

CORPORATE COMMITTEE

10 APRIL 2019

REPORT OF DIRECTOR FOR CORPORATE SERVICES

PROVISIONAL CAPITAL PROGRAMME YEAR END POSITION 2018-19

1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide information on the provisional Capital Programme year end position for 2018-19, and to give consideration for requests for carrying forward unspent budgets in 2018-19 to 2019-20 in respect of specific schemes.

2.0 RECOMMENDATIONS

- 2.1 **That those schemes in the 2018-19 Capital Programme totalling £4,897k and shown in the column headed “Amount to Carry Forward to 2019-20 Scheme Specific” at Appendix A be carried forward and included in the Capital Programme as funded schemes.**
- 2.2 **That delegated authority is granted to the Director for Corporate Services to vary the amount of the agreed carry forward on any scheme subject to the spending on any scheme not exceeding the total authorised funds for that scheme.**

3.0 KEY ISSUES

- 3.1 It is seen as good practice for spend on the capital programme against budget to be at a reasonable level with slippage kept at a minimum. In order to monitor this during the year, progress against budget for each project within the capital programme is considered by the Council’s Senior Leadership Team on a quarterly basis.
- 3.2 In addition to the above, quarterly monitoring of the programme is reported to each of the committees and to members generally via the Members Newsletter.
- 3.3 Within the HRA budget there is significant underspend reported. A comprehensive review of capital budgets is underway but this is linked to the recruitment of key post holders within the Growth and Regeneration Directorate. This will feed into the delivery of the individual aspects and it is anticipated that by the end of September 2019 a clearer position will be a provided and a more accurate forecast in line with the Councils priorities identified in the corporate plan.

3.4 Provisional Year End Position

3.4.1 The provisional year end position is now available for the 2018-19 Capital Programme and is shown at Appendix A and summarised in the table below:

	Authorised Funding 2018-19	Estimated Year End Position	Variance 2018-19 Underspend (-)/ Overspend	Budget Spent	Amount C/fwd to 2019-20
	£'000	£'000	£'000	%	£'000
General Fund	993	964	29	97%	137
HRA	7,354	2,800	(4,554)	38%	4,680
Special	20	20	0	100%	0
Total All	8,367	3,784	4,583	45%	4,897

3.4.2 Overall the level of spending achieved is 45% of authorised spend compared to 68% for 2017-18.

3.4.3 All funds are reporting a projected underspend for year end, however, within the General fund and HRA there have been 5 projects with an overspend with details set out in paragraphs 3.4.4 to 3.4.9.

3.4.4 Within the General Fund Disabled Facilities Grants spend is in excess of the approved budget. The key reason for the overspend relates to £33k additional grant funding that has been received and the additional expenditure incurred will be offset against this.

3.4.5 Also retention monies held from the contractor who went into liquidation towards the end of construction of Parkside have been released. The final account is £41k. We have been approached by the insolvency practitioner with regards to the Parkside project whereby retention monies were due where it was previously thought this project was closed and funds returned to the capital reserves. This has not been budgeted for and therefore results in an overspend.

3.4.6 Also with the General Fund a £42k overspend is showing for the Public Conveniences. The reason for the overspend on the toilets is the unforeseen situation with underground utilities, additional signage, landscaping, resubmission of the planning application, connection cost for water and electricity. The final amount of the overspend will not be known for another few weeks until the snagging is sorted and accounts are settled.

3.4.7 Within the HRA an overspend is reported in Appendix A for Re-roofing works of £74k and Beckmill Court Refurbishment & Regeneration of £116k. The Re-roofing works position is due to additional properties being added to the project due to an urgent need to re-roof some properties as identified during the

contract period. Regarding Beckmill Court additional regulatory and compliance works were identified and added to the original specification as the project progressed.

3.4.8 Any Surplus funds from the under-spends will go back into the appropriate reserve when the year end is closed down.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 Policy and corporate implications were addressed in setting the current year's budget. There are no further policy and corporate implications arising from this report.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 There are no other financial and resource implications arising from this report.

5.2 The overall impact on the reserves of the unfunded under/overspends on the various schemes is as follows:

- an increase in the use of general fund capital receipts of £41k which reduces the estimated unused balance at 31.3.20 to £714k. This is primarily due to the overspend on the public conveniences and the return of the Parkside retention monies
- a reduction in the use of the renewal and reserve fund across the 2 years of £7k.
- On the HRA after taking into account the proposed carry forwards an additional £207k will need to be funded from reserves to cover the overspends in year which is mainly due to the re-roofing and Beckmill Court refurbishment projects

6.0 LEGAL IMPLICATIONS

6.1 Legal implications/powers were addressed in setting the current year's budget. There are no further legal implications arising from this report.

7.0 COMMUNITY SAFETY

7.1 Community issues were addressed in setting the current year's budget. There are no further community safety issues arising from this report.

8.0 EQUALITIES

8.1 Equality issues were addressed in setting the current year's budget. There are no further equalities issues arising from this report.

9.0 RISKS

9.1 These should be covered in any associated reports and forms linked to those schemes as they progress through the decision making process.

10.0 CLIMATE CHANGE

10.1 Climate change issues were addressed in setting the current year's budget. There are no further climate change issues arising from this report.

11.0 CONSULTATION

11.1 Consultation takes place with budget holders and Heads of Service to enable the appendices of this report to be completed.

12.0 WARDS AFFECTED

12.1 To varying degrees, all wards are affected by schemes included in the Councils' Capital Programme.

Contact Officer:	Jaz Bassan
Date:	18 March 2019
Appendices:	Appendix A – Provisional Year End Position 2018-19
Background Papers:	Oracle Financial Reports
Reference:	X:\Cttee, Council & Sub Cttees\Corporate\2018-19\10 April 2019 -DG - Provisional Capital Programme Year End Position 2018-19