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**Meeting:** Sustainable Communities Overview & Scrutiny Committee  
**Date:** 13 December 2011  
**Subject:** Capital Programme Report for the Quarter ended 30 September 2011  
**Report of Executive Member(s):** Cllr Ken Matthews – Sustainable Communities Planning & Strategy  
Cllr Brian Spurr – Sustainable Communities Services  
**Summary:** Expenditure to date of £11,297k which represents 42% of the gross annual budget.

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**Advising Officer:** Gary Alderson - 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 £11,297k and external income of £9,042k;
- (b) Forecast annual expenditure of £26,466k and external funding of £17,685k; and
- (c) Re-phasing of schemes into future years with a net value of £3,840k.

## **Introduction**

2.0 Sustainable Communities capital programme in 2011/12 is made up of 47 schemes which include the large groupings of s278 and s106 projects. The regular review of the programme has seen the rescheduling of schemes from a gross budget of £39,200k to £26,596k. 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 directorate's programme contains a mix of schemes of various scales and complexities.

## **Capital Position**

### 3.0 Overall position

The directorate forecasts to spend £26,466k and expects to receive external income of £17,685 leaving £8,781k to be funded by Council resources. Schemes with an expenditure value of £10,791k and income of £6,951k have been moved into future years. About 60% of the slippages are in the transport infrastructure area which also includes £4,500k worth of s278 projects.

### 3.1 Profiled spend to date:

Expenditure to September quarter was £11,297k against a budget of £12,707, a difference of £1,410k. Leisure infrastructure expenditure is £410k below profile and related to the new Creasey Park scheme and the maintenance rolling programme. Transport infrastructure expenditure is £1,156k below profile with the estimated legal costs associated with the completed Ridgmont Bypass scheme not being processed in time causing a £679k distortion.

External funding of £9,042k was received compared to a budget of £9,651k, a difference of £609k. Most of the difference relates to GAF funding of the Creasey Park scheme (£435k) which is claimed in arrears from Luton Borough Council the administrator authority.

Sixteen of the 47 schemes have not incurred expenditure to date, and these 16 include the six schemes that have been re-phased as mentioned above.

### 3.2 Summary Table

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.

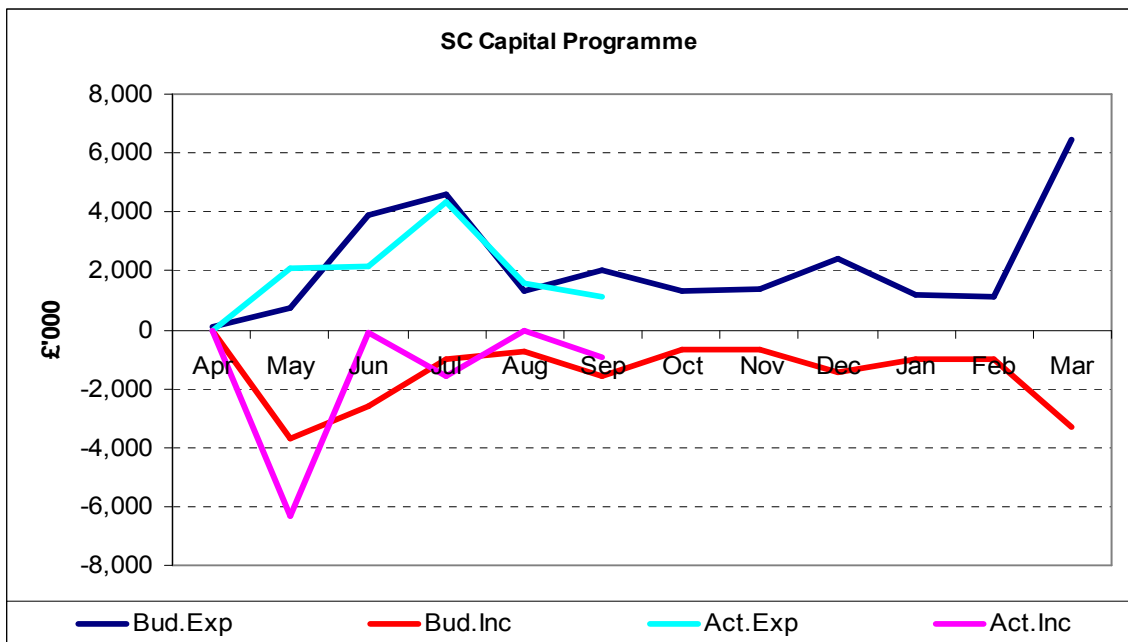
**Table A – Capital budget by division (£'000)**

