



East
Northamptonshire
Council

Finance Sub-Committee – 25 June 2012

Capital Budget Outturn 2011/12 Report

Purpose of report: To detail capital expenditure against the approved budget for the year ended 31 March 2012.

Attachment

Appendix 1 - Capital Expenditure for 2011/12

1.0 Introduction

- 1.1 This report gives details of the Council's financial position against the approved capital budget. It provides an overview of the Council's expenditure against that approved capital budget for the financial year ending 31 March 2012, and highlights any significant under or overspending during the year. Revenue spending is reported separately.
- 1.2 The report is intended to highlight and provide explanations for high level variations. It sets out the high level variations of a material nature (over £10k) which have the potential to have a significant impact on the overall financial position of the Council. Detailed information on individual variations can be obtained from the budget holder.
- 1.3 The review of the Council's Medium Term Financial Strategy (MTFS) between December 2011 and February 2012 ensured the Council's capital programme was focussed on priorities and was affordable.

2.0 Capital Spending - Overview of 2011/12

- 2.1 When the budget was set the Council planned capital expenditure of £3,721k in 2011/12. This was increased during the year by £324k for a number of projects including:
- £225k for investment in recycling receptacles as part of the renewal of the waste contract (funded from savings arising from the contract)
 - £80k to reflect the investment in public conveniences.
- This gives a revised approved capital budget of £4,045k for 2011/12.
- 2.2 The actual capital expenditure during the year was £2,425k.
- 2.3 This is an underspend against the revised approved capital budget for 2011/12 of £1,620k, of this underspend:
- £770k relates to savings on completed projects / purchases, and
 - £850k is due to rescheduling expenditure to future years.
- 2.4 A full list of capital projects and their financial performance during 2011/12 are noted in Appendix 1.

2.5 The table 1 below shows the major variances during the financial year:

	2011/12
	£
Original Approved Budget	3,721,420
New Schemes Added:	
Public Conveniences	79,500
Recycling Receptacles	225,447
Greenway Phase 3	8,900
Revised Approved Budget	4,035,267
Savings:	
Rushden High Street public realm	(209,730)
Financial Support to Social Housing	(166,920)
SAN Server and other ICT systems and equipment	(125,450)
Regeneration Schemes	(123,870)
East Northamptonshire House repairs	(72,290)
Others	(61,590)
Rescheduling of expenditure:	
Nene Centre roof repair	(440,000)
Disabled Facilities Grants	(105,460)
IT Projects (incl. Data Infrastructure & replacement servers)	(51,840)
Splash Pool	(46,500)
HI 4 EM	(39,020)
Purchase of Company Cars	(36,710)
Replacement Dog Warden Vans	(33,200)
Stanwick Lakes - Infrastructure	(31,500)
Environmental Improvements	(20,000)
Rushden Centre	(20,000)
Others	(26,130)
2011/12 outturn	<u>2,425,057</u>

3.0 Capital Spending - Changes since Quarter 3

3.1 Members last reviewed the capital budget for 2011/12 at the meeting of the Finance Working Party on 2 February 2012 when considering the results for quarter 3 of 2011/12, to 31 December 2011.

3.2 In the final quarter of the financial year the spending forecast for the year moved from £2,704k to £2,425k a movement of £279k.

3.3 The table below sets out the main changes in spending in the last quarter of the year:

	2011/12
	£
Forecast Spending as at 31/12/2011	2,550,790
New Schemes Added:	
Recycling Receptacles	225,457
Industrial Units	10,000
Greenway Phase 3	8,900
	244,347
Revised Spending	2,795,137
Savings:	
Financial Support to Social Housing	(166,920)
Rushden High Street public realm	(39,730)
Others	(1,050)
	(205,600)
Rescheduling of expenditure:	
Disabled Facilities Grants	(105,460)
HI 4 EM	(39,020)
Rushden Centre	(20,000)
	(164,480)
Actual 2011/12 outturn	<u>2,425,057</u>

4.0 Capital Funding 2011/12

4.1 The table below sets out the budgeted and actual income sources used to finance the Council's capital spending in 2011/12:

Funding Source	Revised Approved Budget £'000	Actual £'000	Variance £'000
Capital Reserves	3,326	1,716	1,610
Revenue Contribution (Waste contract savings to finance waste receptacles)	225	225	0
Government Grants & Contributions			
Disabled Facilities Grant	262	262	0
Other Grants & Contributions	213	213	0
Section 106	9	9	0
Total Government Grants & Contributions	484	484	0
Total Funding	4,035	2,425	1,610

Note:

- Revised Approved Budget reflects budget agreed by Council in February 2011 and changes approved by Policy & Resources Committee and Council during 2011/12. See table in paragraph 2.5.

