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**Meeting:** Sustainable Communities Overview & Scrutiny Committee  
**Date:** 13<sup>th</sup> December 2012  
**Subject:** Capital Programme Report for the Quarter ended 30<sup>th</sup> September, 2012  
**Report of Executive Member:** Cllr Nigel Young– Executive Member for Sustainable Communities Planning & Economic Development  
Cllr Brian Spurr – Executive Member for Sustainable Communities Services

**Summary:** The schemes that are proceeding in 2012/13 expenditure are expected to total £26,973k gross, £17,503k net.  
Due to external factors beyond the control of the Council £12,778k gross and £4,906k net capital expenditure is likely to be delayed into 2013/14

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**Advising Officer:** Gary Alderson - Director of Sustainable Communities  
**Contact Officer:** Sue Templeman, 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:**

All expenditure is in accordance with the Constitution of the Council and Public Procurement Regulations.

### **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 considers:**

- (a) The actual gross expenditure to date of £9,752k and external funding of £6,400k resulting in net expenditure of £3,352k;
- (b) A forecasted gross expenditure of £26,973k and external funding of £9,470k resulting in net expenditure of £17,503k; and
- (c) A forecasted underspend of £4,000K gross expenditure, external funding of £4,000k, net nil cost to the Council.
- (d) A forecasted delay from 2012/13 to 2013/14 of gross expenditure of £12,778k, external funding of £4,906k, net expenditure of £7,872k due largely to external factors beyond the control of the Council.

## **Introduction**

- 2.0 Sustainable Communities capital programme in 2012/13 is made up of 59 schemes which include the large groupings of projects that are the result of developer funds to deliver planning requirements, including highways schemes, associated with new developments.

## **Capital Position**

### **3.0 Overall position**

The directorate forecasts to spend £26,973k and expects to receive external income of £9,470k, leaving spend below budget in 2012/13 of £17,503k. The majority of the spend below budget is due to external factors beyond the control of the Council and is forecasted to be delayed until 2013/14.

The budget figures within this report do not reflect the Capital Review Report that went to Executive on 6<sup>th</sup> November. The change in budgets will be reflected in the quarter three report.

There is a forecasted underspend with s278 Highways schemes which relate to works to the Highway, made necessary by housing or employment development. The cost of the works are met entirely by the developer so the net cost to the Council is £nil. Due to the general economic climate and normal fluctuations as to when these works are required, the year end forecast is £4m gross lower than initially forecast, net £nil cost to the Council. The gross forecast for 2013/14 will also be reduced.

### **3.1 Profiled spend to date**

Expenditure to date was £9,752k against a profiled budget of £13,434k, a difference of £3,682k mainly due to reduction in spend on highways schemes including S278 schemes where delivery is dependant on the developer.

External funding of £6,399K was received compared to a profiled budget of £5,692k, a difference of £706k including s278 schemes.

### 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.

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

| <b>Scheme Categories</b>                              | <b>Net Expenditure Budget</b> | <b>Net Expenditure Forecast</b> | <b>Net Expenditure Variance</b> |
|---|-------------------------------|---------------------------------|---------------------------------|
| Community Safety and Public Protection Infrastructure | 103                           | 0                               | (103)                           |
| Leisure & Culture Infrastructure                      | 3,793                         | 1,154                           | (2,639)                         |
| Transport Infrastructure                              | 13,810                        | 12,045                          | (1,765)                         |
| Waste Infrastructure                                  | 437                           | 225                             | (212)                           |
| Regeneration & Affordable Housing                     | 7,232                         | 4,079                           | (3,153)                         |
| <b>Total</b>  | <b>25,375</b>                 | <b>17,503</b>                   | <b>(7,872)</b>                  |
| <b>Percentage of budget</b>                           |                               | <b>69.0%</b>                    | <b>31.0%</b>                    |

### Major Schemes

#### 4.0 Overview and impact on programme

The top 10 schemes make up 66% of expenditure budget and 79% of external funding budget. Three of the top 10 schemes relate to the highways contract, and are part of rolling programmes that enhance or prolong the life of the road network. The remaining seven schemes cover strategic transport, town centre regeneration and land parcelling, and construction of leisure facilities.

Table B1 shows those schemes which will spend as originally budgeted in 2012/13 and Table B2 shows those schemes where major spend will be delayed into 2013/14 due to external factors.

**Table B1 – Top 10 schemes by gross expenditure budget value (£'000) that are proceeding as originally budgeted in 2012/13**

| Category                          | Scheme   | Capital Programme |                  |                 |
|-----------------------------------|--|-------------------|------------------|-----------------|
|                                   |  | Gross Expenditure | External Funding | Net Expenditure |
| Transport Infrastructure          | <u>Highways Structural Maintenance Additional Expenditure(R)</u><br>Maintenance of the highways network including structures and footpaths funded by the Council over and above the Government Highways Structural Maintenance Block Grant below.  | 4,323             | 0                | <b>4,323</b>    |
| Transport Infrastructure          | <u>Highways Structural Maintenance Block (R ) £4m</u><br>These schemes seek to ensure that transport links are maintained to an acceptable standard and to create safer communities by reducing accidents caused by poor road and footway maintenance. This is 100% funded by Central Government.      | 3,920             | (3,920)          | <b>0</b>        |
| Regeneration & Affordable Housing | <u>Dunstable Town Centre Regeneration Phase 2</u><br>The project will see the purchase of properties that will assist with the delivery of the Town Centre masterplan.   | 3,095             | 0                | <b>3,095</b>    |
| Regeneration & Affordable Housing | <u>Flitwick Land Purchase.</u><br>Further land purchase to support the Town Centre Regeneration Scheme   | 1,850             | 0                | <b>1,850</b>    |
| Transport Infrastructure          | <u>Highways Integrated Schemes (R)</u><br>The Local Transport Plan 3 sets out a programme of improvement works such as “shared space” road layouts to deliver the Council’s priorities for managing growth, reducing congestion, creating safer communities. This is funded 100% by Central Government | 1,547             | (1,547)          | <b>0</b>        |
|                                   | <b>Total Sustainable Communities</b>   | <b>14,735</b>     | <b>(5,467)</b>   | <b>9,268</b>    |

**Table B1 – Top 10 schemes by gross expenditure budget value (£'000) that due to external factors beyond the Council's control, are likely to be have reduced expenditure in 2012/13**

| Category                             | Scheme  | Capital Programme |                  |                 |
|--------------------------------------|---|-------------------|------------------|-----------------|
|                                      |   | Gross Expenditure | External Funding | Net Expenditure |
| Transport Infrastructure             | <u>Section 278 Schemes(R)</u><br>Improvement schemes within the public highway which are funded entirely by the development and agreed as part of the planning permission to ensure the development is safe in highways terms. The delivery is entirely dependant upon when a developer starts a development and reaches the stage where the highways works need to be undertaken . | 4,500             | (4,500)          | 0               |
| Regeneration & Affordable Housing    | <u>Local Flood Defence Funding (DEFRA).</u><br>Flood alleviation Leighton Buzzard.  | 4,333             | (4,000)          | 333             |
| Transport Infrastructure             | <u>Dunstable A5/M1 Link Road Strategic Infrastructure Projects</u> Funding allocated to assist the Highways Agency deliver on a new strategic road link, critical to enabling regeneration of South West Bedfordshire.  | 1,534             | (1,534)          | 0               |
| Regeneration & Affordable Housing    | <u>Dunstable Town Centre Regeation Phase1.</u><br>Funds to support the regeneration of the Town Centre.   | 1,500             | 0                | 1,500           |
| Leisure & Culture Infrastructure     | <u>Leisure Strategy Implementation Invest to Save Project.</u><br>An allocation of capital to schemes which will generate a positive revenue return of investment across the Council's leisure facilities.  | 2,000             | 0                | 2,000           |
| <b>Total Sustainable Communities</b> |   | <b>9,367</b>      | <b>(5,534)</b>   | <b>3,833</b>    |

### Section 278 schemes

Due to the general economic climate and normal fluctuations as to when these works are required, the year end forecast is £4m gross lower than initially forecast, net £nil cost to the Council. The gross forecast for 2013/14 will also be reduced.

