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**Meeting:** Sustainable Communities Overview & Scrutiny Committee  
**Date:** 26 July 2012  
**Subject:** 11/12 Provisional Outturn Capital Budget Monitoring Report  
**Report of Executive Member:** Cllr Nigel Young, Executive Member for Sustainable Communities - Strategic Planning & Economic Development and Cllr Brian Spurr, Executive Member for Sustainable Communities - Services  
**Summary:** The report sets out the financial position to the end of March 2012.

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Contact Officer: Sue Templeman, Senior Finance Manager

Public/Exempt: Public

Wards Affected: All

Function of: Council

## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

1. Sustainable Communities capital programme provides the necessary infrastructure to support the Councils priorities.

### **Financial:**

2. The financial implications are set out in the report.

### **Legal:**

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

### **Risk Management:**

4. 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):**

5. Covered in business cases as relevant

### **Equalities/Human Rights:**

6. Covered in business cases as relevant

### **Community Safety:**

7. Covered in business cases as relevant

### **Sustainability:**

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

**RECOMMENDATION:**

1. **that the Sustainable Communities Overview & Scrutiny Committee note and consider this report**

**Introduction**

9. Sustainable Communities capital programme in 2011/12 was made up of 50 schemes which included the large groupings of s278 and s106 projects. During the year the regular review of the programme saw the rescheduling of schemes. This recognised the long lead times for some schemes, public consultations in progress, and the uncertainty surrounding secondary rounds of external financing. Six schemes were moved into 2012/13, and one was brought forward into 2011/12.

**Capital Position**

10. Overall position

The directorate spent £26,358k and received external income of £19,057k leaving £7,301k to be funded by Council resources. When compared to last year, the directorate invested an additional £8,197k in schemes and received an additional £8,217k in external funding. There has been improvement in the rate of delivery against planned schedules and budgets. External factors have influenced the profile of some of the schemes that have slipped into future years, with commercial negotiations having some impact on timescales.

- 10.1 Summary Table

Table A shows the Directorate's provisional outturn by scheme categories. The scheme categories are broadly related to the type of asset being created or enhanced. Section 106 schemes have been treated separately because of size, complexity and controllability / ownership.

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

<b>Scheme Categories</b>	<b>Net Expenditure (Budget)</b>	<b>Net Expenditure (Provisional Outturn)</b>	<b>Net Expenditure Variance</b>
Community Safety & Public Protection Infrastructure	138	91	(47)
Leisure & Culture Infrastructure	1,575	375	(1,200)
Regeneration & Affordable Housing	4,165	258	(3,907)
Section 106 Schemes	50	0	(50)
Transport Infrastructure	7,356	6,384	(972)
Waste Infrastructure	330	193	(137)
<b>Total</b>	<b>13,614</b>	<b>7,301</b>	<b>(6,313)</b>

