



## Report to Cabinet

<b>Date:</b>	11 <sup>th</sup> July 2023
<b>Reference number:</b>	n/a
<b>Title:</b>	<b>Q1 Capital Budget Adjustments &amp; Reprofileing</b>
<b>Cabinet Member(s):</b>	<b>Cllr. John Chilver, Cabinet Member for Accessible Housing and Resources</b>
<b>Contact officer:</b>	<b>David Skinner, Service Director Finance and s151 Officer</b>
<b>Ward(s) affected:</b>	None
<b>Recommendations:</b>	<p><b>That Cabinet approve the following Budget adjustments to the approved Capital Programme:</b></p> <ol style="list-style-type: none"><li><b>1. £5.782m of additions to the Capital Programme, of which £5.416m are externally funded from grants and s.106, and £0.365m is funded from ringfenced council reserves.</b></li><li><b>2. Use of Capital Contingency to fund £0.288m of inflationary pressures on two existing projects.</b></li><li><b>3. £3.366m of budget reductions for completed projects from the capital programme, of which £0.644m was corporately funded to be reallocated to the capital contingency. [Note that where external funding is released it will be reinvested in alternative projects which will come forward in due course.]</b></li><li><b>4. Approve the reprofile of the revised £556.8m Capital Programme inclusive of £46.3m of carry-forward budgets over the MTFP period 2023-2027.</b></li></ol>
<b>Reason for decision:</b>	Changes to the Published Capital Programme require Cabinet approval. Following the decision to carry forward unspent budgets from the last financial year, the Capital Programme needs to be reprofiled to accurately reflect planned spend.

There are also some additions, reallocations and reductions to the programme which are recommended to accurately reflect the current status of projects.

## **1. Executive summary**

- 1.1. The Capital Programme for 23-24 to 26-27 was approved by Full Council in February 2023 as £505.9m. The 22-23 outturn underspend was £44.3m. After a detailed review of each scheme in the programme, £46.3m of unspent budget has been carried forward into the new financial year. The increase is due to a small number of projects overspends that were funded in 22-23 and not carried forward.
- 1.2. The capital programme now needs to be reprofiled in future years to ensure the annual spend profile is realistic, and to reduce the likelihood of slippage. There are also some recommended additions for new funding, reductions and reallocations of funding from closed projects, plus a small number of projects with inflationary overspends that require use of the corporate contingency to complete.
- 1.3. This paper sets out the recommended changes for approval and will result in the Capital Programme increasing from £505.9m as agreed at Full Council, to £556.7m.

## **2. Additions to the Capital Programme**

- 2.1. Since the Budget was approved by Council in February 2023 there is an additional £5.782m recommended to be added to the Programme, as set out in Table 1 below. Of this:
  - £4.184m is externally funded from grants;
  - £1.232m is the addition of agreed, specific s.106 projects; and
  - £0.365m is a recommended use of an earmarked revenue reserve to fund a project overspend.

**Table 1: Additions to the Capital Programme**

Portfolio	Project Group	Project Name	Expenditure £k	Funding £k	Funding Source	Explanation
Leader	Economic Growth	Rural Broadband 2019+	311	(311)	Grant	Remainder of Getting Building Funding to be spent on Broadband Voucher project.
Homelessness & Regulatory	Housing	Disabled Facility Grants	1,259	(1,259)	Grant	Increase budget to match 23-24 grant allocation from DLUHC (£4.1m in total)
Transport	Highways & Cycleway Funded Schemes	Aylesbury to Thames C/way (Haddenham) Imp	33	(33)	Grant	Sustrans grant towards project costs, agreement signed February 2023.
	Strategic Highway Maintenance	Additional DfT Funding	2,331	(2,331)	Grant	Additional Potholes grant from DfT.
Culture & Leisure	Sport & Leisure Projects	Redevelopment of Chiltern Pools	250	(250)	Grant	Remainder of Sports England grant funding to complete Chiltern Pools development.
<b>Total Grants</b>			<b>4,184</b>	<b>(4,184)</b>		
Culture & Leisure	Country Parks	Country Parks Visitor Centre	365	(365)	Reserve	Country Parks reserve requested to cover overspend from inflation increases on Visitor Centre
<b>Total Reserves</b>			<b>365</b>	<b>(365)</b>		
Culture & Leisure	Parks & Play Areas	Various schemes including Stoke Mandeville, Berryfields, Quainton and Chiltern Village.	202	(202)	s.106	s.106 ringfenced funding specifically for these projects.
Planning & Regeneration	Regeneration	Kingsbury / Market Square Regeneration	1,030	(1,030)	s.106 (ALUTS)	Ringfenced ALUTs funding for Central Aylesbury to be allocated to Kingsbury project.
<b>Total s.106 (ALUTS)</b>			<b>1,232</b>	<b>(1,232)</b>		
<b>Subtotal</b>			<b>5,782</b>	<b>(5,782)</b>		

