

## September 2016 Q2 Capital Budget Monitoring Provisional Outturn Report

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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 September 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 is £132.6M (gross).  
The gross forecast is below budget by £17.6M, an increase of £1.2M on August (£30.2M below last year against a higher budget of £139.2M). The net forecast is £1.3M below budget (£21.5M below last year).
2. The Executive is asked to approve the budget virement below. There has been a change of scope to the Thorn Turn Waste Park in that the waste transfer element is not being pursued, so the full original budget is no longer required. However, additional costs have resulted from post contract design changes on all three Household Waste Recycling Centres and construction costs on the South Highways Depot project. The proposed budget re-alignment nets off to zero, being transfers between the schemes for the reasons set out above.

HWRC Redevelopment	110
Thorn Turn Waste Park	(1,981)
Depot - South	1,871
<b>Total</b>	<b>0</b>

### BACKGROUND INFORMATION:

2. This report is based on the 2016/17 budget approved by Council at its 25<sup>th</sup> February 2016 meeting. The reported budget also includes deferred spend from 2015/16 which was approved by the Executive on the 7<sup>th</sup> June 2016 and a further £8M approved at Council in July 2016 for Strategic Acquisitions. The approved budget excluding HRA and including deferred spend from 2015/16 is £132.6M (gross).

**ISSUES:** None

**FINANCIAL AND OTHER OPTIONS:** These are covered in the report

3. **Forecast Outturn**

- Community Services are only forecasting £1.3M spend against the £7M budget for the A421 project until the position regarding the external funding of the remaining £6M is clearer. Luton & Dunstable Busway is currently forecast to be £3.6M under budget.
- The Woodside Link is over budget for the 2016/17 financial year, as it is ahead of schedule, however it is within the overall build cost for delivering the road. The scheme as a whole remains within gross budget.
- Thorn Turn Waste Park is currently £5.7M under budget and the North Depot and Salt barn is £3.7M under budget. It is proposed that both will be slipped into 2017/18.
- Children's Services are also expecting to spend £3.1M (net) more than the DfE allocation in January 2016 on New School Places. This is due to a combination of less than expected S106 contributions and a £2.0M reduction to the budget which was due to be mitigated through value engineering but that has not yet identified cost reductions.
- The £8M budget for new acquisitions is currently forecast to be spent. However, there are no current plans for new acquisitions, so this may become additional slippage into 2017/18.

**Year to Date**

- YTD Gross Spend is £12.4M below budget (£14.5M last year). Actual spend is £41.1M (£37.7M last year).

**Capital Receipts**

- The overall budget for Capital receipts is £10.5M. The current forecast is £10.9M. The major anticipated receipts are Fairfield c.£4.0M and c.£6.0M from Bedford Borough Council for Bell Farm and County Hall as part of the disaggregation agreement.
- To date we have received £0.802M 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 in respect of Stratton Phase 5 development.

- There has been a delay in the receipt for land at Ivel Rd, Sandy worth £0.230M due to an issue with Land Registry & Highways which has now been resolved and due to complete in October 2016. A deposit of £0.400M for Stratton has also been delayed due to complications in securing sufficient electricity supply capacity.

i) A summary of the position is in the table below.

Directorate	Year to Date P6			Full Year 2016/17			Year to Date P6			Full Year 2016/17		
	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	14.0	14.4	0.5	21.7	24.7	3.1	0.3	2.4	2.1	1.7	4.8	3.1
Community Services	29.9	22.6	(7.3)	90.9	75.7	(15.1)	14.1	16.5	2.4	60.6	58.7	(1.9)
Improvement & Corporate Services	2.0	2.2	0.2	5.0	5.0	0.0	2.0	2.2	0.2	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	2.8	0.4	(2.3)	5.7	3.5	(2.1)	1.7	0.4	(1.4)	3.5	1.8	(1.7)
ASCHH	4.8	1.5	(3.3)	9.4	6.1	(3.4)	2.9	0.0	(2.9)	5.0	4.2	(0.8)
Total Exc HRA	53.5	41.1	(12.4)	132.6	115.0	(17.6)	21.0	21.5	0.5	75.7	74.4	(1.3)

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

### Reasons for decision

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

### Council Priorities

5. 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

6. None.

### Financial Implications

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

### Equalities Implications

8. 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