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**Meeting:** Sustainable Communities Overview & Scrutiny Committee

**Date:** 10 April 2012

**Subject:** Capital Programme Report for the Quarter ended 31<sup>st</sup> December 2011

**Report of Executive Member:** Cllr Ken Matthews – Sustainable Communities Planning & Strategy  
Cllr Brian Spurr – Sustainable Communities Services

**Summary:** Expenditure to date of £18,174k which represents 57% of the gross annual budget.

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**Advising Officer:** Jane Moakes, Assistant Director of Community Safety, Public Protection, Waste and Leisure

**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 £18,174k and external income of £16,632k;**
- (b) Forecast annual expenditure of £31,476k and external funding of £17,832k; and**
- (c) Bringing forward of highways schemes from future years with a value of £3,000k.**

**Introduction**

- 2.0 Sustainable Communities capital programme in 2011/12 is made up of 50 schemes which include the large groupings of s278 and s106 projects. The regular review of the programme has seen the rescheduling of schemes. 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. Six schemes have been partly moved into 2012/13, and one has been brought forward into 2011/12.

**Capital Position****3.0 Overall position**

The directorate forecasts to spend £31,746k and expects to receive external income of £17,832k leaving £13,914k 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 December was £18,174k against a profiled budget of £17,849, a difference of £325k. Leisure infrastructure expenditure is £209k below profile and relates to the maintenance programme which rolls in during winter months when customer demand is lower. Regeneration schemes are £401k behind profile mainly due to the protracted nature of commercial negotiation with investors and developers. Transport infrastructure expenditure is £437k below profile with 23 schemes making up this group.

External funding of £16,632k was received compared to a budget of £12,501k, a difference of £4,131k. Most of the difference relates to GAF funding for the A5/M1 Link for which £2,974k was received in advance. A further £1,392k of s106 developer contributions have also been received to date.

### 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.

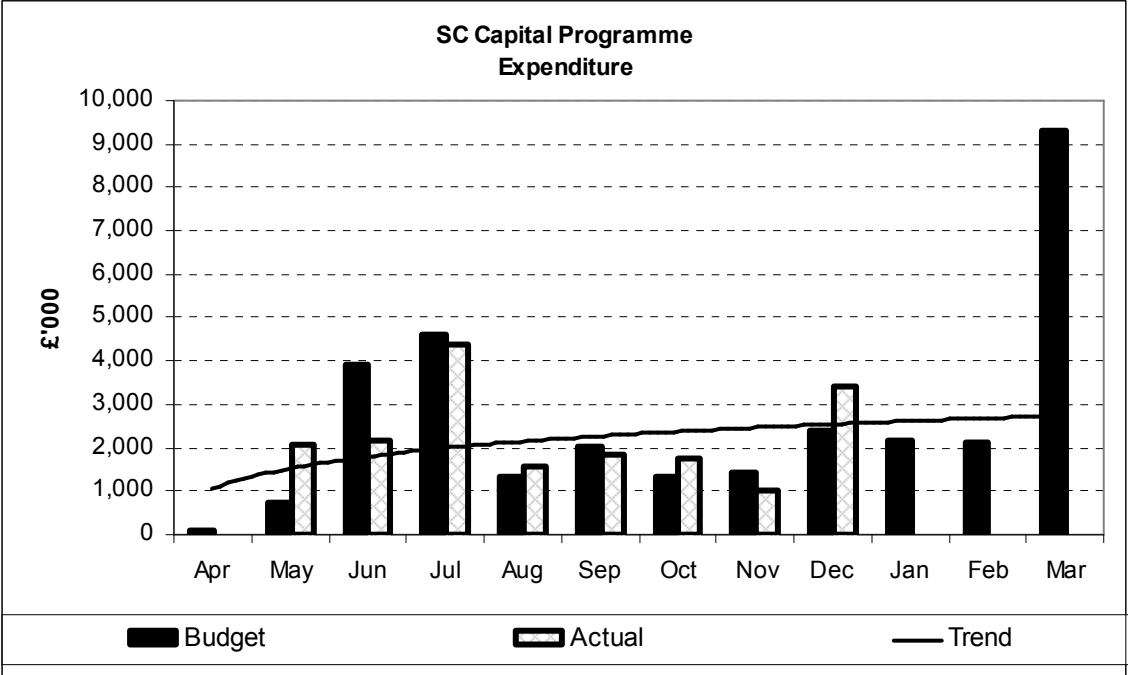
**Table A – Capital budget by division (£'000)**

Scheme Categories	Period to date		Annual	
	Net Budget	Net Variance	Net Budget	Net Variance
Community Safety & Public Protection Infrastructure	138	(70)	138	0
Leisure & Culture Infrastructure	1,274	226	1,575	0
Regeneration & Affordable Housing	636	(424)	4,165	0
Section 106 Schemes	0	0	50	0
Transport Infrastructure	3,190	(3,565)	7,356	0
Waste Infrastructure	110	27	330	30
<b>Total</b>	<b>5,348</b>	<b>(3,806)</b>	<b>13,614</b>	<b>30</b>

