
December 2016 Q3 Capital Budget Monitoring Forecast Outturn Report

Report of Cllr Richard Wenham, Executive Member for Corporate Resources
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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 December 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 gross forecast outturn of £107.8M, excluding HRA but including deferred spend from 2015/16, is below the approved budget by £24.8M (£42.5M below last year against a higher budget of £139.2M). The net forecast is £8.5M below budget (£32.9M below last year).**

Background Information

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

Financial and Other Options: These are covered in the report

3. **Forecast Outturn**

- i) **Principal variances**

- Community Services are forecasting £1.5M spend against the £7.2M budget for the A421 project until the position regarding the external funding is clearer. Luton & Dunstable Busway is currently forecast to be £3.6M under budget.

- Woodside Link are forecasting £8.453M over budget variance of which formal approval to bring forward 2017/18 budget is being sought. Of the remaining £5.453M, £3.702M is external funding which will not be received along originally expected timescales and £1.751M expenditure overspend. This is a result of additional works being required on site.
- Thorn Turn Waste Park is currently £4.8M under budget and the North Depot and Salt barn is £4.9M under budget. Both are proposed to 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 £4M of the £8M budget for new acquisitions is currently forecast to be spent, with the remaining £4M proposed to slip to 2017/18. However, there are no current plans for new acquisitions, so this may also become additional proposed slippage into 2017/18.

Year to Date (YTD)

- YTD Gross Spend is £21.2M below budget (£20.7M last year). Actual spend is £66.2M (last year (£61.8M)).

Capital Receipts

- The overall budget for Capital receipts is £10.5M. The forecast is now £9.480M.
- To date we have received £2.463M which is the deposit of £1.2M for Fairfield, £0.110M for the properties that were auctioned at the end of the last financial year, deposits of £1.153M in respect of Stratton Phase 5 development and for land Kings Reach, Biggleswade.
- The remaining receipt of £2.8M for Fairfield was received in early February 2017.

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

| Directorate | Year to Date P9 | | | Full Year 2016/17 | | | Year to Date P9 | | | Full Year 2016/17 | | |
|----------------------|-----------------|--------------|----------------|-------------------|----------------|----------------|-----------------|-------------|--------------|-------------------|--------------|--------------|
| | Gross Budget | Gross Actual | Gross Variance | Gross Budget | Gross Forecast | Gross Variance | Net Budget | Net Actual | Net Variance | Net Budget | Net Forecast | Net Variance |
| | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| CS | 19.6 | 18.7 | (0.9) | 21.7 | 24.8 | 3.1 | 0.4 | 2.5 | 2.1 | 1.7 | 4.6 | 2.9 |
| Community Service | 52.6 | 39.3 | (13.3) | 90.2 | 69.6 | (20.6) | 32.0 | 29.5 | (2.5) | 60.4 | 52.7 | (7.8) |
| Chief Executive's | 3.3 | 3.8 | 0.4 | 4.5 | 4.5 | 0.0 | 3.3 | 3.8 | 0.4 | 4.5 | 4.5 | 0.0 |
| 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 | 5.0 | 1.1 | (3.9) | 6.8 | 3.9 | (2.9) | 3.0 | (0.4) | (3.4) | 4.1 | 2.3 | (1.8) |
| ASCHH | 6.9 | 3.3 | (3.6) | 9.4 | 5.0 | (4.5) | 3.7 | 1.8 | (1.9) | 5.0 | 3.2 | (1.8) |
| Total Exc HRA | 87.3 | 66.2 | (21.2) | 132.6 | 107.8 | (24.8) | 42.3 | 37.2 | (5.1) | 75.7 | 67.3 | (8.5) |

(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