

COUNCIL

21 APRIL 2022

AMENDMENTS TO THE CAPITAL PROGRAMME

Portfolio Holder: Councillor Alan Jarrett, Leader of the Council

Report from: Phil Watts, Chief Operating Officer

Author: Katey Durkin, Head of Finance Strategy

Summary

This report requests Council approval for a number of amendments to the Capital Programme as recommended by Cabinet on 8 March 2022.

1. Budget and policy framework

1.1. Cabinet is responsible for ensuring that capital expenditure remains within the budget approved by Council. Additional schemes (capital additions) or movements in budgets between schemes (virements) are required. Virements below £150,000 can be approved by Directors under delegated authority. Virements between £150,000 and £1million can be approved by Cabinet and those in excess of £1million are a matter for Council.

1.2. The Chief Finance Officer has delegated authority to approve in year additions to the capital programme, in consultation with the Finance Portfolio Holder, subject to the following criteria:

- funding coming from external sources,
- no financial contribution coming from the Council,
- funding being ringfenced for specific purposes.

Any additions made under delegated authority are reported through the next budget monitoring report.

2. Background

2.1. Council approved the capital programme for 2022/23 and beyond at its meeting on 24 February 2022. On 8 March 2022, the Cabinet received the Round 3 2021/22 Capital Budget Monitoring Report and recommended the amendments set out in the remainder of this report for approval by Council. Since these meetings of Council and the Cabinet, the following grant

allocations have been added to the capital programme under the delegation of the Section 115 Officer:

- Schools Condition Programme: £755,901,
- Devolved Schools Maintenance and Condition: £136,916,
- Local Transport Plan: Integrated Transport Block: £1,602,000,
- Local Transport Plan: Highways Maintenance Block Needs Element: £1,412,000,
- Local Transport Plan: Highways Maintenance Block Incentive Element: £353,000, and
- Local Transport Plan: Potholes Fund: £1,412,000.

Along with the estimated carry forward of budget from the 2021/22 financial year, this takes the total capital programme for 2022/23 to £423.217million.

3. School Places - Basic Need Programme

3.1. The following schemes have been completed with underspends:

- Hundred of Hoo Primary Expansion Phase 2 (£5,000),
- Rainham Mark Expansion (£3,000),
- Halling Primary Phase 2 (£32,000), and
- Rainham Girls Bulge (£6,000).

As such Cabinet recommended to Council that the schemes and unspent budget be removed from the capital programme. (Decision ref: 42/2022 refers).

4. SEN Strategy

4.1. The Abbey Court Relocation & Expansion scheme has been completed with an underspend of £3,000. As such, Cabinet recommended to Council that the scheme and unspent budget be removed from the capital programme. (Decision ref: 42/2022 refers).

5. Regeneration

5.1. The Pottery Road Recreation Site Improvements works are being managed directly by the Hoo Parish Council and section 106 monies have been paid directly to them as a source of funding. Therefore, the scheme is no longer required and Cabinet recommended to Council that the scheme and unspent budget of £40,000 be removed from the capital programme. (Decision ref: 42/2022 refers).

6. Democracy & Governance

6.1. The Licensing Shared Service Setup scheme has been completed with an underspend of £34,000. As such, Cabinet recommended to Council that the scheme and unspent budget be removed from the capital programme. (Decision ref: 42/2022 refers).

7. Front Line Services

- 7.1. The Medway City Estate Connectivity Scheme Round 3 2021/22 forecast projected an overspend due to increased materials costs and third-party delays. Cabinet recommended to Council that £236,000 of Section 106 funding be added to the scheme to fund this overspend. (Decision ref: 43/2022 refers).

8. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Medway City Estate Connectivity Scheme – risk of further overspend	Further works and increases costs could result in additional overspends.	Robust monitoring to ensure the project is delivered on budget and schedule	C2

9. Financial implications

- 9.1. The financial implications are analysed in the report and summarised in the table below:

Capital Programme changes	£
Schools Condition Programme – budget addition funded from Government Grant	755,901
Devolved Schools Maintenance and Condition– budget addition funded from Government Grant	136,916
LTP Block Funding – budget addition funded from Government Grant	4,779,000
Hundred of Hoo Primary Expansion Phase 2 – capital budget reduction	(5,000)
Rainham Mark Expansion – capital budget reduction	(3,000)
Halling Primary Phase 2 – capital budget reduction	(32,000)
Rainham Girls Bulge – capital budget reduction	(6,000)
Abbey Court Relocation & Expansion – capital budget reduction	(3,000)
Pottery Road Recreation Site Improvements works – capital budget reduction	(40,000)
Licensing Shared Service Setup – capital budget reduction	(34,000)
Medway City Estate Connectivity – budget addition funded from S106 Contributions	236,000
Total	5,784,817

10. Legal implications

10.1. There are no direct legal implications to this report.

11. Recommendations

11.1. The Council is asked to remove the schemes and unspent budget set out in sections 3 to 6 of the report from the Capital Programme, and to add £236,000 S106 funding to the Capital Programme, as set out in section 7 of the report.

Lead officer contact

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Appendices

None

Background papers

None