
March 2017 Capital Budget Monitoring Provisional Outturn Report (subject to audit)

Report of: Cllr Richard Wenham, Deputy Leader and 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 Provisional Capital Outturn (subject to audit) for 2016/17 as at the end of March 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 capital gross provisional outturn position (subject to audit) is a spend of £98.7M (£94.2M in 2016/17) demonstrating the continued significant capital investment made by Central Bedfordshire to support its community;
2. approve the net overspends between £150K and £500K. Only two schemes were over budget by this amount – a) New Highways Contract Mobilisation in Community Services £0.219M (see paragraph 59 in Appendix A) and b) Information Assets £0.329M (see paragraph 96 in Appendix A);
3. note the proposed gross deferred spend of £41.6M (£22.6M net) from 2016/17 to 2017/18 as detailed at Appendix B. This was approved by the Leader, Deputy Leader, Chief Executive Officer and Director of Resources under a delegated authority given by the Executive on 4 April 2017 due to the accelerated timescale for the accounts closure; and
4. Recommend to Council to approve the net overspend on:
 - Woodside Link £8.01M (see paragraph 55 in Appendix A).
 - New Schools Places £2.32M (see paragraph 21 in Appendix A).
 - Stratton Park Infrastructure Works £0.70M (see paragraph 37 in Appendix A).

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).

The provisional outturn is a spend of £98.7M, below gross budget by £33.9M and £17.7M below the net budget.

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

3. Provisional Outturn

- Only £0.05M was spent against the Strategic Acquisitions budget and so £8.15M is proposed to be deferred to 2017/18.
- £1.25M was spent on the A421 project against the £7.2M budget with the balance proposed to be deferred to 2017/18.
- Luton & Dunstable Busway was £3.5M below the budget of £5.0M. A payment has been made to Luton Borough Council of £1.45M pending finalisation of all costs. The proposed slippage has been reduced from 3.5M to £2.5M with £1M budget no longer required.
- Woodside link was £4.9M higher than the current year gross budget (due to being ahead of schedule) and £8.0M over net budget. The gross spend is expected to be within the overall budget over the life of the project and work is still continuing to identify any potential shortfall in external income.
- The North Depot and Salt Barn is £6.0M under budget. Thorn Turn Waste Park was £3.3M under budget. Both are proposed to be slipped into 2017/18.
- Flitwick Leisure Centre was £3.1M over the net budget due to a delay in a capital receipt budgeted for 2016/17 which will now be received in 2017/18.
- New Schools Places was £2.3M over the net budget. This was a combination of a savings target not achieved and less than expected s106 income.

Capital Receipts

- The overall budget for Capital receipts is £10.5M. The provisional outturn was £6.3M of receipts and £0.619M of deposits. There has also been a £1.575M transfer of assets from the General Fund to the HRA. This means the total equivalent capital receipt figure was £8.5M.

- A summary of the position is in the table below.

Directorate	Full Year 2016/17			Full Year 2016/17		
	Gross Budget	Gross Forecast	Gross Variance	Net Budget	Net Forecast	Net Variance
	£m	Outturn £m	£m	£m	Outturn £m	£m
CS	21.7	25.0	3.3	1.7	4.0	2.3
Community Service	90.2	62.4	(27.8)	60.4	45.1	(15.3)
Chief Executive's	4.5	4.9	0.3	4.5	4.9	0.3
Resources	0.0	0.0	0.0	0.0	0.0	0.0
Regeneration	6.8	2.2	(4.6)	4.1	1.0	(3.0)
ASCHH	9.4	4.3	(5.2)	5.0	3.0	(2.0)
Total Exc HRA	132.6	98.7	(33.9)	75.7	58.0	(17.7)

(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 appendices 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

Appendix B – Proposed Gross Deferred Spend