

Overview and Scrutiny Board 30th November 2004

2004/2005 2ND QUARTER Capital Budget Outturn

EXECUTIVE MEMBER RESOURCES: Cllr N Walker

DIRECTOR OF STRATEGIC RESOURCES: Paul Slocombe

PURPOSE OF THE REPORT

1. To present an update of the 2004/2005 second quarters capital Outturn position for consideration by members.

BACKGROUND AND CONSULTATION

2. Members agreed the current three years capital programme (2004/05 to 2006/07) on the 27th April 2004. This included new starts identified and appraised in accordance with the agreed appraisal process.
3. A review of capital expenditure is considered alongside revenue expenditure as part of the quarterly budget clinic process.

Capital Expenditure

4. The main changes from the approved capital programme are summarised in Appendix A. The main areas of change are in respect of: -
 - a) additional Housing Revenue Account Capital Expenditure £609,400. Funding is available from Capital Receipts following the sale of the Cargo Fleet Depot to Erimus as part of the Housing stock Transfer arrangements;
 - b) the Supported Capital expenditure allocation for Education from Central Government has increased by £58,600; and
 - c) other small variances (£17,100
5. Slippage of approximately £600k is shown at Appendix A. This represents a relatively small proportion of the overall programme and continues to show an improvement from previous years.

6. An assessment of the level of expected capital receipts has been undertaken as part of the 2004/2005 2nd Quarters review of the Capital position. The expected position is summarised at Appendix B. Approximately £4.6m of additional capital resources arising from additional capital receipts are expected to be available over the next 6 years.
7. A key issue this year is that SRB funding ends on the 31st March 2005. Resources can only be carried forward after the end of the programme in exceptional circumstances. The regeneration team are completing exit strategies for each scheme in consultation with relevant Project Sponsors.

RECOMMENDATIONS

8. It is recommended that Overview and Scrutiny Board members note and consider the contents of the report: -

REASONS

9. The capital programme needs to be updated for known variations including slippage within the programme and changes in expenditure and resources.
10. To allow the council to determine its capital priorities and approve amendments to its capital plan on a regular basis.

BACKGROUND PAPERS

BACKGROUND PAPERS:

Reports to Executive: -

1. Assets In Middlesbrough, July 2003, Capital Strategy
2. Prudential Indicators 2004/05 Report to Executive 2 March 2004
3. Capital Programme 2004/05 TO 2006/07 to Executive on 27th April 2004

Other reports: -

1. Budget clinic report 14th September 2004 first quarters Capital Expenditure and Resources Review 2004/05 to 2006/07

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Appendix A - Major Changes Summary

1) Net Expenditure Changes

<u>Service</u>	<u>Project / Scheme Title</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>Total</u>
		£000	£000	£000	£000
Corporate	Former Blind School Compensation	+36.0	0	0	+36.0
	Subtotals Corporate Service	+36.0	0	0	+36.0
Environment	Clairville Stadium refurbishment	0	+120.0	0	+120.0
	HRA Major Repairs budget	+178.0	0	0	+178.0
	High Rise Pressurisation system	+246.9	0	0	+246.9
	High Rise Boiler Replacement	+184.5	0	0	+184.5
	Ormesby Road Sports Pavilion	-65.0	0	0	-65.0
	Subtotals Environment Service	+544.4	+120.0	0	+664.4
Regeneration	Town Centre schemes	+11.9	0	0	+11.9
	Subtotals Regeneration Service	+11.9	0	0	+11.9
Education	Revised Supported Capital Expenditure (SCE) allocation	+58.6	0	0	+58.6
	Subtotals Education Service	+58.6	0	0	+58.6
	Net increase in Capital Expenditure	+650.9	+120.0	0	+770.9

2) Expenditure Rephrasing

<u>Service</u>	<u>Project / Scheme Title</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>Total</u>
Social	Parklands ICC phase 2 - LA £208k & contribution of £500k slipping forward.	-208.0	+208.0	0	0.0
	Subtotals Social Services	-208.0	+208.0	0	0
Environment	Linthorpe Cemetery Restoration	-130.0	+130.0	0	0
	Subtotals Environment Services	-130.0	+130.0	0	0
Regeneration	Town Centre schemes	-20.0	+20.0	0	0
	Art Gallery	-161.2	+233.7	-72.5	0
	Public Squares	-58.5	+58.5	0	0
	Subtotals Regeneration Service	-239.7	+312.2	-72.5	0
	TOTAL EXPENDITURE REPHASING	-577.7	+650.2	-72.5	0