

CAPITAL MONITORING
2007/08 OUTTURN and 2008/09 BUDGET
(Report by the Head of Financial Services)

1. PURPOSE

- 1.1 This report highlights the outturn position for 2007/08 and the final variations from the Capital Programme approved in February 2007 and seeks approval to any adjustments required. It then identifies the adjustments to the 2008/09 approved Capital Programme for timing changes and any variations that are already forecast.

2. OUTTURN 2007/08

- 2.1 The Budget approved in February 2007 with subsequent adjustments and variations are shown below:-

Capital Variations	2007/08 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Approved Budget (February 2007)	20,202	4,924	15,278
Deferrals from 2006/07 (in excess of the £1.5m provision included in the MTP)	1,911	1,074	837
Adjustments to Budget			
Waste Performance and Efficiency Grant	0	-72	72
Heart of Oxmoor receipt received in 2006/07	0	-70	70
adjusted budget	22,113	5,856	16,257
Cost Variations (Annex A)			
Reported previously	-1,392	-61	-1,331
Further Variations	918	625	293
	-474	564	-1,038
Timing Changes (Annex B)			
Reported previously	-3,124	-2,360	-764
Further Changes	-2,524	-1,375	-1,149
	-5,648	-3,735	-1,913
Capital from Revenue			
Reported previously	526	0	526
Further Changes (see para 2.5)	1	0	1
	527	0	527
OUTTURN	16,518	2,685	13,833

- 2.2 None of the current variations to scheme cost require approval as they are simply adjusting previously forecast savings.

2.3 The following table identifies some variations between revenue and capital funding. The intention is always to legitimately maximise the charge to capital as this increases the Council's financial flexibility. The net impact is to reduce capital reserves and increase revenue reserves by a further £1k.

Revenue/Capital Transfers	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Revenue to Capital			
Extra Recycling Wheeled Bins	42	0	42
Stray Dogs Kennels	15	0	15
Design/Business Analysts work	-56	0	-56
Extra Capital Provision Required	1	0	1

2.4 The overall revenue impact of the variations outlined is to reduce net revenue expenditure by £609k in 2007/08 with further reductions in future years, as shown below.

Revenue Impact	2007/2008	2008/2009	2009/2010	2010/2011
	£000	£000	£000	£000
Cost Variations	-26	-52	-52	-52
Timing Changes 2006/07 to 2007/08	-21			
Timing Changes 2007/08 to 2008/09	-48	-48		
Revenue/Capital Transfers	-514	26	26	26
TOTAL FORECAST VARIATION	-609	-74	-26	-26

3 MONITORING OF THE 2008/09 PROGRAMME

3.1 The Budget approved in February 2008 and subsequent adjustments are shown below:-

Capital Programme	2008/09 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Approved Budget (February 2008)	16,955	1,483	15,472
Deferrals from 2007/08 not already deferred in the Approved Budget (Annex B)	4,649	3,580	1,069
	21,604	5,063	16,541
Cost Variations			
Electronic Imaging in Planning – Saving	-20	0	-20
Disabled Facilities Grant – Forecast Saving (para 3.2)	-284	113	-397
Timing Changes			
Customer Service Centre and Headquarters brought forward from 2009/10 (para 3.3)	1,493	0	1,493
Capital / Revenue Variations			
Community Facilities Grant (para 3.4)	-43	0	-43
Current Forecast	22,750	5,176	17,574

- 3.2** The Government has now increased the amount the Council will receive in Grant for Disabled Facilities by £113k and it is also estimated that there will be a reduction in grants awarded this year of £284k as a result of a shortage of Occupational Therapists at the PCT.
- 3.3** There is a separate report elsewhere on the Agenda giving the latest overall position on the Customer Service Centre and Headquarters project.
- 3.4** The Community Facilities grant aid budget for 2008/09 is split between Revenue £301k and Capital £162k. As a result of moving to a commissioning model and using the grant aid budget to support the authority's growth agenda programme in St Neots the revenue element of the grant aid budget is over committed by £43k whereas the capital budget has traditionally been undersubscribed. Following consultation with the relevant Executive Councillor it is proposed to increase the revenue element by £43k and reduce the capital element by the same sum.
- 3.5** The revenue impact of the variations to the original budget (approved in February 2008) is to increase the net revenue expenditure by £31k in 2008/09 but this is more than off-set in later years, as shown below.

Revenue Impact	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012
	£000	£000	£000	£000
Cost Variations 2008/09	-10	-20	-20	-20
Cost Variations 2007/08 not in 2008/09 Budget	-4	-4	-4	-4
Timing Changes 2007/08 to 2008/09	-27			
Timing Changes 2008/09 to 2009/10	37	37		
Revenue/Capital Transfers	42	-2	-2	-2
TOTAL FORECAST VARIATION	38	11	-26	-26

4 RECOMMENDATIONS

4.1 It is **RECOMMENDED** that Cabinet:

- Approve the revenue implications of increasing the revenue element of the Community Facilities grant by £43k.
- Note the other variations contained in this report

BACKGROUND PAPERS

Capital programme and monitoring working papers.
Previous Cabinet reports on capital expenditure.

