

## **GROWTH & INFRASTRUCTURE SCRUTINY COMMITTEE 17 FEBRUARY 2010**

### **CAPITAL PROGRAMME- 2009/10: POSITION UPDATE- PERIOD 3**

#### **Report by the Director for Environment and Economy**

#### **Purpose**

1. This report informs the Growth & Infrastructure Scrutiny Committee (G&ISC) of the progress made in delivering the capital programmes that have been approved by the Council. It also informs the G&ISC of the current position of capital expenditure and the current position of available resources.

#### **Background**

2. On 10 February 2009, the Council approved a capital programme of **£538.5m** for 2009/10 to 2013/14. This capital programme included an estimated spending profile of **£102.1m** for 2009/10. The cumulative position across the 5-year capital programme was reported as **£0.855m** surplus.
3. On 15 September 2009, the Cabinet considered the Capital Programme Update 1 (attached to the Monthly Financial Monitoring Report) and approved an amended capital programme with estimated outturn of **£110.7m** for 2009/10. At this point, the cumulative position across the 5-year capital programme was reported as **£6.1m** shortfall.
4. On 20 October 2009, the Cabinet considered the Capital Programme Update 2 (attached to the Monthly Financial Monitoring Report) and approved an amended capital programme with estimated outturn of **£104.2m** for 2009/10. At this point, the cumulative position across the 5-year capital programme was reported as **£5.3m** shortfall.
5. This report is the second Capital Programme Report to the G&ISC during the 2009/10 financial year. It covers the results of the November 2009 capital monitoring, including revised projections and changes in the expected level of funding.

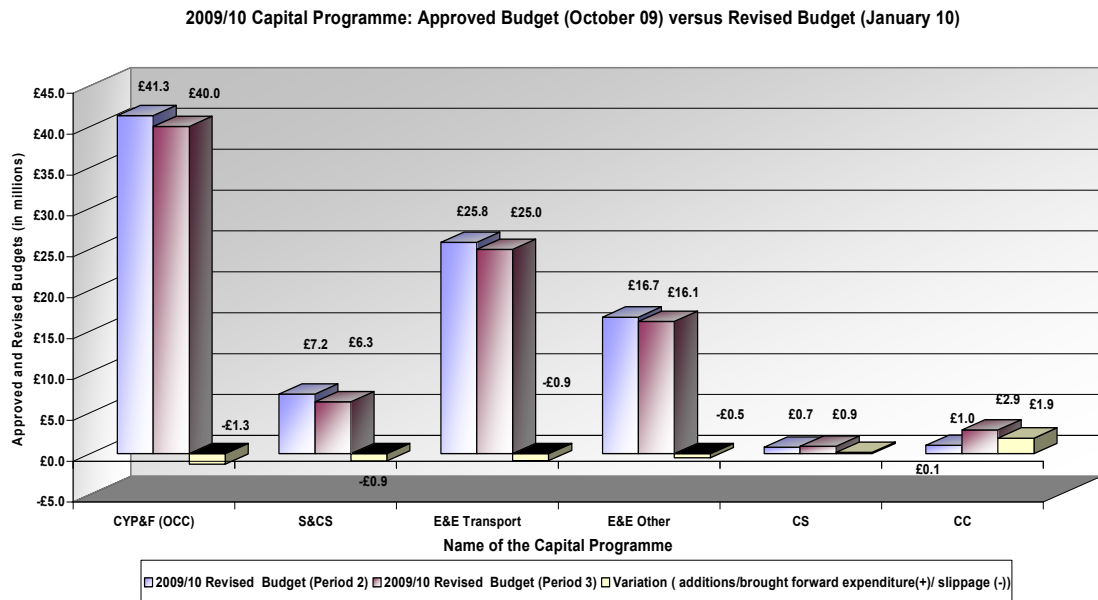
#### **Programme Progress**

6. Overall, the programme progressed as planned between 31 August 2009 and 31 November 2009. Forecasted capital expenditure for 2009/10 has increased by **£1.1m** to **£105.3m**. The updated capital programme shows a reduced cumulative deficit of **-£4.5m** compared to a cumulative deficit of **-£5.3m** in the programme agreed by Cabinet in October 2009. This is an improvement of **£0.866m** and primarily due to transport identifying additional resources to

reduce the deficit on their programme. The overall cash-flow position has also improved significantly.

## Capital Expenditure to Date & Revised Projections for 2009/10

7. Capital Expenditure to 31 November 2009 totalled **£46.5m**. The majority of this expenditure is related to projects at the physical construction phase or implementation stage. This represents 44% of the total planned expenditure of **£105.3m**. This is in-line with the spend for the same period last year. Total SAP commitments (purchase orders raised) were a further **£25.1m**, therefore total committed expenditure was 68% of total planned expenditure.
8. The approved budget versus revised projections (based on Annex 1) are presented in the graph below:



## Capital Budget Setting Process Update

9. The Capital Investment Board (CIB) reviewed the existing capital programme and considered a number of new capital bids for inclusion in the capital programme in consultation with the Cabinet (15 December 2009) and the Strategy and Partnership Scrutiny Committee (17 December 2009)<sup>1</sup>. The proposed capital programme was agreed by the Cabinet on 19 January 2010.
10. The proposed capital programme is a 5-year programme and totals £574.6m<sup>2</sup> capital investment across the county and covers a wide range of projects. It represents approximately £346.7m<sup>3</sup> capital investment in CYP&F (inclusive of

<sup>1</sup> All Chairmen of the Scrutiny Committees were invited to this meeting.

<sup>2</sup> The capital programme report timeframe is to be extended to 7 years (current year + 5 years + provisional year) as part of the February 2010 Update to the Council.

<sup>3</sup> This figure includes £64.1m capital resources devolved to schools and other partners for them to manage directly. Projects solely funded and delivered by Schools & Partners are to be represented and reported under the Schools Capital Table in the Capital Programme separately in order to ensure that the performance of the OCC funded & delivered portfolio is monitored more effectively.

the forward plan), £129.3m capital investment in Transport, £47.7m capital investment in S&CS, £32.2m capital investment in Council's Properties (including Waste Recycling Centres), £3.8m capital investment in Community Safety and £5.9m capital investment in Corporate Core.

11. Overall, the proposed programme represents a substantial new investment in waste and carbon management through re-allocations of corporate resources. It also represents significant additional investment in the extra care housing and the homes for older people programmes through use of prudential funding. The programme also succeeds in maintaining the planned level of investment in smaller schemes through use of revenue contributions.
12. A map of planned capital expenditure across 2009/10 to 2014/15 is presented in Annex 1. Spending plans may change depending on the outcome of the Government's next Comprehensive Spending Review.

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Background Papers: Nil

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**Capital Investment in Oxfordshire 2009/10 to 2014/15 (subject to allocation in next Comprehensive Spending Review)**