Scheme Categories	Period to date		Annual	
	Net Budget	Net Variance	Net Budget	Net Variance
Community Safety & Public Protection Infrastructure	60	(43)	241	(103)
Leisure & Culture Infrastructure	1,181	25	3,061	(1,486)
Regeneration & Affordable Housing	0	171	2,310	(8)
Section 106 Schemes	0	0	50	0
Transport Infrastructure	1,735	(963)	6,713	(2,357)
Waste Infrastructure	80	9	1,124	(764)
<b>Total</b>	<b>3,056</b>	<b>(801)</b>	<b>13,499</b>	<b>(4,718)</b>

**3.3 Key risks / run rate**

The spending rate to the second quarter is 42% of the annual expenditure budget, and this is 6% less than profile. The income receipts are 3% off profile. While the programme is currently near profile, there is more risk associated with delivery in the last quarter. This is illustrated in the graph below where expenditure and income is expected to rise steeply.

**3.4 Figure 1 – Expenditure and income profiles**



## Major Schemes

### 4.0 Overview – impact on programme

The top 10 schemes make up 81% of expenditure budget and 96% 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	Rephased Capital Programme		
	Gross Expenditure	External Funding	Net Expenditure
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 A5/M1 Link Road Strategic Infrastructure Projects	3,026	(3,026)	0
Dunstable Community Football Development Centre	1,866	(1,030)	836
Dunstable Town Centre Regeneration (Land Assembly)	1,500	0	1,500
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
<b>Total Sustainable Communities</b>	<b>21,660</b>	<b>(17,099)</b>	<b>4,561</b>

4.1 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

### 5.0 Overview

Sustainable Communities oversees the s106 area for the whole of the Council. Given this the information presented 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 (£'000)

Purpose / Responsibility	FUNDING STATUS			
	Opening Balance	Contributions received upto this quarter	Expenditure upto this quarter	Closing Balance
Childrens Families & Learning	3114	1121		4236
Sustainable Communities	6844	1070	-480	7434
Pratts Quarry	6980	1	-232	6750
<b>Sub-total</b>	<b>16939</b>	<b>2193</b>	<b>-712</b>	<b>18420</b>
Revenue	82			82
<b>Total</b>	<b>17020</b>	<b>2193</b>	<b>-712</b>	<b>18502</b>