5.0 Capital Reserves

5.1 The impact on capital reserves is set out in **Table 2** below:

	£'000	£'000
Capital reserves at 1 April 2011		3,430
Capital Receipts Received during 2011-12	203	
Transfer between reserves & grants unapplied	-15	
Less: Reserves contribution 2011/12	-1,716	
Forecast capital reserves at 31 March 2012		1,902

5.2 In addition to the capital reserves of £1,902k the Council also has £362k of unapplied capital grants and some section 106 funding, which have been received but not yet spent. These are planned to be spent against future schemes in the approved capital programme.

5.3 The remaining capital reserves are due to be used in 2012/13. The proposals for funding the capital programme for 2012/13 and beyond were agreed as part of the Council's Medium Term Financial Strategy in February 2012. In addition to use of capital reserves these included government grants, section 106 contributions, sale of assets and temporary borrowing.

6.0 Recommendation

6.1 It is recommended that the current capital outturn position be noted.

(Reason – this is an information / monitoring report – no decision required)

Legal	Power:	
	Other considerations:	

Background Papers: None					
Person Originating Report: Glenn Hammons - Chief Finance Officer					
Date: 12 June 2012					
CFO		MO		CX	

(Committee Report Normal Rev. 22)

EXPENDITURE SUMMARY	2011/12						
	Current Budget £	Estimated Outturn £	Actual £	Variance Act v Bud £	Variance Act v Q3 £	Request to Roll Fwr'd. £	Reason
Housing Projects	778,590	778,590	506,209	(272,381)	(272,381)	105,460	
Leisure and Tourism Projects	671,000	122,000	99,333	(571,667)	(22,667)	524,000	
Environment Projects	1,814,587	1,480,927	1,399,759	(414,828)	(81,168)	77,310	
Central Services Projects	145,290	31,160	31,163	(114,127)	3	21,840	
Corporate Systems	458,600	275,170	281,306	(177,294)	6,136	51,840	
Industrial Units Projects	20,000	30,000	29,997	9,997	(3)	-	
Vehicle Replacements	147,200	77,290	77,290	(69,910)	-	69,910	
Total	4,035,267	2,795,137	2,425,057	(1,610,210)	(370,080)	850,360	

Housing Projects	Responsible Officer	2011/12						Reason
		Current Budget £	Estimated Outturn £	Actual £	Variance Act v Bud £	Variance Act v Q3 £	Request to Roll Fwr'd. £	
Disabled Facilities Grants	Mike Deacon	611,670	611,670	506,209	(105,461)	(105,461)	105,460	Carry forward required for works already committed but not yet done (note: additional £25k grant received in year to off-set the councils contribution).
Financial Support to Social Housing	James Wilson	166,920	166,920	-	(166,920)	(166,920)		No Requests for spend in 11/12
Total		778,590	778,590	506,209	(272,381)	(272,381)	105,460	

Leisure and Tourism Projects	Responsible Officer	2011/12						Reason
		Current Budget £	Estimated Outturn £	Actual £	Variance Act v Bud £	Variance Act v Q3 £	Request to Roll Fwr'd. £	
Village Hall Development	Lisa Hyde	55,000	55,000	32,338	(22,662)	(22,662)		Less grants applications in 11/12
Leisure Loans	Katy Everitt	25,000	-	-	(25,000)	-		Not required for 2011-12.
The Pemberton Centre Rushden	Katy Everitt	6,000	-	-	(6,000)	-	6,000	Pending decision from members on future of Leisure
Nene Community Centre - Roof	Katy Everitt	440,000	-	-	(440,000)	-	440,000	As per FWP 21 Sep 2011
Splash Pool	Katy Everitt	63,500	17,000	16,995	(46,505)	(5)	46,500	Pending decision from members on future of Leisure
Stanwick Lakes - Infrastructure	Lisa Hyde	81,500	50,000	50,000	(31,500)	-	31,500	As per P&R reports.
Total		671,000	122,000	99,333	(571,667)	(22,667)	524,000	

Environment Projects	Responsible Officer	2011/12						Reason
		Current Budget £	Estimated Outturn £	Actual £	Variance Act v Bud £	Variance Act v Q3 £	Request to Roll Fwrd. £	
Public Conveniences	Katy Everitt	79,500	79,500	79,500	-	-		As per Council meeting 18 Jul 2011
Recycling Receptacles	Mike Deacon	433,987	433,987	433,987	-	-		Wheeled bins purchased and funded with revenue contribution (funded by savings from new contract)
Environmental Improvements	Lisa Hyde	20,000	-	-	(20,000)	-	20,000	Current ABI ending this year with no plans to spend the capital budget 11/12, however, funds will be required for a new Community Development strategy that is being prepared for future years.
Regeneration Schemes	James Wilson	123,870	-	-	(123,870)	-		Not needed as per budget holder 12 Jan
Greenway Phase3	James Wilson	8,900	8,900	8,900	-	-		Spend Approved under P & R min 82. To be funded from Sec106 Income
HI 4 EM	Mike Deacon	39,810	39,810	784	(39,026)	(39,026)	39,020	Grant funded - carry forward required for completion of surveys.
District Car Parks	Katy Everitt	16,120	4,170	5,670	(10,450)	1,500	10,450	Ongoing work on district car parks
Road Adoption Kingsmead Kings Cliffe	Katy Everitt	2,400	-	-	(2,400)	-	2,400	Work will not start in 11/12
Allen Road Adoption	Katy Everitt	45,000	45,000	41,090	(3,910)	(3,910)		NB: 50% of this should be claimed back from County Council once work completed
Closed Churchyard, Polebrook	Katy Everitt	10,000	4,560	4,557	(5,443)	(3)	5,440	Ongoing work
Rushden, High Street - Public Realm	James Wilson	1,035,000	865,000	825,270	(209,730)	(39,730)		RRPB meeting 03/11/11
Total		1,814,587	1,480,927	1,399,759	(414,828)	(81,168)	77,310	

