
June 2016 Q1 Capital Budget Monitoring Provisional Outturn Report

Report of **Cllr Richard Wenham, Executive Member for Corporate Resources** (cllr.richard.wenham@centralbedfordshire.gov.uk)

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This report relates to a Non Key Decision

Purpose of this report

1. The report sets out the Capital projected outturn for 2016/17 as at the end of June 2016. It excludes the Housing Revenue Account (HRA) which is subject to a separate report.

RECOMMENDATIONS

The Executive is asked to:

1. **Note that the approved budget excluding HRA but including deferred spend from 2015/16 (approved by Executive in June) is £124.6M (gross). The gross forecast is below budget by £11.8M (£11.0M last year against a higher budget of £139.2M). The net forecast is £5.1M over budget due to less forecast grant receipts than budgeted.**
2. **Note that action to reduce the net forecast overspend is currently being reviewed.**

BACKGROUND INFORMATION:

2. This report is based on the 2016/17 budget approved by Council at its 25th February 2016 meeting. The reported budget also includes deferred spend from 2015/16 which was approved by the Executive on the 7th June 2016.

ISSUES: None

FINANCIAL AND OTHER OPTIONS: These are covered in the report

3. Forecast Outturn

- i) The approved budget excluding HRA but including deferred spend from 2015/16 (approved by Executive in June) is £124.6M (gross). The gross forecast is below budget by £11.8M (£11.0M last year against a higher

budget of £139.2M). The net forecast is £5.1M over budget due to less forecast grant receipts than budgeted.

- ii) The main reasons are: Community Services are only forecasting £1.0M spend against the £7M budget for the A421 project. We are close to an agreement on a cost sharing arrangement with Milton Keynes Council and still awaiting the go ahead for Department of Transport funding.
- iii) Luton & Dunstable Busway is currently forecast to be £3.4M under budget.
- iv) Woodside link is currently £1.6M over budget, but this is due to timing and the overall scheme will be delivered to budget.
- v) Thorn Turn Waste Park is currently £3.2M below budget.
- vi) Children's Services are also expecting to spend £3.5M (net) more than budgeted on New School Places. This is due to a combination of less than expected S106 Grants and a £2M reduction to the budget which was due to be mitigated through value engineering but that has not yet identified cost reductions.

Year to Date

- vii) YTD Gross Spend is £11.5M below budget (£10.4M last year). Actual spend is £19.5M compared to £14.8M last year.
- viii) The reason the YTD variance looks high compared to forecast is due to business cases not having been approved and so spend not taking place, but this is expected to be caught up.

Capital Receipts

- ix) The overall budget for Capital receipts is £10.5M. The current forecast is £10.5M. The major anticipated receipts are Fairfield £4.7M and £4.8M from Bedford Borough as part of the disaggregation agreement.
- x) To date we have received £0.727M which is the balance of £0.109M for the properties that were auctioned at the end of the last financial year and Deposits of £0.618M from third parties in respect of the Stratton Phase 5 development.
- xi) A summary of the position is in the table below.

Directorate	Year to Date P3			Full Year 2016/17 Gross			Year to Date P3			Full Year 2016/17 Net		
	Gross Budget £m	Gross Actual £m	Gross Variance £m	Gross Budget £m	Forecast Outturn £m	Gross Variance £m	Net Budget £m	Net Actual £m	Net Variance £m	Net Budget £m	Forecast Outturn £m	Net Variance £m
CS	8.0	7.9	(0.1)	21.5	23.6	2.1	1.3	0.1	(1.1)	1.5	4.9	3.5
Community Service	17.5	10.2	(7.3)	83.1	72.1	(10.9)	9.6	6.3	(3.3)	52.8	59.1	6.4
Improvement & Corporate Services	0.7	0.4	(0.3)	5.0	5.0	0.0	0.7	0.4	(0.3)	5.0	5.0	0.0
Corporate Resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Regeneration	1.3	0.0	(1.3)	5.7	3.1	(2.6)	0.9	0.3	(0.6)	3.5	1.5	(2.0)
ASCHH	3.4	0.9	(2.5)	9.4	8.9	(0.5)	2.7	(0.5)	(3.2)	7.4	4.6	(2.8)
Total Exc HRA	30.9	19.5	(11.5)	124.6	112.8	(11.8)	15.2	6.6	(8.6)	70.2	75.2	5.1
HRA	2.0	1.7	(0.4)	15.6	12.3	(3.3)	2.0	1.7	(0.4)	15.6	12.3	(3.3)
Total	33.0	21.1	(11.8)	140.2	125.0	(15.2)	17.2	8.3	(8.9)	85.7	87.5	1.7

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

Reasons for decision

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

Council Priorities

- 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 6 Council priorities.

Corporate Implications

Legal Implications

- None.

Financial Implications

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

Equalities Implications

- Equality Impact Assessments were undertaken prior to the allocation of the 2016/17 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Appendices

Appendix A – Detailed Directorate Commentary