

## BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE

**12 APRIL 2018**

### CAPITAL BUDGET MONITORING 2017/18 – QUARTER 3

Report from: Phil Watts, Chief Finance Officer

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#### Summary

This report presents the results of the Council's capital monitoring for Quarter 3 of the 2017/18 financial year and includes out-turn forecasts and reference to any new schemes for approval.

#### 1. Budget and Policy Framework

- 1.1 Cabinet is 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 £92.002million. This report consolidates the capital expenditure forecasts prepared by each directorate. Appendix 1 provides the detail by individual scheme. 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 3

- 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
<b>Business Support</b>	787	625	160	0	0	<b>(2)</b>
<b>Children and Adults</b>	23,459	14,266	7,579	1,690	0	<b>76</b>
<b>Housing Revenue Account</b>	6,080	6,042	38	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	22,852	19,616	8,186	5,583	<b>0</b>
<b>Digital Transformation</b>	5,187	2,447	2,740	0	0	<b>0</b>
<b>Total</b>	<b>92,002</b>	<b>46,484</b>	<b>30,133</b>	<b>9,876</b>	<b>5,583</b>	<b>74</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 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, as set out in Appendix 1 relates to adaptations to social care buildings, and officer discussions on actions to reduce this overspend are ongoing.

3.4 The modest underspend against the Business Support programme relates to an underspend on the Legal Case Management System.

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

4.1 £55,000 has been vired from the Strood Riverside LGF budget to fund completion of the Innovation Studios, which are integral to the regeneration of Strood Riverside.

4.2 The following Member Priority schemes have been approved since Quarter 2:

- Allhallows Village Hall Kitchen.
- Symonds Avenue/Magpie Hall Road.

#### **5. Risk Management**

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. Recommendation**

7.1 It is requested that the Committee notes the result of the third round of capital monitoring for 2017/18 and agrees the forecast position and proposed management action.

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## **Appendices**

Appendix 1 – Capital budget monitoring returns

### **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>