### 3. Use of Corporate Contingency

3.1. The following projects are projecting inflationary overspends totalling £0.288m, which have been formally escalated to Capital Boards, and are requesting use of the corporate contingency to meet the pressure and ensure the projects can complete. The projects have looked for alternative options to reduce the pressure (value engineering/reducing scope) but have not been able to contain them without compromising the projects, meaning the best value option for the Council is to complete the projects with additional funding.

3.2. There is £2.3m of corporate contingency which is available to meet these costs.

Portfolio	Project Group	Project Name	Expenditure £k	Explanation
Climate Change & Environment	Waste	Recycling Centres Drainage EA Compliance	265	Forecast overspend on drainage system remedial works due to inflation price rises.
Culture & Leisure	Leisure Centres	Chalfont Leisure Centre	23	Project Completed - small overspend.
<b>Subtotal</b>			<b>288</b>	

## 4. Reductions and Reallocations

4.1. The following projects are recommended to have budgets totalling £3.366m reduced or reallocated in the Capital Programme. This is largely because projects have completed.

- For completed projects funded from s106 on Leisure and Transport, alternative projects which align to the s.106 agreements will come forward in due course to re-commit the remaining funding.
- For projects with grant funding, grants have or will be re-committed on other relevant projects; or will be returned to funders.
- Of the completed projects, £0.644m was corporately funded and can now be added back to the Capital Contingency to mitigate risks of inflation across the programme.

**Table 2: Reductions from Capital Programme**

Portfolio	Project Group	Project	Exp £k	Funding £k	Net £k	Funding Source	Explanation
<b>Accessible Housing &amp; Resources</b>	Property & Assets	Asset Enhancement - Horns Lane	292		<b>292</b>	-	No further expenditure needed to deliver project. Corporately funded, can be reallocation in MTFP.
		Improvements to Capswood 1 & 2	215	(215)	-	Reserves	Originally intended to invest in refurb of Capswood; no longer required. Funding was from Reserves, can be reallocated in MTFP.
<b>Culture &amp; Leisure</b>	Sport & Leisure Projects	Aylesbury S106 Leisure Project Projects	126	(126)	-	s.106	Projects completed in 2022-23; remaining s106 funding will be assigned to new Aylesbury Leisure projects.
<b>Transport</b>	Highways & Cycleway Funded Schemes	Highways & Cycleway Funded Schemes	202	(202)	-	s.106	Projects completed in 2022-23; remaining s.106 funding will be assigned to new Transport projects.
		HS2 Road Safety Projects	128	(128)	-	Grant	Projects completed in 2022-23; HS2 Road Safety grant funding will be assigned to new projects.
		A40 London Road, Wycombe NPIF	954	(954)	-	Grant	Project complete. Remaining £954k of Local Transport Board Funding was recommended to be redirected to Westhorpe, which has been cancelled.
		Taplow Cycleway	607	(540)	<b>67</b>	Grant	Project complete. Remaining £67k of corporate funding will be reallocated in MTFP. S.106 funding of £540k did not materialise. Project completed without need for this funding.
<b>Planning &amp; Regeneration</b>	Regeneration	Westcott Venture Park Access	275		<b>275</b>	-	Project Complete
		Cressex Transport Improvement	260	(260)	-	Wycombe CIL	Project Complete. Release Budget back to Wycombe area CIL reserve.
		Bassetbury Allotments	309	(299)	<b>10</b>	Grant	Project complete. £10k corporate funding to be reallocated via MTFP; technical adjustment for £299k of grant funding which is no longer available.
<b>Grand Total</b>			<b>3,366</b>	<b>(2,723)</b>	<b>644</b>		

4.2 A number of schools projects underspent during 2022-23 totalling £10.8m. This funding is ringfenced and as a result it is recommended that this is redirected as follows:

- a) **Kingsbrook Secondary School** £6.6m from not requiring the contingency and temporary classroom budget, headroom will be redirected into HIF programme to support SEALR delivery (request currently with Homes England).
- b) **Kingsbrook Primary School** £2.2m and **Maids Morton Primary School** £0.6m, from not requiring project contingency, headroom proposed to be retained in the Primary School Funding line for reinvestment in future years.
- c) **Chiltern Hills Academy** £1m and **The Amersham School** £0.4m, from not requiring project contingency, headroom proposed to be retained in the Secondary School Places Funding line reinvestment in future years.

