

# Cabinet

24 June 2015



<b>Title</b>	2014/15 Provisional Capital Outturn Report		
<b>Purpose of the report</b>	To note		
<b>Report Author</b>	Adrian Flynn		
<b>Cabinet Member</b>	Councillor Tim Evans	<b>Confidential</b>	No
<b>Corporate Priority</b>	Value for money Council		
<b>Cabinet Values</b>	Accountability		
<b>Recommendations</b>	The Cabinet is asked to note the provisional capital outturn spend for 2014/15.		

## 1. Key issues

- 1.1 Due to rescheduling on some schemes and a large capital payment of £1million paid on the last day of the financial year for the Crooked Billet housing scheme, there will be an over spend for the 2014/15 financial year of £784k.
- 1.2 If we strip out the £1 million pound paid to secure nomination rights on the Crooked Billet housing scheme which is being funded from reserves (the payment had been anticipated to have been made in 2015/16) then we do have a underspend of £216k (19%),this is significantly closer to budget than the last few years. A proportion of this underspend will be addressed in the form of carry forwards to 2015/16.

### Detail of Variances

- 1.3 Attached as appendix A &B is the provisional level of spend as at the 31<sup>st</sup> March of £1.9m against the revised budget.

Attached as appendix C is the list of £103K worth of carry forwards that MAT have agreed.

Transactions involving all the projects are reviewed on a regular basis throughout the year to ensure that they meet the definition of capital expenditure as laid down by our external auditors KPMG and accounting standards. Any transaction that fails to meet the capital expenditure definition will be transferred to revenue.

The following projects are worth noting

- (a) Crooked Billet Scheme: A one million pound payment was made to Thames Valley Housing on the last day of the financial year 31<sup>st</sup> March to secure nomination rights for 20 dwellings on the housing development. This expenditure will be funded from our reserves.
- (b) Enforcement Project : The original budget was overstated, therefore the £70k underspend will no longer be required and no carry forward will be needed.
- (c) Customer Relationship Management : The project is in two phases with phase one completed in the financial year and phase two due to go live by the end of the 2<sup>nd</sup> quarter of the 2015/16 financial year. A carry forward request has been agreed by MAT for this project.

## **2. Options analysis and proposal**

- 2.1 The Cabinet are asked to note the provisional capital outturn position.

## **3. Financial implications**

- 3.1 Any underspend on the approved capital programme enables the authority to invest the monies to gain additional investment income or can be used to fund additional schemes identified.

## **4. Other considerations**

- 4.1 Schemes which are currently incomplete and require a budget carry forward may have contractual obligations which could leave us liable to litigation if they are not allocated the funds to complete the works.

## **5. Timetable for implementation**

- 5.1 Monthly position statements are provided to MAT as an update on the current spends to date position.
- 5.2 All heads of service with capital schemes are provided monthly with system reports which enable them to investigate spend in order to identify any spend which doesn't relate to the scheme.
- 5.3 Quarterly reports with officer comments are provided to Cabinet and Overview and Scrutiny committee for investigation and comments.

**Background papers: None**

**Appendices: A, B & C**