

CAPITAL MONITORING
2009/10 OUTTURN and 2010/11 BUDGET
(Report by the Head of Financial Services)

1. PURPOSE

1.1 This report highlights the outturn position for 2009/10 and the variations from the approved Capital Programme (February 2009). It then adjusts the 2010/11 Capital Programme for deferrals and any variations that are already forecast, requesting approval where necessary.

2 OUTTURN 2009/10

2.1 The Budget approved in February 2009 and subsequent adjustments are shown below:

Capital Programme Outturn	2009/10 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Approved Budget (February 2009)	23,187	5,391	17,796
Deferral of contributions and expenditure from 2008/09	1,654	2,744	-1,090
	24,841	8,135	16,706
Cost Variations Annex A	-1,027	-102	-925
Revenue to Capital Variations Annex A	158	0	158
Timing Changes to 2010/11 Annex B	-9,327	-5,021	-4,306
Actual Total Spending	14,645	3,012	11,633

2.2 The table below shows how the expenditure was financed. Capital Reserves are now depleted and capital spending is funded from borrowing and any in-year Capital Receipts.

Funding	£000
Gross Spending	14,645
External Grants and Contributions	-3,012
Net Spending	11,633
FINANCING	
Borrowing	10,737
Capital Receipts	896

- 2.3** Annex A shows the cost variations and four schemes have been identified with increased costs as shown below:

Cost Increases	2009/10 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
Hinchingbrooke Park – Café Extension	4	0	4
Heart of Oxmoor	13	0	13
Creative Enterprise Centre, St Neots	33	0	33
	50	0	50
Headquarters	586	0	586

- 2.4** The Café extension, at Hinchingbrooke Country Park, increase was due to some extra finishing works and the Heart of Oxmoor project, final work relating to the Coneygare cycle way, have pushed this large project, totalling over £6m, marginally over budget.
- 2.5** It was reported last year that the costs of the Creative Enterprise Centre in St Neots were yet to be finalised due to issues with the Earth Tube and related land drainage problems. The likely result will be an increase in costs of £43k (£33k in 2009/10 and £10k in 2010/11).
- 2.6** These three items will be funded by transferring £50k budget from savings on the other schemes listed in Annex A in accordance with the Code of Financial Management.
- 2.7** The extra cost of the Headquarters project is not yet final and a separate report will be submitted on this later in the year. It includes £175k of works to Castle Hill House which are now being undertaken by the council. This may be recovered through an increased sale price for Castle Hill House and will make marketing easier. It also allows the public realm space between the new Pathfinder House and Castle Hill House to be completed in time for a formal opening of the new building later in the year.
- 2.8** Other elements include a £200k provision for unresolved contractual claims and fees for professional advisers acting on behalf of the council to settle them, £100k to reconfigure the customer service centre to reflect the lessons learnt from the occupation of the temporary facility, £25k to realign the access road to control unauthorised car parking and a provision of £50k-£60k for works relating to enhanced security, first aid room and acoustic treatments in the first floor open plan office which was raised by the Safety Advisory Group.

3. MONITORING OF THE 2010/11 CAPITAL PROGRAMME

3.1 The Budget approved in February 2010 started with £9.81m and forecast schemes brought forward of £0.7m and a similar sum carried forward to 2010/11. Subsequent adjustments are shown below:-

Capital Programme	2010/11 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Approved Total Budget (February 2010)	17,629	7,819	9,810
Add brought forward from 2009/10	2,878	909	1,969
	20,507	8,728	11,779
Forecast Cost Variations			
Ramsey Library Development – Capital Receipt received in 2009/10	0	-120	120
Creative Enterprise Centre, St Neots	10	0	10
	10	-120	130
Current Forecast	20,517	8,608	11,909

3.2 The revenue impact of the variations to the original budget (approved in February 2010) is to reduce the net revenue 2010/11, but with some increases in the following years, as shown below.

Revenue Impact	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015
	£000	£000	£000	£000	£000
Timing Changes 2009/10 to 2010/11	-51				
Cost Variations					
2009/10	7	8	8	8	8
2010/11	1	4	4	4	4
TOTAL FORECAST VARIATION	-43	12	12	12	12

N.B. Based on indicative assumptions for asset lives and interest rates.