## Revised total Capital Programme

- 4.3 The carry forwards, additions and reductions give a total Capital Programme of £556.7m over the MTFP, increased from £505.9m as published in the Council's Budget in February.

**Table 4 Total MTFP – movement since February Council**

Portfolio	Published Budget £m	Carry Fwds £m	Approved Addns <sup>1</sup> £m	Adjusted MTFP £m	Adjustments			Total adjts £m	Adjusted MTFP £m
					Addn	Remove	Tech		
					£m	£m	£m		
Leader	91.0	2.1		93.1	0.3			0.3	93.4
Accessible Housing & Resources	22.0	1.9		23.8		(0.5)	(0.2)	(0.7)	23.1
Climate Change & Environment	34.9	2.7	1.3	39.0	0.3		0.1	0.3	39.3
Communities		0.3		0.3					0.3
Culture & Leisure	7.5	3.3	0.6	11.4	0.8	(0.1)	0.0	0.7	12.1
Education & Children's Services	142.5	15.5		157.9					157.9
Homelessness & Regulatory Services	22.4	2.1		24.5	1.3			1.3	25.8
Planning & Regeneration	33.7	14.1	0.1	47.8	1.0	(0.6)	(0.0)	0.4	48.2
Transport	149.7	4.4		154.1	2.4	(2.2)		0.2	154.4
Corporate Contingency	2.3			2.3					2.3
<b>Grand Total</b>	<b>505.9</b>	<b>46.3</b>	<b>2.0</b>	<b>554.2</b>	<b>6.0</b>	<b>(3.4)</b>	<b>(0.2)</b>	<b>2.5</b>	<b>556.8</b>

<sup>1</sup> Approved Additions – these were the additions agreed in Qtr 4 Cabinet Finance paper, in April.

Technical Adjustments – £0.2m of capital funding recommended to be used on Revenue costs for IT Licenses; Energy Doctor UKSPF Funding on Climate Change and Environment £0.1m, adjusted to match grant agreement.

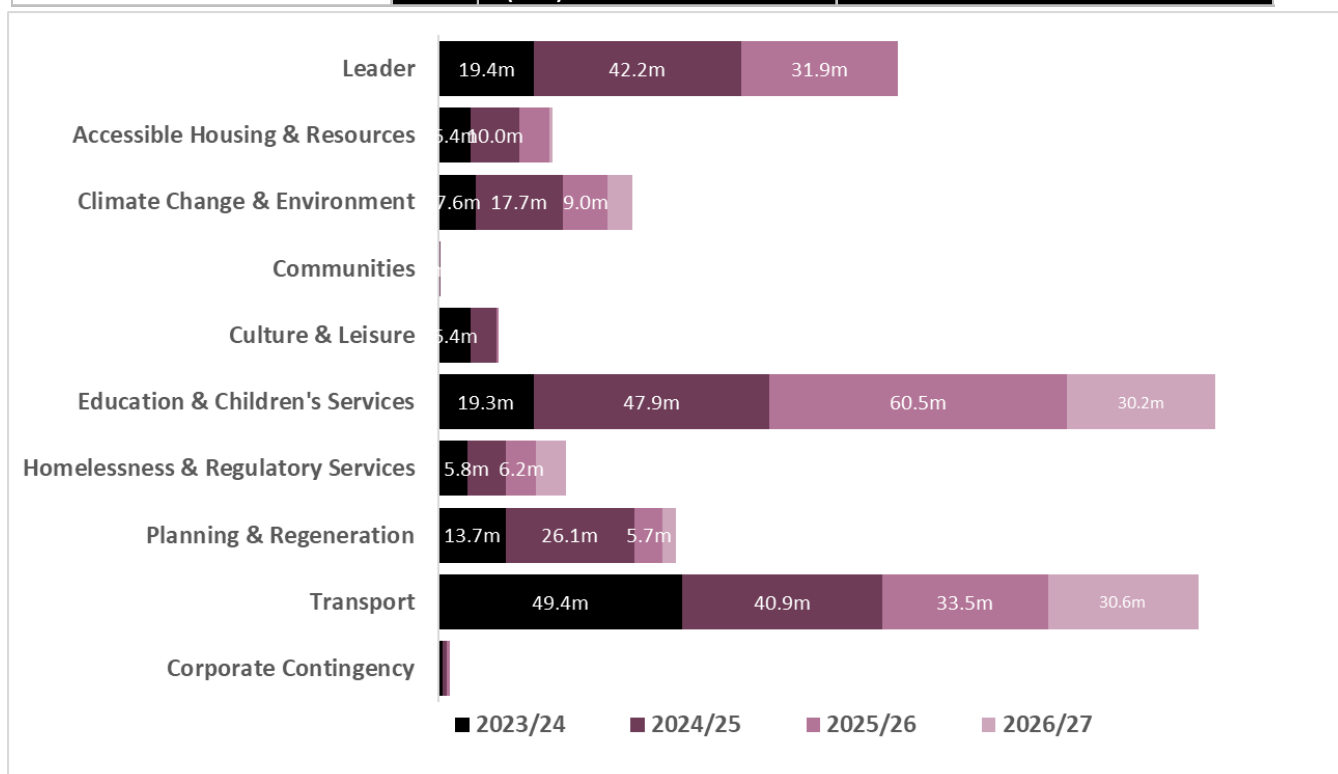
Please note the tables in this report are presented in £m and are not rounded.

