



Report to Cabinet

Date:	13 th February 2024
Title:	Q3 Capital Budget Adjustments & Reprofileing
Cabinet Member(s):	Cllr. John Chilver, Cabinet Member for Accessible Housing and Resources
Contact officer:	David Skinner, Service Director Finance and S151 Officer
Ward(s) affected:	None
Recommendations:	<p>That Cabinet APPROVES the following Budget adjustments to the Capital Programme:</p> <ol style="list-style-type: none">1. Addition of £4.602m to the programme in the current year 2023-24 for new externally funded ringfenced grants, S106 developer contributions, or ringfenced capital receipts (Table 1).2. The release of £5.56m the Schools Secondary Schools places and SEN budgets (Table 2).3. Removal of £0.185m from the Capital Programme, where borrowing requirements no longer apply (Table 3).4. Reallocation of £5.106m consisting of £4.653m from projects budgets recommended for reinvestment in priority projects within the Final Budget and Capital Programme 2024-25 to 2027-28; and £0.638m increase the Capital Contingency from underspend released on the Ashwells project (Table 3).5. Reprofile of £9.3m from 2023/24 into future years (Table 4).
Reason for decision:	Changes to the Published Capital Programme require Cabinet approval, which are made via a quarterly update to Cabinet. The Capital Programme needs to be reprofiled to accurately reflect planned spend. There are also some additions 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 2023-24 to 2026-27 was approved by Full Council in February 2023, with an expenditure budget of £505.9m. The programme was revised to £556.8m following additions agreed by Cabinet in July 2023 and to £582.6m by Cabinet in November 2023.
- 1.2 The Council often receives ringfenced funding in-year from Government and Developers which are added to the programme in a supplementary budget change. Additionally, the programme is reviewed quarterly to check that the profiled spend remains realistic.
- 1.3 This paper sets out the recommended additions and reprofiling for Quarter 3, and recommends the projects listed in Table 3 to be reduced or removed from the programme. These budget changes will ensure the programme remains realistic and deliverable, and releases budget for reinvestment.
- 1.4 The recommended changes will reduce the 2023-24 current year budget from £124.5m to £119.6m.

2. Recommended Additions to the Capital Programme

- 2.1 There are £4.602m of additions recommended to be added to the programme in this financial year 23-24 from new grants announced since the Qtr 2 report and ringfenced s.106 funding being utilised. The detail of the additions is set out in Table 1 below.
- 2.2 A further £2.741m of new grants for future years have been announced since Qtr 2, and there has been a release of £0.638m underspend on the Ashwells project which can be held in contingency. These budget additions, totalling £3.379m, are included in the Final Budget & Capital Programme 2024-25 to 2027-28 to be approved at Full Council, and are included in the table below for information.

Table 1: Recommended Additions to Capital Programme

Portfolio	Project Group	Project Name	23/24 Exp. £m	Fut Yrs Exp for MTFP £m	Explanation
Projects funded from Government Grants					
Education & Children's Services	Provision for Early Years	Provision for Early Years	1.000	-	DfE Grant to support the provision of new places to support childcare for working parents.
Transport	Car Parks	On-Street Residential ChargePoint Scheme	0.407	-	LEVI grant to install on-street charge points for local residents wishing to charge their plug-in electric vehicles.
Transport	Replacement Traffic Signals	Traffic Signals (Obsolescence Grant)	-	0.087	DfT funding to upgrade obsolete traffic signal systems and improve reliability.
Transport	Strategic Highway Maintenance Programme	Additional DfT Funding from	1.654	1.654	Additional funding for maintenance and pothole repairs – £1.7m for 2023-24 and £1.7m for 2024-25.
Total Grants			2.061	2.741	4.802
Adding in new Projects funded from s.106 Developer Funding					
Culture & Leisure	Sport & Leisure Projects	Various s106 Sports and Leisure projects	1.576	-	Adding new projects which are funded from ringfenced S106. The S106 was negotiated specifically for these projects.
Total S106 Developer Contributions			1.576	-	
Total Additions (Externally Funded)			3.636	2.741	
Projects funded from Corporate Resources / Reserves					
Accessible Housing & Resources	Property Management Programme	KGVH Office Move – inc. fit out of Chesham Library	0.966	-	Approved via Cabinet paper on closure of KGVH. Costs are funded from the capital receipt from KGVH. The net receipt after these costs is included as Capital Receipt target in the MTFP.
Increase to Capital Contingency					
Corporate	Corporate Capital Contingency	Capital Contingency	-	0.638	Underspend arising from reduced implementation costs for Ashwells underspend – to be added to Contingency to reallocation in next year's MTFP.
Total Additions (Externally Funded)			3.636	2.741	4.802
Total Additions (Capital Receipts/ Reserves)			0.966	0.000	0.966
Total Increase to Capital Contingency			0.000	0.638	0.638
Total RECOMMENDED Additions			4.602	3.379	7.981