Central Services Projects	Responsible Officer	2011/12						Request to Roll Fwd. £	Reason
		Current Budget £	Estimated Outturn £	Actual £	Variance Act v Bud £	Variance Act v Q3 £			
ENH Capital Repairs	Katy Everitt	72,290	-	-	(72,290)	-		No longer required	
Rushden Centre Ongoing	Katy Everitt	40,000	-	-	(40,000)	-	20,000	£20k Purchase of boilers delayed in 11/12, will now be done 12/13	
Colour Printer	Katy Everitt	33,000	31,160	31,163	(1,837)	3	1,840	NB: Capital bid has been prepared for 12/13 budget to purchase new copier/scanner. The c/f of this was used in calculating the amount required	
Plan Printer	Katy Everitt				-	-			
Total		145,290	31,160	31,163	(114,127)	3	21,840		

Vehicle Replacements	Responsible Officer	2011/12						Request to Roll Fwd. £	Reason
		Current Budget £	Estimated Outturn £	Actual £	Variance Act v Bud £	Variance Act v Q3 £			
Replacement Dog Warden Vans	Mike Deacon	33,200		-	(33,200)	-	33,200	Delayed replacement of vehicles. Replacements will be required 12/13 £16,600 and 13/14 £16,600	
Purchase of Company Cars	Katy Everitt	114,000	77,290	77,290	(36,710)	-	36,710	Decision to close scheme not taken.	
Total		147,200	77,290	77,290	(69,910)	-	69,910		

Industrial Units Projects	Responsible Officer	2011/12						Request to Roll Fwd. £	Reason
		Current Budget £	Estimated Outturn at Q3 £	Actual £	Variance Act v Bud £	Variance Act v Q3 £			
Industrial Units	Katy Everitt	20,000	30,000	29,997	9,997	(3)		Additional cost of relates to emergency subsidence work as reported to FWP in Feb 2012. Additional £20k was added to programme for 12/13 by as part of budget process.	
Total		20,000	30,000	29,997	9,997	(3)	-		

Corporate Systems	Responsible Officer	2011/12						Request to Roll Fwd. £	Reason
		Current Budget £	Estimated Outturn £	Actual £	Variance Act v Bud £	Variance Act v Q3 £			
Service Transformation Programme	Gareth Jones	10,000	-	-	(10,000)	-	4,340	Aerial photos - still in dispute	
Replacement PC'S, Monitors & Laptops	Gareth Jones	56,500	50,110	50,108	(6,392)	(2)			
Replacement Printers & Scanners	Gareth Jones	33,000	-	-	(33,000)	-	6,000	Slippage as per G Jones	
Replacement Servers	Gareth Jones	20,000	5,510	5,514	(14,486)	4	13,500	Slippage due to time/resource restraints	
Replacement Sun Server	Gareth Jones	21,400	21,040	21,026	(374)	(14)			
Data Infrastructure Equipment	Gareth Jones	28,000	-	-	(28,000)	-	28,000	Slippage to 2012/13 required as 'Core switches' will not be replaced this financial year (still unclear of requirements)	
Licences	Gareth Jones	73,700	73,700	79,327	5,627	5,627		Performance Plus licence purchased on a 3 year agreement to obtain better deal overall	
Storage/Replacement SAN	Gareth Jones	111,000	49,890	49,885	(61,115)	(5)		Joint project with BCW & CBC gave way to negotiating a better deal resulting in significant savings	
Council Chamber Project Screen	Gareth Jones				-	-			
Security Systems/GovConnect	Gareth Jones	10,000	10,000	10,528	528	528			
CAPS Solutions/ERMS	Gareth Jones	52,500	22,030	22,033	(30,467)	3		Planned updates to ERMS no longer required as the system goes out of support mid 2012	
Revenues and Benefits Upgrade	Gareth Jones	30,000	30,730	30,730	730	-			
CRM Upgrades	Gareth Jones	12,500	12,160	12,155	(345)	(5)			
Total		458,600	275,170	281,306	(177,294)	6,136	51,840		