## 5. Reprofileing the MTFP

- 5.1 The in-year target for slippage on Year 1 of the Capital Programme is 10%. To keep to the 10% target, every project has been reviewed<sup>1</sup> by project leads and Directors, particularly focussing on the current year profile. The table and graph below show the recommended reprofiling adjustments.

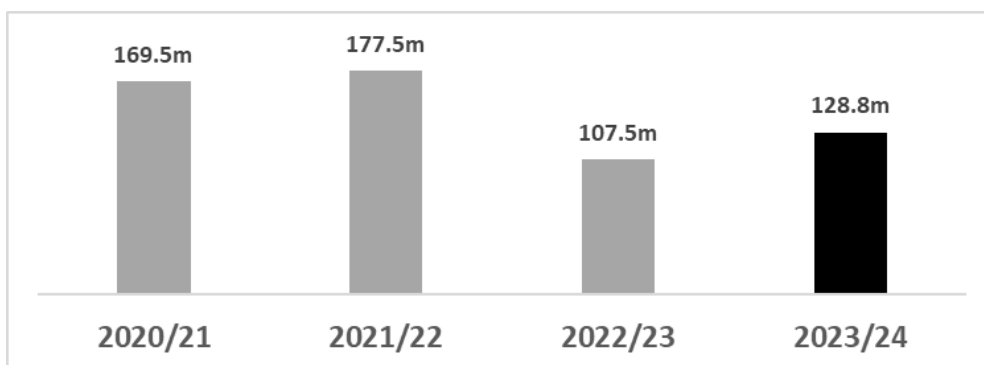
**Table 5 Reprofiting of adjusted MTFP**

Portfolio	Reprofilng					Final MTFP				
	Total	2023/24	2024/25	2025/26	2026/27	2023/24	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Leader	<b>93.4</b>	(18.7)	17.4	1.3		19.4	42.2	31.9		<b>93.4</b>
Accessible Housing & Resources	<b>23.1</b>	(6.5)	2.9	3.3	0.4	6.4	10.0	6.0	0.7	<b>23.1</b>
Climate Change & Environment	<b>39.3</b>	(5.6)	4.9	(2.4)	3.0	7.6	17.7	9.0	5.1	<b>39.3</b>
Communities	<b>0.3</b>	(0.3)	0.3				0.3			<b>0.3</b>
Culture & Leisure	<b>12.1</b>	(4.7)	4.7			6.4	5.2	0.5		<b>12.1</b>
Education & Children's Services	<b>157.9</b>	(24.8)	(2.2)	21.4	5.6	19.3	47.9	60.5	30.2	<b>157.9</b>
Homelessness & Regulatory Services	<b>25.8</b>	(2.7)	1.4	(0.6)	1.9	5.8	7.7	6.2	6.0	<b>25.8</b>
Planning & Regeneration	<b>48.2</b>	(19.7)	17.0	(0.0)	2.7	13.7	26.1	5.7	2.7	<b>48.2</b>
Transport	<b>154.4</b>	(7.7)	6.6	0.8	0.3	49.4	40.9	33.5	30.6	<b>154.4</b>
Corporate Contingency	<b>2.3</b>					0.8	0.8	0.8		<b>2.3</b>
<b>Grand Total</b>	<b>556.8</b>	<b>(90.5)</b>	<b>53.0</b>	<b>23.7</b>	<b>13.9</b>	<b>128.8</b>	<b>198.6</b>	<b>154.1</b>	<b>75.3</b>	<b>556.8</b>