4 RECOMMENDATIONS

4.1 It is **recommended** that Cabinet note the contents of this report.

BACKGROUND PAPERS

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

Contact Officer – Steve Couper ☎ 01480 388103

ANNEX A

Cost Variations	2009/10 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
New Bids – approved February 2010			
E- Marketplace (Invest to Save)	26	0	26
Replacement Scanning Equipment (Customer Services)	9	0	9
	35	0	35
Variations – approved February 2010			
Stray Dog Kennels	-15	0	-15
New Public Conveniences	-112	0	-112
Sustainable Homes Retrofit	35	75	-40
Housing Repairs Assistance Private Sector Grants	-60	0	-60
Disabled Facilities Grants	-247	0	-247
Social Housing Grant	-564	0	-564
Decent Homes Works	-92	0	-92
St Neots Green Corridor (HGF)	210	210	0
St Neots Leisure Centre Development	400	0	400
Huntingdon Riverside Improvements	-500	0	-500
Headquarters	780	345	435
VAT Partial Exemption	-25	0	-25
Multi-functional Devices	-31	0	-31
Document Centre Replacement Equipment	-43	0	-43
Business Systems	-77	0	-77
GIS/LLPG	-25	0	-25
Wireless Working (Benefits)	-33	0	-33
Building Control Public Access	-18	0	-18
IMD Projects	-100	0	-100
VOIP Data Switches	18	0	18
Mobile Communications Van	0	15	-15
Huntingdon Town Centre Development	-6	0	-6
New Industrial Units (St Ives Enterprise Centre)	132	25	107
Huntingdon West Development (HGF)	-1,200	-1,200	0
Accessibility Improvement/Signs	-18	0	-18
Railway Station Improvements	-9	0	-9
	-1,600	-530	-1,070
Other Variations			
Air Quality Monitoring Equipment	15	15	0
LPSA Grants	105	105	0
Small Scale Environmental Improvements	-8	-8	0
Recycling Bins	9	9	0
Housing Repairs Assistance Private Sector Grants	-33	0	-33
Disabled Facilities Grants	-201	83	-284
CCTV – Extension of Coverage	-14	0	-14
<i>Hinchinbrooke Park – Café Extension</i>	4	0	4
St Neots Green Corridor (HGF)	240	240	0
Sawtry Leisure Centre Car Park	-4	0	-4
Community Facilities Grants	18	18	0

Cost Variations (continued)	2009/10 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Play Equipment & Safety Surface Renewal	54	54	0
Huntingdon Skateboard Park	67	67	0
Headquarters	586	0	586
VAT Partial Exemption	-67	0	-67
Mobile Communications Van (Capital Receipt)	0	-15	15
New Industrial Units (St Ives Enterprise Centre)	-25	125	-150
St Ives Enterprise C (Capital Receipt already received)	-285	-285	0
Creative Enterprise Centre, St Neots	33	0	33
Heart of Oxmoor	13	0	13
Cycleways	31	31	0
Capital Salaries overheads Cap/Rev (Externally funded schemes not recoverable)	0	-11	11
	538	428	110
Total Cost Variations	-1,027	-102	-925
CAPITAL/REVENUE ADJUSTMENTS			
Approved February 2010			
Small Scale Environmental Improvements Rev/Cap	7	0	7
Parks R & R Rev/Cap	60	0	60
Community Facilities Grants Cap/Rev	-20	0	-20
Centenary House Cap/Rev	-64	0	-64
IMD Projects Cap/Rev	-89	0	-89
ICT Desktop Replacements Rev/Cap	272	0	272
Staff recharges Rev/Cap	40	0	40
Capital Salaries overheads Cap/Rev	-232	0	-232
	-26	0	-26
Other Variations			
Air Quality Monitoring Equipment Rev/Cap	6	0	6
Wheeled Bins R & R Rev/Cap	72	0	72
Small Scale Environmental Improvements Rev/Cap	4	0	4
St Neots Green Corridor (HGF) Rev/Cap	25	0	25
Headquarters – Furniture Rev/Cap	15	0	15
Transportation Grant Rev/Cap	15	0	15
Staff recharges Rev/Cap	47	0	47
	184	0	184
Total Capital/Revenue Variations	158	0	158

