



## CABINET REPORT

<b>Report Title</b>	<b>Draft Capital Programme Outturn 2010-11 &amp; Carry Forward to 2011-12</b>
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**AGENDA STATUS:**                      **Public**

<b>Cabinet Meeting Date:</b>	27 <sup>th</sup> July 2011
<b>Key Decision:</b>	No
<b>Listed on Forward Plan:</b>	Yes
<b>Within Policy:</b>	Yes
<b>Policy Document:</b>	No
<b>Directorate:</b>	Finance & Support
<b>Accountable Cabinet Member:</b>	Alan Bottwood
<b>Ward(s)</b>	Not applicable

### 1. Purpose

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1.1 The purpose of the report is:

a) To inform Cabinet of:

- The outturn expenditure and funding position, subject to audit, for the Council's capital programme for 2010-11.
- The carry forward of unfinished schemes from 2010-11 into the Council's capital programme for 2011-12.

### 2. Recommendations

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2.1 That Cabinet note the outturn position for the Council's capital programme for 2010-11 and how the expenditure was financed.

2.2 That Cabinet approve the carry forward of unfinished capital schemes from 2010-11 into the 2011-12 capital programme.

### 3. Issues and Choices

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#### 3.1 Report Background

3.1.1 Council approved the Council's original capital programme for 2010-11 on 25th February 2010. Changes to the capital programme have been approved at Cabinet meetings throughout 2010-11.

#### 3.2 Issues

##### 2010-11 Capital Outturn

3.2.1 The Council's final approved budget for capital programme expenditure in 2010-11, agreed by Cabinet on 16 March 2011, was £34.65m. The original budget was £25.49m. Increases during the year were due to schemes brought forward from 2009-10 of £4.70m and additions approved by cabinet during the year of £4.46m. These additions included £2.25m to facilitate the move from Cliftonville and new ways of working and a range of new and increased schemes financed from additional external funding.

3.2.2 The overall capital programme includes revenue expenditure funded from capital under statute (REFCUS). This is expenditure, such as grants to homeowners for disabled facilities and redundancy costs, which can be funded from capital resources under statute and regulations.

3.2.3 Capital expenditure for 2010-11 totalled £20.246m against the final approved budget of £34.649m.

3.2.4 The position by Directorate is summarised below, with further details set out in Annex A, along with explanations of the reasons for any significant variances.

<b>Capital Expenditure 2010-11</b>	<b>Final Approved Budget</b>	<b>Outturn</b>	<b>Variance</b>
<b>GF</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Finance & Support	2.477	1.194	1.283
Chief Executive	0.219	0.147	0.72
Environment & Culture	1.613	0.784	0.829
Planning & Regeneration	7.608	2.380	5.228
Housing General Fund	6.058	3.915	2.143
<b>HRA</b>			
Housing	16.674	11.826	4.848
<b>Total</b>	<b>34.649</b>	<b>20.246</b>	<b>14.403</b>

3.2.5 The table below shows how the capital programme for 2010-11 has been funded. In line with the approved Capital Strategy and the Treasury Management Strategy, capital receipts have been utilised to fund expenditure on short-life assets whilst prudential borrowing has been used where assets have a longer life. This earlier use of receipts means that more borrowing will be used to fund 2011-12 expenditure.

3.2.6

<b>Financing of Capital Programme 2010-11</b>	<b>General Fund</b>	<b>HRA</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Supported Borrowing		0.500	0.500
Prudential Borrowing	2.911		2.911
Capital Receipts	1.804	0.679	2.483
Major Repairs Allowance		10.122	10.122
Government Grants	3.356	0.393	3.749
Third Party Contributions	0.156	0.132	0.288
Revenue Contributions	0.193		0.193
<b>Total</b>	<b>8.420</b>	<b>11.826</b>	<b>20.246</b>

### **Capital Carry forward 2010-11**

3.2.7 The table below shows the amount of carry forward to be brought forward from 2010-11 into the 2011-12 capital programme. Of the amounts shown below, £11.810m is committed expenditure.

3.2.8 In addition to this, some of the uncommitted carry forward is part grant funded and if the schemes are cancelled, not all of the funding would be available for other purposes; much of this grant funding is match funding and so reductions in the scheme budget would put that grant funding at risk. Details are shown on a scheme by scheme basis at Annex B.

3.2.9 Schemes managed by asset management are subject to virements undertaken, under delegated powers within 2011/12 (details are shown in the Finance Monitoring Dashboard report to the End of May 2011 (elsewhere on this agenda), which have been requested in order to balance the programme with a revised spend profile.

<b>Capital Carry forward 2010-11</b>	<b>£m</b>
<b>General Fund</b>	
Finance & Support	1.662
Environment & Culture	0.842
Planning & Regeneration	3.167
Assistant Chief Exec	0.069
Housing General Fund	2.135
<b>HRA</b>	
Housing	4.815
<b>Total</b>	<b>12.789</b>

3.2.10 The carry forward schemes will be incorporated into the 2011-12 agreed capital programme and monthly monitoring information on these schemes will be reported to Cabinet during the year on a regular basis, the first of which is elsewhere on this agenda. These reports also include details of the financing of the overall programme, including carry forward.

### **3.3 Choices (Options)**

3.3.1 Cabinet are asked to note the capital outturn information contained in this report.

3.3.2 Cabinet are asked to agree the budgets to be carried forward to 2011-12.

## **4. Implications (including financial implications)**

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### **4.1 Policy**

4.1.1 All schemes within the capital programme are within existing policy.

### **4.2 Resources and Risk**

4.2.1 All schemes included in the capital programme, or put forward for approval, are fully funded, either through borrowing, internal resources or external funding arrangements.

4.2.2 Any revenue budget implications related directly to the capital projects themselves are set out in the capital project appraisals, and fed into revenue budget planning as appropriate (i.e. through revenue budget monitoring, budget build or medium term financial planning).

4.2.3 Financial and non-financial risks related to the capital projects are addressed in the capital project appraisals.

### **4.3 Legal**

4.3.1 Legal implications related to the capital projects are addressed in the capital project appraisals.

4.3.2 There are no specific legal implications arising from this report.

### **4.4 Equality**

4.4.1 Equalities implications related to the capital projects are addressed in the capital project appraisals. Many of the schemes in the programme are specifically targeted at addressing equalities issues.

### **4.5 Consultees (Internal and External)**

4.5.1 The capital project appraisals and project variations for schemes in the programme have been put together by the Project Manager, in consultation with:

- The Budget Manager
- The Finance Manager (Capital & Treasury)
- The Corporate Director (or the Chief Executive)
- The Member with Portfolio,
- The Section 151 Officer

4.5.2 In respect of consultation with stakeholders on individual schemes, details are contained within the capital project appraisals

### **4.6 How the Proposals deliver Priority Outcomes**

4.6.1 The extent to which each project meets the Council's objectives and priorities is described within the individual capital project appraisals.

4.6.2 The use of capital project appraisals to determine and agree capital schemes in accordance with the objectives and priorities of the authority, and the effective monitoring and reporting of capital programme activity, support Council's Priority No 8: Quality Services.

### **4.7 Other Implications**

4.7.1 There are no other specific implications arising from this report.

## **5. Background Papers**

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5.1 Capital programme budget setting and monitoring reports to Cabinet throughout 2010-11.

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