5.2 Appendix 1 shows the reprofile at a more detailed Programme level.

5.3 The reprofiling gives an achievable and realistic budget for the current year, and is in line with the total spend over the Programme over the past 3 years:



5.4 Some highlighted points to note are:

- In a change from previous years, the School Places unreleased funding (£71m) has been pushed out of the current year and profiled into later years to reduce slippage risk; if new planned projects come forward for release & commitment in-year, the profile can be brought forward in a future report.
- The HIF programme, under Leader, retains its original profile with a heavy weighting in 24-25 and completing in 25-26, pending the decisions on funding from Homes England and DfT, after which the project budgets will be reprofiled.
- Regeneration budgets are currently more weighted in 24-25, as they contain the completion of the Future High Streets programme, plus the assumption that two large projects - still in viability phase - will commence that year (development of Old County Offices on Walton Street and Winslow Regeneration). Decisions on the latter two projects will be coming to Cabinet in due course, at which point the profile of the budget will be updated.

## **6. Release of Budgets through the Gateway Process**

6.1 The Council's Capital Gateway process is run via the Cabinet's Capital Boards, and releases approved funding for projects previously in feasibility phase, upon scrutiny of a business case. During Quarter 1, business cases have come forward through the Gateway process and were recommended for release as follows:

- Bearbrook School SEND unit, release from the SEND Capital Budget, £0.7m.
- 2 form entry expansion at the Kingsbrook School (secondary), funding release to progress the project to pre-construction phase, £2.0m
- Pebble Brook School provision for 2 modular classrooms, for an additional 10 pupil places for September 2023, funding released from the SEND schools capital budget, £0.25m.
- £0.5m of funding released to refurbish 3 Council-owned properties for Children's Residential placements, to mitigate against rising costs of placements.

## **7. Other options considered**

7.1 Not making these recommended budget changes will impact on budget monitoring and the Capital MTFP process and will affect the KPI for capital slippage.

## **8. Legal and financial implications**

8.1 There are no Legal Implications.

- 8.2 There are no cost implications of these changes. The changes will enable project leads to start the new financial year with a refreshed, realistic budget for their projects and programmes.
- 8.3 The overspends of £0.288m on projects set out in section 3, plus the release of £0.644m of corporate funding set out in section 4, will result in the Capital Contingency increasing from £2.3m to £2.7m, and this will be updated as part of this year's MTFP.

## **9. Corporate implications**

- 9.1 There are no direct, wider corporate implications from these recommended budget changes:
- Property - none
  - HR - none
  - Climate change - none
  - Sustainability - none
  - Equality - EIA not required
  - Data - no data protection impact assessment required.
  - Value for money – none.

## **10. Local councillors & community boards consultation & views**

- 10.1 As this is a technical budgeting exercise, no Local Councillor or Community Board consultation has been required.

## **11. Communication, engagement & further consultation**

- 11.1 No further communication, engagement or consultation is recommended from this paper.

## **12. Next steps and review**

- 12.1 None.

## **13. Background papers**

- 13.1 Previous Approved Capital Programme, from Full Council: [\[insert link\]](#)

## **14. Your questions and views (for key decisions)**

- 14.1 If you have any questions about the matters contained in this report, please get in touch with the author of this report. If you have any views that you would like the cabinet



member to consider, please inform the democratic services team. This can be done by email to [democracy@buckinghamshire.gov.uk](mailto:democracy@buckinghamshire.gov.uk).



