

## **Health and Adult Social Care Overview and Scrutiny Committee**

**14 March 2024**

### **Capital Budget Monitoring – Round 3 2023/24**

Report from: Katey Durkin, Chief Finance Officer

Author: Andy McNally-Johnson, Head of Corporate Accounts

#### **Summary**

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

#### **1. Recommendation**

1.1. It is recommended that the Health and Social Care Overview and Scrutiny Committee notes the results of the third 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 £273.676million. Together with spend incurred on this programme in prior years, the total approved cost of these schemes in the approved programme is £555.361million. This report consolidates the third round of capital budget forecasts for 2023/24, based on returns submitted by individual budget managers during November 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 3 forecast position. Table 2 details how the approved programme will be funded.

**Table 1: Round 3 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)	78,472	36,927	41,545	13,030	28,464	(51)
Regeneration, Culture and Environment	406,461	213,181	193,280	58,302	102,438	(32,540)
Housing Revenue Account	67,220	28,921	38,298	14,765	23,533	0
Business Support Department	3,116	2,645	471	119	352	0
Members Priorities	93	12	81	75	0	(6)
<b>Total</b>	<b>555,361</b>	<b>281,685</b>	<b>273,676</b>	<b>86,293</b>	<b>154,786</b>	<b>(32,597)</b>

**Table 2: Funding the Capital Budget**

<b>Funding Source</b>	<b>Total £000s</b>	<b>C&amp;A £000s</b>	<b>RCE £000s</b>	<b>HRA £000s</b>	<b>BSD £000s</b>	<b>Members Priorities £000s</b>
Capital Grants	83,994	33,638	45,273	5,082	1	0
Developer Contributions	6,061	3,952	2,074	0	0	35
Capital Receipts	1,229	0	887	0	296	46
RTB Receipts	6,972	0	0	6,972	0	0
Revenue / Reserves	11,160	0	129	11,031	0	0
Prudential Borrowing	101,363	3,954	82,020	15,213	175	0
Borrowing in lieu of Capital Receipts	20,659	0	20,659	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
<b>Total</b>	<b>273,676</b>	<b>41,545</b>	<b>193,280</b>	<b>38,298</b>	<b>471</b>	<b>81</b>

## 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.

<b>Service</b>	<b>Total Approved Cost £000s</b>	<b>Total Exp to 31/03/23 £000s</b>	<b>Remaining Budget £000s</b>	<b>Forecast Spend 2023/24 £000s</b>	<b>Forecast Spend in Future Years £000s</b>	<b>Total Scheme Variance £000s</b>
Basic Needs - Primary	6,529	2,237	4,293	2,564	1,729	0
Basic Needs - Secondary	24,257	6,548	17,709	3,741	13,968	0
Commissioning	824	824	0	0	0	0
School Condition Programme	6,475	5,700	775	750	25	0
Schools Devolved Capital	1,740	1,604	136	136	0	0
Basic Needs - SEND	35,489	18,589	16,900	5,559	11,290	(51)
Children's Social Care	1,654	102	1,552	174	1,378	0
Adult Social Care	1,504	1,323	181	105	76	0
<b>Children and Adult Services Total</b>	<b>78,472</b>	<b>36,927</b>	<b>41,545</b>	<b>13,029</b>	<b>28,464</b>	<b>(51)</b>

	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	105	76	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"> <li>Integrated Care Management System (Remaining Budget £1,000), the Adult Social Care charging reforms require LAs to introduce a technical solution 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.</li> <li>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. Works have been slightly delayed due to assessments for Reinforced Autoclaved Aerated Concrete (RAAC), however we are expecting works to commence imminently.</li> </ul> <p><b>Funding:</b> the above schemes are funded by government grant.  <b>Budgetary Forecast:</b> it is estimated that the above scheme will fully expend the allocated budget.</p>						

## 7. Changes Since Cabinet Round 2 Monitoring 2023/24

7.1. There are none.

## 8. Conclusion

8.1. The third 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	BIII

Risk	Description	Action to avoid or mitigate risk	Risk rating
		action to mitigate the risk of overspending 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
<b>Likelihood</b>		<b>Impact:</b>	
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

Andy McNally-Johnson, Head of Corporate Accounts, Gun Wharf, 01634 333552,  
[andy.mcnallyjohnson@medway.gov.uk](mailto:andy.mcnallyjohnson@medway.gov.uk)

### Appendices

None

### Background papers

None