
Meeting: Sustainable Communities Overview & Scrutiny Committee
Date: 13th September 2011
Subject: Capital Programme Report for the Quarter ended 30th June 2011
Report of Executive Member: Cllr Ken Matthews – Sustainable Communities Planning & Strategy
Cllr Brian Spurr – Sustainable Communities Services
Summary:

Advising Officer: Alan Fleming - Acting Director of Sustainable Communities
Contact Officer: Brighton Fong, Senior Finance Manager
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

Sustainable Communities capital programme provides the necessary infrastructure to support the Council priorities of: Creating Safer Communities and Managing Growth effectively.

Financial:

The financial implications are set out in the report.

Legal:

Subject to type of scheme, for example, s278 and s106 have individually struck legal agreements. Rolling programmes are covered by contracts.

Risk Management:

Outline and detailed business cases ensure that risks are addressed before schemes are accepted into the programme. Project Managers oversee delivery risks.

Staffing (including Trades Unions):

Covered in business cases as relevant

Equalities/Human Rights:

Covered in business cases as relevant

Community Safety:

Covered in business cases as relevant

Sustainability:

Resource usage and project outcomes are assessed at business case stage.

RECOMMENDATION(S):

1.0 that the Overview & Scrutiny Committee notes:

- (a) Actual expenditure to date of £4,597k and external income of £11,404k;
- (b) Forecast annual expenditure of £31,870k and external funding of £21,040k; and
- (c) Re-phasing of schemes into future years with a net value of £2,452k.

Introduction

2. Sustainable Communities capital programme in 2011/12 is made up of 47 schemes which include the large groupings of s278 and s106 projects. During the first quarter the investment programme was re-phased from £39,275k to £31,341k. This recognises the long lead times for some schemes, public consultations in progress, and the uncertainty surrounding secondary rounds of external funding such as the Heritage Lottery Fund. One scheme has been fully slipped to 2012/13, and five have been partly re-profiled. The variety, scale and complexity of schemes within the Directorate make it difficult to present an unqualified overall rating for the programme. However forecasts in sub-programmes will be updated throughout the second quarter until such time that delivery and spending patterns are clearer.

Capital Position

Overall position

3. The directorate forecasts to spend a net £10,843k which is £2,744k less than its approved limit. £2,452k will be slipped into future years, and £292k released. Leisure schemes amounting to £2,355k have been moved into 2012/13 pending the public consultation on the service.

Profiled spend to date

4. First quarter expenditure was £4,229k against a budget of £9,140. One scheme, A5/M1 Link, explains most of the difference. For this scheme, £5,000k was expected to be paid by June as CBC contribution to the construction of the link road, however, only £403k was disbursed to date..
5. External funding of £11,041k was received compared to a budget of £10,451k. Most of the difference relates to s106 contributions (£363k) being received from developers.
6. Eighteen of the 47 schemes have not incurred expenditure, and these 18 include the six schemes that have been re-phased as mentioned above.

Key risks / run rate

7. The spending rate in the first quarter is half of that expected. As a single scheme (A5-M1 Link) accounts for the difference, the run rate is expected to correct itself in subsequent quarters subject to the following risks:
 - Luton Dunstable Busway – three projects budgeted at £1,710k with no spend to date. The Blackburn Road-Luton Airport phase (£1,030k) will be moved into future years while the design studies continue to be undertaken. The £450k for the Dunstable Town Centre Loop and Court Drive project is out for quotation.

The town centre loop and Church Street project is completed and invoices totalling £230k is expected imminently.

- Waste Infrastructure – landfill restoration and northern collection budgeted at £984k. The specification of the latter scheme is subject to the selection of a preferred solution for organic waste under the BEaR Project.
8. In the worst case scenario the above two areas places 25% of the programme spend at risk.

Summary Table

9. Table A shows the Directorate's period to date and annual forecast by scheme categories. The scheme categories are broadly related to the type of asset being created or enhanced. Section 106 schemes have been separated out because of size, complexity and controllability / ownership.