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ANNEX A

Cost Variations	2007/08 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Disabled Facilities Grants - Saving	-190	165	-355
Repairs Assistance Grants - Saving	-51	10	-61
Social Housing Grant – Interest earned on Section 106 contribution	0	60	-60
Non-reclaimable VAT - Saving	-461	0	-461
Mobile Home Park – Remediation – Saving offset by reduced Grant	-455	-455	0
Decent Homes Insulation – Government Grant	331	331	0
London Road Hemingford Grey – Culvert - Contribution	57	57	0
Tourist Information Kiosk – Contribution from St Neots Town Centre Partnership – revenue contribution £5k short	27	22	5
Automated Forms Processing (Benefits) – Project not now proceeding	-223	-166	-57
Housing Benefits Mobile Working – Extra Grant	40	40	0
Choice Based Lettings – Saving	-36	0	-36
Local Housing Allowance - Grant	30	30	0
Planning Delivery Grant	9	9	0
Ramsey Rural Renewal – Contribution from the East of England Development Agency	9	9	0
Creative Enterprise Centre, St Neots – Further Contributions from EEDA and the Government and virement from Disabled Facilities Grants (in previous report)	648	557	91
Transportation Projects contributions included in the Programme are now expected to be transferred to the County Council – Local Transport Plan, Cycle Shelters and Safe Cycle Routes	-174	-174	0
Sewage Treatment Repair Works at Herne Road and Wood Walton to be taken on by Luminus	-72	0	-72
County Council agreed contribution to Leisure Centre projects	0	29	-29
Activity Parks – Extra Contribution	11	11	0
Environmental Improvements – increased contributions	40	40	0
New Pavilion Priory Park – saving leading to reduced grant	-19	-19	0
Other Forecast Minor Variations	5	8	-3
	-474	564	-1,038

New item this time
Adjusted value this time

ANNEX B

Timing Changes	2007/08 Capital Expenditure			C/F to 2008/09
	Gross Budget	External Contributions	Net Budget	Net Budget
	£000	£000	£000	£000
New Public Conveniences	-263	0	-263	177
Stray Dogs Kennels	-15	0	-15	15
Mobile Home Park	0	-168	168	-168
St Ives Town Centre Environmental Improvement – Ph 2	21	0	21	-7
Huntingdon Town Centre Environmental Imp – Ph 2	-12	0	-12	12
Social Housing Grant	-1,048	0	-1,048	485
Decent Homes Insulation	-284	-284	0	0
Crime and Disorder Lighting	-23	0	-23	23
Ramsey Community Information Centre - Refurbishment	-11	0	-11	11
Leisure Centres Future Maintenance	-1,080	-29	-1,051	1,051
St Neots Leisure Centre – Bar/Kitchen/Creche Extension	-10	0	-10	10
St Ivo Leisure Centre – Rifle Range	-513	0	-513	0
St Ivo Leisure Centre – Sect 106 – Football Improvemnts	-858	-902	44	-44
Huntingdon Leisure Centre – Impressions Expansion	-1,023	0	-1,023	1,023
Huntingdon Leisure Centre – Energy Saving	-90	0	-90	90
Sawtry Leisure Centre – Fitness Ext etc	-23	0	-23	23
Leisure Centre – CCTV Improvements	-35	0	-35	35
Community Facilities Grants	27	0	27	-27
Play Equipment	-68	0	-68	68
Activity Parks	-33	0	-33	33
Parks Signage	-7	0	-7	7
Pathfinder House Improvements and One Stop Shop	2,761	0	2,761	-2,482
Postal Dispatch Arrangements	-131	0	-131	131
Multi-Functional Devices	-18	0	-18	1
Corporate EDM	-252	0	-252	58
Customer First	-327	0	-327	92
Business Systems	-135	0	-135	56
Voice and Data Infrastructure	-100	0	-100	10
Housing Benefits – Mobile Working	-72	0	-72	72
Choice Based Lettings	-7	0	-7	7
Network and ICT Services	-108	0	-108	108
ICT for New Accommodation	-38	0	-38	40
Flexible Working for Members	-35	0	-35	35
Town Centre Developments	-61	0	-61	0
Ramsey Rural Renewal	-34	0	-34	34
New Industrial Units	-294	0	-294	294
Creative Enterprise Centre	-619	-502	-117	117
Huntingdon Marina Improvements	-56	0	-56	5
Huntingdon Town Centre Developments	-162	0	-162	-7
Heart Of Oxmoor	-167	-1,850	1,683	-1183
Huntingdon Bus Station	-63	0	-63	19
Bus Shelter Provision	-67	0	-67	67
LTP Bid	-31	0	-31	31
Implement Car Park Strategy	-285	0	-285	285
Accessibility Improvements/Signs	-30	0	-30	30
Safe Cycle Routes	-283	0	-283	283
St Neots Pedestrian Bridges	-537	0	-537	0
St Ives Transport Strategy	-60	0	-60	60
Other Minor Adjustments	1	0	1	-1
VAT – Capital Exempt	-90	0	-90	90
Forecast Adjustment to Programme for Deferrals	-6,648	-3,735	-2,913	1,069
Less provision for deferral included in MTP	1,000	0	1,000	
Adjustment Required	-5,648	-3,735	-1,913	1,069