

LONDON BOROUGH OF BRENT

EXECUTIVE MEETING - 21st JULY 2003

COUNCIL MEETING - 28th JULY 2003

REPORT FROM THE DIRECTOR OF FINANCE

FOR ACTION

ALL WARDS

2003/2004 CAPITAL BUDGET MONITORING REPORT AND S106 UPDATE REPORT

1. SUMMARY

This report reviews the latest position on the 2003/2004 Capital budget. It also sets out the progress on the review of Section 106 balances held.

2. RECOMMENDATIONS

The Executive is recommended to:

- 2.1. Note the latest position and agree the revised budgets in respect of the 2003/2004 programme per paragraph 5.1
- 2.2 Agree to retain the remaining £433k of resources as a contingency budget.
- 2.3 Note the position on the Section 106 review.

3. FINANCIAL IMPLICATIONS

This report is entirely concerned with financial matters in relation to the Council's Capital Programme.

4. STAFFING IMPLICATIONS

There are no staffing implications from this report.

5. DETAIL

5.1 Overall Position on the Programme

The 2003/2004 Capital Programme is set out below. It details estimated resources and agreed total budgets against a projected outturn. Currently the position shows that a balanced programme can be achieved.

TABLE 1 - 2003/2004 REVISED BUDGET AND PROJECTED OUTTURN

| Programme Detail | Original Budget £m | Revised Budget £m | Projected Outturn £m |
|----------------------------------|-----------------------|----------------------|-------------------------|
| Resources: | | | |
| Basic Credit Approval | 15.074 | 15.074 | 15.074 |
| Capital Funding Account | .729 | 7.450 | 7.450 |
| Capital Receipts in Year | 5.004 | 5.004 | 5.004 |
| Section 106 | 1.600 | 1.600 | 1.600 |
| Grant Income | 20.463 | 20.463 | 20.463 |
| Total Resources | 42.870 | 49.591 | 49.591 |
| Service Area Expenditure: | | | |
| Education, Arts and Libraries | 5.241 | 8.302 | 8.302 |
| Environment | 11.690 | 12.705 | 12.705 |
| Social Services | .460 | .498 | .498 |
| Housing | 12.489 | 12.796 | 12.796 |
| Corporate Services | 1.693 | 2.523 | 2.523 |
| Total Service Expenditure | 31.573 | 36.824 | 36.824 |
| Central Items | | | |
| Retentions | .300 | .203 | .203 |
| Grange Road Acquisition | - | .140 | .140 |
| Deferred Purchase | .659 | .659 | .659 |
| Elm Road Car Park Lease | .250 | .250 | - |
| St Martin's Church Hall | - | .315 | .315 |
| Property Leases | .700 | .700 | .700 |
| SRB Programmes | 9.388 | 10.067 | 10.067 |
| Total Central Items | 11.297 | 12.334 | 12.084 |
| Overall Total Expenditure | 42.870 | 49.158 | 48.908 |
| (Surplus)/Deficit | - | (.433) | (.683) |

5.2 The revised budget position takes account of:

- Changes to resources and expenditure as a result of the 2002/2003 provisional outturn.
- The allocation of resources by the 7th April meeting of the Executive.

5.3 Use of spare Resources in the Current Year

The Capital Programme has a £433k surplus. Members are recommended to retain this balance as a contingency since:

- (a) The Programme is dependent this year on a large contribution from capital receipts. It is a complicated disposals list and a safeguard is required in the event that the target is not achieved.
- (b) There will undoubtedly be a need for additional resources during the course of the year to meet emergency works.

5.4 S106 Update

Following concerns expressed by Members about the level of S106 resources currently held, a review was undertaken by the Director of Finance to determine whether the monies held could be better utilised.

The findings of the review were considered by the Capital Board who agreed the schedules should be recategorised to reflect the findings. The Board then consulted with the Planning Service and agreed a second review to reconcile the balances held, finalise the schedules and agree a series of recommendations for action. This will be completed and a draft report produced by the end of September.

The review also identified a number of improvements that could be made to the administrative process for dealing with S106 monies. These have been given to the Planning Service and Environment for consideration and action.

The Executive are recommended to note the progress made to date.

7. BACKGROUND INFORMATION

1. Report from the Director of Corporate Services entitled “4 Grange Road, Willesden” to the Executive on 7th April 2003.

Any person wishing to inspect these documents should contact Committee and Member Services, Room 106, Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HD. Tel. 020 8937 1353.

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