

**BABERGH DISTRICT COUNCIL**

**FROM: Head of Finance and Head of Contract  
and Asset Management**

**REPORT NUMBER    **F51****

**TO:    Overview and Scrutiny (Stewardship)  
Committee**

**DATE OF MEETING    18 July 2006**

**CAPITAL PROGRAMME OUTCOMES 2005/06**

1.    **SUMMARY**

Progress made on the last year's Capital Programme to the 31 March 2006 is reported under the agreed performance management arrangements. Key points are highlighted for Members information.

2.    **RECOMMENDATIONS**

2.1    That Members note the outcomes on the capital programme for 2005/06.

The Committee is able to resolve this matter.

3.    **FINANCIAL IMPLICATIONS**

3.1    Expenditure on projects and schemes that were in progress or not complete as at the 31 March will be carried forward where appropriate to the current year. Details were contained in the report on the Statement of Accounts for 2005/06 to Council on the 20 June and these are attached for information.

4.    **KEY INFORMATION**

4.1    Achieving the capital programme is an important priority and the Council has set targets in relation to this. Overall performance in 2005/06 is summarised below, with comments on the key variations.

4.2    Last year's capital programme was higher than in previous years, partly as a result of more work than usual being carried forward from the previous year and items that have been added to the budget during the year.

4.3    The targets for achieving minimum levels of expenditure compared to the 2005/06 budget are:-

- Council Housing - 97%
- Other Services - 89%

4.4    Appendix A summarises the position for the year and from this it can be seen that:-

- The adjusted budget for the year of nearly £7.4m was almost £1.4m or 23% more than the original budget
- Total expenditure was £6.3m, which is 85% of the total adjusted budget
- This is £1.7m more than was spent in 2004/05, which is a considerable achievement

- Given the higher overall budget, achieving the spend targets was always likely to prove difficult and the Committee has been informed on the position throughout the year
- Actual performance compared to targets and the previous year is summarised below:-

	2005/06		2004/05
	Target %	Actual %	Actual %
Council Housing	97	85	72
Other Services	89	86	81

4.5 So, although there was a shortfall against targets, there was a considerable improvement compared to 2004/05 on Council Housing and, to a lesser extent, on other work. The key reasons for the shortfalls are explained below:

### **Council Housing**

Work on the Sandringham Court project was delayed for six months, while the original design brief was revised by the Housing Panel and the Head of Housing (this was the subject of a report to Strategy Committee on 23 June 2005 – Paper E51 refers). The Stour House project was deferred pending a fundamental review of the Council's homelessness service. These two delayed or deferred projects account for £435,000, or 10%, of the overall budget. Without these delays, we would have been very close to achieving the overall target of 97%.

This is in line with expectations reported to Members throughout the year.

### **Other Services**

Again, outcomes are largely in line with expectations, with the main variations being as follows:-

- Social Housing - Most of the budget (£355,000) relates to the Poplar Road scheme at Great Cornard, on which expenditure has been delayed until next year.
- Private Sector Renewal - Approvals relating to discretionary grants and loans were £150,000 less than budget but disabled facilities grants were £30,000 more than the budget. However, the timing of paying out grants was earlier than expected resulting in more money been paid out than forecast. There will be a corresponding reduction in payments this year.
- Organisational Development, E-Govt. and ICT - The adjusted budget of nearly £1.2m was much higher than previous years and included around £0.5m related to the CAST Project. E-Government and CAST grant monies were fully spent by 31 March. Babergh's unspent share of the CAST budget of just over £100,000 has been carried forward to the current year. Other main variations are:

	£000
E-planning projects	100
Front Office (linked to CAST)	25

- Leisure and Community Services – Additional grants and work in relation to South Suffolk Leisure, the Kingfisher Leisure Centre and the Great Cornard Community Campus totalling £134,000 have been made that were not allowed for in the original budget. A decision on the unspent £30,000 budget for a feasibility study on Hadleigh Pool was made by the Strategy Committee on 29 June.
- Planning - Suffolk County Council's A131 traffic enhancement scheme was not undertaken last year and Babergh's contribution of £25,000 was not paid out. There was also delayed expenditure on the Sudbury HERS grants.
- Other – This includes an adjustment of £190,000 relating to the Great Cornard drainage scheme, which is the agreed share of cost to the General Fund. Spending on planned maintenance to car parks and corporate buildings was £100,000 less than budget. The budget relating to further works at Pin Mill of £25,000 has been carried forward to this year.

5. **APPENDICES**

- A- Capital Programme Summary for 2005/06
- B- Schemes/projects carried forward to 2006/07

6. **BACKGROUND PAPERS REFERRED TO:**

None.

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## CAPITAL PROGRAMME AND HRA MAJOR REPAIRS RESERVE MONITORING 2005/06

## CAPITAL PROGRAMME - SUMMARY BY SERVICE

Line	Service	Responsible Manager	Original Budget 2005/06 £000s	Adjusted Budget 2005/06 £000s	Spend 2005/06 £000s	Shortfall/ (Excess) to Budget £000s	Target % of Adjusted Budget 97% - HRA 89% G.Fund ?% overall	Actual spend as a % of Adjusted Budget March 2006	Actual spend as a % of Adjusted Budget March 2005	Revised Budget £000s
1	Council Housing	Ryan Jones	3,469	4,387	3,716	671	4,255	85%	72%	4,296
2	Social Housing	Chris Foti	455	505	161	344	449	32%		150
3	Housing - Private Sector Renewal	Malcolm Firth	585	427	506	(79)	380	118%	105%	455
4	ICT Services	John Raine	836	1,175	945	230	1,046	80%	63%	1,192
5	Environmental	Malcolm Firth	7	43	19	24	38	45%	101%	43
6	Leisure	Tim Mutum	205	189	283	(94)	168	150%	105%	473
7	Planning Policy	Rich Cooke	176	325	271	54	289	83%	62%	411
8	Other	Ryan Jones	240	314	387	(73)	279	123%	67%	400
9	Total Capital Investment		5,973	7,365	6,288	1,077	6,904	85%	76%	7,420
								Actual		
								Council Housing	85%	72%
								General Fund	86%	81%

Note: The adjusted budget reflects slippage and adjustments from the previous year plus any transfers to/from revenue.

Original Budget as per B. Book	5585.9
Plus CAST	387.6
	<u>5973.5</u>

## Appendix B

### Capital Programme carry forwards

Area/project	Amount £000
ICT/OD projects (£228,100):	
• CAST	104.0
• Planning	65.3
• Website/infrastructure/mobile working/refresh	22.5
• LAMP	5.3
• E-procurement	8.7
• Disaster recovery plan	8.3
• Plantime replacement	14.0
Environmental (£23,300):	
• Shotley Public Conveniences improvements	14.0
• Contaminated Land Strategy	9.3
Leisure & Community Services (£187,900):	
• Sports/Village Hall grants	6.8
• Kingfisher Planned Maintenance	36.7
• Leisure Trust	143.6
• Other	0.8
Planning (£142,500):	
• Sproughton Industrial Estate Improvements	75.0
• A131 traffic management enhancement	25.0
• Sudbury HERS/other grants	42.5
Corporate Asset Management – Planned Maintenance	34.4
Housing:	
• Affordable Housing (b/f from 2006/07)	-11.0
• Private Sector Renewal (net savings on approvals)	-44.7
Total – General Fund	560.5
<b>Council Housing</b>	568.0
Overall net carry forward	1128.5