

Central Bedfordshire Council

EXECUTIVE - 9 December 2014

September 2014 Q2 Capital Budget Monitoring

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This report relates to a Key Decision

Purpose of this report

1. The report provides information on the projected capital outturn for 2014/15 as at September 2014. It excludes the Housing Revenue Account which is subject to a separate report.

RECOMMENDATIONS

The Executive is asked to:

1. **consider the overall forecast position which is to spend £97.8m compared to a budget of £116.8m; and**
2. **request officers to carefully examine their forecast spend to determine how realistic the proposals to defer spend into 2015/16 are.**

Issues

2. The capital budget (including 2013/14 deferred spend from) for 2014/15 excluding HRA is £116.8M (£70.3M net). The main issues to note are:
3. Gross forecast is to spend £97.8M (£111.1M in August) vs. budget of £116.8M. The variance of £19.0M is a result of proposed deferred spend to 2015/16 of £17.3M and underspend of £1.7M.
4. The overspend relates to grants for Schools capital which are received after the capital budget is agreed. The forecast within Children's Services reflects the funding available, the majority of which is externally funded.
5. Gross spend to date is £40M, below budget by £7.0M (spend last year was £30M).

6. £87.4M (75%) of the gross budget relates to 20 of the top value schemes. £69.9M (71%) of the gross spend forecast relates to these schemes.
7. Forecast capital receipts are £1.45M compared to budget of £7.45m. Year to date is £379K.
8. A summary of the position is in the table below.

Directorate	Year to Date P6			Full Year 2014/15			Year to Date P6			Full Year 2014/15		
	Gross Budget £m	Gross Actual £m	Gross Variance £m	Gross Budget £m	Gross Forecast Outturn £m	Gross Variance £m	Net Budget £m	Net Actual £m	Net Variance £m	Net Budget £m	Net Forecast Outturn £m	Net Variance £m
CS	13.3	12.1	(1.2)	25.7	29.6	3.9	0.3	0.1	(0.1)	0.6	0.6	0.0
Community Service	26.6	23.1	(3.5)	67.8	47.2	(20.6)	18.0	15.9	(2.1)	53.9	31.5	(22.4)
Improvement & Corporate Improvement	4.2	3.2	(1.0)	11.7	11.0	(0.7)	4.2	3.2	(1.0)	11.7	11.0	(0.7)
Regeneration	0.3	0.0	(0.2)	3.4	3.3	(0.1)	0.3	(0.3)	(0.6)	1.4	1.3	(0.6)
ASCHH	2.8	1.7	(1.1)	8.2	6.6	(1.6)	0.5	(3.9)	(4.4)	2.7	2.1	(0.6)
Total Exc HRA	47.2	40.2	(7.0)	116.8	97.8	(19.0)	23.3	15.1	(8.2)	70.3	46.5	(23.8)

(Note: Any minor rounding differences are due to linking to detailed appendices)

Reasons for decision

9. To complete schemes currently underway and facilitate effective financial management and planning.

Council Priorities

10. Sound financial management contributes to the Council's Value for Money and enables the Council to successfully deliver its priorities. The recommendations will contribute indirectly to all 5 Council priorities.

Corporate Implications

Legal Implications

11. None.

Financial Implications

12. The financial Implications are contained in the appendix to the report.

Equalities Implications

13. Equality Impact Assessments were undertaken prior to the allocation of the 2014/15 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Conclusion and next Steps

14. The budget for 2014/15 (including proposed deferred spend) is significantly higher than the levels of gross spend achieved over the past years (£72.3M in 2013/14 and £64.4M in 2012/13). The forecast as at September is to underspend by £19.0M, but this may increase through the year. That said the level of spend in 2015/16 is highly likely to be significantly higher than in previous years. Year to date spend last year was £30M compared to £40M this year.

Appendices

Appendix A – Detailed Directorate Commentary

Appendix B – Overview Table