

REPORT TO EXECUTIVE



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PORTFOLIO	Resources
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2010/2011 Capital Programme – Outturn Position

PURPOSE

1. a) To report to Members on the performance of the 2010/2011 capital investment programme.
- b) Present to Members the financing of capital expenditure incurred during 2010/2011.
- c) Recommend to Full Council, a revised 2011/2012 capital budget after incorporating reverse slippage and carry forward commitments from 2010/2011.

RECOMMENDATION

2. (1) That the Executive note the final position on capital spending and financing for 2010/2011; and

(2) That the Executive recommend Full Council to approve a revised capital budget for 2011/2012 totalling £11,752,548 as outlined in Appendix 4.

REASONS FOR RECOMMENDATION

3. a) To report to Members the final capital outturn position for 2010/2011.
- b) To provide budget provision within the 2011/2012 capital programme, for those schemes contractually committed during 2010/2011 where work has slipped into 2011/2012.
- c) Approve resources originally identified within the 2011/2012 capital programme being utilised early to finance expenditure incurred within the outturn position for 2010/2011, termed “reverse slippage”.

SUMMARY OF KEY POINTS

4. **Final Spend compared with Budget:**

After incorporating all the recommendations approved throughout the financial year, the original budget of £19,556,403 [approved at Full Council on 24th February 2010] was revised down to a final position of £12,407,953 [per the 6th April 2010 Executive]. A reduction of £7,148,450.

The corporate reasoning behind reducing the original capital budget by £7m was a direct link to the Government announcing late in 2010, that the Housing Market Renewal Programme [HMR] was to end and all future funding would cease after the 2010/2011.

In light of the Government decision, coupled with the Council being aware that there were no indications of any further Capital Housing Investment resources likely to be made available to Local Authorities during 2011/2012, early in autumn 2010, the decision was taken by Members, to slow down the Council's capital programme. Thus enabling the Council to carry out a much reduced Housing Investment Programme during 2011/2012 financed from resources being carried forward from 2010/2011.

The other key project within the £7m budget reduction was the Weavers Triangle Programme, where nearly £2m of external funding originally approved within the 2010/2011 capital budget was reprofiled into 2011/2012.

The decisions taken during 2010 to reduce the original budget by £7m were reported through to the Executive in January and subsequently March of 2011 within both the cycle 3 and cycle 4 capital monitoring reports.

Appendix 1 to this report shows in graph form the movements in the capital programme, from the original budget set in February 2010 of £19m until the final budget position as at 6th April 2011, totalling £12m. The graph also shows Members the progress of capital expenditure throughout the financial year and how through budget monitoring and feedback from project officers on anticipated scheme delivery, budget projections were reprofiled in line with these forecasts.

5. **2010/2011 Resources Utilised**

In order to finance the outturn position of capital expenditure totalling £11,814,283 an element of capital resources were identified and subsequently utilised, additional to those resources approved within the final capital budget position of £12,407,953. The amount of additional resources utilised totalled £337,354, split between;

- £30,882 from a combination of revenue contributions, usable capital receipts and third party contributions being utilised to finance elements of the Education & Enterprise Zone Public Realm, Princess Way Gateway project as well as to finance the Tourist Information scheme expenditure.
- £306,472 of "reverse slippage" utilising in advance resources originally approved within the 2011/2012 capital programme approved at Full Council on 24th February 2011. To finance expenditure incurred within the last few weeks of the 2010/2011

financial year.

Resulting in a final resources position of **£12,745,307** available to finance the capital expenditure outturn position.

In complying with the prudential borrowing criteria, whereby, only capital expenditure relating to Council owned assets has been financed from this source of funding. As part of financing expenditure it was decided to utilise a further £124,684 of prudential borrowing to preserve scarce capital receipts. [£60,000 related to the CCTV System and Facility Upgrade and the remaining £64,684 related to the works carried out on Council buildings associated with DDA compliance].

At the end of the financial year, £5,385,292 of “local resources” being capital receipts and contributions were available to finance expenditure incurred during 2010/2011. A total of £1,785,534 was utilised, leaving £3,559,334 being carried forward into 2011/2012, of which £3,375,627 has been committed for future years capital investment needs.

6. **2010/2011 Expenditure Outturn Position**

The outturn level of expenditure incurred for 2010/2011 totalled **£11,814,283**. Achieving 93% spend against the final resources position of £12,745,307.

Appendix 2 summarises the final resources position at year-end, totalling £12,745,307 the expenditure outturn position, totalling £11,814,283 and identifies areas of under/overspending, as a percentage per capital scheme approved, listed under each individual service unit area.

7. **2010/2011 - Carry Forward Requests**

Members are asked to note, of the £931,025 budget undelivered [£12,745,307 - £11,814,283], a total of £892,472 has been requested to be carried forward into 2011/2012. Heads of Service/ Individual Project Officers were asked to provide a brief explanation outlining the reasons why the capital works identified during 2010/2011 were not completed by the end of the financial year.

Appendix 3 lists each of the schemes in question, totalling £892,472 along with identifying the elements of financing to be carried forward and incorporated into the 2011/2012 capital programme.

8. **2011/12 Capital Budget:**

Appendix 4 details the approvals to date [as at June 29th Executive meeting] along with incorporating the reverse slippage elements utilised to finance 2010/2011 spend [totalling £30,882] along with incorporating those budget elements identified within Appendix 5 to this report where officers are requesting carry forward of unspent budgets from 2010/2011 [totalling £306,472]. This gives a revised capital budget for 2011/2012 at the time of writing this report totalling £11,752,548.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

9. As set out in the body of the report.

POLICY IMPLICATIONS

10. None arise directly from this report.

DETAILS OF CONSULTATION

11.

BACKGROUND PAPERS

12. Finance working papers for closure of capital accounts and statement of accounts working papers.

FURTHER INFORMATION

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PLEASE CONTACT:

ALSO: