



East
Northamptonshire
Council

Finance Sub-Committee 22 June 2015

Capital Programme 2015-16

Purpose of report

To request authorisation to transfer a number of projects from the Development Pool to the Approved Capital Programme.

Attachment(s):

Appendix 1 – Current Capital Programme 2015-16 as per MTFS

Appendix 2 – Proposals for transfer from Development Pool

Appendix 3 – Revised Capital Programme 2015-16 if approved

1. Introduction

- 1.1. The main aim of the Capital Programme 2015/16 to 2024/25 is to set out a programme which is affordable, ensures business continuity for the Council's services and enables investment in Council priorities.
- 1.2. The programme is also focussed on meeting statutory obligations and investing in assets to improve revenue income streams to the Council.
- 1.3. The current Capital Programme was approved at Council on 25 February 2015 and can be seen in Appendix 1.

2. Proposal

ICT Schemes

- 2.1. A number of ICT schemes have been identified which now need to progress in order to provide necessary business continuity but also to provide required improvements and protection around the ICT environment. These schemes, costing £378,000, currently sit within the Development Pool. There are also proposals to amend the Development Pool to remove one project (£40,000) and delay another project into 2016/17 (£30,000). The impact of these changes will reduce the 2015/16 Development Pool estimate by £448,000 and increase the Approved Capital Programme by £378,000.
- 2.2. A breakdown of each project along with the amount and the justification for the request can be seen in more detail at Appendix 2.
- 2.3. Also detailed in Appendix 2 are a number of projects that are anticipated to progress during 2015/16, subject to approval by the Finance Sub Committee later in the financial year.

Disabled Facilities Grant Scheme (DFG)

- 2.4. The Council understands the relationship between investments in disabled facilities by the Council and the impact on social care costs and the ongoing need to continue to invest in this area. The demand for DFGs continues to grow and the complexity of needs requiring support is becoming more expensive.

- 2.5. The Council has been spending £400,000 a year on DFGs in recent years, where £178,000 of this was funded by government grant. The remaining balance was funded from the Council's own resources and previous allocations from Northampton County Council (NCC) through the Second Homes Discount Scheme, whereby the additional Council Tax income they received as a result of District Councils eliminating second homes and empty homes discounts was returned to District Councils. Despite this additional investment, there remains a growing waiting list of applicants. In 2014/15 the budget was increased to £500,000 with the aim of reducing this waiting list.
- 2.6. As part of NCC's budget proposals to save £67m in 2015/16, the scheme ceased on 31 March 2015. NCC has agreed to transfer the balance of the funding from this scheme so that we can provide further investment in DFGs. It is also providing some funding from the additional Council Tax it has received as a result of the collection rates under the Council tax Support Scheme being higher than expected. The amounts being released are as follows:
- Second Homes Discount £76,900
 - Council Tax Support Reserve of £95,940
- 2.7. This will increase the budget for the Disabled Facilities Grant Scheme from £500,000 to £672,840 for 2015/16.
- 2.8. The following table summarises the impact of the changes to the Capital Programme if all requests and amendments are approved. A detailed breakdown is provided in Appendix 3.

Approved Capital Programme	2015/16 Original Budget	2015/16 Changes	2015/16 Revised Budget
	£	£	£
Housing Projects	500,000	172,840	672,840
Leisure and Tourism Projects	71,000	-	71,000
Environment Projects	240,000	-	240,000
Corporate Systems	-	378,000	378,000
Total	811,000	550,840	1,361,840
Development Pool	Original Pool	Changes	Revised Pool
	£	£	£
Leisure and Tourism Projects	25,000	-	25,000
Central Services Projects	60,000	-	60,000
Corporate Systems	668,000	(448,000)	220,000
Essential Property Maintenance	120,000	-	120,000
Total	873,000	(448,000)	425,000

- 2.9. Members are asked to note the revised Capital Programme for 2015/16 should approval be given.
- 2.10. It should be noted that the carry forwards from the 2014/15 Capital Programme will be considered separately by the Finance Sub Committee as part of the Budget Monitoring Draft Outturn Report for 2014/15 and are therefore not included in this report.

3. Equality and Diversity Implications

- 3.1. There are no known equality issues arising from this report.

4. Legal Implications

4.1. There are no known legal implications arising from this report.

5. Risk Management

5.1. This risks arising from this report are recorded in the Council's Risk Register. The risks are subject to regular review and update.

6. Financial Implications

6.1. This report is of a financial nature and the implications are set out within the report.

7. Corporate Outcomes

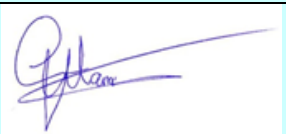
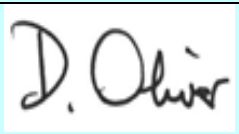
7.1. This report links to the following Corporate Outcomes:

- Effective Management
Monitoring of the Capital Programme allows the Council to manage and review its financial performance, contributing to the effective management of the Council.
- Good Value for Money
This report demonstrates the cost of services provided, which contributes to this corporate outcome.

8. Recommendations

8.1. The Finance Sub-Committee is asked to:

- Approve the transfer of the proposed IT schemes from the Development Pool to the Approved Capital Programme and note the changes shown in the revised Capital Programme.
- Resolve to recommend to Council the increase to the Disabled Facilities Grant budget in the Approved Capital Programme as a result of additional funds received from Northamptonshire County Council.

Legal	Power:				
	Other considerations:				
Background Papers:					
Person Originating Report: Michelle Drewery, Finance Manager mdrewery@east-northamptonshire.gov.uk					
Date: 05.06.15					
CFO 10/6/15		DMO		CX 10/6/15	

(Committee Report Normal Rev. 22)

East Northamptonshire Council Capital Programme 2015/16 - 2024/25

Appendix 1

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total 2015/16 to 2024/25
Approved Capital Programme	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
	£	£	£	£	£	£	£	£	£	£	£
Housing Projects	500,000	-	-	-	-	-	-	-	-	-	500,000
Leisure and Tourism Projects	71,000	-	-	-	-	-	-	-	-	-	71,000
Environment Projects	240,000	-	-	-	-	-	-	-	-	-	240,000
Total	811,000	-	-	-	-	-	-	-	-	-	811,000

Development Pool - Summary	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Total 2015/16 to 2024/25
	£	£	£	£	£	£	£	£	£	£	£
Housing Projects	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,500,000
Leisure and Tourism Projects	25,000	150,000	40,000	-	-	-	-	-	20,000	-	235,000
Environment Projects	-	200,000	200,000	-	16,600	-	-	-	-	-	416,600
Central Services Projects	60,000	30,000	-	-	24,000	20,000	30,000	-	-	-	164,000
Corporate Systems	668,000	398,000	650,000	312,000	272,000	512,000	337,000	462,000	182,000	182,000	3,975,000
Essential Property Maintenance	120,000	169,000	115,000	375,000	40,000	40,000	-	10,000	10,000	-	879,000
Vehicle Replacements	-	-	-	-	-	-	-	-	-	-	-
Total	873,000	1,447,000	1,505,000	1,187,000	852,600	1,072,000	867,000	972,000	712,000	682,000	10,169,600

