

# APPENDIX C

## 2011/12 Quarter 2 Capital Budget position

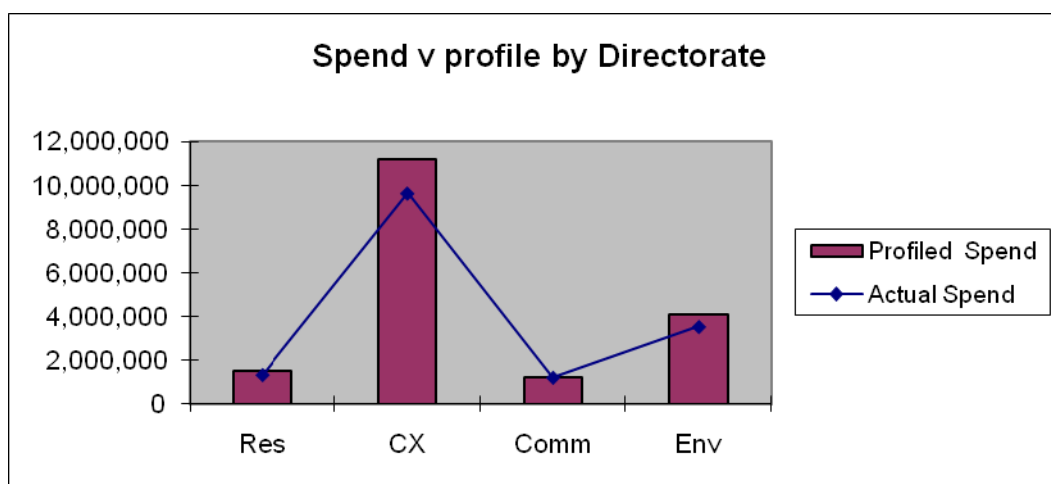
### Actual Spend to date

Actual spend at September 2011 is £15,643,327 compared to the profiled spend of £ 17,992,794 leaving the capital programme £ 2,349,846 underspent against profile

Profiles are provided by project managers as part of the project planning and management process. These profiles are used in the SAP project module to monitor the level of spend being achieved against the profile. The profiles also form a key part of the Councils overall treasury management process feeding into our decisions about borrowing levels and timescales. Inaccurate profiling by project managers could therefore contribute to our borrowing too much, too early, and incurring additional borrowing costs, or having to borrow on short notice which again could result in additional costs.

A breakdown of variances across directorates and programme groups is shown below.

	Revised Budget	Profiled Spend	Actual Spend	Variance	% of profile delivered
Res	4,777,483	1,535,709	1,311,600	224,109	85%
CX	38,210,403	11,160,841	9,634,387	1,526,454	86%
Comm	5,770,095	1,217,448	1,183,967	33,481	97%
Env	12,744,790	4,078,796	3,512,994	565,802	86%
<b>total</b>	<b>61,502,771</b>	<b>17,992,794</b>	<b>15,642,948</b>	<b>2,349,846</b>	<b>87%</b>



## Forecast position for 2011/12

Project managers are currently forecasting project spend will achieve £61,502,771. In the past we have based the capital forecast on the spend patterns from previous years. If we continue to use this method, we will achieve a year end capital spend of £40,305,144.

However, this year OSP and Schools Reorganisation account for £34m of the capital budget and it may be appropriate to forecast differently when such a large proportion of the budget is tied up in just 2 contracts.

We have therefore split the forecast between Schools - indicating OSP and Schools Reorganisation, and non schools. The non schools programme with a budget of £28m, based on last years profiles is forecast to achieve year end spend of £ 18,825,708 (70%). Schools (OSP and Schools Reorganisation) forecast has been based on the latest contract profiles of £34,497,817 (100%). Giving a total forecast of **£ 53,323,525** (87%).

This forecast level of spend has dropped slightly from that forecast in August due mainly to the reprogramming of £4.4m from OSP into 2012/13. Further reprogramming will take place as part of the October challenge sessions.