3. Release of Project Budgets

- 3.1 Since the Quarter 2 update to Cabinet, £0.210m of projects have been released through the capital gateway process through separate Leader or Key Decisions and are included here for information.

3.2 A further £1.549m has been recommended by CCIB for release in-year and £4.011m in future years, for schools projects.

Table 2 Release of capital budgets to allow spend

Portfolio	Project Group	Project Name	23/24 Exp. £m	Fut Yrs Exp. £m	Explanation
Agreed via Leader or Cabinet Decisions					
Climate Change & Environment	Buckingham HRC & Waste Transfer Station	Buckingham Waste	0.210		Release budget of £0.210m from Waste budget to commence land site and feasibility work on the New Buckingham Household Recycling Centre and transfer station project. Funded from borrowing.
Total Leader or Cabinet Decisions Released			0.210		
Recommended by CCIB to be released					
Education & Children's Services	Secondary School Places	Secondary school places	0.957	2.900	Release budget for Kingsbrook Secondary School.
Education & Children's Services	Provision for Special Educational Need	Provision for SEN	0.592	1.111	Release of budgets for Stony Dean, Pebble Brook and Juniper Hill
Total Recommended through Property Board Released			1.549	4.011	5.560
Total Released			1.759	4.011	5.770

4. Recommended Reallocations and Removals

4.1 £5.291m of project budgets are recommended to be reallocated or removed from the programme, as detailed in Table 3. £0.130m of this is in the current year 2023-24, and the remaining £5.161m is in future years and are included in the Final Budget & Capital Programme 2024-25 to 2027-18. In summary:

- 2 projects totalling £0.185m are recommended to be removed from the programme. These are for maintenance on assets purchased using borrowing, where the maintenance does not meet the criteria for borrowing, and the budgets are no longer required during this MTFP period. Any future maintenance required on these assets will be funded using other corporate resources via future MTFPs.
- 12 projects totalling £4.653m have been recommended by CCIB in November to have some or all of their budget reallocated as part of the funding envelope for the updated Capital Programme via the MTFP process. This is because the projects are either not happening, or are not priority projects, and therefore the funding can be reallocated to higher priority capital investment in future years.

- There is one additional recommended reallocation since November's CCIB, of £0.638m which is no longer required for the delivery of the Ashwells project, as the disposal of the site nears completion. It is recommended that this budget is reallocated to the Capital Contingency and can be considered for reinvestment via CCIB or next year's MTFP process.

Table 3: Recommended Reallocations and Removals

Portfolio	Project Group	Project Name	23/24	Fut Yrs	Explanation
			Exp.	Exp.	
			£m	£m	
Recommended for Removal					
Accessible Housing & Resources	Corporate Investment Portfolio	Investment Prop - Lancaster House	(0.010)		Purchase of Lancaster House completed. Remaining budget no longer needed.
Accessible Housing & Resources	Corporate Investment Portfolio	Regen Prop – Abbey Place		(0.175)	No longer meets the criteria for borrowing. Maintenance requirements will need to be funded either from existing Property Maintenance budgets or from the Investment Property Reserve (£4.7m current balance). To come forward for future decision as and when required (c2026-27).
Total Recommended for Removal			(0.010)	(0.175)	(0.185)
Recommended Capital Programme for Reallocation which will be reflected in the MTFP– CCIB approved in November					
Accessible Housing & Resources	Enhancement of Strategic Assets	Asset Enhancement - Tilehouse		(0.222)	Funding no longer required to take forward this project.
Accessible Housing & Resources	Property Management Programme	Community Centre Upgrades		(0.177)	For Aylesbury Community Centres; not currently committed; propose future works are funded via Special Expenses & s.106.
Accessible Housing & Resources	Property Management Programme	Capswood Maintenance & Works		(0.162)	Dilapidations for Capswood proposed to be funded from receipt from Estates Strategy instead.
Climate Change & Environment	Strategic Flood Management	Property Flood Resilience		(0.050)	Project only in feasibility stage and does not meet priority 1 criteria.
Homelessness & Regulatory Services	Raynes Avenue Park Drainage Replacement	Raynes Avenue Mobile Home Pk Drainage	(0.020)	(1.032)	Alternative options for delivering this project are being explored, seeking to minimise cost to council.
Planning & Regeneration	Amersham Regeneration (St John's Build)	St Johns Ambulance Building		(1.200)	Project not happening, legacy project from C&SB.

