

**CAPITAL PROGRAMME MONITORING  
2008/09 BUDGET  
(Report by the Head of Financial Services)**

**1. PURPOSE**

1.1 This report highlights the variations from the 2008/09 Capital Programme approved in February 2008 including any member or officer decisions already taken in accordance with the Code of Financial Management.

**2 MONITORING INFORMATION**

2.1 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
<b>Approved Budget (February 2008)</b>	<b>16,955</b>	<b>1,483</b>	<b>15,472</b>
Deferrals from 2007/08	4,649	3,580	1,069
	<b>21,604</b>	<b>5,063</b>	<b>16,541</b>
<b>New MTP Bids (paras 2.2 to 2.5)</b>	1,425	1,295	130
<b>Cost Variations (Annex A)</b>	-253	-128	-125
<b>Timing Changes to 2009/10 (Annex B)</b>	-2,694	-1,027	-1,667
<b>Capital / Revenue Variations</b>			
VOIP Data Switches	90	0	90
Recycling Bins	83	0	83
Commutation	43	0	43
Community Facilities Grant (reported last time)	-46	0	-46
<b>Current Forecast</b>	<b>20,252</b>	<b>5,203</b>	<b>15,049</b>

2.2 This year's MTP process has identified the following new proposals that would impact on the current year but would not be formally approved until the end of the process in February.

MTP Bids	2008/09 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
St Ivo L C – Football Improvements	250	500	-250
Huntingdon West Development (HGF)	700	700	0
St Neots Green Corridor (HGF)	95	95	0
Sustainable Homes Retrofit (cost of purchase)	380	0	380
	<b>1,425</b>	<b>1,295</b>	<b>130</b>

- 2.3 The St Ivo scheme is fully funded from grants and S106 contributions. It shows a credit in the current year because some income will be received in advance.
- 2.4 The Huntingdon West and St Neots Green Corridor schemes are dependent on receiving full funding from the Housing Growth Fund.
- 2.5 The Sustainable Homes retrofit scheme is based on purchasing existing properties and fitting various items that will illustrate the benefits from improved energy usage. After conversion they will be used to demonstrate the benefits and subsequently sold. The money for the adaptations is already in the budget but not the money for purchase (a total of £500k) which will be recouped on their subsequent sale. There is also a sum of £15k running costs needed for two years included in the MTP bid. Obviously the housing market is very uncertain currently and if Cabinet agree to this scheme proceeding in principle then the relevant executive councillor will be consulted before any commitment to purchase.
- 2.6 Annex A gives details of the cost variations of which the significant items are:
- additional costs on the Creative Enterprise Centre Industries though these are still under negotiation
  - a saving on VAT due to an extension to the current year of the relaxation of the partial exemption rules that prevented the Council from recovering all of its VAT.
- 2.7 Annex B provides details of the timing changes currently identified. The original budget also included provision for a net deferral to later years of £700k. This has not been removed as past experience has shown that further deferrals emerge in the latter part of the year.
- 2.8 There are three new transfers from revenue to capital which increase the Council's financial flexibility.

### 3. REVENUE IMPLICATIONS

- 3.1 The impact of the variations to the original budget approved in February 2008 is to reduce the net revenue expenditure by £234k in 2008/09 with further adjustments in future years, as shown below.

Revenue Impact	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013
	£000	£000	£000	£000	£000
Timing Changes 2007/08 to 2008/09	-27				
New MTP Bids	4	31	40	11	-3
Cost Variations	-3	-6	-6	-6	-6
Timing Changes 2008/09 to 2009/10	-42	-42			
Revenue/Capital Transfers	-166	8	8	8	8
<b>TOTAL FORECAST VARIATION</b>	<b>-234</b>	<b>-9</b>	<b>42</b>	<b>13</b>	<b>-1</b>

*N.B. Revenue impact is based on 5% loss of interest*

#### **4. CAPITAL RESERVES**

- 4.1** Just £1.6M of Capital Reserves are forecast to remain in April 2009 and these will be fully used in the following few months. Subsequent capital expenditure will therefore need to be funded from borrowing. The higher resulting cost of this has been included in the Draft MTP report being considered by Cabinet on the 20 November.

#### **5 RECOMMENDATIONS**

- 5.1** It is **RECOMMENDED** that Cabinet:

- Approve the commencement of the MTP bids for St Ivo, Huntingdon West and the St Neots Green Corridor.
- Approve the commencement of the Sustainable Homes Retrofit scheme subject to consultation with the Executive Councillor for Finance regarding timing in relation to the housing market.
- Note the other variations within the report.

#### **BACKGROUND PAPERS**

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

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**ANNEX A**

<b>Expected Cost Variations</b>	<b>2008/09 Capital Expenditure</b>		
	<b>Gross Budget</b>	<b>External Contributions</b>	<b>Net Budget</b>
	£000	£000	£000
Electronic Document Imaging in Planning	-20	0	-20
Small Scale Environmental Improvements District Wide	-10	-10	0
Disabled Facilities Grants - Extra	163	113	50
Repairs Assistance Grants - Saving	-50	0	-50
Social Housing Grant	1,034	1,034	0
Decent Homes Insulation Grant - Adjustment	-78	-78	0
Headquarters Improvements - Adjustment	-345	-345	0
St Ivo L C – Football Improvements - Adjustment	-902	-902	0
Huntingdon L C – Energy Saving	15	0	15
St Neots – Bar/Kitchen/Creche Extension	-10	0	-10
Creative Enterprise Centre, St Neots – Extra cost partly off-set by extra Grant	119	60	59
Health Centre Sapley Square	15	0	15
VAT Partial Exemption	-184	0	-184
	<b>-253</b>	<b>-128</b>	<b>-125</b>

## ANNEX B

Timing Changes to 2009/10	2008/09 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
New Public Conveniences	-213	0	-213
Stray Dogs Kennels	-15	0	-15
Mobile Home Park	0	-168	168
Social Housing Grant	-1,271	0	-1,271
Decent Homes Insulation Grants	-266	-266	0
Ramsey Community Information Centre - Refurbishment	-11	0	-11
Leisure Centres Future Maintenance	-1,214	-143	-1,071
Leisure Centre – CCTV Improvements	-15	0	-15
St Ivo L C – Football Improvements	44	0	44
Sawtry L C - Impressions	-12	0	-12
St Neots L C – Development	-11	0	-11
Huntingdon LC - Development	285	0	285
Huntingdon Riverside Improvements	-142	0	-142
Headquarters Improvements	2,293	0	2,293
Printing Equipment	-308	0	-308
Corporate EDM	-129	0	-129
Voice and Data Infrastructure	62	0	62
Building Control Public Access System	-30	0	-30
ICT for New Accommodation	144	0	144
Business Systems	-94	0	-94
Customer First/Working Smarter	-147	0	-147
Ramsey Rural Renewal	-51	0	-51
New Industrial Units	-490	0	-490
Industrial Estates Repairs	-30	0	-30
Huntingdon Marina Improvements	-54	0	-54
Huntingdon Town Centre Developments	7	0	7
Heart Of Oxmoor	0	-300	300
Huntingdon Bus Station	-444	-150	-294
St Neots Pedestrian Bridges	-535	0	-535
Ramsey Transport Strategy	-44	0	-44
Other Minor Adjustments	-3	0	-3
<b>Forecast Adjustment to Programme for Deferrals</b>	<b>-2,694</b>	<b>-1,027</b>	<b>-1,667</b>