### 3.3 Key risks / run rate

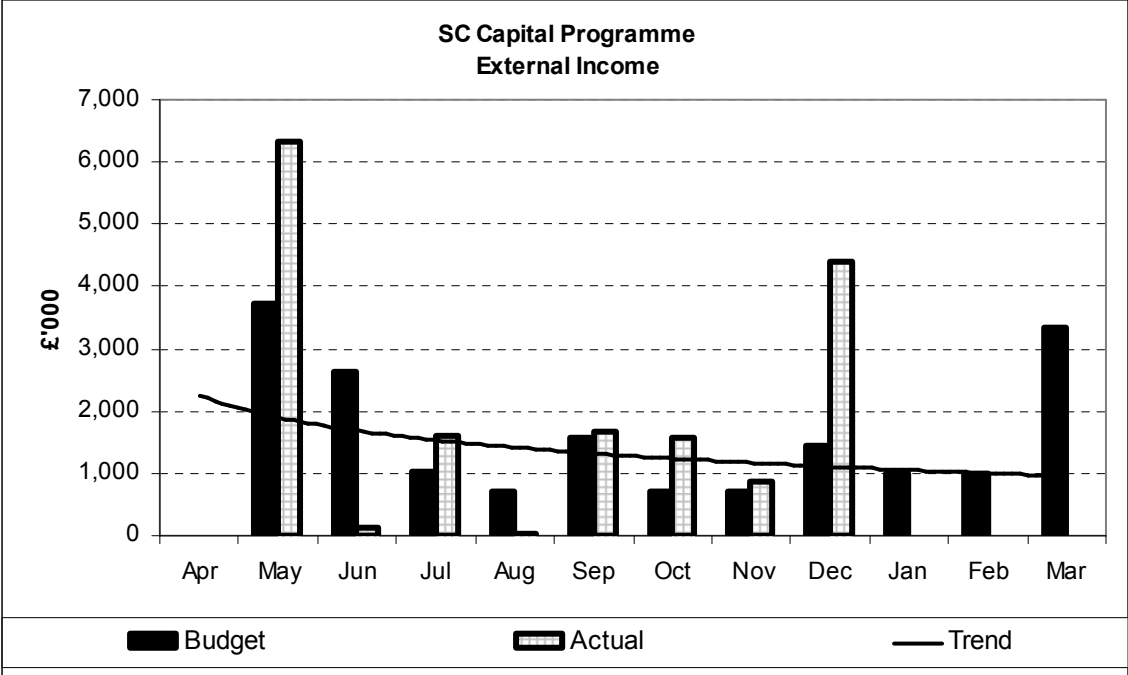
The spending rate to the third quarter is 58% of the annual expenditure budget, and this is on profile. While the programme is currently on profile, there is more risk associated with delivery in the last quarter. The last quarter includes an additional £3,000k of highways expenditure that has been brought forward. This expenditure on road maintenance is forecast to start in January 2012, and weather conditions may influence the rate of delivery. This is illustrated in the graph below where expenditure is expected to rise steeply.

3.4 Figure 1 – Expenditure profile



3.5 The pattern for income is different from expenditure. By December 2011, 93% of income had been received compared to the annual target of £17,832k. The benefits include the receipts in advance for the A5/M1 Link and s106 contributions mentioned above. The income profile is shown in Figure 2 where the two 'Actual' spikes represent GAF and s106 receipts.

Figure 2 – Income profile



## Major Schemes

### 4.0 Overview and impact on programme

The top 10 schemes make up 77% of expenditure budget and 94% 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 enhance or prolong the life of the road network. The remaining six schemes cover strategic transport, town centre regeneration and land parcelling, and construction of leisure facilities. Over £24m is forecast to be spent on the top 10 schemes and £17m received by way of external funding. The 10 schemes have long term influence on the economic welfare of the community through infrastructure assets that attract or retain business and residential interests.

**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
Highways Structural Maintenance Additional Expenditure	3,000	0	3,000
Dunstable Community Football Development Centre	1,866	(1,030)	836
Flitwick Land Purchase	1,850		1,850
Dunstable Town Centre Regeneration (Land Assembly)	1,500	0	1,500
Highways Integrated Schemes (R)	1,474	(1,464)	10
Highways Street Lighting Maintenance Backlog (R)	1,054	0	1,054
<b>Total Sustainable Communities</b>	<b>24,375</b>	<b>(16,958)</b>	<b>7,417</b>

4.1 Brief updates on the status of the top 10 schemes are provided in Appendix 3.

## Section 106 Status

5.0 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	3107	1827	-598	4335
Sustainable Communities	6908	1784	-823	7869
Pratts Quarry	6980		-578	6402
<b>Sub-total</b>	<b>16995</b>	<b>3611</b>	<b>-1999</b>	<b>18607</b>
Revenue	82			82
<b>Total</b>	<b>17077</b>	<b>3611</b>	<b>-1999</b>	<b>18688</b>

## APPENDICES

Appendix 1 – Corporate Capital Summary 2011/12

Appendix 2 – Sustainable Communities Spend to Date December 2011

Appendix 3 – Sustainable Communities Top 10 Schemes Progress Notes

**Background Papers:** None

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