

CABINET

7 AUGUST 2018

CAPITAL BUDGET MONITORING 2018/19 – QUARTER 1

Portfolio Holder: Councillor Alan Jarrett, Leader
 Report from: Phil Watts, Chief Finance Officer
 Author: Katey Arrowsmith, Head of Finance Strategy

Summary

This report presents the results of the Council's capital monitoring for Q1 of the 2018/19 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 At its meeting on 22 February 2018, the Council agreed a capital programme of £100.4million. Since then the 2017/18 accounts have been closed and the actual carry forward into 2018/19 has increased from £71.4million to £93.7million. In addition to this a number of new schemes have been added to the programme, as outlined in section 4 and the revised capital programme for 2018/19 is £226.8million. This report consolidates the capital expenditure forecasts for the first quarter and Appendix 1 provides a scheme by scheme forecast position for the whole programme.

3. Forecast Position at Quarter 1

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

Directorate	Current Budget £000s	2018/19 Forecast £000s	2019/20 Forecast £000s	2020/21 Forecast £000s	2021/22 Forecast £000s	Forecast Variance £000s
Children and Adults	15,916	11,468	2,200	1,247	1,000	0
Regeneration, Culture, Environment and Transformation	61,010	37,996	16,545	5,715	754	0
Housing Revenue Account	7,045	6,593	453	0	0	0
Business Support Department	142,673	17,398	39,470	30,242	55,562	0
Public Health	0	0	0	0	0	0
Members Priorities	194	194	0	0	0	0
Total	226,838	73,649	58,668	37,204	57,316	0

3.2 Table 2 shows how the current programme is funded:

Funding Source	C&A £000s	RCET £000s	HRA £000s	BSD £000s	Public Health £000s	Member Priorities £000s	Total £000s
Prudential Borrowing	0	6,852	0	20,164	0	0	27,016
Borrowing in lieu of Capital Receipts	0	10,118	0	122,152	0	0	132,270
Capital Receipts	0	2,905	0	257	0	194	3,355
Capital Grants	15,249	39,762	0	31	0	0	55,041
RTB Receipts	0	127	300	0	0	0	427
S106 Contributions	667	1,202	0	0	0	0	1,869
Revenue / Reserves	0	46	6,745	69	0	0	6,860
Total	15,916	61,010	7,045	142,673	0	194	226,838

3.3 There are no budget variances forecast at this time.

4. New Schemes and Virements

4.1 Final grant determinations for a number of Highways grants increased the programme by £82,565 and the Education and Skills Funding Agency (ESFA) awarded Medway a further £4.9million of Basic Need Grant to deliver more school places.

4.2 At its meeting on 25 January 2018 Full Council approved an additional £5.8million to deliver the Strood Waterfront project and a number of new schemes were approved by Full Council on 26 April 2018:

- Medway Development Company;
- Medway Growth Joint Venture Loan;
- Chatham Historic Dockyard Trust – Growing Places Fund;
- Gun Wharf Hot Water System – Salix Loan.

5. Risk Management Implications

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 The Cabinet is asked to note the spending forecasts summarised at Table 1 of the report.

8. Suggested reasons for decision

8.1 Cabinet has the responsibility to ensure effective budgetary control to contain expenditure within the approved limits set by Council.

Lead officer contact

Katey Arrowsmith, Head of Finance Strategy, Gun Wharf
Katey.arrowsmith@medway.gov.uk

Appendices

Appendix 1 – Capital Budget Monitoring

Background papers

Capital budget approved by Council 22 February 2018

<https://democracy.medway.gov.uk/mgAi.aspx?ID=18048#mgDocuments>

Council approved additions to the Capital Programme 26 April 2018

<https://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=41537>

Council approved addition to the Capital Programme 25 January 2018

<https://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=39849>