

## BUSINESS SUPPORT OVERVIEW & SCRUTINY COMMITTEE

**30 NOVEMBER 2017**

### CAPITAL BUDGET MONITORING 2017/18 – QUARTER 2

Report from: Phil Watts, Chief Finance Officer

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#### **Summary**

This report presents the results of the Council's capital monitoring for Q2 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.
- 1.2 This Committee has responsibility for the regular monitoring of budgets and the capital programme

#### **2. Background**

- 2.1 The approved capital programme for 2017/18 is £92.002million. 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 2**

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

	<b>Current Round Budget £000s</b>	<b>2017/18 Forecast £000s</b>	<b>2018/19 Forecast £000s</b>	<b>2019/20 Forecast £000s</b>	<b>2020/21 Forecast £000s</b>	<b>Forecast Variance £000s</b>
<b>Business Support</b>	787	782	5	0	0	<b>0</b>
<b>Children and Adults</b>	23,459	16,042	5,252	2,240	0	<b>76</b>
<b>Housing Revenue Account</b>	6,080	5,957	123	0	0	<b>0</b>
<b>Members Priorities</b>	253	253	0	0	0	<b>0</b>
<b>Regeneration, Culture, Environment and Transformation</b>	56,237	24,823	18,204	6,636	6,575	<b>2</b>
<b>Digital Transformation</b>	5,187	2,544	2,643	0	0	<b>0</b>

<b>Total</b>	<b>92,002</b>	<b>50,401</b>	<b>26,227</b>	<b>8,876</b>	<b>6,575</b>	<b>78</b>
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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 Trans- formation £000s</b>	<b>Member Priorities £000s</b>	<b>Total £000s</b>
<b>Borrowing</b>	0	5,952	0	0	5,187	0	<b>11,139</b>
<b>Capital Grants</b>	14,946	44,495	0	31	0	0	<b>59,472</b>
<b>Capital Receipts</b>	0	2,254	0	532	0	253	<b>3,039</b>
<b>S106 Contributions</b>	8,213	2,028	0	0	0	0	<b>10,241</b>
<b>Revenue / Reserves</b>	300	1,507	6,080	224	0	0	<b>8,111</b>
	<b>23,459</b>	<b>56,236</b>	<b>6,080</b>	<b>787</b>	<b>5,187</b>	<b>253</b>	<b>92,002</b>

3.3 The projected overspend of £76,000 on Children and Adults relates to adaptations to social care buildings, and officer discussions on actions to reduce this overspend are ongoing. The overspend of £2,000 on Regeneration, Culture, Environment and Transformation relates to the Parking Services IT System.

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

4.1 The following schemes were approved via the Capital Additions Report at Full Council on 20 July 2017:

- Civic Centre flood mitigation measures; £3.5million.
- Innovation Park Medway Zone A; £3.7million.
- Civic Centre demolition; £0.550million.

4.2 Brookhill and Hillyfields Greenspace Improvements S106 funding has been vired to revenue schemes and improvements to Eastgate House Garden. The Strand budget has been reduced so that the funding can instead be used for the Strand Play Area scheme. £57,000 of Greenspace Initiative S106 has been used to fund revenue schemes and the Strand Play Area.

#### **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 The Committee is asked to note the spending forecasts summarised at Table 1 of the report.

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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>

Council approved additions to the Capital programme

<https://democracy.medway.gov.uk/ieIssueDetails.aspx?IId=20081&Opt=3>