

Executive report



2 July 2010

Report of Head of Finance

Report no 22/10

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To: EXECUTIVE

DATE: 2nd July 2010

Provisional Capital Programme out-turn 2009/10 and capital budget carry forward requests

Recommendations

- (a) *to note the expenditure on capital projects in the financial year 2009/10.*
- (b) *to agree the revised expenditure profile for capital projects and carry-forward of budgets to 2010/11 (total £308,891).*

Purpose of Report

- 1.1 This report forms part of the continuing provision of financial information to allow Members to review the performance of their services. Paragraph 3.1 of the report sets out the development of the capital budget during the year and Appendix A details capital expenditure in 2009/10 (subject to audit) on projects in the agreed capital programme and requests budget carry-forward where necessary.

Strategic Objectives

- 2.1 The report provides transparency and allows us to demonstrate effective stewardship of the capital programme. The agreed capital programme provides capital assets to support delivery of many of the Council's Strategic Objectives, whilst managing our business effectively and providing value for money services that meet the needs of our residents and service users.

Background

Actual Capital Expenditure compared to the Budget

- 3.1 The report sets out at Appendix A the Council's capital programme for 2009/10 to 2011/12. Details are provided of:
- the revised budget for 2009/10 agreed February 2010
 - the actual expenditure and income to the end of March 2010 (subject to audit),
 - any unspent budget that the budget-holders wish to carry forward,
 - the agreed budget for 2010/11,
 - proposed expenditure in 2011/12 for continuing schemes.
- 3.2 The original capital expenditure budget of £2,432,574 for 2009/10 was agreed in February 2009 with £608,000 of the budget funded by grants and contributions. In August 2009 budget carry-forwards of £705,400 from 2008/09 were agreed with £168,391 of this funded by grants and contributions, which were also carried forward. There were no additional budget bids during the year. In February 2010 a revised capital budget for 2009/10 of £2,411,369 was agreed with £757,891 met from grants and contributions.
- 3.3 Actual capital expenditure for 2009/10 amounted to £2,049,562 of which £734,398 was funded by grants and contribution, leaving £1,315,164 to be met from the capital reserves.

Options

- 4.1 Members have the option to approve all, some or none of the carry forward requests. The carry forwards are not additional budget, but previously agreed budget that has not yet been spent (although some of the budget requested to carry forward may contractually be committed). Any carry forwards that are not agreed will result in the budget for that project being reduced, which may mean the project can no longer be delivered in full or the project being shelved. Some schemes are funded wholly or partly by grants and contributions. If the project is shelved it might result in grants or contributions already applied having to be repaid.

Financial Implications

- 5.1 The report gives financial information to help Members manage their services and requests unspent budget be carried forward from 2009-10 to 2010-11. There is no additional expenditure involved.

Legal Implications

- 6.1 This is mainly an information report; however, the Council may be contractually obliged to fund some projects for which a carry forward is requested.

Risks

- 7.1 There is a risk if some carry forward requests are not agreed that the council would be legally obliged to make the payment anyway. For instance, the request on YC21 is to pay outstanding retention on the contract to install new air-handling units at Faringdon Leisure Centre. In other instances where there are no legal implications, rejection of the request could mean that the project might not be completed to the originally specification, if at all, leading to complaints from residents, service users and partners. For instance the carry forward of £30,000 on YP01 is a contribution to Oxfordshire County Council for the paving works in Abingdon High Street.

Other implications

- 8.1 The Capital programme ranges across many areas of the Council and failure to deliver projects could impact on future service delivery.

Conclusion

- 9.1 The column in Appendix A headed "c/fwd to 2010/11 requested" lists unspent budget from 2009/10 where the officer responsible still needs to incur further expenditure to complete the scheme. Many of these sums are committed or unavoidable.
- 9.2 Taken separately the capital expenditure budget carry forwards requested total £308,891, which is a significant reduction on the previous year. Of this figure, £44,790 will be met by grants and contributions also carried forward.

Background Papers

- None

Appendix

- A. Capital programme for 2009/10 to 2011/12.