East Northamptonshire Council Capital Programme 2015/16 - 2024/25

Appendix 1

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Development Pool - Detail											
Disabled Facilities Grants		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,500,000
Contractual											
Stanwick Lakes - Infrastructure		69,000	75,000	65,000							209,000
Purchase of Wheeled Bins		200,000	200,000								400,000
Business Critical											
AMP - Pemberton Centre		150,000	40,000						10,000		200,000
AMP - Nene Centre									10,000		10,000
AMP - Rushden Centre		50,000				30,000					80,000
AMP - East Northamptonshire House	95,000	10,000	10,000	10,000	30,000	10,000			10,000		175,000
AMP - Industrial Units	25,000	30,000	30,000	300,000							385,000
AMP - Polebrook Cemeteries		10,000			10,000			10,000			30,000
Splash Pool - Emergency & Improvement Plan	25,000										25,000
Print Room Asset Management	20,000	30,000			24,000	20,000	30,000				124,000
Replacement Dog Warden Vans					16,600						16,600
Replacement Hardware (PC'S, Monitors & Laptops)	30,000	30,000	23,000	35,000	35,000	15,000	15,000	15,000	15,000	15,000	228,000
Data Infrastructure Equipment	64,000	64,000	10,000	10,000	10,000	100,000	10,000	10,000	10,000	10,000	298,000
Security Systems/GovConnect	16,000	5,000	10,000	10,000	10,000	10,000	10,000	10,000			81,000
Licences	119,000	119,000	137,000	137,000	137,000	137,000	137,000	137,000	137,000	137,000	1,334,000
DR/Business Continuity							40,000	40,000			80,000
Replacement Printers & Scanners	20,000	15,000	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	110,000
Replacement Servers	10,000	10,000	80,000	10,000	10,000	10,000	10,000	80,000	10,000	10,000	240,000
Upgrade for Uninterrupted Power Supply to server room (UPS for L12)			25,000								25,000
Storage/Replacement SAN		50,000	15,000	20,000	10,000	10,000	60,000	15,000			180,000
Upgrade Public Access and TLC systems (CAPS Solutions/ERMS)	40,000	10,000	10,000	20,000	10,000	200,000	10,000	10,000			310,000
CRM Upgrades	70,000		300,000								370,000
Telephone System	30,000		10,000		10,000		10,000				60,000
ESRI - GIS Upgrade		70,000			10,000			70,000			150,000
Oracle Licensing & Physical servers	50,000			40,000				40,000			130,000
Oracle Development	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000			80,000
Mobile working	25,000										25,000
Exchange 2013	30,000										30,000
Intranet	36,000										36,000
Server 2012	30,000										30,000
SQL Consolidation	28,000										28,000
Sharepoint development	30,000										30,000
NDL development	20,000										20,000
Revenues and Benefits Upgrade	10,000	15,000	15,000	10,000	10,000	10,000	15,000	15,000			100,000
Invest to Save											
Replacement Finance System	40,000										40,000
Total	873,000	1,447,000	1,505,000	1,187,000	852,600	1,072,000	867,000	972,000	712,000	682,000	10,169,600
Total Approved Programme and Development Pool	1,684,000	1,447,000	1,505,000	1,187,000	852,600	1,072,000	867,000	972,000	712,000	682,000	10,980,600