Table A – Capital budget by division (£'000)

Scheme Categories	Period to date		Annual	
	Net Budget	Net Variance	Net Budget	Net Variance
Community Safety & Public Protection Infrastructure	0	(10)	241	0
Leisure & Culture Infrastructure	1,150	(181)	1,650	0
Regeneration & Affordable Housing	(3,251)	115	2,372	(13)
Section 106 Schemes	0	0	50	0
Transport Infrastructure	770	(5,425)	5,406	0
Waste Infrastructure	20	5	1,124	0
Total	(1,311)	(5,496)	10,843	(13)

Major Schemes

Overview – impact on programme

10. The top 10 schemes make up 77% of expenditure budget and 93% of external funding budget. Four of the top 10 schemes relate to the highways contract, and these four schemes are part of rolling programmes that enhances or prolongs the life of the road network. The remaining six schemes cover strategic transport, town centre regeneration, and construction of leisure facilities.

Table B – Top 10 schemes by gross expenditure budget value (£'000)

Scheme	Revised Capital Programme		
	Gross Expenditure	External Funding	Net Expenditure
Dunstable A5/M1 Link Road Strategic Infrastructure Projects	5,000	(5,000)	0
Highways Structural Maintenance Block (Rolling Programme)	3,857	(3,857)	0
Development Proposals Flitwick Town Centre	3,411	(3,398)	13
Section 278 Schemes (Highway Works)	3,337	(4,183)	(846)
Dunstable Town Centre Regeneration (Land Assembly)	2,244	(377)	1,867
Dunstable Community Football Development Centre	1,546	(710)	836
Luton Dunstable Busway (Blackburn Road - Luton Airport)	1,380	(350)	1,030
Highways Integrated Schemes (Rolling Programme)	1,265	(1,255)	10
Highways Street Lighting Maintenance Backlog (Rolling Programme)	1,054	0	1,054
Highways Contract Lump Sums (Rolling Programme)	964	0	964
Total Sustainable Communities	24,058	(19,130)	4,928

11.. The top 10 schemes are forecast to be completed on schedule and to budget, with some issues or risk surrounding:

- Section 278 - this group of projects is presented as one line in the programme but actually represent a wide range of schemes by scale, scope, value and duration.
- Luton Dunstable Busway – a multi-phase scheme with a long lead time.

Section 106 Status

12.1 Overview

Members have requested regular updates on s106 projects. This quarter's report shows the first inclusion of the whole of the s106 funds received across the Council and not just Sustainable Communities. The information is of a high-level as naturally there are a substantial number of schemes within this grouping. For ease of reading the contributions are presented as running totals. The balances are made up of schemes that have different delivery schedules and the amounts do not all have to be spent in the current financial year.

5.1 Table C – s106 schemes by status

Purpose / Responsibility	FUNDING STATUS			
	Opening Balance	Contributions received this quarter	Expenditure this quarter	Closing Balance
Childrens Families & Learning	3114	589		3704
Sustainable Communities	6850	651	-152	7349
Pratts Quarry	6980		-5	6975
Sub-total	16945	1240	-157	18028
Revenue	82			82
Total	17027	1240	-157	18110

