



Cabinet

18 November 2020

Report of: Councillor Ronnie de Burle -
Portfolio Holder for Corporate
Finance and Resources

Capital Programme Monitoring to 31 October 2020

Corporate Priority:	Ensuring the right conditions to support delivery
Relevant Ward Member(s):	
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No
Key Decision:	No
Subject to call-in:	No Not key decision

1 Summary

- 1.1 To provide a financial progress update on the Capital Programme for the period 1 April 2020 to 31 October 2020.
- 1.2 As at 31 October budget holders are forecasting an underspend on HRA Capital Programme of £417k and underspend on General Fund of £90k. Details are outlined in section 5.
- 1.3 In addition to formal Quarterly reporting to Cabinet, the budget position is reported regularly to the Senior Leadership Team. This is to ensure any early warnings that highlight pressures can be collectively resolved

2 Recommendation

- 2.1 That Cabinet notes the financial position on the Capital Programme to 31 October and Year-end forecast.

3 Reason for Recommendations

- 3.1 The Council, having set an agreed Budget at the start of the financial year, needs to ensure the delivery of this Budget is achieved. Consequently there is a requirement to regularly monitor progress so corrective action can be taken when required which is enhanced with the regular reporting of the financial position.

4 Background

4.1 Under the Capital Programme Project Appraisal System, monitoring of actual capital expenditure against authorised expenditure is undertaken on a regular basis and reported to the Senior Leadership Team. Appendices A and B give details of the spending against budget for all projects up to 31 October 2020.

5 Main Considerations

5.1 The overall position for all capital projects is as set out below and the financial implications outlined in Appendices A and B.

	Budget For 2020-21 £000	Actual April 20 to Oct 20 £000	Year End Forecast £000	Variance (-) = Underspend £000
General Expenses	1,007	206	917	(90)
HRA	5,291	952	4,874	(417)
Total	6,298	1,158	5,791	(507)

5.2 Total Expenditure to date is £1,158k against annual budget £6,298k and forecast of £5,791k.

5.3 General Expenses are forecasting to be underspent by £90k. There are 2 projects that are likely to slip and these are:

- **Lake Terrace** - underspend of £60k. Work is to commence but not all monies are required this financial year and is likely to be carried forward into 2020-21.
- **Rural Pub Relief** – underspend £30k. Works delayed due to Covid_19 and projected to be completed in 2021-22 subject to restrictions.

5.4 The HRA budget is forecasting to be underspent by £417k by year end. In the main, this is due to Covid 19 impacting on the development of programmes of work and the lack of stock condition information. In terms of Covid 19, capital works were suspended from March 2020 to July 2020 due to the national lockdown and the need to develop Covid secure protocols. In addition, inspections of dwellings (especially where tenants were clinically vulnerable) was also impacted. Additional resource is being directed to stock condition surveying and the set-up of the housing management database to allow accurate and timely reporting.

5.5 The projects that have variation are:

- **Replacement Kitchens and Bathrooms** (underspend of £100k) - due to lack of up-to-date stock condition surveys, focus is on in-year failures pending programme development from 2021/22.
- **Central Heating boiler replacements** (overspend of £85k) - programmes in place. The in-year failure of the boiler at Bradgate Flats has seen an increase in the budget needed.
- **Rewiring** (underspend of £200k) - impacted by access to properties during Covid 19 lockdown. All properties with Category 1 fails at electrical inspection have immediate remedial action.

- **Re-roofing works** (underspend of £149k) - lack of stock condition information impedes an appropriate programme of work. All in-year failures will be actioned.
- **Fire Safety & Fire Risk Assessment** (overspend of £106k) - due to £91k for Fire Safety Works for Lighting replacement at St Johns Court and £15k for reallocation of laundry room at Bradgate Flats.
- **Scooter Pods** (underspend of £159k) - phase one of the project delivered at St John's Court; phase two being planned and further delivery likely this financial year but not the entirety of the project.

6 Options Considered

- 6.1 No other options considered as If the report was not provided councillors would not be aware of ongoing developments and therefore would not be able to represent their residents effectively.

7 Consultation

- 7.1 The Service Accountant and Budget Holders reviewed the financial performance of the Capital Programme.

8 Next Steps – Implementation and Communication

- 8.1 None

9 Financial Implications

- 9.1 All financial implications have been addressed in section 4.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

- 10.1 The capital programme satisfies the council's duty under the Local Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and effectiveness.

- 10.2 Cabinet are responsible for oversight of the financial management and monitoring of budgets

Legal Implications reviewed by: Deputy Monitoring Officer

11 Equality and Safeguarding Implications

- 11.1 There are no equalities issues arising from this report.

12 Community Safety Implications

12.1 Individual projects could have links to community safety issues. These should be covered in any associated reports and forms linked to those projects as they progress through the decision making process.

13 Environmental and Climate Change Implications

13.1 No implications have been identified.

14 Other Implications (where significant)

14.1 No other implications have been identified.

15 Risk & Mitigation

15.1 The risks relating to individual projects will be considered as part of the project management process for each scheme.

15.2 There is as set out above the risk that the HRA budget will not be spent in year and this will be considered further against the resources available to deliver the programme moving forward

Risk No	Risk Description	Likelihood	Impact	Risk
1	Adequate resource in place to deliver projects	Significant	Critical	Medium Risk
2	Covid_19 may result in access to properties not be allowed and which could impact on delivering HRA Capital projects	Significant	Critical	Medium Risk

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant			1,2	
	3 Low				
	2 Very Low				
	1 Almost impossible				

16 Background Papers

16.1 None

17 Appendices

17.1 Appendix A - General Expenses Capital Programme 2020-21

17.2 Appendix B - HRA Capital Programme 2020-21

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