

**Capital Budget 2017/18 – forecast main variances****Children and Family Services**

Net slippage of £5.1m is forecast compared with the updated budget. The main variances are:

	<b>£000</b>
<b>Provision of additional primary places</b>	<b>-4,347</b>
Burbage Sketchley Hill Primary - slippage £1.5m as a result of unexpected work identified within the survey relating to highway, tree and ground works. Market Harborough Farndon Fields Primary -slippage £1.2m - this is a passported scheme being delivered by the academy who have redesigned the scheme as a result of affordability issues. Barwell area primary - slippage £0.9m - project delayed pending a review of costs and value for money. Hinckley Richmond Primary - acceleration £1m - works able to start earlier than planned. Unallocated budget / contingencies and underspends - £2.1m .Underspends across various projects and funding set aside in unallocated budgets not fully used. Funding will be carried forward to 2018/19 for the development of place requirements for September 2018.	
<b>Wigston Area Special School</b>	<b>-460</b>
The school has contributed £400k towards part of the works resulting in an underspend.	
<b>10+ Structure Change</b>	<b>-383</b>
Delay on scheme at Launde School pending outcome of additional funding bid to ESFA.	
<b>Other variances</b>	<b>94</b>
<b>TOTAL</b>	<b>-5,096</b>

**Adults & Communities**

Net slippage of £0.6m is forecast compared with the updated budget. The main variances are:

	<b>£000</b>
<b>Mobile Libraries</b>	<b>-285</b>
Slippage as further mobile library vehicles are not expected to be purchased in 2017/18. The Cabinet has approved a review of the mobile library service – planning to be undertaken in 18-19 which will require reviewing the specification of vehicle that will be needed.	
<b>Changing Places / Toilets</b>	<b>-214</b>
At this stage there are no schemes identified that could be delivered in 2017/18. Slippage is required for 2 potential schemes in 2018/19.	
<b>Smart Libraries</b>	<b>-100</b>
The procurement process for the SMART libraries has been completed and the contract awarded recently. Planned works in 2017/18 are unlikely and will take place in 2018/19.	
<b>Other variances</b>	<b>14</b>
<b>TOTAL</b>	<b>-585</b>

**Environment and Transportation - Transport**

A net acceleration of £3.3m is forecast compared with the updated budget. The main variances are:

	<b>£000</b>
<b>LED Street Lighting</b>	<b>5,080</b>
Acceleration of scheme to enable early finish and early realisation of savings, additional installation gangs were brought in to accelerate the programme.	
<b>A42 Junction 13 and M1 Junction 22 - Major Schemes</b>	<b>403</b>

Additional technical and gas works required on the slip road and extra night time working patterns to ease traffic management.	
<b>Preventative Maintenance - Surface Dressing</b>	<b>368</b>
Extreme weather conditions have resulted in the programme being behind schedule. In order to bring the programme back on track the services of a top up contractor have been acquired. It is anticipated that all programmed jobs will now be completed this financial year. Additional pre surface dressing patching required in preparation for next year's schemes.	
<b>M1 Junction 23 and A46 Anstey Lane - Major Schemes</b>	<b>298</b>
Advanced works in preparation for major schemes.	
<b>Welfare Unit / Transportation</b>	<b>200</b>
Detailed assessment and design has resulted in additional cost required to make the depot fit for purpose.	
<b>Restorative Patching</b>	<b>69</b>
There are a significant number of category 2 defects that has resulted in an overspend on this budget. The pressure on the service has been mostly alleviated by the additional pothole fund grant received in February 2018.	
<b>Zouch Bridge</b>	<b>-1,459</b>
Slippage due to protracted Land purchase. Preparation underway for Public Inquiry, estimate of legal fees added. Land costs and advanced ecological works slipped into next year. Construction anticipated to commence in 2019/20.	
<b>Strategic Economic Plan - Hinckley Area Approach</b>	<b>-559</b>
Additional consultation works being performed which has delayed the works until 2018/19.	
<b>Advanced Design - Strategic Economic Partnership</b>	<b>-448</b>
Slippage in schemes to allow for alignment with external programmes including Local Plans, Strategic Growth Plan and NPIF scheme.	
<b>Melton Depot Replacement</b>	<b>-425</b>
Slippage as awaiting for a suitable site to be identified.	
<b>Flood Alleviation</b>	<b>-217</b>
Some schemes being slipped into 2018/19 so they can be undertaken in more appropriate weather conditions. Also some schemes will not progress due to more time needed to develop the projects.	
<b>Other variances</b>	<b>-51</b>
<b>TOTAL</b>	<b>3,259</b>

### **Environment and Transportation - Waste Management**

Net slippage of £0.2m is forecast compared with the updated budget. The main variance relates to:

	<b>£000</b>
<b>RHWS Improvements - Drainage and General</b>	<b>-161</b>
Shepshed RHWS drainage improvement works likely to be completed in 2018/19, to follow on from works being completed at a different site. Some works at Loughborough WTS will now take place in 2018/19 due to operational constraints.	

### **Chief Executives**

Slippage of £3.0m is forecast compared with the updated budget. The variance relates to:

	<b>£000</b>
<b>Rural Broadband Scheme</b>	<b>-2,999</b>
In February 2018, the contract with BT went into default and therefore no further payments are expected to be made in the current financial year. The default has come about as a result of delays in achieving contractual milestones. Discussions are taking place with BT to bring them out of default and work is continuing on the project. It is expected that funds will be spent in 2018/19.	