## Appendix 1: MTFP Reprofile Detail by Portfolio

Portfolio Programme	2023/24 Exp Budget			2023/24 Funding	2024/25	2025/26	2026/27	Total Exp
	Released	Unreleased	Total					
	£m	£m	£m					
Strategic Infrastructure (HIF)	1.6	17.5	19.1	(18.8)	42.2	31.9		93.1
Economic Growth	0.3		0.3	(0.3)				0.3
<b>Leader Total</b>	<b>1.9</b>	<b>17.5</b>	<b>19.4</b>	<b>(19.1)</b>	<b>42.2</b>	<b>31.9</b>		<b>93.4</b>
Property & Assets	2.8	1.5	4.3		6.4	5.5	0.4	16.6
ICT	2.1		2.1		3.6	0.5	0.4	6.5
<b>Accessible Housing &amp; Resources Total</b>	<b>4.9</b>	<b>1.5</b>	<b>6.4</b>		<b>10.0</b>	<b>6.0</b>	<b>0.7</b>	<b>23.1</b>
Climate Change & Air Quality	0.9		0.9	(0.9)	2.1	1.3		4.3
Flood Management	0.5	0.9	1.5	(0.8)	7.4	3.6		12.5
Waste	2.0	3.3	5.3	(0.4)	8.1	4.1	5.1	22.5
<b>Climate Change &amp; Environment Total</b>	<b>3.3</b>	<b>4.2</b>	<b>7.6</b>	<b>(2.1)</b>	<b>17.7</b>	<b>9.0</b>	<b>5.1</b>	<b>39.3</b>
Community Safety					0.3			0.3
<b>Communities Total</b>					<b>0.3</b>			<b>0.3</b>
Country Parks	1.5	1.0	2.5	(2.5)				2.5
Leisure Centres	1.0		1.0	(0.7)	0.8	0.5		2.3
Libraries	0.1	0.4	0.4	(0.3)	0.3			0.7
Sport & Leisure Projects	1.9		1.9	(1.9)	3.7			5.6
Parks & Play Areas	0.6		0.6	(0.0)	0.4			1.0
<b>Culture &amp; Leisure Total</b>	<b>5.0</b>	<b>1.4</b>	<b>6.4</b>	<b>(5.4)</b>	<b>5.2</b>	<b>0.5</b>		<b>12.1</b>
Schools	13.8	5.0	18.8	(17.4)	47.9	60.5	30.2	157.4
Children's Social Care		0.5	0.5					0.5
<b>Education &amp; Children's Services Total</b>	<b>13.8</b>	<b>5.5</b>	<b>19.3</b>	<b>(17.4)</b>	<b>47.9</b>	<b>60.5</b>	<b>30.2</b>	<b>157.9</b>
Affordable Housing	0.3	0.5	0.7	(0.7)	1.3	1.0	1.0	4.1
Cemeteries & Crematoria	0.9		0.9	(0.6)	0.8	0.6	0.4	2.7
Homelessness					0.2			0.2
Housing	4.2		4.2	(4.1)	5.5	4.6	4.6	18.9
<b>Homelessness &amp; Regulatory Services Total</b>	<b>5.4</b>	<b>0.5</b>	<b>5.8</b>	<b>(5.4)</b>	<b>7.7</b>	<b>6.2</b>	<b>6.0</b>	<b>25.8</b>
Regeneration	12.7	1.0	13.7	(6.9)	26.1	5.7	2.7	48.2
<b>Planning &amp; Regeneration Total</b>	<b>12.7</b>	<b>1.0</b>	<b>13.7</b>	<b>(6.9)</b>	<b>26.1</b>	<b>5.7</b>	<b>2.7</b>	<b>48.2</b>
Car Parks	0.5		0.5	(0.1)	0.6	0.4	0.2	1.7
Highways & Cycleway Funded Schemes	1.6		1.6	(1.4)	4.3			5.8
Other Transport & Infrastructure	5.7		5.7	(4.0)	3.9	1.0	0.2	10.9
Rights of Way	0.5	0.3	0.7	(0.0)	0.1	0.1		1.0
Strategic Highway Maintenance	40.2	0.1	40.3	(0.0)	31.7	31.7	29.9	133.6
Transport Services	0.6		0.6	(0.5)	0.2	0.2	0.2	1.3
<b>Transport Total</b>	<b>49.0</b>	<b>0.4</b>	<b>49.4</b>	<b>(6.1)</b>	<b>40.9</b>	<b>33.5</b>	<b>30.6</b>	<b>154.4</b>
Corporate Costs		0.8	0.8		0.8	0.8		2.3
<b>Corporate Total</b>		<b>0.8</b>	<b>0.8</b>		<b>0.8</b>	<b>0.8</b>		<b>2.3</b>
<b>Grand Total</b>	<b>96.1</b>	<b>32.7</b>	<b>128.8</b>	<b>(62.3)</b>	<b>198.6</b>	<b>154.1</b>	<b>75.3</b>	<b>556.8</b>