

BRECKLAND DISTRICT COUNCIL

Report of Michael Wassell, Executive Member for Finance and Democratic Services

To: Cabinet: 8th May 2012

(Author: Mark Finch – Assistant Director Finance)

Subject: CAPITAL PROGRAMME OUTTURN REPORT 2011/12

Purpose

This report sets out the out-turn position of Breckland's capital programme for 2011/12. It shows the outturn on capital schemes in the 2011/12 capital programme along with the resources used to fund the programme.

Recommendations

To recommend to Full Council that:

The final capital budget, outturn position and funding for 2011/12 and the capital budget and funding for the revised 2012/13 Capital Programme as detailed in Appendix A and B are approved.

1.0 BACKGROUND

1.1 Capital investment plays a key role in helping the Council to achieve its long term objectives. This report shows the out-turn position on capital schemes in the 2011/12 Capital Programme along with the resources used to fund the programme.

The table below shows the final budget for the Capital Programme for 2011/12 following supplementary approvals compared to the original estimate of £3,193,174.

Amendments to the programme have previously been reported to Cabinet and approved by Council plus there have been other specific approvals by Council culminating in a revised estimate of £3,970,092.

Portfolio	Original Budget		Final Budget	
	Value of schemes	No. of schemes	Value of schemes	No. of schemes
Place and Governance	220,683	2 (inc misc match funding)	211,941	1 - misc match funding
Commissioning	2,972,491	27	3,834,613	30
Total	3,193,174	29	4,046,554	31

1.2 The following table shows the out-turn position of £2,074,401, an under-spend of £1,972,153 against the final budget.

	Value of schemes £	Outturn £	Variance £
Place and Governance	211,941	57,046	(154,895)
Commissioning	3,834,613	2,017,355	(1,817,258)
Total	4,046,554	2,074,401	(1,972,153)

Appendix A provides more detail on the budget, virements and actual spend.

1.3 A summary of funding - The following table details the original and final funding figures for the capital programme.

Funding type	Original budget £	Final budget £	Final out-turn £
Capital reserves	2,386,632	3,254,725	1,595,429
Revenue Funding	-	-	-
Specific grants	806,542	791,829	402,510
Specific reserves	-	-	76,462
Total	3,193,174	4,046,554	2,074,401

Appendix B provides more detail on how the 2011/12 capital programme is proposed to be funded. The grant funding not applied will be carried forward to 2012/13.

1.4 Request for variation to the 2012/13 Capital programme - A detailed summary showing the outturn is attached at **Appendix A**. This also details the request to carry over £1,968,840 from 2011/12 to 2012/13. The balance of £3,313 is a saving against the 2011/12 capital programme. Against each project is a narrative detailing why a request to carry over funding is being made. This report requests that the final budget, outturn position and funding for 2011/12 and the budget and funding for the revised 2012/13 capital programme is approved.

Where funding has not already been released, schemes will require suitable business cases to be prepared which will be evaluated by the appropriate Committee.

It is recommended that the increase in value of the 2012/13 capital programme of £1,968,840 is financed from available capital funding as follows:

Capital receipts	£1,581,521
Specified capital grant	£387,319
Total	£1,968,840

Should any of the schemes highlighted in Appendix A not receive approval to be included in the 2012/13 capital programme, the figures would be adjusted downwards and should the final outturn be amended as a result of the final accounts process, figures will also be adjusted.

- 1.5 Capital receipts outturn - The original estimate for capital receipts was £675,000. However, the actual receipts for 2011/12 were £836,438. Income from sales of land and property are shown below:

	£
Share of proceeds from sale of Dereham Pool	430,381
St Andrew's Close Old Buckenham	112,000
West Road, Watton	10,000
Right to Buy receipts	284,057

- 1.6 Capital Financing Requirement (CFR) - The table below shows the CFR which is a Prudential Indicator and shows the underlying need to borrow. Based on the expected position at the end of 2011/12, the CFR position is as per the table below. It shows that at the end of 2014/15 there is expected to be £653,000 funding available to fund additional capital activity not currently budgeted for (based on current approved programme and expected receipts). As set out in the budget report to Council in January, additional receipts may be forthcoming in respect of land sales and development agreements but as these are not certain they are not included in the table below. If additional capital receipts are received then this will enable additional capital activity subject to approval.

Summary of Estimated Capital Resources

Resources	2011/12 (£'000s)	2012/13 (£'000s)	2013/14 (£'000s)	2014/15 (£'000s)
Opening Balance	(2,881)	(1,997)	2,194	6,993
Movement in year	884	4,191	4,799	1,483
CFR as per Prudential Code	(1,997)	2,194	6,993	8,476
PFI Liability	(9,660)	(9,492)	(9,315)	(9,129)
Underlying Borrowing requirement	(11,657)	(7,298)	(2,322)	(653)

2.0 ALTERNATIVE OPTIONS

- To recommend to Full Council that the final capital budget, outturn position and funding for 2011/12 and the capital budget and funding for the revised 2012/13 Capital Programme as detailed in Appendix A and B are approved.
- To make changes to Appendix A and B before recommending to Full Council that the final capital budget, outturn position and funding for 2011/12 and the capital budget and funding for the revised 2012/13 Capital Programme as detailed in Appendix A and B are approved.

3.0 REASONS FOR RECOMMENDATION

The recommendation will ensure the capital programme for 2012/13 is amended along with the necessary funding.

4.0 EXPECTED BENEFITS

The final out-turn position represents the Council's performance against budget for the last year and therefore there is no expected benefit from this in the future.

By approving the revised 2012/13 Capital Programme as detailed in Appendix A and B, this will ensure the Council can deliver its planned capital projects.

5.0 IMPLICATIONS

5.1 Legal None

5.2 Risk I have completed the risk management questionnaire and I can confirm that risk has been given careful consideration and that there are no significant risks identified associated with the information in this report

5.3 Financial The report is of a financial nature and the financial implications are included within the report

5.4 Equalities

a) Equalities: None

b) Section 17, Crime and Disorder Act 1998: None

c) Section 40, natural Environment and Rural Communities Act 2006:
None

d) Human resources: None

e) Human Rights: None

f) Other: None

6.0 Stakeholders / Consultation – Budget holders have been consulted on their out-turn against budgets and the reasons behind any major variances and also for any requests relating to carry over requests.

7.0 Contracts – See Appendix A for contractual arrangements against individual schemes.

8.0 ALIGNMENT TO COUNCIL PRIORITIES

8.1 The capital programme is aligned to the Council priorities

9.0 WARDS/COMMUNITIES AFFECTED

9.1 This report is an internal performance report and therefore does not affect any wards/communities directly

Background Papers - None

Lead contact officer

Name/Post: Margaret Bailey, Senior Accountant (Capital and Treasury)

Telephone Number: 01362 656218

Email: Margaret.bailey@breckland.gov.uk

Key decision

This is a key decision

Appendices attached to this report

Appendix A – Capital programme outturn 2011/12 and budget carry over

Appendix B – Capital financing 2011/12