KEY to Annexes A and B

New item this time
Adjusted value this time
No change from previous report

ANNEX B

Timing Changes	Based on Capital Programme approved in February:			
	2009			2010**
	Gross Budget	External Contributions	Net Budget	Net Budget
	£000	£000	£000	£000
Air Quality Monitoring Equipment	-9	0	-9	9
St Ives Town Centre Environmental Improvements–Ph 2	-376	0	-376	2
Village Residential Areas	-17	0	-17	17
Environment Strategy Funding	-27	0	-27	27
Sustainable Homes Retrofit	-211	0	-211	171
New Public Conveniences	-99	0	-99	-1
Mobile Home Park	0	-168	168	0
Social Housing Grant	-47	0	-47	47
Crime and Disorder Lighting Improvements	-30	0	-30	30
CCTV Camera Replacements	-78	0	-78	78
Ramsey Community Information Centre - Refurbishment	-11	0	-11	0
St Neots Green Corridor (HGF)	-80	-80	0	0
St Ivo Leisure Centre – Football Improvements	-1,414	-1,500	86	-86
St Ivo Leisure Centre – Rifle Range to Redevelopment	-539	0	-539	0
St Ivo Leisure Centre – Fitness Equipment to Redevelopment	-206	0	-206	0
St Ivo Leisure Centre – Outdoor Energy Generation	-127	0	-127	0
St Neots Leisure Centre – Development	-581	0	-581	581
Ramsey Leisure Centre – Fitness Equipment	-190	0	-190	0
Leisure Centres Future Maintenance	-310	-94	-216	888
Leisure Centres – CCTV Improvements	-15	0	-15	5
Community Facilities Grants	35	0	35	-35
Play Equipment & Safety Surface Renewal	-125	0	-125	125
Huntingdon Riverside – Improvements	-41	0	-41	41
Replacement Printing Equipment	-314	0	-314	84
Headquarters	37	-150	187	-187
Multi-functional Devices	-24	0	-24	24
Replacement Equipment Document Centre	-5	0	-5	5
Replacement Scanning Equipment Customer Services	-3	0	-3	3
Resourcelink – Recruitment Module	2	0	2	-2
Corporate EDM	-61	0	-61	0
Customer First/Working Smarter	-97	0	-97	8
Business Systems	32	0	32	28
Wireless Working (Benefits and Revenues)	-24	0	-24	24
ICT for New Accommodation	-39	0	-39	39
Government Connect	20	0	20	-20
Server Virtualisation and Network Storage	-200	0	-200	145
VOIP Telephony for Leisure Centres	-67	0	-67	22
ICT Desktop Replacements	-80	0	-80	80
E- Marketplace	-5	0	-5	5
Vehicles and Plant	-232	0	-232	232
Town Centre Developments	-21	0	-21	21
Ramsey Rural Renewal	-63	0	-63	20
New Industrial Units (St Ives Enterprise Centre)	-849	0	-849	250
Industrial Estate Repairs	-26	0	-26	26
Huntingdon Marina Improvements	-62	0	-62	0
Heart of Oxmoor	0	-1,829	1,829	0
Huntingdon West Development (HGF)	-1,200	-1,200	0	0
Local Transport Plan	-56	0	-56	-10
Bus Shelters	-2	0	-2	2
Huntingdon Bus Station	-888	0	-888	-2
St Neots Cambridge Road Car Park	-89	0	-89	9

Timing Changes (continued)	Based on Capital Programme approved in February:			
	2009			2010**
	Gross Budget	External Contributions	Net Budget	Net Budget
	£000	£000	£000	£000
Accessibility Improvement/Signs (Footpaths/Car Parks)	15	0	15	-15
Safe Cycle Routes	-296	0	-296	8
St Neots Transport Strategy	-84	0	-84	4
Huntingdon Transport Strategy	28	0	28	-28
St Neots Pedestrian Bridges	7	0	7	-7
St Ives Transport Strategy	-126	0	-126	-14
Ramsey Transport Strategy	-37	0	-37	-4
Railway Station Improvements	-20	0	-20	20
Total Deferrals based on 2009/10 budget	-9,327	-5,021	-4,306	2,669
20010/11 provision fro schemes deferred from 2009/10				-700
Total additional deferrals based on 2010/11 budget				1,969

**** The Capital Programme approved in February 2010 took account of a significant proportion of the deferrals that have emerged.**