ICT Schemes to be promoted from Development Pool

Appendix 2

Scheme	Amount £	Justification for approval
Replacement Hardware	30,000	The council has a standard replacement schedule for its estate of PCs and laptops, to extract the maximum life from each computer while aiming to ensure that they are replaced before they become too expensive to maintain or their performance deteriorates too greatly. This is the 15/16 annual investment in replacements. This year's schedule will include the replacement of laptops, which weren't included last year, and a number of PCs.
Data Infrastructure Equipment	64,000	The Council's telephone system was replaced in 2008. As part of this, all network switches were replaced - these are the equipment which manage all the network data traffic around the Council. Although we have spares available in the event of issues, all are now approaching 7 years old and require replacing. We are proposing replacing 1/2 of the switches in 15/16 and 1/2 in 16/17 and they will be purchased with 5 year warranty cover. If they were not replaced the risk of numerous failures would rise as they get older and our spare stock may not cope with the necessary replacements required. This bid and a similar bid in 2016/17 will then replace the £130K estimate originally put into the Development pool for 14/15, and deferred to later years.
Security Systems\Gov Connect	16,000	The Public Services Network (PSN) is a key part of the ICT Data network, providing an essential secure network connection with all other authorities, central government and the DWP. The specific part of PSN which provides secure email connectivity is termed GCSX and is mandatory for all email communication between Government departments that is classified. The current PSN environment on-site is approximately 5 years old, with the current hardware at the end of its life and the email system requiring an upgrade. ICT need to upgrade the hardware and software for this environment, and integrate it with the Council's standard corporate email and data network. This work would future proof this solution for at least 5 years based on current usage estimations.
Licenses	119,000	This scheme represents business critical activity which, if not included within the capital programme, would create unacceptable risks to the Council's ability to maintain services and put an immediate pressure on the Council's revenue budget. Annually, this capital scheme partially funds software licenses for essential systems such as Capita Payments, IDOX Uniform (Planning, Environmental Health), and Citrix. Additionally each year, Microsoft licenses are required to replace obsolete licenses, such as Server 2003 and Windows XP, and to provide the platform on which future services are delivered. They are funded through capital as part of an ongoing <i>capitalisation of revenue</i> programme started in 2011, as a result of changes to the IFRS regulations
Exchange 2013	30,000	The Exchange email service is critical to the continued operation of the council. Currently the council receives around 50,000 external emails per month and sends around 30,000 outside the council (Internal email are in addition to this). The central email system is based on obsolete technology (Exchange 2007) which had been in place since 2006 and is no longer in mainstream support from Microsoft. This is an unacceptable risk for such a critical system, and an upgrade to Exchange 2013 is now essential. This will provide a more stable, secure, supportable and future-proof server infrastructure.

Intranet	36,000	The current ENC Intranet site has been in operation since 2006, but is no longer supported by the supplier, and is now a major security risk to the organisation, threatening ENC's PSN (Government security) classification. The replacement intranet will be a joint development with Wellingborough council to share the development cost and provide a system which is easier to maintain and access for staff and members. The current system has to be switched off by July 2015
Server 2012	30,000	Currently the Council is running approximately 120 servers, of which approximately 40 are running on a Microsoft Windows 2003 Operating Systems and 80 on Windows 2008. Windows 2003 officially will not be supported by Microsoft from July 2015 and just security updates will be available for Windows 2008 from this time, meaning any 2008 issues may be chargeable to fix as they arise. ENC therefore need to migrate all services into a Windows 2012 server environment to ensure they remain fully supported stable and secure for at least the next 5 years.
SQL Consolidation	28,000	Microsoft SQL is the standard database platform for a variety of business applications. Currently the Council has 3 Microsoft SQL servers supporting approximately 30 key business applications. We are currently running multiple versions of SQL (2003, 2008 and 2010). SQL versions 2003 & 2008 are now out of mainstream Microsoft support, which places the council at great risk that their systems may fail and not be maintainable. It is therefore essential that the SQL environment is migrated to a supported platform (2012 Version). This will include replacement of the associated servers which are also life expired at 5 years old. We will then migrate all existing services onto these servers. This will ensure all SQL databases are running on the latest software on new and supported hardware.
Mobile Working	25,000	There are currently 82 mobile phones in use by Council staff, 24 of which are Blackberry devices and the remaining are very basic non-smart mobile phones. Demand is increasing across the service areas to provide alternative devices that facilitate mobile and remote working. It is also becoming increasingly difficult to source non-smart, and therefore very low cost, phones. The majority of handsets are now over the 2 year expected lifespan and we are starting to experience problems with the devices. This project will look to provide more appropriate devices and a new management tool to enable the use of iOS, android and Windows devices as an alternative to Blackberry. The costs detailed here are initial estimates to include in the development pool. Specific business requirements will be confirmed and actual costs submitted when requesting the release of funds.
TOTAL FOR APPROVAL	378,000	

The following ICT schemes are also in the Development Pool and are no longer required for 2015/16

Scheme	Amount £	
Telephone system	30,000	Unlikely to be achieved in 2015/16, so proposing to move to 2016/17. Existing system not in any danger
Upgrade Public Access & TLC	40,000	Upgrade has been achieved using revenue funds
TOTAL	70,000	

