



Serving You

Health and Adult Social Care Overview and Scrutiny Committee

5 December 2024

Capital Budget Monitoring – Round 2 2024/25

Report from: Phil Watts, Chief Operating Officer (Section 151 officer)

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Summary

This report presents the results of the second round of the Council's capital budget monitoring process for 2024/25.

1. Recommendations

1.1. The Health and Adult Social Care Overview and Scrutiny Committee are asked to note the results of the second round of capital budget monitoring for 2024/25.

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). On 17 October 2024, Council approved a series of changes to the Constitution, including to the budget virement limits. Capital virements of up to £1million can be approved by the Chief Executive and Directors, capital virements up to £2million can be approved by Cabinet with anything above that being reported to Full Council for decision. 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.
- Any additions made under delegated authority are reported through the next budget monitoring report.

3. Background

- 3.1. The approved capital programme for 2024/25 and beyond is £325.237million. Together with spend incurred on this programme in prior years, the total approved cost of these schemes in the approved programme is £599.155million. This report consolidates the second round of capital budget forecasts for 2024/25, based on returns submitted by individual budget managers. 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. Summary Capital Budget Position 2024/25

- 4.1. 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 31/03/24 £000s	Remaining Budget £000s	Forecast Spend 2024/25 £000s	Forecast Spend in Future Years £000s	Forecast (Under)/overspend £000s
Children and Adults (including Public Health)	52,950	19,789	33,161	19,734	12,072	(1,355)
Regeneration, Culture and Environment	442,253	218,243	224,010	64,017	153,794	(6,199)
Housing Revenue Account	101,201	33,566	67,636	22,080	45,556	0
Business Support Department	2,750	2,320	430	386	44	0
Total	599,155	273,918	325,237	106,217	211,466	(7,554)

Table 2: Funding the Capital Budget

Funding Source	Total £000s	C&A £000s	RCE £000s	HRA £000s	BSD £000s
Capital Grants	63,706	29,895	33,205	606	0
Developer Contributions	3,615	457	3,158	0	0
Capital Receipts	2,488	0	2,229	0	258
RTB Receipts	0	0	0	0	0
Revenue / Reserves	19,029	0	304	18,725	0
Prudential Borrowing	173,938	2,235	123,226	48,304	172
Borrowing in lieu of Capital Receipts	20,284	0	20,284	0	0
Borrowing in lieu of Future Business Rates	16,847	0	16,847	0	0
Borrowing in lieu of Future Rent	11,415	0	11,415	0	0
Borrowing in lieu of Future Section 106 Contributions	0	0	0	0	0
Borrowing in lieu of Future NHS Grant	13,100	0	13,100	0	0
Total	324,422	32,587	223,770	67,636	430

5. Health and Adult Social Care

- 5.1. The Children and Adults programme within the remit of this Committee is forecast to complete on budget (forecast to budget in Round 1) against the approved budget of £84,000 as set out below. It should be noted that the Family Hubs and Start for Life scheme, included below under the Adult Social Care service area, 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 £000	Total Exp to 31/03/24 £000	Remaining Budget £000	Forecast Spend 2024/25 £000	Forecast Spend in Future Years £000	Total Scheme Variance £000
	£000s	£000s	£000s	£000s	£000s	£000s
Basic Needs - Primary	5,964	3,438	2,526	2,170	380	25
Basic Needs - Secondary	14,998	2,539	12,459	7,173	5,410	125
School Condition Programme	6,915	6,407	508	508	0	0
Schools Devolved Capital	2,151	2,025	126	126	0	0
Basic Needs - SEND	21,078	5,150	15,928	9,646	6,282	0
Children's Social Care	1,654	124	1,530	26	0	(1,504)
Adult Social Care	190	106	84	84	0	0
Children and Adult Services Total	52,950	19,789	33,161	19,734	12,072	(1,355)

	Total Approved Cost £000	Total Exp to 31/03/24 £000	Remaining Budget £000	Forecast Spend 2024/25 £000	Forecast Spend in Future Years £000	Total Scheme Variance £000
Adult Social Care	190	106	84	84	0	0

The scheme in this area is to implement accessibility improvements and internal works to a number of existing family hubs to support the Start for Life Programme.

- Family Hubs and Start for Life (Remaining Budget £84,000), project to implement accessibility improvements and internal works to a number of existing family hubs to support the Start for Life Programme. Since Round One, the final grant allocations have been announced and an additional £10,000 added to the scheme via the Chief Operating Officer's delegation so that the budget matches the grant allocation. The works at Chatham and Gillingham hubs are now complete, with only some groundwork and some final equipment and resource ordering still outstanding.

Funding: the above schemes are funded by government grant.

Budgetary Forecast: it is estimated that the above scheme will fully expend the allocated budget.

6. Changes Since Round 1 Budget Monitoring

- 6.1. The following additions have been made since the Round 1 monitoring 2024/25 was presented to Cabinet on 31 July 2024 and have formed part of the Round 2 monitoring:

Directorate	Scheme	Approved Budget Addition £000s	Funding	Approval
Children & Adults	Family Hubs and Start for Life	10	Capital Grant	Chief Operating Officer/Finance Portfolio Holder 23/08/24

7. Conclusion

- 7.1. The second round of Capital Budget Monitoring for 2024/25 forecasts that the capital schemes within the remit of this Committee within the approved budget (£nil variance as at Round 1).

8. Risk Management

Risk	Description	Action to avoid or mitigate risk	Risk rating
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 against the agreed budget.	BIII
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	

9. Financial implications

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

10. Legal implications

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

Lead officer contact

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Appendices

None

Background papers

None