

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

Net acceleration of £3.4m is forecast compared with the updated budget. The main variances are:

	£000
Provision of Additional Primary Places	-223
A project a Blaby Thistly Meadow is forecast to be slipped by £650k due to planning issues as the site is on a flood plain, the structure will have to be raised up to overcome the problem. A number of smaller schemes have been accelerated which has reduced the overall variance in this area.	
SEND Programme	3,631
In order to deliver the High Needs Recovery Plan and enable lower cost local places to be available to deliver the required revenue saving a number of schemes to create capacity in special needs units and special schools are being accelerated.	
TOTAL	3,408

Adults & Communities

Net slippage of £5.6m is forecast compared with the updated budget. The main variances are:

	£000
Records Office Relocation	-2,920
A Partner workshop took place on 6 September 2019 to confirm the detailed working relationships. A formal agreement will significantly reduce the financial risk to LCC and will be included in the revised full business case. 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	-2,090
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 January 2020 at which point construction work will commence.	
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
The system tender value was significantly below the estimated value.	
Changing Places/Toilets (Personal Assistance)	-59
A couple of sites unlikely to be achieved this Financial Year. Exact location for one of these sites not yet confirmed.	
Other variances	36
TOTAL	-5,630

Environment and Transport

Net slippage of £18.4m is forecast compared with the updated budget. The main variances are:

Environment and Transport - Transportation	£000
A46 Anstey Lane	1,097

Acceleration of programmed funding from 2020/21 (2 year project) due to the target price being higher than the estimated budget. Additional funding has been agreed with the external partner that will be received in 20/21. The programme will be refreshed to include the additional funding as part of the 2020-24 MTFS refresh.	
Capital Maintenance - West Lane/Victoria Rd	453
Overspend due to advanced delivery of maintenance work being carried out in conjunction with s106 junction improvements. Maintenance work was carried out earlier than anticipated under the road closure necessary for the s106 improvements to minimise disruption	
Capital Maintenance - Preventative	241
Overspend due to the demand on pre surface dressing work being higher than anticipated.	
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	-9,675
Slippage due to delays in the legal agreement being signed with the developers. There has also been a delay in mobilisation due to issues with access to the site. The agreement has now been signed and construction works have started. Grant funding from DfT will have timings attached to it and so this funding will be used first to ensure conditions are met.	
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 to 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.	
County Council Vehicle Programme	-1,892
Slippage of budget due to a fleet management review which is now complete with actions and outcomes being considered. Whilst the review and the outcomes are considered there is a pause on replacing the fleet.	
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 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.	
Advanced Design	-404
Priority given to completing the Major Road Network (A511/A50) bid, with the area strategy to follow once the outcome of the bid is known. The funding is not expected to be needed until 2020/21.	
IT Renewals	-112
Slippage is expected pending a review of options by the department.	
Other variances	270
TOTAL	-18,445

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 £2.7m 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	-476
Investment in workplace strategy related schemes to achieve ongoing savings, subject to the business case. The Workplace Strategy Business Case has now been approved by CMT and work will begin to progress the schemes, which will now mostly be in 2020/21.	
ICT - Marval Replacement Programme	-120
Two year programme is now not due to begin until 2020/21 as other priorities and calls on resources have taken precedence.	
ASA Firewall Replacement	-100
Programme is now not due to begin until 2020/21 as other priorities and calls on resources have taken precedence.	
Other variances	24
TOTAL	-2,651

Corporate Programme

Net acceleration of £4.3m is forecast compared with the updated budget. The main variances are:

	£000
CAIF - Loughborough University Science & Enterprise Park (LUSEP)	6,372
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	-867
Schemes progressing, but often takes significant time for schemes to be approved and progress to operational stage. As such, likely that majority of budget will slip into next financial year, but should be required as a number of schools are in conversation with the LCC Energy team to progress.	
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	122
TOTAL	4,294

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>	
Ashby Court purchase - funded from Future Development reserve (Cabinet 130919)	1,150
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
A511/A50 Major Road Network (£1.5m), M1 J20A (£0.5m) - funded from Future Development reserve (Cabinet 290319) - £2m of £6m approved	2,000
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	6,497
Overall Total	25,500