The following ICT schemes are also in the Development Pool for which Finance approval will be sought later in 2015/16

Scheme	Amount £	Justification for requirement
Replacement Printers & Scanners	20,000	Annual replacement of life expired equipment. Not requested while a review of print requirements is undertaken.
Replacement Servers	10,000	Annual replacement of life expired equipment
CRM Upgrade	70,000	System is nearer end of life and an upgrade of the software and the hardware is required
Oracle Licensing & Physical Servers	50,000	The Uniform system for Planning uses Oracle as its database. Due to changes in licensing the database will need to be installed on a physical server. This requires a rebuild of the Uniform database and migration of the data.
Oracle Development	10,000	The Council does not employ Oracle developers due to their cost. Hence development of additional functionality for Oracle based systems such as Uniform for Planning would require external resource
Sharepoint development	30,000	Required if we choose to develop Sharepoint
NDL development	20,000	Required to implement self service for customers.
Revenue & Benefits System Upgrade	10,000	Funds not required at present time.
TOTAL	220,000	

East Northamptonshire Council Capital Programme 2015/16 - 2023/24

Appendix 3

Approved Capital Programme - Summary	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total 2015/16 to 2024/25 £
	Original Estimate	New	Current Budget	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
	£	£	£	£	£	£	£	£	£	£	£	£	
Housing Projects	500,000	172,840	672,840	-	-	-	-	-	-	-	-	-	672,840
Leisure and Tourism Projects	71,000	-	71,000	-	-	-	-	-	-	-	-	-	71,000
Environment Projects	240,000	-	240,000	-	-	-	-	-	-	-	-	-	240,000
Central Services Projects	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Systems	-	378,000	378,000	-	-	-	-	-	-	-	-	-	378,000
Total	811,000	550,840	1,361,840	-	-	-	-	-	-	-	-	-	1,361,840

Approved Capital Programme - Detail													
Disabled Facilities Grants	500,000	172,840	672,840	-	-	-	-	-	-	-	-	-	672,840
Purchase of Wheeled Bins	240,000	-	240,000	-	-	-	-	-	-	-	-	-	240,000
Stanwick Lakes - Infrastructure	71,000	-	71,000	-	-	-	-	-	-	-	-	-	71,000
Replacement Hardware (PC'S, Monitors & Laptops)	-	30,000	30,000	-	-	-	-	-	-	-	-	-	30,000
Licences	-	119,000	119,000	-	-	-	-	-	-	-	-	-	119,000
Data Infrastructure Equipment	-	64,000	64,000	-	-	-	-	-	-	-	-	-	64,000
Security Systems/GovConnect	-	16,000	16,000	-	-	-	-	-	-	-	-	-	16,000
Mobile working	-	25,000	25,000	-	-	-	-	-	-	-	-	-	25,000
Exchange 2013	-	30,000	30,000	-	-	-	-	-	-	-	-	-	30,000
Intranet	-	36,000	36,000	-	-	-	-	-	-	-	-	-	36,000
Server 2012	-	30,000	30,000	-	-	-	-	-	-	-	-	-	30,000
SQL Consolidation	-	28,000	28,000	-	-	-	-	-	-	-	-	-	28,000
Total	811,000	550,840	1,361,840	-	-	-	-	-	-	-	-	-	1,361,840

Development Pool - Summary	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Total 2015/16 to 2023/24 £
	£	£	£	£	£	£	£	£	£	£	£	£	
	Housing Projects	-	-	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	
Leisure and Tourism Projects	25,000	-	25,000	150,000	40,000	-	-	-	-	-	20,000	-	235,000
Environment Projects	-	-	-	200,000	200,000	-	16,600	-	-	-	-	-	416,600
Central Services Projects	60,000	-	60,000	30,000	-	-	24,000	20,000	30,000	-	-	-	164,000
Corporate Systems	668,000	(448,000)	220,000	428,000	650,000	312,000	272,000	512,000	337,000	462,000	182,000	182,000	3,557,000
Essential Property Maintenance	120,000	-	120,000	169,000	115,000	375,000	40,000	40,000	-	10,000	10,000	-	879,000
Total	873,000	(448,000)	425,000	1,477,000	1,505,000	1,187,000	852,600	1,072,000	867,000	972,000	712,000	682,000	9,751,600