### **Corporate Resources**

Underspend of £0.6m and slippage of £0.5m is forecast compared with the updated budget. The main variances are:

	<b>£000</b>
<b>Loughborough, Pennine House Area Office</b>	<b>-550</b>
Underspend due to the reduction in the refurbishment works required. The proposed works have now been profiled and a revised scheme has been re-costed.	
<b>Snibston Country Park Future Strategy</b>	<b>-200</b>
Plans for Country Park have now been submitted to Planning - some objections received which may delay the scheme. Response expected in Feb 2018, slippage to 2018/19 as a result.	
<b>Beacon Hill Café and Education Centre</b>	<b>-150</b>
Business case and cost of proposed Café at Beacon Hill is now being reviewed and, as such, the scheme is likely to slip into the next financial year.	
<b>ICT - Unified Telephony / Skype</b>	<b>-180</b>
Deployment of the Skype for Business hardware (and subsequent implementation) to all departments across County Hall will continue into April and May, requiring an element of budget to be slipped into 2018/19.	
<b>Other variances</b>	<b>-20</b>
<b>TOTAL</b>	<b>-1,100</b>

### Corporate Programme

Net acceleration of £7.7m is forecast compared with the updated budget. The main variances are:

	<b>£000</b>
<b>CAIF - Embankment House, Nottingham</b>	<b>12,598</b>
Acceleration of investment scheme due to early completion of purchase than anticipated.	
<b>Energy Strategy</b>	<b>582</b>
Acceleration of programme due to identification of suitable schemes and cost efficiencies achieved from bringing works forward.	
<b>CAIF - Coalville Workspace Project</b>	<b>-3,232</b>
The scheme is currently being redesigned as it is financially unviable and will then be re-costed and re-programmed. Revised timescales to align with Growth Deal 2 and sale of Workspace 17.	
<b>CAIF - Lutterworth East</b>	<b>-920</b>
Slippage on the programme due to delay in completion of the purchase.	
<b>CAIF - Leaders Farm Office Projects</b>	<b>-618</b>
Full planning application submitted in August 2017 and approved on 14th December 2017. Work anticipated to start on site in February 2018. Delay in proposed tenant signing lease.	
<b>CAIF - Loughborough University Science &amp; Enterprise Park (LUSEP)</b>	<b>-580</b>
Slippage due to delay in negotiations with the University.	
<b>CAIF - Harborough Accelerator Zone (Airfield Farm)</b>	<b>-153</b>
A revised scheme is being developed which has delayed progress. The new scheme is being included in the new MTFS 2018-22	
<b>Other variances</b>	<b>27</b>
<b>TOTAL</b>	<b>7,704</b>

### Capital Programme - Changes in Funding

<b>Outturn Adjustments - 2016/17</b>	<b>£000</b>
Children & Family Services	-3,235
Adults & Communities	314
E&T - Transportation	-870
E&T - Waste Management	20
Chief Executives	24
Corporate Resources	1,422
Corporate Programme	5,943
	<b>3,618</b>

## 2017/18 Adjustments

<u>Children and Family Services</u>	
Reprogramming to 2017/18 (acceleration) £7.2m: - Hinckley Richmond PS - £2.0m - Barwell Area Primary Places - £2.0m - Sketchley Hill PS - £1.8m - Earl Shilton, Townlands PS - £0.9m, and - SEND Initiatives - £0.5m	7,176
Early Years Capital Fund Grant - original £683k reduced by £369k as three schemes have now been withdrawn and the funding reclaimed by the Government.	314
Section 106 - capital contributions unapplied (capital reserves).	1,314
Section 106 - various contributions to school accommodation programme.	960
School Condition Grant - adjustment for final allocation.	24
Contribution from School - Wigston Area Special School	398
Poplars (Nursery) Early Years - general capital receipts.	62
<u>Adults &amp; Communities</u>	
Disabled Facilities Capital Grant - adjustment for final allocation.	350
Hinckley The Trees, Transforming Care - funded by £55k from capital contributions unapplied and £329k from Improved Better Care Fund.	384
<u>Environment and Transportation - Transport</u>	
Melton Eastern Distributor Road - removal of grant, now revenue.	-800
Speed Awareness Pilot - funded from MTFS carried forward from 2016/17	300
Pothole Scheme - funded from Inflation Contingency MTFS, Cabinet Report Period 4.	500
Camera Car - funded from Inflation Contingency MTFS, Cabinet Report Period 4.	200
<u>Corporate Resources</u>	
Unified Telephony/Skype - funded from Transformation earmarked fund.	285
Anstey Frith Cottages - funded from Future Capital Development earmarked fund.	480
<u>Corporate Programme</u>	
Airfield Business Park - earmarked capital receipts no longer being sold due to the scheme being redesigned.	-2,013
Coalville Workspace Project - grant funding estimated from Growth Deal 2 removed as scheme is being revised due to being financially unviable.	-3,617
Rural Broadband - funding originally anticipated from BT removed as BT will incur the costs direct.	-2,213
Lichfield South - Asset Investment Scheme funded from Capital Future Developments Fund.	11,438
<b>Sub Total</b>	<b>15,542</b>
<b>Overall Total</b>	<b>19,160</b>