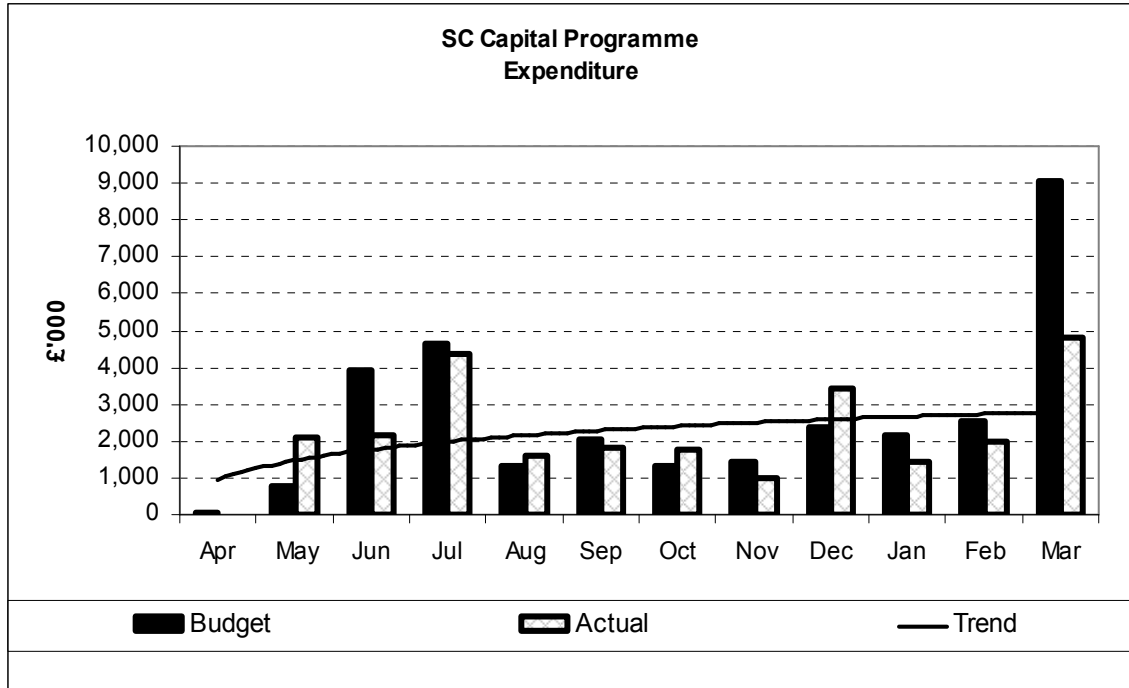
## 10.2 Variance analysis

The spending rate to the fourth quarter was 54% of the net expenditure budget. The net spending rate was distorted by the early receipt of external funding or bills of works awaiting the routine process of certification but not yet at the point of approval. When expenditure is analysed separately, the spending rate increases to 83%. The Regeneration & Affordable Housing category recorded the largest expenditure variance mainly because of two schemes involving land assembly or town centre development. The Dunstable Community Development Football Centre opened in November 2011, however, some of the construction invoices have not yet been submitted explaining most of the £1,200k variance in the Leisure & Culture category.

## 10.3 Profiling risks

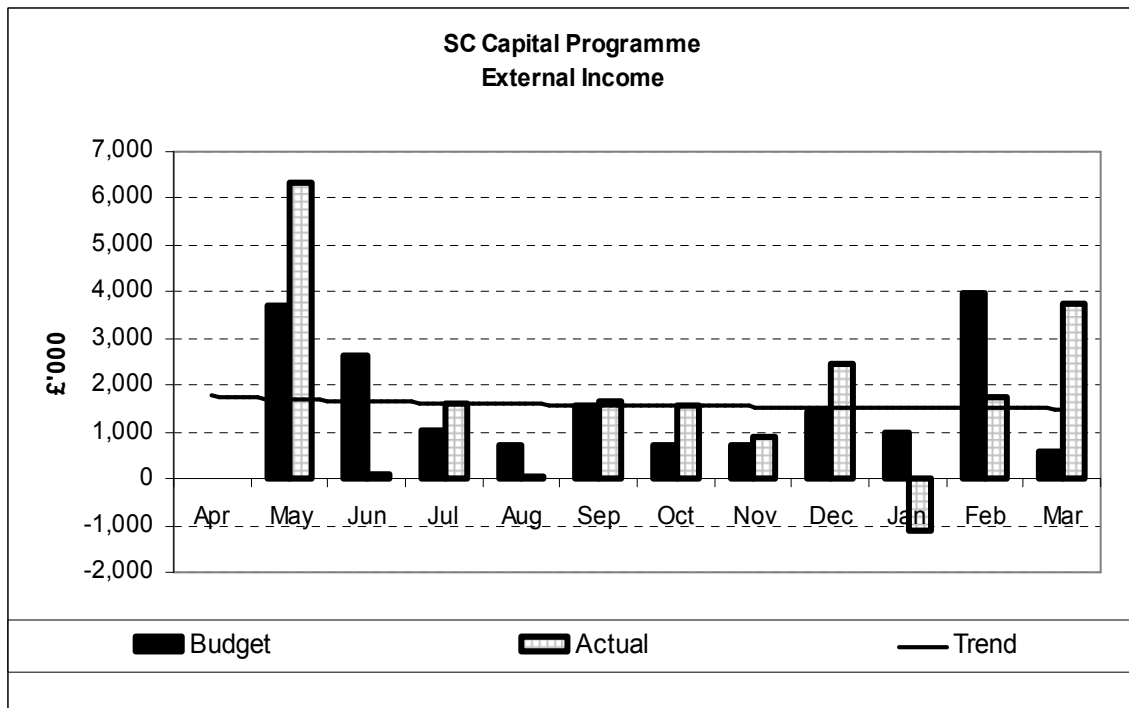
As reported previously, the spending profile in 2011/12 was heavily geared towards the last quarter. To illustrate, the expenditure profile for the last month of March was over twice the monthly spend average and this presented some risk of delivery against budget. The provisional outturn shows that expenditure in March was 53% of profile, hence, there continues to be some work to do on factors that can be influenced to mitigate profile risks for the capital programme. Figure 1 shows the expenditure profile over 2011/12.

10.4 **Figure 1 – Expenditure profile**



10.5 The income profile was budgeted with Quarters 1 and 4 receiving over 30% each and Quarters 2 and 3 about 20% each of income. In reality income receipts during the year consistently ran ahead of profile. The schemes receiving the main benefits were the receipts in advance for the A5/M1 Link and s106 developer's contributions. The income profile for the year is shown in Figure 2 where the two 'Actual' spikes represent Growth Area Fund for the A5/M1 Link and s106 receipts.

**Figure 2 – Income profile**



## Major Schemes

### 11. 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 was 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	Gross Expenditure Budget	External Funding Budget	Net Expenditure Budget	Net Expenditure (Outturn)	Net Expenditure (Slippage)
Highways Structural Maintenance Block (Rolling Programme )	3,857	(3,857)	0	924	0
Development Proposals Flitwick Town Centre	3,411	(3,398)	13	77	0
Section 278 Schemes (Highway Works)	3,337	(4,183)	(846)	766	0
Dunstable A5/M1 Link Road Strategic Infrastructure Projects	3,026	(3,026)	0	(1,534)	1,534
Highways Structural Maintenance Additional Expenditure	3,000	0	3,000	2,677	(323)
Dunstable Community Football Development Centre	1,866	(1,030)	836	(152)	(988)
Flitwick Land Purchase	1,850		1,850	0	(1,850)
Dunstable Town Centre Regeneration (Land Assembly)	1,500	0	1,500	(18)	(1,500)
Highways Integrated Schemes (R)	1,474	(1,464)	10	(837)	0
Highways Street Lighting Maintenance Backlog (R)	1,054	0	1,054	1,031	0
<b>Total Sustainable Communities</b>	<b>24,375</b>	<b>(16,958)</b>	<b>7,417</b>	<b>2,934</b>	<b>(2,139)</b>

- 11.1 In looking at Table B, three schemes show slippages exceeding £1.5m. The A5/M1 Link is not strictly speaking slippage against project timescales but the receiving in full the £5.0m grant to cover the two year contribution. The unspent balance of the £5.0m will be carried over into 2012/13. The Flitwick Land Purchase scheme was completed on 6<sup>th</sup> April and unspent balances will be carried forward into 2012/13. The Dunstable Town Centre Regeneration scheme involves negotiations with several property owners and the purchases will be settled when the various parties agree terms. Brief updates on the status of each of the top 10 schemes are provided in Appendix 2.

## Section 106 Status

12. 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.

### 12.1 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	3174	2430	-1248	4357
Sustainable Communities	6813	3767	-2557	8023
Pratts Quarry	7176	111	-797	6490
<b>Sub-total</b>	<b>17163</b>	<b>6309</b>	<b>-4602</b>	<b>18870</b>
Revenue	82		-82	
<b>Total</b>	<b>17245</b>	<b>6309</b>	<b>-4684</b>	<b>18870</b>

12.2 Table C summaries the s106 schemes with £4,602k spent under capital. For Sustainable Communities Directorate there were a 123 active schemes or work streams. The annual return from project managers showed that 117 of the schemes or work streams had been completed. The remaining schemes continue to be managed over their life cycles.

## APPENDICES

Appendix A – Summary outturn by directorate

Appendix B – Full list of capital schemes

Appendix C – Top 20 schemes

**Background Papers:** None

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