Planning & Regeneration	Retasking of Winslow Centre	Reprovision of MUGA		(0.030)	Project not started; original plans superseded by evolving Winslow proposals.
Planning & Regeneration	Retasking of Winslow Centre	Redevelopment of Winslow Centre		(0.296)	Project still in early feasibility (Revenue) stage and will not require this capital budget.
Planning & Regeneration	Wycombe Air Park	WAP - Land Purchase		(0.420)	Not committed. Capital receipt not dependent on this.
Planning & Regeneration	Employment & Regen. LED Opportunities	Brunel Shed	(0.100)		Project has been completed.
Transport	Car Parks	Unallocated Budget		(0.659)	Project not committed and has been held since Unitary for held for future capital work on Car Parks; projects not defined yet as will be informed by Parking Review.
Transport	Electric Vehicle Charging Points	Electric Vehicle Charging Points		(0.100)	Council originally made £0.8m commitment, however significant government grants are now available to support EV charging point delivery, therefore commitment reduced to £0.7m.
Total Recommended Reallocation			(0.130)	(4.523)	(4.653)
New Items recommended for Recommended for Reallocation to Capital Contingency					
Planning & Regeneration	Ashwells	Ashwells		(0.638)	An implementation costs budget of £763k for Ashwells will underspend by £638k, and this funding will be made available for Members to reprioritise in the Capital Programme via the MTFP and Capital Governance processes.
Total Recommended Contingency Reallocation				(0.638)	(0.638)
Total Removals			(0.010)	(0.175)	(0.185)
Total Reallocations			(0.120)	(4.986)	(5.106)
TOTAL Recommended Removals & Reallocations			(0.130)	(5.161)	(5.291)

5. Reprofileing the Programme

- 5.1 The Capital Programme profile is updated every quarter to accurately reflect planned spend to ensure that the programme remains realistic and reflects the latest project timelines, and to track funding requirements. The 23-24 budget before reprofiling is £128.9m.
- 5.2 It is recommended that £9.3m (7%) is reprofiled from the current year into future years, to match the latest project delivery projections and the Final Budget & Capital Programme 2024-25 to 2027-28 has been updated to reflect this. The reasons for reprofiling on each project are set out in Appendix 1. After reprofiling the 23-24 budget is £119.6m.
- 5.3 The table below summarises the reprofiling by Portfolio.

Table 4 Summary: Reprofiting of 23/24 Budget by Portfolio

Portfolio	Budget before Reprofiting			Reprofiting		Budget after Reprofiting		
	2023/24	Fut Yrs	Total	2023/24	Fut Yrs	2023/24	Fut Yrs	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Leader	6.0	87.4	93.4	(2.0)	2.0	4.0	89.4	93.4
Accessible Housing & Resources	5.3	18.0	23.3	(0.3)	0.3	5.0	18.3	23.3
Climate Change & Environment	8.9	32.0	40.9	(2.6)	2.6	6.2	34.6	40.9
Communities		0.9	0.9				0.9	0.9
Culture & Leisure	6.3	7.8	14.2			6.3	7.8	14.2
Education & Children's Services	17.9	141.0	158.9	(1.1)	1.1	16.8	142.1	158.9
Homelessness & Regulatory Services	21.2	22.9	44.1	(1.3)	1.3	19.9	24.2	44.1
Planning & Regeneration	11.2	37.0	48.1	(0.0)	0.0	11.1	37.0	48.1
Transport	51.4	107.1	158.6	(2.0)	2.0	49.5	109.1	158.6
Corporate Contingency	0.8	2.1	2.9			0.8	2.1	2.9
Grand Total	128.9	456.3	585.2	(9.3)	9.3	119.6	465.6	585.2

6. Corporate Contingency

There is currently £2.25m of Corporate Contingency with a proposed additional £0.638m, giving a revised contingency of £2.88m to meet unexpected inflationary pressures on priority projects, where no other corporate funding is available.

7. Other options considered

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

There are no Legal Implications.

The financial implications of these changes are set out in detail within the report.

