

Capital Budget 2019/20 – forecast main variances**Children and Family Services**

The department are undertaking a detailed review of all capital schemes and funding to be reported in the next monitoring report. At this stage the forecast expenditure is in line with the updated budget.

Adults & Communities

Net slippage of £5.4m is forecast compared with the updated budget. The main variances are:

	£000
Records Office Relocation	-2,500
A Partner workshop is scheduled for 6 September 2019 to confirm the detailed working relationship and define partner contributions. A formal agreement will significantly reduce the financial risk to LCC and will be included in the revised Full Business Case (FBC). The FBC, which has required a major re-write due to the number of significant changes to the design of the new records office, is due to be finalised in November.	
Hamilton Court/Smith Crescent - NWL Development	-1,930
Slippage due to the programme of work required for the re-development has significantly changed since the capital funding was requested. The project now has a feasibility report, which includes indicative timescales and milestones, that has informed the current position regarding funding requirements across the financial years. Pre-construction work is due to complete December 2019. Construction work will commence in January 2020.	
Hinckley, The Trees (refurbishment)	-444
There has been a delay to the commencement of the works following a significant redesign of The Trees. Works are now due to commence in January 2020.	
Brookfields Supported Living Scheme (refurbishment)	-383
Underspend forecast based on the agreed contract value.	
Mobile Library Vehicles	-109
The final vehicle is due to be delivered in 2019/20. No further expenditure on mobile library vehicles is anticipated. The surplus is an underspend.	
HART Rostering System	-105
Tendered value below the estimate.	
Other variances	45
TOTAL	-5,426

Environment and Transport

Net slippage of £12.9m is forecast compared with the updated budget. The main variances are:

<u>Environment and Transport - Transportation</u>	£000
A46 Anstey Lane	1,097
Acceleration of programmed funding from 2020/21 due to the target price being higher than the estimated budget. Additional funding has been agreed with the external partner, which will be added to the 20/21 capital programme.	
A50 Overbridge Markfield	194
Overspend due to issues encountered with exposed bridge deck which required extensive repair at each of the three joints. The problems created an unanticipated delay in the works.	
M1 Junction 23 & A512	-5,175
Slippage due to delays in the legal agreement being signed with the developers. The agreement has now been signed and construction works have started.	

Melton Depot - Replacement	-3,791
The Winter 2019/20 service is to be provided out of existing depot due to one-year extension of lease being granted. Winter 2020/21 onwards there is currently no prospect of moving to the new depot site until Melton Distributor Road is completed and contractor has moved out and so short term options are being investigated. Design work will continue on the long term option but this cannot be developed at this time.	
National Productivity Investment Fund (NPIF) - Hinckley Hub	-3,491
Slippage of budget due to delay in negotiating with land owners. This has meant that work is now not likely to start until March 2020 and so minimal expenditure is expected this year. Careful monitoring is now required as the funding is time limited and due to expire March 2021. The project will first spend any NPIF and time sensitive money which will help to mitigate this risk.	
Zouch Bridge Replacement	-1,335
Cabinet received a report on 24 May 2019 which reported a shortfall in funding for the replacement of Zouch Bridge with the Department asked to review departmental earmarked funds and the current capital programme to try to meet the funding shortfall. The department has undertaken a review of earmarked funds which has identified some capacity to partially meet the shortfall, but the amount cannot be confirmed until later in the year. In addition, the Department for Transport (DfT) has recently announced a further tranche of the Challenge Fund, which enables local highway authorities in England to bid for major maintenance projects that are otherwise difficult to fund through the usual formula funding allocations they receive from government. Consideration is being given to ascertain whether the Zouch Bridge replacement meets the criteria for this funding and whether a bid should be submitted. Subject to funding, the planned scheme start date is now Spring 2020 so initially there is some slippage.	
Advanced Design	-380
Slippage as the first bid for the Major Road Network was unsuccessful, further bidding for the project will occur and work is being completed on this, but it has meant a delay in the profile of spend.	
IT Renewals	-112
Slippage is expected pending a review of options by the department.	
Other variances	96
TOTAL	-12,897

