

REPORT TO THE EXECUTIVE



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PORTFOLIO	Resources & Performance Management
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Capital Budget Monitoring Report 2016/17 Cycle 2 (to 30th September 2016)

PURPOSE

- 1 To provide Members with an update on capital expenditure and resources position along with highlighting any variances.

RECOMMENDATION

- 2 The Executive is asked to:
 - Recommend to Full Council, approval of a new Capital Scheme for the Padiham Pump Track – Phase 2, totalling £18,000 which is fully funded as per paragraph 5a below.
 - Recommend to Full Council, approval of the revised capital budget for 2016/17 totalling £8,878,322, as outlined in Appendix 1.
 - Recommend to Full Council, approval of the proposed financing of the revised capital budget totalling £8,878,322 as shown in Appendix 2.
 - Note the latest estimated year end position on capital receipts and contributions showing an assumed balance of £2,466,296 at 31st March 2017, in Appendix 3.

REASONS FOR RECOMMENDATION

- 3 To effectively manage the 2016/17 capital programme.

SUMMARY OF KEY POINTS

2016/17 CAPITAL PROGRAMME:

4 MONITORING INFORMATION:

On the 24th February 2016 Full Council approved the 2016/17 original capital budget, totalling £6,931,488. Since February, a number of individual reports have been approved by the Executive, along with approvals under delegated powers, resulting in revising the 2016/17 capital budget to £9,332,789 [as at the 20th September 2016 Executive Meeting].

This is the second round of in-year cyclical monitoring, and as such the appendices accompanying this report provide Members with the position as at 30th September 2016 on expenditure, along with providing Members with an update on the progress of the individual schemes delivery.

5 **EXECUTIVE SUMMARY:**

- a) Padiham Pump Track – Phase 2
This scheme requires no additional Council resources and is funded through Capital Grants, Revenue Contributions, a Ward Opportunities Fund contribution and a 3rd Party Contribution.
- b) Expenditure Monitoring - Appendix 1 provides a detailed breakdown of the revised capital budget, scheme by scheme, presented under each of the relevant service unit areas responsible for delivering the capital projects. It shows the recommended revised budget position and expenditure as at the end of September 2016. The expenditure to date is £1,636,572 which is 18% of the proposed revised budget.
- c) Revised Budget and Financing Elements - Appendix 2 shows the revised budget of £8,878,322 along with identifying the approved financing elements on a scheme by scheme basis.
- d) Council Resources Position - Appendix 3 shows the latest position on capital receipts, section 106 monies and 3rd party contributions. As at the end of this round of budget monitoring the assumed level of “surplus available” local resources after taking into account the 2016/17 capital commitments, totals £2,466,296.

6 **REVENUE IMPLICATIONS**

Revenue Contributions 2016/17

The Capital Programme includes Revenue Contributions totalling £1,365,457, being:

Scheme Name	£
Vehicle and Machinery Replacement	233,169
Padiham Pump Track - Phase 2	3,000
Vision Park	314,448
Market Safety Works	22,520
Energy Efficiency of Council Buildings	12,320
Padiham Town Hall Non-Insured Flood Works	180,000
Town Centre & Shopping Centre Works	600,000
Total Revenue Contributions	1,365,457

Prudential Borrowing 2016/17

The Capital Programme includes a use of Prudential Borrowing totalling £2,013,141.

The revenue implications through expenditure funded from Prudential Borrowing of £2,013,141, are a net increase in the Minimum Revenue Provision [MRP] of £81k. The net notional interest charge on the borrowing is also £60k.

The MRP costs are not incurred until 2017/18, and the notional interest cost will be dependent on the timing of the borrowing but is anticipated to be at year end and therefore also not likely to be incurred until 2017/18. This will be included within the revenue budget for 2017/18.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

7 As set out in the body of the report.

POLICY IMPLICATIONS

8 None arise directly from this report.

DETAILS OF CONSULTATION

9 None.

BACKGROUND PAPERS

10 None.

FURTHER INFORMATION

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