8a Director of Legal & Democratic Services comment

The Director has read and noted the report.

8b Section 151 Officer comment

The Budget changes set out within the paper will be reflected in the 2023-24 Capital Budget and the 2024-25 to 2027-28 Final Capital Programme.

9. Corporate implications

9.1 The Capital Programme supports the delivery of all of the Council's aims and priorities, which are set out in the 2020-25 Corporate Plan:

- i. increasing prosperity
- ii. strengthening our communities
- iii. improving our environment
- iv. protecting the vulnerable

9.2 There are no direct, wider corporate implications from these recommended budget changes.

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, as agreed by Cabinet: [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 by 5pm on 9 February 2024. This can be done by email to democracy@buckinghamshire.gov.uk. Approved Capital Programme, from Full Council: [insert link]



Appendix 1: MTFP Reprofile Detail by Portfolio

Project Group by Portfolio	£m	Project & Reason for Re-profiling
Property Management Programme	0.075	Small delay in completion of capital works.
Rowley Farm	0.180	Planning consent has been obtained; tender will take place in Qtr 4, with works not due to start until 24-25.
Accessible Housing & Resources Total	0.255	
Children's Homes	0.200	Two projects are experiencing planning delays and will slip into next year.
Primary School Places	0.100	Denham Green Bulge Class project has been completed underbudget and returned to the schools programme in future years.
Primary School Projects	0.251	Four school projects are experiencing planning delays and will slip into next year.
Secondary School Projects	0.256	Slight underspend on several projects which have returned to the Secondary Schools Places budget next year.
Provision for Special Educational Need	0.260	Two projects have slipped into next year due to planning and design delay.
Education & Children's Services Total	1.067	
Cemeteries & Memorial Gardens	0.242	Delays facing 2 projects as awaiting Environmental Agency advice and results of archaeological dig due to take place in December 2023.
Chiltern & Berton Crematoria	0.045	Air conditioning installation delayed.
Temporary Accommodation	1.053	Fit out costs of LAHF-Grant Funded Ukrainian scheme at Holmers House & Jasmine Court to be completed by June 2024.
Homelessness & Regulatory Services Total	1.339	
Waterside North Development	0.020	Old County Offices development. Options business case remains in development.
Planning & Regeneration Total	0.020	

Project Group by Portfolio	£m	Project & Reason for Re-profiling
South East Aylesbury Link Road (SEALR)	1.500	Budget reprofile to align with programme of works, with target cost for main contract pending in Qtr 4 23-24.
Rural Broadband	0.261	Broadband voucher scheme ended and working with LEP to identify alternative use.
South Western Link Road South (SWLRS)	0.250	Delivery model of SWLR will now be developer-led, as per Cabinet Paper December 2022. Small budget retained to facilitate developer-led model, will be required in future years.
Leader Total	2.011	
Berryhill Footbridge Repair	0.173	Currently out to tender for a supplier to undertake construction in Q1 2024/25.
Car Parks & Vehicles	0.116	New vehicles to be purchased for Civil Enforcement Officers to be ordered in Q4 2023/24 or Q1 2024/25 and further works to car parks dependent on outcome of review.
Denham Bridleway Bridge Replacement	0.179	Adjustment to designs were required following which will go out to tender. Project to commence late 2023/24.
Electric Vehicle Charging Points	0.150	Project delays resulting in less forecast spend.
Highways & Cycleway Funded Schemes	0.369	Various project delays including procurement and procedural as adjustment to S106 needs to be agreed and signed.
Improvements to Rights Way	0.099	Seven small projects facing delays as they are still being scoped.
Freight Strategy	0.071	Contract issues are delaying the project.
LED Replacements	(0.172)	Project accelerated to delivery Energy savings.
East West Rail – Work in Kind	0.651	East West Rail Work in Kind (WiK) projects have been allocated via 2021 cabinet paper but are not yet at point of delivery.
A41 Bicester Road	0.350	Project is now complete, with final retention costs likely to be 2024/25
Transport Total	1.987	
Aylesbury Waste Vehicles Replacement	2.000	Procured contract is in the process of being terminated as the contractor is unable to fulfil order. New procurement exercise will commence next year.
Flood Defence Schemes	0.518	Project contingency budget will not be needed this year, to be reprofiled into future years.
Recycling Centres Drainage EA Compliance	0.132	Project is still at early feasibility stage.
Climate Change & Environment	2.650	
Grand Total	9.329	