

FINANCIAL MONITORING - CAPITAL PROGRAMME 2011/12
(Report by the Head of Financial Services)

1. PURPOSE

1.1 This report highlights the forecast variations from the 2011/12 Capital Programme approved in February 2011. It includes any member or officer decisions already taken in accordance with the Code of Financial Management.

2. MONITORING OF THE 2011/12 CAPITAL PROGRAMME

2.1 The Budget approved in February 2011 was £11.9m after allowing for a provision for schemes brought forward from 2010/11 and carried forward to 2012/13. Subsequent adjustments are summarised below:-

Capital Programme	2011/12 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Approved Total Budget (February 2011)	15,366	3,433	11,933
Actual brought forward from 2010/11	6,284	5,189	1,095
Less provision	-1,444	0	-1,444
	20,206	8,622	11,584
Supplementary Estimate			
Disabled Facilities Grant (September Cabinet)	1,116	-148	1,264
Forecast Cost Variations (Annex A)	-13	456	-469
Forecast Timing Changes (Annex B)	-11,652	-5,070	-6,582
Revenue to Capital Variations (Annex A)	107	0	107
Current Forecast	9,764	3,860	5,904

2.2 The revenue impact on the MTP of the 2010/11 outturn and subsequent variations is shown below.

Revenue Impact	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016
	£000	£000	£000	£000	£000
Timing Changes 2010/11 to 2011/12	12	0	0	0	0
Cost Variations	4	77	88	99	109
Timing Changes 2011/12 to 2012/13	-33	-144	0	0	0
Revenue/Capital Transfers	0	5	6	7	8
Revenue variations re timing changes	-38	63	-159	-251	-291
TOTAL FORECAST VARIATION	-55	1	-65	-145	-174

N.B. This table is based on a simplified basis for identifying the revenue impact of capital expenditure. Allowance has also been made for any revenue elements of the

changes as identified in the relevant MTP bid proposals. More accurate calculations will be included in the Draft Budget/MTP in December.

3. SIGNIFICANT ITEMS

- 3.1 Mortgage Redemption** Whilst the redemption of the mortgage has provided us with a capital receipt than can be used to fund other schemes there is a significant loss of interest as the rate was 7.25%.
- 3.2 Greenhouse Project** Some reduction in grant funding and revised sale values for properties. There will be a proposal to defer sale so promotion can be extended.
- 3.3 Invest to Save Schemes** A number of schemes have emerged as part of MTP review and they will only be progressed, in accordance with the Code of Financial Management, if a robust risk analysis demonstrates that they will at least break-even in revenue impact terms.
- 3.4 Revenue to Capital Transfer** Where appropriate, such transfers will be undertaken as they provide a beneficial revenue impact. One transfer is from a revenue grant received last year.
- 3.5 Additional Costs** The MTP review has identified some schemes with proposals for increases in the total capital or revenue impact. This report does not seek approval to those increases which will be considered as part of the draft budget in December. They are identified with \$\$.

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

Forecast Cost Variations	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Savings			
Building Efficiency Improvements \$\$	-17	0	-17
Wheeled Bin Replacements	-99	0	-99
Alconbury Flood Scheme	-31	-31	0
Town Centre Developments	-5	0	-5
Mortgage Redemption	0	549	-549
Vehicles	11	0	11
HQ Project	-2	0	-2
ICT Replacement & Server Virtualisation	-35	0	-35
Business Systems \$\$	-110	0	-110
Public Conveniences	-150	-150	0
Multi-Functional Devices	-35	0	-35
	-473	368	-841
Extra Cost			
Sustainable Homes Retrofit	85	15	70
	85	15	70
Invest To Save Schemes			
South Street Toilets	5	0	5
Mobile Home Park	0	73	-73
PV Panels – Eastfield House	111	0	111
PV Panels – Other locations	174	0	174
Call Centre CRM	20	0	20
	310	73	237
Technical			
Rule Change to Capital Overheads	117	0	117
Brought Forward Adjustment	-52	0	-52
	65	0	65
TOTAL COST VARIATIONS	-13	456	-469
Revenue to Capital			
E-forms	52	0	52
One Leisure Huntingdon Pure Spa Conversion	13	0	13
One Leisure St Ives - Outdoor Centre Car Park	42	0	42
	107	0	107

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

ANNEX B

Timing Changes to 2012/13 and beyond	2011/12 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Heart of Oxmoor \$\$	0	-1,366	1,366
Huntingdon West Development	-7,153	-2,430	-4,723
One Leisure St Ives Redevelopment \$\$	-2,950	0	-2,950
One Leisure Future Maintenance	-453	0	-453
Replacement Fitness Equipment	-77	0	-77
One Leisure Ramsey Development	-560	0	-560
CCTV Camera Replacements	-139	0	-139
Decent Homes	-148	-212	64
Social Housing Grant	-237	0	-237
Sustainable Homes Retrofit	0	-415	415
HQ Project	0	-150	150
ICT Replacement & Server Virtualisation	-7	0	-7
Working Smarter	-23	0	-23
Replacement Equipment Document Centre	-76	0	-76
One Leisure St Ives Football Improvements	-254	-497	243
Ramsey Rural Developments	-62	0	-62
Multi-Functional Devices	-13	0	-13
Reduction in provision for further slippage	500	0	500
	-11,652	-5,070	-6,582

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