APPENDICES

Appendix 1 – Corporate Capital Summary 2011/12

Appendix 2 – Sustainable Communities Spend to Date June 2011

Background Papers: None

Location of papers: Technology House, Bedford

APPENDIX 1 – CORPORATE CAPITAL SUMMARY 2011/12

Title and Description of the Scheme	Revised Capital Programme- June 2011			Full Year Forecast			Full Year Variance			Over / under spend		
	Gross Expenditure	External Funding	Net Expenditure	Gross Expenditure	External Funding	Net Expenditure	Gross Expenditure	External Funding	Net Expenditure	Gross Expenditure	External Funding	Net Expenditure
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Social Care, Health and Housing	12,181	(9,767)	2,414	8,568	(5,588)	2,980	(3,613)	4,179	566	274	292	566
Children's Services	24,281	(20,577)	3,704	24,281	(20,577)	3,704	0	0	0	0	0	0
Sustainable Communities												
Community Safety & Public Protection Infrastructure	210	31	241	241	0	241	31	(31)	0	31	(31)	0
Leisure & Culture Infrastructure	3,227	(1,577)	1,650	3,647	(1,997)	1,650	420	(420)	0	420	(420)	0
Regeneration & Affordable Housing	6,582	(4,210)	2,372	6,422	(4,063)	2,359	(160)	147	(13)	(160)	147	(13)
Section 106 Schemes	0	50	50	0	50	50	0	0	0	0	0	0
Transport Infrastructure	20,222	(14,816)	5,406	20,436	(15,030)	5,406	214	(214)	0	214	(214)	0
Waste Infrastructure	1,100	24	1,124	1,124	0	1,124	24	(24)	0	24	(24)	0
Total Sustainable Communities	31,341	(20,498)	10,843	31,870	(21,040)	10,830	529	(542)	(13)	529	(542)	(13)
	0	0	0									
Customer and Shared Services	8,296	(279)	8,017	7,695	(279)	7,416	(601)	0	(601)	(601)	0	(601)
	0	0	0									
Office of the Chief Executive	287	(82)	205	287	(82)	205	0	0	0	0	0	0
Total excluding HRA	76,386	(51,203)	25,183	72,701	(47,566)	25,135	(3,685)	3,637	(48)	202	(250)	(48)
Housing Revenue Account	4,713	0	4,713	5,056	0	5,056	343	0	343	343	0	343
Total Capital Programme	81,099	(51,203)	29,896	77,757	(47,566)	30,191	(3,342)	3,637	295	545	(250)	295

APPENDIX 2 – SUSTAINABLE COMMUNITIES SPEND TO DATE JUNE 2011

Title and Description of the Scheme	JUNE 2011								
	PROFILED BUDGET TO DATE			ACTUAL TO DATE			VARIANCE TO DATE		
	Gross Expenditure	External Funding	Net Expenditure	Gross Expenditure	External Funding	Net Expenditure	Gross Expenditure	External Funding	Net Expenditure
£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Social Care, Health and Housing	1,395	(1,753)	(358)	1,673	(1,470)	203	278	283	561
Children's Services	5,801	(5,370)	431	6,979	(5,835)	1,144	1,178	(465)	713
Sustainable Communities									
Community Safety & Public Protection Infrastructure	0	0	0	0	(10)	0	0	(10)	0
Leisure & Culture Infrastructure	1,150	0	1,150	1,031	(62)	969	(119)	(62)	(181)
Regeneration & Affordable Housing	0	(3,251)	(3,251)	426	(3,562)	(3,136)	426	(311)	115
Section 106 Schemes	0	0	0	363	(363)	0	363	(363)	0
Transport Infrastructure	7,970	(7,200)	770	2,748	(7,403)	(4,655)	(5,222)	(203)	(5,425)
Waste Infrastructure	20	0	20	29	(4)	25	9	(4)	5
Total Sustainable Communities	9,140	(10,451)	(1,311)	4,597	(11,404)	(6,797)	(4,543)	(953)	(5,486)
Customer and Shared Services	718	0	718	189	0	189	(529)	0	(529)
Office of the Chief Executive	0	0	0	10	0	10	10	0	10
Total excluding HRA	17,054	(17,574)	(520)	13,448	(18,709)	(5,251)	(3,606)	(1,135)	(4,731)
Housing Revenue Account	410	0	410	56	0	56	(354)	0	(354)
Total Capital Programme	17,464	(17,574)	(110)	13,504	(18,709)	(5,195)	(3,960)	(1,135)	(5,085)