

## BUSINESS SUPPORT OVERVIEW & SCRUTINY COMMITTEE

**23 AUGUST 2018**

### CAPITAL BUDGET MONITORING 2018/19 – QUARTER 1

Report from: Phil Watts, Chief Finance Officer

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#### 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 which require 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
<b>Total</b>	<b>226,838</b>	<b>73,649</b>	<b>58,668</b>	<b>37,204</b>	<b>57,316</b>	<b>0</b>

3.2 Table 2 shows how the current programme is funded:

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

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 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

**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>