## APPENDICES

Appendix 1 – Corporate Capital Summary 2011/12

Appendix 2 – Sustainable Communities Spend to Date September 2011

**Background Papers:** None

**Location of papers:** Technology House, Bedford



APPENDIX 1 – CORPORATE CAPITAL SUMMARY 2011/12

Title and Description of the Scheme	Capital Programme Approved February 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	11,332	(8,918)	2,414	8,991	(5,595)	3,396	(2,341)	3,323	982	274	296	570
Children's Services	32,072	(28,368)	3,704	31,150	(27,985)	3,165	(922)	383	(539)	0	0	0
<b>Sustainable Communities</b>												
Community Safety & Public Protection Infrastructure	210	31	241	138	0	138	(72)	(31)	(103)	0	0	0
Leisure & Culture Infrastructure	4,993	(1,932)	3,061	2,894	(1,319)	1,575	(2,099)	613	(1,486)	0	0	0
Regeneration & Affordable Housing	6,520	(4,210)	2,310	5,853	(3,551)	2,302	(667)	659	(8)	(160)	147	(13)
Section 106 Schemes	0	50	50	0	50	50	0	0	0	0	0	0
Transport Infrastructure	26,377	(19,664)	6,713	17,221	(12,865)	4,356	(9,156)	6,799	(2,357)	0	0	0
Waste Infrastructure	1,100	24	1,124	360	0	360	(740)	(24)	(764)	30	0	30
<b>Total Sustainable Communities</b>	<b>39,200</b>	<b>(25,701)</b>	<b>13,499</b>	<b>26,466</b>	<b>(17,685)</b>	<b>8,781</b>	<b>(12,734)</b>	<b>8,016</b>	<b>(4,718)</b>	<b>(130)</b>	<b>147</b>	<b>17</b>
Assistant Chief Executive Resources	8,231	(279)	7,952	280	0	280	(7,951)	279	(7,672)	0	0	0
Assistant Chief Executive People & Organisation	520	0	520	0	0	0	(520)	0	(520)	34	0	34
Corporate Costs	1,347	(1,347)	0	0	0	0	(1,347)	1,347	0	0	0	0
<b>Total excluding HRA</b>	<b>92,702</b>	<b>(64,613)</b>	<b>28,089</b>	<b>66,887</b>	<b>(51,265)</b>	<b>15,622</b>	<b>(25,815)</b>	<b>13,348</b>	<b>(12,467)</b>	<b>178</b>	<b>443</b>	<b>621</b>
Housing Revenue Account	4,713	0	4,713	4,856	0	4,856	143	0	143	343	0	343
<b>Total Capital Programme</b>	<b>97,415</b>	<b>(64,613)</b>	<b>32,802</b>	<b>71,743</b>	<b>(51,265)</b>	<b>20,478</b>	<b>(25,672)</b>	<b>13,348</b>	<b>(12,324)</b>	<b>521</b>	<b>443</b>	<b>964</b>

APPENDIX 2 – SUSTAINABLE COMMUNITIES SPEND TO DATE SEPTEMBER 2011

Title and Description of the Scheme	SEPTEMBER 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
Social Care, Health and Housing	4,617	(588)	4,029	2,442	(1,041)	1,401	(2,175)	(453)	(2,628)
Children's Services	13,569	(12,058)	1,511	11,359	(9,940)	1,419	(2,210)	2,118	(92)
<b>Sustainable Communities</b>									
Community Safety & Public Protection Infrastructure	60	0	<b>60</b>	27	(10)	<b>17</b>	(33)	(10)	<b>(43)</b>
Leisure & Culture Infrastructure	1,891	(710)	<b>1,181</b>	1,481	(275)	<b>1,206</b>	(410)	435	<b>25</b>
Regeneration & Affordable Housing	3,251	(3,251)	<b>0</b>	3,422	(3,251)	<b>171</b>	171	0	<b>171</b>
Section 106 Schemes	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
Transport Infrastructure	7,425	(5,690)	<b>1,735</b>	6,269	(5,497)	<b>772</b>	(1,156)	193	<b>(963)</b>
Waste Infrastructure	80	0	<b>80</b>	98	(9)	<b>89</b>	18	(9)	<b>9</b>
<b>Total Sustainable Communities</b>	<b>12,707</b>	<b>(9,651)</b>	<b>3,056</b>	<b>11,297</b>	<b>(9,042)</b>	<b>2,255</b>	<b>(1,410)</b>	<b>609</b>	<b>(801)</b>
Assistant Chief Executive Resources	876	(6)	870	688	0	688	(188)	6	(182)
Assistant Chief Executive People & Organisation	71	0	71	69	0	69	(2)	0	(2)
Corporate Costs	86	(86)	0	0	0	0	(86)	86	0
<b>Total excluding HRA</b>	<b>31,926</b>	<b>(22,389)</b>	<b>9,537</b>	<b>25,855</b>	<b>(20,023)</b>	<b>5,832</b>	<b>(6,071)</b>	<b>2,366</b>	<b>(3,705)</b>
Housing Revenue Account	1,526	0	1,526	1,639	0	1,639	113	0	113
<b>Total Capital Programme</b>	<b>33,452</b>	<b>(22,389)</b>	<b>11,063</b>	<b>27,494</b>	<b>(20,023)</b>	<b>7,471</b>	<b>(5,958)</b>	<b>2,366</b>	<b>(3,592)</b>