
September 2015 – Quarter 2 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 September 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 £30.2M (£19M at Period 6 last year against a lower budget of £116.8M), the net forecast is £21.5M below budget; and**
2. **approve a virement for £3.360M from the HWRC Redevelopment project to the Thorn Turn Waste Park, Depot South and Depot and Salt barn North schemes. (See paragraph 21e of Appendix A)**

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 and also deferred spend from 2014/15 (approved by Executive in July) is £139M (gross). The gross forecast is below budget by £30.2M (£19M last year against a lower budget of £116.8M). The net forecast is £21.5M 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). £4.7M of the Household Waste Recycling Centres (HWRC) redevelopment project budget and £2.8M of the Thorn Turn Waste Pak budget is forecast to be deferred to 2016/17. The forecast for Woodside Link has also been reduced by £7M since August. The previous forecast was based on the planned work schedule provided by Balfour Beatty, which following a review is considered unrealistic so the forecast has been amended accordingly. The overall project timescales will not be delayed as a result.

- iii) Children's Services are also expecting to spend £2.1M less than budgeted on New School Places, due to an update in the grant allocation for 2015-16 and a revised programme of delivery.
- iv) Year to Date (YTD) Spend is £14.5M below budget (£7M at period 6 last year). Actual spend is £37.7M compared to £40.2M last year. This is a low year to date position and is due to; delays to the A421 (M1 J13) project (£2.3M), delays to HWRC redevelopment (£2.2M) and lower than expected spend on highways and transport (£6.3M). Numerous schemes are forecasting to spend below budget in the case of the A421 (M1 J13) spend will catch up during the year subject to the extra grant being secured.
- v) YTD Capital Receipts are £286K and the full year forecast is £3M. The budget is £13.1M. The downturn is mainly due to two major receipts. Due to a delay in agreeing terms with various parties the receipts of £4.666M for Stratton Park have been deferred to future years. Also Bedford Borough have advised that due to planning issues it is unlikely that we will receive the £4.800M in this financial year for Bell Farm and County Hall as part of the disaggregation agreement.
- vi) A summary of the position is in the table below.

Directorate	Year to Date P06			Full Year 2015/16			Year to Date P06			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	9.5	9.8	0.2	31.3	29.8	(1.5)	0.3	0.3	0.0	2.7	0.6	(2.1)
Community Service	35.4	22.8	(12.7)	90.4	64.2	(26.2)	20.8	14.9	(5.9)	60.0	41.1	(18.9)
Improvement & Corporate Services	2.6	2.0	(0.6)	6.2	6.2	0.0	2.6	2.0	(0.6)	6.2	6.2	0.0
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	2.4	1.8	(0.6)	3.5	5.2	1.7	0.6	1.0	0.4	1.3	1.7	0.3
ASCHH	2.3	1.4	(1.0)	7.8	3.7	(4.1)	0.3	0.4	0.1	2.9	2.1	(0.9)
Total Exc HRA	52.2	37.7	(14.5)	139.2	109.1	(30.2)	24.6	18.6	(6.0)	73.2	51.7	(21.5)

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 5 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