

## BUSINESS SUPPORT OVERVIEW & SCRUTINY COMMITTEE

26 OCTOBER 2017

### CAPITAL BUDGET MONITORING 2017/18 – QUARTER 1

Report from: Phil Watts, Chief Finance Officer

Report Author: Katey Arrowsmith, Head of Finance Strategy

#### Summary

This report presents the results of the Council's capital monitoring for Quarter 1 of the 2017/18 financial year, including out-turn forecasts and reference to any new schemes for approval.

#### 1. Budget and policy framework

- 1.1. Cabinet are responsible for ensuring that expenditure for each capital scheme remains within the budget approved by Council.

#### 2. Background

- 2.1. The approved capital programme for 2017/18 is £78.305m, comprising £64.526m in respect of brought forward schemes and £13.779m of new approvals. This report consolidates the capital expenditure forecasts prepared by each directorate. Appendix 1 gives the full programme by programme detail. The notes in section 3 and 4 of this report below represent a commentary on areas of concern or items of particular interest.

#### 3. Forecast Position at Quarter 1

- 3.1. Table 1 summarises the overall capital programme and the latest forecast position:

	Current Round Budget £000s	2017/18 Forecast £000s	2018/19 Forecast £000s	2019/20 Forecast £000s	2020/21 Forecast £000s	Forecast Variance £000s
Children and Adults	17,518	13,784	3,803	0	0	69
Regeneration, Culture, Environment and Transformation	48,480	26,353	16,914	4,180	1,014	(19)
Housing Revenue Account	6,080	5,526	554	0	0	0
Business Support	787	781	0	0	6	0
Digital Transformation	5,187	3,354	1,833	0	0	0
Members Priorities	253	253	0	0	0	0
<b>Total</b>	<b>78,305</b>	<b>50,051</b>	<b>23,104</b>	<b>4,180</b>	<b>1,020</b>	<b>50</b>

3.2. Table 2 shows how the current programme is funded:

<b>Funding Source</b>	<b>C&amp;A £000s</b>	<b>RCET £000s</b>	<b>HRA £000s</b>	<b>BSD £000s</b>	<b>Digital Transformation £000s</b>	<b>Member Priorities £000s</b>	<b>Total £000s</b>
<b>Borrowing</b>	0	5,200	0	0	5,187	0	<b>10,465</b>
<b>Capital Grants</b>	9,305	37,296	0	31	0	0	<b>46,632</b>
<b>Capital Receipts</b>	0	2,366	0	532	0	253	<b>3,151</b>
<b>S106 Contributions</b>	8,213	2,156	0	0	0	0	<b>10,369</b>
<b>Revenue / Reserves</b>	0	1,462	6,080	224	0	0	<b>7,766</b>
	<b>17,518</b>	<b>48,480</b>	<b>6,080</b>	<b>787</b>	<b>5,187</b>	<b>253</b>	<b>78,305</b>

3.3. The projected overspend of £69,000 on Children and Adults relates to adaptations to social care buildings, and officer discussions on actions to reduce this overspend are ongoing.

3.4. The projected underspend on Regeneration, Community, Environment and Transformation relates to the Strand Play Area which has been completed under budget.

#### **4. New Schemes and Virements**

4.1 When the Council set the 2017/18 school capital condition budgets, the Local Authority allocations had not been published; therefore a conservative estimate of £1.0m was included within approved capital programme. The allocations have now been published and Medway were awarded £1.466m. The budget will be increased accordingly in quarter 2, under the Chief Finance Officer's delegation.

#### **5. Risk Analysis**

5.1. The report provides detailed information regarding individual schemes and no significant risks have been identified to the current programme.

#### **6. Financial and Legal Implications**

6.1. The financial implications are fully analysed in the report. There are no direct legal implications to this report.

#### **7. Recommendations**

7.1. Business Support Overview and Scrutiny Committee are requested to note the additional funding identified in section 4, to be added to the programme in quarter 2 under the Chief Finance Officer's delegation.

7.2. Business Support Overview and Scrutiny Committee are also asked to note the spending forecasts summarised at Table 1.

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**Appendices**

Appendix 1 – Capital Budget Monitoring details

**Background Papers**

Capital budget approved by Council 23 February 2017

<https://democracy.medway.gov.uk/mgAi.aspx?ID=15427>