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

**4 December 2025**

### **Capital Budget Monitoring – Round 2 2025/26**

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 2025/26. The Council's summary position is presented in section 4, with section 5 providing the detail for the service areas within the remit of this Committee.

#### **1. Recommendations**

- 1.1. The Health and Adult Social Care Overview and Scrutiny Committee is asked to note the results of the second round of capital budget monitoring for 2025/26.

#### **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). 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.
- 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.
  - Any additions made under delegated authority are reported through the next budget monitoring report

### 3. Background

- 3.1. The approved capital programme for 2025/26 and beyond is £229.722million. Together with spend incurred on this programme in prior years, the total approved cost of these schemes in the approved programme is £489.562million. This report consolidates the second round of capital budget forecasts for 2025/26, based on returns submitted by individual budget managers in September 2025. 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 2025/26

- 4.1. The approved capital programme for 2025/26 as at Round 2 is £229.722million. Table 1 below summarises the capital programme and Round 2 forecast position showing a projected overspend of £58,000 (£0.846 million underspend as at Round 1). Table 2 details how the approved programme will be funded.

**Table 1: Round Two Capital Monitoring Summary**

Directorate	Total Approved Cost £000	Total Expenditure to 31/03/25 £000	Remaining Budget £000	Forecast Spend 2025/26 £000	Forecast Spend in Future Years £000	Forecast (Under)/overspend £000
Children and Adults (including Public Health)	42,918	23,295	19,622	17,298	2,382	57
Regeneration, Culture and Environment	342,985	190,458	152,528	86,938	65,591	1
Housing Revenue Account	101,201	43,768	57,433	27,222	30,211	0
Business Support Department	2,458	2,320	138	138	0	0
<b>Total</b>	<b>489,562</b>	<b>259,842</b>	<b>229,722</b>	<b>131,596</b>	<b>98,182</b>	<b>58</b>

**Table 2: Funding the Capital Budget**

Funding Source	Total £000	C&A £000	RCE £000	HRA £000	BSD £000
Capital Grants	52,008	18,123	33,885	0	0
Developer Contributions	5,536	481	5,055	0	0
Capital Receipts	2,223	0	2,088	0	135
RTB Receipts	1,000	0	0	1,000	0
Revenue / Reserves	26,832	0	304	26,528	0
Borrowing	142,124	1,018	111,197	29,905	3
<b>Total</b>	<b>229,722</b>	<b>19,622</b>	<b>152,529</b>	<b>57,433</b>	<b>138</b>

## 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 against the approved budget of £141,000 as set out below (also within the approved budget as at Round1). 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.

	Total Approved Cost	Total Exp to 31/03/25	Remaining Budget	Forecast Spend 2025/26	Forecast Spend in Future Years	Total Scheme Variance
Basic Needs - Primary	1,102	645	458	458	0	0
Basic Needs - Secondary	14,220	5,333	8,886	8,018	869	0
School Condition Programme	7,242	6,574	668	668	0	0
Schools Devolved Capital	117	0	117	117	0	0
Basic Needs - SEND	18,528	10,432	8,096	6,847	1,306	57
Children's Social Care	1,432	175	1,257	1,050	206	0
Adult Social Care	278	136	141	141	0	0
<b>Children and Adult Services Total</b>	<b>42,918</b>	<b>23,295</b>	<b>19,622</b>	<b>17,298</b>	<b>2,382</b>	<b>57</b>

	Total Approved Cost £000's	Total Exp to 31/03/25 £000's	Remaining Budget £000's	Forecast Spend 2025/26 £000's	Forecast Spend in Future Years £000's	Forecast Variance £000's
Adult Social Care	278	136	141	141	0	0
<p>The scheme in this area is to implement accessibility improvements and internal works to several existing family hubs to support the Start for Life Programme.</p> <ul style="list-style-type: none"> <li>Family Hubs and Start for Life (Remaining Budget £141,000), a 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, £87,000 of further grant allocation has been added to this budget via the Chief Operating Officer's delegation. Works to the four key hubs at Strood, Wayfield, Chatham and Gillingham are now largely complete. Further works forecast for this year include works on the wider eight wellbeing hubs, including improvements to access and development of clinical spaces. Quotes are currently being sought with a view to work commencing in the autumn.</li> </ul> <p><b>Funding</b> - the above schemes are funded by government grant.</p> <p><b>Budgetary Forecast:</b> it is estimated that the above scheme will fully expend the allocated budget.</p>						

## 6. Changes Since Round One 2025/26

- 6.1. The following additions have been made since the 2025/26 Round One budget monitoring was received by Cabinet at its meeting of 15 July 2025 and have formed part of the Round Two monitoring:

Directorate	Scheme	Approved Budget Addition £000s	Funding	Approval
Children & Adults	Family Hubs and Start for Life	88	Capital Grant	Chief Operating Officer/Finance Portfolio Holder 25/09/25

## 7. Conclusion

- 7.1. The second round of Capital Budget Monitoring for 2025/26 forecasts that the capital schemes within the remit of this Committee within the approved budget of £141,000 (to budget in Round 1).

## 8. Risk Management

Risk	Description	Action to avoid or mitigate risk	Risk rating
The Council overspends 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.	<b>CIII</b>
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.	<b>BIII</b>
<b>Likelihood</b>		<b>Impact:</b>	
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