

Agenda Item No.7 (b)**DERBYSHIRE COUNTY COUNCIL****CABINET****26 January 2016****Report of the Director of Finance****CAPITAL BUDGET MONITORING TO MONTH 7 2015-2016**
(STRATEGIC POLICY, ECONOMIC DEVELOPMENT AND BUDGET)**1 Purpose of the Report**

To inform Cabinet of the latest budget monitoring position for open capital schemes

2 Information and Analysis

The report reflects those schemes that are currently under way and have had previous Cabinet approval. Each scheme has a nominated budget holder who is responsible for ensuring the scheme stays within budget, and who verifies the projected spend against their allocated schemes.

The current budget for open schemes is approximately £606m, with the latest monitoring showing a forecast underspend over the life of the projects of £1.144m. The position statement by department is attached as Appendix 1.

2.1 Adult Care – No projected under/overspend

There are 23 open schemes within Adult Care with a budget value of £53.611m. The major projects are:

Belper Integrated Specialist Facilities Centre	£11.959m
Darley Dale Specialist Community Centre	£11.270m
Heanor Specialist Community Care Centre	£10.750m
Disabled Adaptations 2015-16	£4.000m
Long Eaton Specialist Accommodation Unit	£2.500m

The current approved budget for the Belper Integrated Specialist Facilities Centre (£11.959m) includes a Specialist Care Centre (£8.805m), a new Belper Library (£1.700m) and unallocated site acquisition costs of £1.454m (to be allocated over sites on a pro-rata basis).

The library has been transferred from the Health and Communities budget and increased from £1.432m to £1.700m using funding from the 2015/16 starts programme.

The Specialist Care Centre budget is to be increased by £1.695m from £8.805m to £10.500m. An externally funded Health Centre (£4.744m) is proposed subject to further consultation. An Adult Care Centre (£1.091m) has also been proposed, but this will be subject to a future successful business case.

At its meeting of 24 November 2015, Cabinet approved a revised budget for the Belper scheme of £31.453m subject to a viable detailed business case. This is now to incorporate an Extra Care Centre (£13.417m) which is an 'invest to save' scheme, which is subject to approval as a 2016/17 potential new start.

The officers responsible for these projects have indicated that these schemes are currently within budget.

2.2 Children's Services - projected overspend - £0.955m

Children's Services currently have 906 open schemes with a budget value of £210.609m. The major schemes are:

Building Schools for the Future (BSF) Phase 1	£57.184m
Tibshelf School and Autism Centre	£15.592m
Aldercar Community Language College Replacement	£7.400m
Church Gresley new Infant and Nursery School	£6.479m
Glossopdale Replacement School	£5.500m
North Wingfield new Primary School	£5.405m

New projects include a further programme of work for Primary School refurbishment under the Basic Need initiative - £1.175m. There have also been a number of minor budget adjustments where schemes have been completed under budget, resulting in a saving to the authority.

The projected overspend of £0.955m is largely represented by the BSF Phase 1 Programme (£0.943m) for which funding has yet to be determined.

The Strategic Director of Children's Services will need to obtain approval for further funding for this scheme to cover the projected overspends.

2.3 Council Services - projected underspend - £0.136m

There are 215 open schemes, the majority of which are funded from the Corporate Maintenance budget and cover all departments (excluding schools). The total budget for Council Services is £47.868m.

The major schemes under this portfolio are:

Buxton Crescent	£29.000m
Green Deal and Fuel Poverty grant	£2.521m
County Hall Reroofing and refurbishment	£2.000m
Mercian Close Ilkeston	£0.842m
Accommodation Project	£0.732m
Elvaston Castle Pitched roof	£0.720m
County Hall East Wing refurbishment	£0.715m

The current gross value of the Buxton Crescent scheme is £46.700m of which Derbyshire County Council is accountable for £29.000m of public funding, included in which is a contribution by the authority of £1.000m. Additionally, the Council has agreed a loan to the developer of £11.390m, on commercial terms.

The Green Deal project is fully funded by grants.

A number of schemes have been completed under budget, resulting in a saving to the authority. Budget holders have projected an underspend on the projects of £0.136m. Any underspend on projects funded from the Corporate Maintenance budget will be spent on other qualifying schemes, or returned to the revenue budget.

2.4 Health and Communities - No projected under/overspend

The budget for Health and Communities is £5.850m and is made up of 4 projects:

Ashbourne Library	£3.029m
Glossop Library	£1.895m
Heanor Library	£0.893m
Ripley Library Fire Risk Assessment works	£0.033m

The proposed Belper Library (£1.432m) has been transferred from the Health and Communities budget and now forms part of the Belper Specialist Facilities Centre under Adult Care.