### Local Flood Defence Funding (DEFRA) .

Discussions between the Environment Agency, Internal Drainage Board and Central Bedfordshire Council are ongoing in respect of the modelling work for the flood alleviation scheme at Leighton Buzzard. Whilst the major scheme originally planned will not be required, discussions continue in respect of this site to identify the size and scope of scheme required to ensure any potential flooding problems are addressed.

### Dunstable Town Centre Regeneration Phase 1

This funding was agreed to support the regeneration of the town centre, specifically to assist in the acquisition of the Quadrant Shopping Centre. Whilst discussions are continuing between the current owners and interested parties, the ownership of the shopping centre has yet to change.

### Dunstable A5/M1 Link Road Strategic Infrastructure Projects

Progress on the A5/M1 link road is dependant on external factors including waiting for a final decision by the Secretary of State. Following a positive decision advanced works and tendering process will commence

### Leisure Strategy Implementation Invest to Save

This spend is delayed pending the approval of the Leisure Strategy Invest to Save report at the 2<sup>nd</sup> October Exectuive.

## Section 106 Status

- 5.0 In granting planning permission for new development, legally binding Section 106 agreements are often made between the Council and the applicant. These agreements require the applicant to provide for or contribute to the costs of infrastructure, community facilities and other planning requirements which ensures that development which would otherwise be unacceptable due to its local impact is made acceptable.

Sustainable Communities coordinates S106 requirements and spend for the of the Council. The S106 information in this report indicates the total value of contributions comprising a substantial number of schemes. For ease of reading the contributions are presented as running totals. The balances are made up of schemes that have different delivery schedules with most of the amounts to be spent in future financial years .

### 5.1 Table C – s106 schemes by status (£'000)

| Purpose / Responsibility      | FUNDING STATUS  |                                   |                        |                 |
|-------------------------------|-----------------|-----------------------------------|------------------------|-----------------|
|                               | Opening Balance | Contributions received up to Sept | Expenditure up to Sept | Closing Balance |
| Childrens Families & Learning | 4,356           | 468                               | -230                   | 4,594           |
| Sustainable Communities       | 8,023           | 1,192                             | -493                   | 8,722           |
| Pratts Quarry                 | 6,490           | 0                                 | -3,389                 | 3,101           |
| <b>Sub-total</b>              | <b>18,869</b>   | <b>1,660</b>                      | <b>-4,112</b>          | <b>16,417</b>   |
| Revenue                       | 82              |                                   |                        | 82              |
| <b>Total</b>                  | <b>18,951</b>   | <b>1,660</b>                      | <b>-4,112</b>          | <b>16,499</b>   |

## APPENDICES

Appendix 1 – Corporate Capital Summary 2012/13

Appendix 2 – Sustainable Communities Spend to Date, September 2012

**Background Papers:** None

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



APPENDIX 2 – SUSTAINABLE COMMUNITIES SPEND TO DATE SEPTEMBER 2012

| Title and Description of the Scheme                   | SEPTEMBER 2012          |                  |                 |                   |                  |                 |                   |                  |                 |
|---|-------------------------|------------------|-----------------|-------------------|------------------|-----------------|-------------------|------------------|-----------------|
|   | 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           |
| <b>Sustainable Communities</b>                        |                         |                  |                 |                   |                  |                 |                   |                  |                 |
| Community Safety and Public Protection Infrastructure | 0                       |                  | 0               | 13                |                  | 13              | 13                | 0                | 13              |
| Leisure & Culture Infrastructure                      | 586                     | (44)             | 542             | 575               | (115)            | 460             | (11)              | (71)             | (82)            |
| Transport Infrastructure                              | 12,599                  | (5,601)          | 6,998           | 6,230             | (6,205)          | 25              | (6,369)           | (604)            | (6,973)         |
| Waste Infrastructure                                  | 211                     | (29)             | 182             | 161               | (2)              | 159             | (50)              | 27               | (23)            |
| Regeneration & Affordable Housing                     | 38                      | (18)             | 20              | 2,773             | (78)             | 2,695           | 2,735             | (60)             | 2,675           |
| <b>Total Sustainable Communities</b>                  | <b>13,434</b>           | <b>(5,691)</b>   | <b>7,743</b>    | <b>9,752</b>      | <b>(6,400)</b>   | <b>3,352</b>    | <b>(3,682)</b>    | <b>(708)</b>     | <b>(4,390)</b>  |