Chief Executives	
Net slippage of £0.4m is forecast compared with the updated budget. The main variances are:	
	£000
Rural Broadband Scheme - Phase 2	161
Outstanding payments from 2018/19, notified late by British Telecom.	
Rural Broadband Scheme - Phase 3	-610
Phase 3 contract let for West Leicestershire. East Leicestershire programme to be retendered. Work due to commence in 2020/21.	
Other variances	0
TOTAL	-449

Corporate Resources

Net slippage of £2.9m is forecast compared with the updated budget. The main variances are:

	£000
Watermead Park Footbridge and Cycleway	-1,979
The scheme is now on hold as one of the landowners on which the bridge will be located is reconsidering their involvement in the project.	
Workplace Strategy	-500

Investment in workplace strategy related schemes to achieve savings, subject to the business case. The Workplace Strategy is still in the embryonic stage and it is unlikely at this stage that the capital funding will be required. Any slippage to 20/21 will be reviewed as part of updating the capital programme for 2020-24.	
Snibston & Country Park Future Strategy - Masterplan	-284
Early projections suggest the programme may be delivered under budget as a result of value engineering exercises.	
ICT - Marval Replacement Programme	-120
Programme is now not due to begin until 2020/21 as other priorities and calls on resources have taken precedence.	
CSC Telephony System Replacement	-97
It is likely that the programme to replace the Telephony system in the CSC and other 'Help Desk' based areas will be delayed as the procurement process has had to be restarted, following a review of the requirements and specifications.	
Storage Area Network (SAN) Replacement	70
Initial quotations received from suppliers suggests that work will cost nearer £320k, as opposed to budget of £250k.	
Other variances	49
TOTAL	-2,861

Corporate Programme

Net acceleration of £4.5m is forecast compared with the updated budget. The main variances are:

	£000
CAIF - Loughborough University Science & Enterprise Park (LUSEP)	6,371
Acceleration of scheme following a request by the tenant to move into the facility in July 2020.	
CAIF - Airfield Business Park Phase 1	-1,127
Underspend forecast based on an agreed fixed price contract and managing the risks for completion of Phase 1 by November 2019. Overall underspend is in part due to procuring a cheaper construction package through the OJEU process alongside some changes to the scheme.	
Energy Strategy	-667
Schemes progressing, with Energy improvements at Countesthorpe College likely to proceed shortly. Work ongoing to finalise schemes at Charnwood College, Lutterworth College and Hinckley Academy.	
CAIF - Leaders Farm Site Infrastructure	-206
Underspend due to the remaining works at the site, such as topping the road off and some grounds works being cheaper than anticipated.	
Other variances	146
TOTAL	4,517

Capital Programme - Changes in Funding

Outturn Adjustments - 2018/19	£000
Children & Family Services	1,355
Adults & Communities	569
Environment & Transport	12,659
Corporate Resources	2,310
Corporate Programme	2,110
	19,003

2019/20 Budget Adjustments

<u>Adults & Communities</u>	
Disabled Facilities Grant - addtl sum following confirmation of 2019/20 allocation.	288
Earmarked capital receipt no longer being received.	-110
<u>Environment and Transport</u>	
Lutterworth East (road) - funded from Future Development reserve (Cabinet 290319)	1,500
Croft-Billesdon Depot Scheme - funded from earmarked capital receipt	200
Hinckley Hub (Hawley Road) - LLEP funding	80
West Lane, Victoria Road - funded from Section 278 developer funding	1,496
Barwell Civic Amenity Site - funded from Insurance reserve	10
<u>Corporate Programme</u>	
Windows 10 and Office 2016 - ICT reserve	130
Country Parks and Forestry - Capital Grants receipts in advance	11
Beacon Hill Café and Investment - Corporate Resources reserve	195
<u>Corporate Programme</u>	
Coalville Workspace Project - management fee deduction from LLEP grant	-53
Coalville Workspace Project - reduction due to capital receipt not being received	-400
CAIF - East of Lutterworth SDA - additional land purchase, from unallocated Asset Acquisitions	750
CAIF - Asset Acquisitions/new Investments - to East of Lutterworth SDA budget to purchase additional land	-750
Sub Total	3,347
Overall Total	22,350