The officers responsible for these projects have indicated that these schemes are currently within budget.

2.5 Economy, Transport & Environment - projected underspend £1.965m

The budget for schemes under this portfolio is currently £288.261m, representing approximately half of the total capital expenditure budget. The major schemes are:

Local Transport Plan 2011-2014	£101.126m
Waste Project	£25.000m
Markham Vale Employment Zone	£24.795m
LED Street Lighting	£23.300m
Accelerated Highways Grant	£23.000m
A61 Growth Corridor	£16.000m
Digital Derbyshire	£14.780m
Ilkeston Station	£9.938m
Derelict Land Reclamation	£8.374m

There are increased budgets for Ilkeston Station (£2.615m) and Derelict Land Reclamation (£0.525m).

The bulk of the expenditure for these projects, such as the Local Transport Plan, is funded from grant. As such, managers ensure that the grant is fully utilised.

The projected underspend of £1.965m relates to Local Transport Plan (LTP) underspends that will be reallocated to other schemes.

2.6 Top Ten Capital schemes by value

Set out in Appendix 2 is a summary of the ten largest capital schemes that the Council currently has. These represent approximately 54% in value of the current capital schemes.

3 Other Considerations

In preparing this report the relevance of the following factors has been considered - financial, legal and human rights, human resources, equality and diversity, health, environmental, transport, property, prevention of crime and disorder.

4 Key Decision

No.

5 Background Papers

Files held by the Director of Finance.

6 Call-in

Is it required that call-in be waived in respect of the decisions proposed in the report? No.

7 Officer's Recommendation

That Cabinet notes the current position on the monitoring of Capital schemes.

PETER HANDFORD

Director of Finance

APPENDIX 1

Summary of Projected Capital Spend by Department

	Current Budget	Total spend to October 2015	Estimated spend remaining 2015/16	Total projected spend to date	Planned spend 2016/17	Planned spend 2017/18	Planned spend 2018/19	Planned spend 2019+	Total Projected Spend	(Under) /Over
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Care	53,611	33,644	7,911	41,555	8,352	3,705	0	0	53,612	0
Childrens Services	210,609	144,927	48,844	193,771	15,415	2,362	16	0	211,564	955
Council Services	47,868	14,009	16,594	30,603	16,990	139	0	0	47,732	(136)
HACS	5,850	3,975	90	4,065	925	861	0	0	5,851	0
ETE	288,261	154,586	31,865	186,451	60,749	21,635	12,128	5,333	286,296	(1,965)
Total	606,199	351,141	105,304	456,445	102,431	28,702	12,144	5,333	605,055	(1,144)

APPENDIX 2

Top Ten Capital Projects according to Budget Value

	Approval Year	Budget	Total spend to October 2015	Planned spend remaining 2015/16	Total projected spend to date	Planned spend 2016/17	Planned spend 2017/18	Planned spend 2018/19	Planned expenditure 2019 +	Total Projected Spend	(Under) / Over
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Local Transport Plan	11/15	101,126	78,483	8,942	87,425	4,247	3,664	3,667	0	99,003	(2,123)
BSF Schemes 07/08 starts	07/08	57,184	58,105	24	58,129	0	0	0	0	58,129	945
Buxton, The Crescent	06/07	29,000	4,961	9,939	14,900	14,100	0	0	0	29,000	0
Waste Project (Derby)	07/08	25,000	0	0	0	25,000	0	0	0	25,000	0
Markham Employment Growth Zone	88/89	24,795	23,719	1,105	24,824	0	0	0	0	24,824	29
Street Lighting LEDs	15/16	23,300	7	2,000	2,007	7,750	7,750	5,793	0	23,300	0
Accelerated Highways Maintenance	14/15	23,000	5,441	2,559	8,000	7,500	7,500	0	0	23,000	0
A61 Growth Corridor	15/16	16,000	4	2,663	2,667	2,667	2,667	2,666	5,333	16,000	0
Tibshelf School & Autism Centre	11/12	15,592	15,448	144	15,592	0	0	0	0	15,592	0
Digital Derbyshire	13/14	14,780	6,575	5,670	12,245	2,535	0	0	0	14,780	0
		329,777	192,743	33,046	225,789	63,799	21,581	12,126	5,333	328,628	(1,149)