Development Pool - Detail

Disabled Facilities Grants			500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,500,000
<u>Contractual</u>													
Stanwick Lakes - Infrastructure			69,000	75,000	65,000								209,000
Purchase of Wheeled Bins			200,000	200,000									400,000
<u>Business Critical</u>													
AMP - Pemberton Centre			150,000	40,000							10,000		200,000
AMP - Nene Centre											10,000		10,000
AMP - Rushden Centre				50,000				30,000					80,000
AMP - East Northamptonshire House	95,000		95,000	10,000	10,000	10,000	30,000	10,000			10,000		175,000
AMP - Industrial Units	25,000		25,000	30,000	30,000	300,000							385,000
AMP - Polebrook Cemeteries				10,000			10,000			10,000			30,000
Splash Pool - Emergency & Improvement Plan	25,000		25,000										25,000
Print Room Asset Management	20,000		20,000	30,000			24,000	20,000	30,000				124,000
Replacement Dog Warden Vans							16,600						16,600
Replacement Hardware (PC'S, Monitors & Laptops)	30,000	(30,000)	-	30,000	23,000	35,000	35,000	15,000	15,000	15,000	15,000	15,000	198,000
Data Infrastructure Equipment	64,000	(64,000)	-	64,000	10,000	10,000	10,000	100,000	10,000	10,000	10,000	10,000	234,000
Security Systems/GovConnect	16,000	(16,000)	-	5,000	10,000	10,000	10,000	10,000	10,000	10,000			65,000
Licences	119,000	(119,000)	-	119,000	137,000	137,000	137,000	137,000	137,000	137,000	137,000	137,000	1,215,000
DR/Business Continuity								40,000	40,000				80,000
Replacement Printers & Scanners	20,000		20,000	15,000	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	110,000
Replacement Servers	10,000		10,000	10,000	80,000	10,000	10,000	10,000	10,000	80,000	10,000	10,000	240,000
Upgrade for Uninterrupted Power Supply to server room (UPS for L12)					25,000								25,000
Storage/Replacement SAN				50,000	15,000	20,000	10,000	10,000	60,000	15,000			180,000
Upgrade Public Access and TLC systems (CAPS Solutions/ERMS)	40,000	(40,000)	-	10,000	10,000	20,000	10,000	200,000	10,000	10,000			270,000
CRM Upgrades	70,000		70,000		300,000								370,000
Telephone System	30,000	(30,000)	-	30,000	10,000		10,000		10,000				60,000
ESRI - GIS Upgrade				70,000			10,000			70,000			150,000
Oracle Licensing & Physical servers	50,000		50,000			40,000				40,000			130,000
Oracle Development	10,000		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000			80,000
Mobile working	25,000	(25,000)	-										-
Exchange 2013	30,000	(30,000)	-										-
Intranet	36,000	(36,000)	-										-
Server 2012	30,000	(30,000)	-										-
SQL Consolidation	28,000	(28,000)	-										-
Sharepoint development	30,000		30,000										30,000
NDL development	20,000		20,000										20,000
Revenues and Benefits Upgrade	10,000		10,000	15,000	15,000	10,000	10,000	10,000	15,000	15,000			100,000
Invest to Save													
Replacement Finance System	40,000		40,000										40,000
Service Enhancement													
Performance Management Solution													-
Total	873,000	(448,000)	425,000	1,477,000	1,505,000	1,187,000	852,600	1,072,000	867,000	972,000	712,000	682,000	9,751,600
Total Approved Programme and Development Pool	1,684,000	102,840	1,786,840	1,477,000	1,505,000	1,187,000	852,600	1,072,000	867,000	972,000	712,000	682,000	11,113,440