

BRECKLAND DISTRICT COUNCIL

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

To: Cabinet - 7 May 2013

(Author: Mark Finch, Assistant Director Finance)

Subject: Capital Programme Outturn Report 2012-13

Purpose: This report sets out the outturn position of Breckland's capital programme for 2012/13. It shows the outturn on capital schemes in the 2012-13 capital programme, along with the resources used to fund the capital programme.

Recommendation(s):

To recommend to Full Council that:

The final capital budget, outturn position and funding for 2012-13 and the capital budget and funding for the revised 2013-14 capital programme as detailed in Appendix A and B are approved.

1. BACKGROUND

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 2012/13 Capital Programme along with the resources used to fund the programme.

Capital Programme

The table below shows the final budget for the Capital Programme for 2012/13 following supplementary approvals compared to the original estimate of £5,741,010.

Amendments to the programme (including some budget carry over to 2013/14) have previously been reported to Cabinet and approved by Council plus there have been new approvals during the year culminating in a revised estimate of £3,770,474.

Portfolio	Original Budget		Final Budget	
	Value of schemes	No. of schemes	Value of schemes	No. of schemes
Place and Governance	254,895	10*	456,758	8*
Commissioning	5,486,115	29	3,313,716	31
Total	5,741,010	39	3,770,474	39

* Match funding schemes shown as individual projects

The following table shows the out-turn position of £2,017,180, an under-spend of £1,753,294 against the final budget.

	Value of Schemes £	Outturn £	Variance £
Place and Governance	456,758	238,529	218,229
Commissioning	3,313,716	1,778,651	1,535,065
Total	3,770,474	2,017,180	1,753,294

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

Capital Programme 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	4,672,891	2,220,789	719,217
Revenue Funding	-	-	-
Specific grants	974,890	1,182,812	931,090
PFI prepayment	-	201,863	201,863
Reserve			
Specific Reserves	93,229	165,010	165,010
Total	5,741,010	3,770,474	2,017,180

Appendix B provides more detail on how the 2012/13 capital programme is proposed to be funded. The grant funding not applied will be carried forward to 2013/14.

Request for variation to the 2013/14 Capital programme

A detailed summary showing the expected outturn is attached at **Appendix A**. This also details the request to carry over £1,618,451 from 2012/13 to 2013/14. The balance of £134,843 is a saving against the 2012/13 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 2012/13 and the budget and funding for the revised 2013/14 capital programme is approved.

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

It is recommended that the increase in value of the 2013/14 capital programme of £1,618,451 is financed from available capital funding as follows:

Capital reserves	£1,386,805
Specific Grants	£231,646
Specific Reserves	£0
Total	£1,618,451

Should any of the schemes highlighted in Appendix A not receive approval to be included in the 2013/14 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.

Capital Receipts Out-turn

The original estimate for capital receipts was £865,000. However, the actual receipts for 2012/13 were £142,000. Income from sales of land and property are shown below:

	£
Sale of 11a Roman Way	£72,000
Sandringham Way, Swaffham	£70,000
*Total	£142,000

*A further £104,000 is expected from Right to Buy Receipts.

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 2012/13, the CFR position is as per the table below. It shows that at the end of 2014/15, unless additional receipts are generated there is a shortfall in funding of £79,000. As indicated in the budget report to Council, a full review of spend and expected receipts will take place in 2013/14 to ensure the capital programme remains affordable.

Summary of Estimated Capital Resources

Resources	2012/13 (£'000s)	2013/14 (£'000s)	2014/15 (£'000s)	2015/16 (£'000s)
Opening CFR	(2,540)	(1,963)	6,996	9,208
Movement in year	577	8,959	2,212	835
CFR as per prudential code	(1,963)	6,996	9,208	10,043
PFI Liability	(9,492)	(9,315)	(9,129)	(8,933)
Underlying Borrowing requirement	(11,455)	(2,319)	79	1,110

2. OPTIONS

To recommend to Full Council that the final capital budget, outturn position and funding for 2012/13 and the capital budget and funding for the revised 2013/14 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 2012/13 and the capital budget and funding for the revised 2013/14 Capital Programme as detailed in Appendix A and B are approved.

3. REASONS FOR RECOMMENDATION

The recommendation will ensure the capital programme for 2013/14 is amended along with the necessary funding.

4. 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 2013/14 Capital Programme as detailed in Appendix A and B, this will ensure the Council can deliver its planned capital projects.

5. IMPLICATIONS

5.1 Legal - None

5.2 Risks – 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 **Timescales** – This report reports on 2012-13 performance and revised budget for 2013-14.
- 5.5 **Equality and Diversity** - None
- 5.6 **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.
- 5.7 **Contracts** – See Appendix A for contractual arrangements against individual schemes
- 5.8 **Section 17, Crime & Disorder Act 1998** - None
- 5.9 **Other** - None

6. WARDS/COMMUNITIES AFFECTED

Background papers:- *None*

Lead Contact Officer

Name/Post: Margaret Bailey/Senior Accountant

Telephone Number: 01362 656218

Email: margaret.bailey@breckland.gov.uk

Director/Officer who will be attending the Meeting

Name/Post: Mark Finch/Assistant Director Finance

Key decision

This is a key decision

Appendices attached to this report:

Appendix A – Capital programme outturn 2012/13 and budget carry over

Appendix B – Capital financing 2012/13