
December 2015 – Quarter 3 Capital Budget Monitoring Report

Report of Cllr Richard Wenham, Executive Member for Corporate Resources
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This report relates to a Non Key Decision

Purpose of this report

1. The report sets out the Capital financial position for 2015/16 as at the end of December 2015. It excludes the Housing Revenue Account (HRA) which is subject to a separate report.

RECOMMENDATIONS

The Executive is asked to:

1. note that the gross forecast is below budget by £42.5M (£24.9M at Period 9 last year against a lower budget of £116.8M), the net forecast is £32.9M below budget.

BACKGROUND INFORMATION:

2. This report is based on the 2015/16 budget approved by Council at its 26 February 2015 meeting. The reported budget also includes deferred spend from 2014/15 which was approved by the Executive on the 7 July 2015.

ISSUES: None

FINANCIAL AND OTHER OPTIONS: These are covered in the report

3.
 - i) The approved budget excluding HRA but including deferred spend from 2014/15 (approved by Executive in July) is £139.2M (gross). The gross forecast is below budget by £42.5M (£24.9M last year against a lower budget of £116.8M). The net forecast is £32.9M below budget.
 - ii) The main reasons are: Community Services are only currently forecasting to spend to the level of grant secured on the A421 (M1 J13) project. The remaining £6M spend on the scheme will only proceed once grant is secured (anticipated 2016/17).

- iii) £7.8M of the Depot South and Depot & Salt Barn North budget, £4M Luton & Dunstable Busway and £4.6M of the Thorn Turn Waste Park budget is all forecast to be deferred to 2016/17.
- iv) Children's Services are also expecting to spend £1.4M less than budgeted on New School Places, due to an increase in the grant allocation for 2015-16 and a revised programme of delivery.
- v) Regeneration have a forecast overspend of £0.3M, due to £1.2M accelerated spend from 2016/17 for the Broadband project, approved by the relevant officers and Executive Member. This is partially offset by £0.4M forecast underspend on the Market Towns Programme and £0.4M forecast underspend on Dunstable Town Centre Regeneration.
- vi) Year to date (YTD) spend is £20.7M below budget (£9.1M in December 2014). Actual spend is £61.8M compared to £60.3M last year.
- vii) This is a low year to date position compared to overall budget due to; delays to the A421 (M1 J13) project (£3.1M), retiming of expenditure for Woodside Link (£4.3M), delays to HWRC redevelopment (£5.2M) and lower than expected spend on highways & transport (£2.7M). Spend on the A421 is likely to be deferred to 2016/17.
- viii) YTD Capital Receipts are £286k and the full year forecast is £3M. The budget is £13.1M.
- ix) A summary of the position is in the table below.

Directorate	Year to Date P09			Full Year 2015/16			Year to Date P09			Full Year 2015/16		
	Gross Budget £m	Gross Actual £m	Gross Variance £m	Gross Budget £m	Gross Forecast Outturn £m	Gross Variance £m	Net Budget £m	Net Actual £m	Net Variance £m	Net Budget £m	Net Forecast Outturn £m	Net Variance £m
CS	16.5	17.5	0.9	31.3	28.9	(2.4)	0.3	0.3	(0.0)	2.7	0.6	(2.1)
Community Service	56.6	37.0	(19.6)	90.4	55.5	(34.9)	31.1	18.9	(12.2)	60.0	31.7	(28.3)
Improvement & Corporate Services	3.1	2.8	(0.3)	6.2	4.9	(1.2)	3.1	2.8	(0.3)	6.2	4.9	(1.2)
Corporate Resources	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	(0.0)
Regeneration	2.2	2.4	0.3	3.5	3.8	0.3	0.3	0.3	0.1	1.3	0.9	(0.4)
ASCHH	4.1	2.1	(2.0)	7.8	3.5	(4.3)	1.4	1.0	(0.4)	2.9	2.1	(0.9)
Total Excl HRA	82.5	61.8	(20.7)	139.2	96.7	(42.5)	36.2	23.3	(12.9)	73.2	40.3	(32.9)

(Note: Any minor rounding differences are due to linking to detailed appendices)

Reasons for decision

4. To complete schemes currently underway and facilitate effective financial management and planning.

Council Priorities

5. Sound financial management contributes to the Council's Value for Money and enables the Council to successfully deliver its priorities. The recommendations will contribute indirectly to all 6 Council priorities.

Corporate Implications

Legal Implications

6. None

Financial Implications

7. The financial Implications are contained in the appendix to the report.

Equalities Implications

8. Equality Impact Assessments were undertaken prior to the allocation of the 2015/16 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Appendices

Appendix A – Detailed Directorate Commentary