
December 2017 Q3 Capital Budget Monitoring Forecast 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 forecast outturn for 2017/18 as at the end of December 2017. 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 £79.8M, excluding HRA but including deferred spend from 2016/17, is below the approved budget by £30.9M (£6.1M below last year against a higher budget of £132.6M);
2. note that the net forecast is £18.0M below budget (£9.5M below budget at the same stage last year); and
3. recommend to Council to increase the budget for the Stratton Phase 5 project from £2.7M in the 2018/19 Capital Programme to £4.0M (see paragraphs 54 and 55 at Appendix A).

BACKGROUND INFORMATION:

2. This report is based on the 2017/18 budget approved by Council at its 23rd February 2017 meeting. The reported budget also includes deferred spend from 2016/17 which was approved under delegated authority and subsequently approved by the Executive on the 20th June 2017. The reported budget includes a further £8M approved at Council in July 2016 for Strategic Acquisitions. The approved budget excluding HRA and including deferred spend from 2016/17 is £110.7M (gross).

ISSUES: None

FINANCIAL AND OTHER OPTIONS: These are covered in the report

3. Forecast Outturn

Principal variances

- i) Regeneration and Business Support are forecasting to be below budget by £12.5M (gross) and £7.6M (net). This primarily relates to the M1-A6 scheme, at present the forecast only reflects the confirmed funding. The East West Rail, Biggleswade Transport Interchange, Market Towns Programme, Dunstable High Street Regeneration, Local Broadband Infrastructure, SEMLEP BDUK Extension and Flitwick Station Area Car Park schemes are forecast to be deferred to 2018/19.
- ii) Community Services are forecasting to be below budget by £18.2M (gross) and £7.5M (net). There are a number of schemes that this relates to, however the most significant are: £6M forecast below budget in relation to Strategic Acquisitions, £8.3M forecast below budget for the A421- M1 Junction 13, £1.7M forecast below budget for the Crematorium, £1.0M below budget for the Luton & Dunstable Busway and Depot and Salt Barn- North scheme is forecast below budget by £2.2M.
- iii) Social Care, Health and Housing are forecasting to be below budget by £5.4M (gross) and £2.9M (net). This is due to £1.2M forecast deferred spend for the additional gypsy and traveller sites and £0.7M forecast below budget for the Disabled Facilities Grant scheme, of this £0.4M is offered as an underspend and is £0.3M deferred spend. The Review of Accommodation project is also proposing to defer £1.8M to 2018/19.
- iv) Children's Services are forecasting to be above budget by £5.1M (gross) and on budget (net). The increased expenditure is funded wholly by grant and S106 receipts and is as a result of the annual review of projects within the New School Places program.

Year to Date (YTD)

- v) YTD Gross Spend is £25.2M below budget (£21.2M below budget last year). Actual spend is £39.8M (last year was £66.2M).

Capital Receipts

- vi) The overall budget for Capital receipts is £12.0M.
- vii) To date we have received £18.5M (net).
- viii) The forecast is £46.7M gross (subject to costs and disaggregation).

A summary of the position is in the table below.

Directorate	Year to Date P09			Full Year 2017/18			Year to Date P09			Full Year 2017/18		
	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	11.4	12.3	0.9	13.1	18.2	5.1	0.3	0.2	(0.1)	0.5	0.5	(0.0)
Community Service	38.5	23.4	(15.1)	66.8	48.6	(18.2)	23.1	14.3	(8.8)	42.4	34.8	(7.5)
Chief Executive's	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	12.6	2.5	(10.1)	19.8	7.3	(12.5)	5.2	0.1	(5.1)	9.7	2.0	(7.6)
ASCHH	2.5	1.6	(0.9)	11.1	5.7	(5.4)	0.7	(0.6)	(1.4)	6.8	3.9	(2.9)
Total Exc HRA	65.0	39.8	(25.2)	110.7	79.8	(30.9)	29.3	13.9	(15.4)	59.4	41.3	(18.0)

(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 report.

Equalities Implications

- Equality Impact Assessments were undertaken prior to the allocation of the 2017/18 budgets and Members were advised of significant equality implications relating to the budget proposals when setting the Council's Budget in February 2017.