

HEALTH AND ADULT SOCIAL CARE OVERVIEW AND SCRUTINY COMMITTEE

7 DECEMBER 2023

CAPITAL BUDGET MONITORING 2023/24 - ROUND 2

Report from: Katey Durkin, Chief Finance Officer

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Summary

This report presents the results of the second round of the Council's capital budget monitoring process for 2023/24.

1. Recommendation

1.1. It is recommended that the Health and Adult Social Care Overview and Scrutiny Committee notes the results of the second round of capital budget monitoring for 2023/24.

2. Budget and policy framework

2.1. Cabinet is responsible for ensuring that capital expenditure remains within the budget approved by Council. Where required, the report will give details relating to additional schemes (capital additions) or movements in budgets between schemes (virements). 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.

2.2. The Chief Operating 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, to be used for a specific purpose on a specific asset,
- no financial contribution coming from the Council,
- funding being ringfenced for specific purposes.

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

3. Background

- 3.1. The approved capital programme for 2023/24 and beyond is £267.677million. Together with spend incurred on this programme in prior years, the total approved cost of these schemes in the approved programme is £547.785million. This report consolidates the second round of capital budget forecasts for 2023/24, based on returns submitted by individual budget managers during August 2023. An analysis is provided below for each service area within the remit of this committee detailing both financial forecasts and providing an update as to the current progress of capital schemes, and any management action required to deal with either budgetary or progress issues. Where schemes are projected to complete later than the current financial year, a forecast of the anticipated spend profile is given.

4. Overview and Scrutiny

- 4.1. At its meeting on 20 July 2023 Full Council approved changes to the terms of reference to the Overview and Scrutiny committees. From 2023/24 financial year the budget monitoring reports are included in the terms of reference of all four overview & scrutiny committees not just the Business Support and Digital Overview and Scrutiny committee. As such, though this report includes a summary of the overall Council position at Section 5 for information and context, this remainder of this report provides detailed information about the services within the remit of this Committee only.

5. Summary Capital Budget Position 2023/24

- 5.1. Table 1 below summarises the capital programme and Round 2 forecast position. Table 2 details how the approved programme will be funded.

Table 1: Round 2 Capital Monitoring Summary

Directorate	Total Approved Cost £000s	Total Expenditure to 31/03/23 £000s	Remaining Budget £000s	Forecast Spend 2023/24 £000s	Forecast Spend in Future Years £000s	Forecast (Under)/overspend £000s
Children and Adults (including Public Health)	77,506	34,200	42,984	16,217	26,762	(5)
Regeneration, Culture and Environment	401,529	214,004	187,520	65,935	121,846	261
Housing Revenue Account	65,537	28,921	36,615	20,257	16,358	0
Business Support Department	3,116	2,645	471	421	50	0
Members Priorities	98	12	86	46	0	(40)
Total	547,785	279,781	267,677	102,876	165,017	216

Table 2: Funding the Capital Budget

Funding Source	Total £000s	C&A £000s	RCE £000s	HRA £000s	BSD £000s	Members Priorities £000s
Capital Grants	79,404	35,597	40,407	3,999	1	0
Developer Contributions	4,928	3,967	961	0	0	0
Capital Receipts	1,649	0	1,267	0	296	86
RTB Receipts	6,972	0	0	6,972	0	0
Revenue / Reserves	11,187	0	156	11,031	0	0
Prudential Borrowing	100,620	3,420	81,811	15,213	175	0
Borrowing in lieu of Capital Receipts	20,679	0	20,679	0	0	0
Borrowing in lieu of Future Business Rates	19,993	0	19,993	0	0	0
Borrowing in lieu of Future Rent	11,760	0	11,760	0	0	0
Borrowing in lieu of Future Section 106 Contributions	137	0	137	0	0	0
Borrowing in lieu of Future NHS Grant	10,348	0	10,348	0	0	0
Total	267,677	42,984	187,520	36,615	471	86

6. Health and Adult Social Care

- 6.1. The Children and Adults programme within the remit of this Committee is forecast to spend within the approved budget. Please note that there is one scheme relating to the Family Hubs and Start for Life, included below under the Adult Social Care service area, which is included in reports for both this Committee and the Children and Young People Overview and Scrutiny Committee as it contains elements of both Children's Social Care and Public Health.

