaft

Detail	Budget available within current capital programme £
Energy Efficiencies	(38,000)
Public Building Land Issues	(50,000)
Land at Millom re-profile	(27,452)
TOTAL FUNDING AVAILABLE	(115,452)
Estimated cost of Gillfoot shaft works	115,452

4 CONCLUSION

- 4.1 The work at Gillfoot shaft, subject to this report being approved, will be funded from slippage and underspends on current projects as detailed within this report and therefore has no impact on the Budget for 2012/13.
- 4.2 The revised spending profile will require Council to approve the changes in policy use for the capital programme.
- 4.3 The capital programme will continue to be robustly monitored over the coming months with the next report to Executive at quarter 2.

5. STATUTORY OFFICER COMMENTS

- 5.1 The Monitoring Officer's comments are: The Monitoring Officer's comments are: None other than to confirm recommendation (ii) requires confirmation by Council.
- 5.2 The Section 151 Officer's comments are: Included in this report.
- 5.3 EIA Comments: EIA Completed as part of the budget setting process.
- 5.4 Other consultee comments, if any: Contained within the report

6. WHAT ARE THE LEGAL, FINANCIAL AND HUMAN RESOURCES IMPLICATIONS?

- 6.1 The capital programme will continue to be monitored monthly with the next report to Executive being at quarter 2. The budget monitoring process continues to be refined to provide members and officers with the up-to-date financial information needed to make key decisions on resource allocations during the year to manage the programme against the Council's policy framework, emergent needs and to feed into the Council's budget process.
- 6.2 The capital programme monitoring process is fully integrated into the planning process to ensure that Council objectives and priorities as outlined in the Corporate Plan are fully resourced as planned.