Service	Total Approved Cost £000s	Total Exp to 31/03/23 £000s	Remaining Budget £000s	Forecast Spend 2023/24 £000s	Forecast Spend in Future Years £000s	Total Scheme Variance £000s
Basic Needs - Primary	6,851	2,237	4,292	2,846	1,446	0
Basic Needs - Secondary	21,060	3,822	17,238	4,402	12,836	0
Commissioning	824	824	0	0	0	0
School Condition Programme	6,475	5,700	775	775	0	0
Schools Devolved Capital	1,740	1,604	136	136	0	0
Basic Needs - SEND	37,399	18,589	18,810	7,677	11,129	(5)
Children's Social Care	1,654	102	1,552	200	1,352	0
Adult Social Care	1,504	1,323	181	181	0	0
Children and Adult Services Total	77,506	34,200	42,984	16,217	26,762	(5)

	Total Approved Cost £000s	Total Exp to 31/03/23 £000s	Remaining Budget £000s	Forecast Spend 2023/24 £000s	Forecast Spend in Future Years £000s	Total Scheme Variance £000s
Adult Social Care	1,504	1,323	181	120	61	0
<p>There are currently two schemes within this area; one to implement a new Electronic Social Care Records System to record information about families, and a new scheme to implement accessibility improvements and internal works to a number of existing family hubs to support the Start for Life Programme.</p> <ul style="list-style-type: none"> Integrated Care Management System (Remaining Budget £1,000), the Adult Social Care charging reforms require LAs to introduce a technical solution in order to monitor how much each person receiving care and support pays towards their care. Whilst there is funding from central government to support the development and implementation of this tool, we currently do not know whether this will be sufficient, and we are therefore committing this budget to support the reforms by using it towards integration costs. The pause of the Care Reforms has led to the last of this budget not being spent. We will be introducing online tools in 2023/24 to support Adult Social Care transformation, which will also meet the Care Reform requirements, when they are introduced, and this budget will be used to support implementation. Family Hubs and Start for Life (Remaining Budget £180,000), project to implement accessibility improvements and internal works to a number of existing family hubs to support the Start for Life Programme. Medway Norse has attended all the proposed sites and we await final costings. <p>Funding: the above schemes are funded by government grant. Budgetary Forecast: it is estimated that the above scheme will fully expend the allocated budget.</p>						

7. Changes Since Cabinet Round 1 Monitoring 8 August 2023

7.1. There are none.

8. Conclusion

8.1. The second round of Capital Budget Monitoring for 2023/24 relating Health and Adult Social Care are forecast to complete their capital schemes within the approved budget.

9. Risk Management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Capital receipts	A significant proportion of the Capital Programme is funded from capital receipts; if the Council does not achieve the required receipts, some elements of the programme may either need to be curtailed or refinanced.	Close monitoring of the programmes anticipated to deliver capital receipts, and careful management of the delivery of those schemes funded from receipts.	BII
The Council overspends against the agreed budget.	Overspends would need to be funded from other sources; the Council's limited reserves or further borrowing, at further revenue cost.	The capital monitoring process is designed to identify and facilitate management action to mitigate the risk of overspending	BIII

Risk	Description	Action to avoid or mitigate risk	Risk rating
		against the agreed budget.	
Deliverability of the Capital Programme	Macro-economic conditions, largely but not wholly resulting from the external factors, have affected the cost and availability of both materials and labour.	Close monitoring of the programme and careful management of the delivery are supported by scrutiny from senior officers and Members.	BIII
Likelihood		Impact:	
A Very likely		I Catastrophic	
B Likely		II Major	
C Unlikely		III Moderate	
D Rare		IV Minor	

10. Financial Implications

10.1. The financial implications are set out in the body of the report.

11. Legal Implications

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

Lead officer contact

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Appendices

None

Background papers

None