

Cabinet

4 September 2019

Report of:

**Portfolio Holder Corporate
Finance and Resources**

CAPITAL PROGRAMME MONITORING TO 30 JUNE 2019

1.0 Corporate Priority:	Decision Type:
1.1 OG3 Becoming a more agile and commercial Council; securing our financial future	Non Key Decision

2.0 Summary:
2.1 To provide financial progress information on the Capital Programme for the period 1 April 2019 to 30 June 2019.
2.2 As at 30 June budget holders are forecasting an underspend of £31k on the general fund capital programme.
2.3 In addition to formal Quarterly reporting to Cabinet, the budget position is reported monthly at the Senior Leadership Team. This is to ensure any early warnings that highlight pressures can be collectively resolved

3.0 Recommendations
3.1 That the financial position on the Capital programme to 30 June 2019 and the year-end forecast be noted.
3.2 That Cabinet approve the additional allocated spend for Disabled Facilities Grants (DFGs) of £67k, increasing the budget for 2019-20 to £493k as noted in paragraph 6.4.
3.3 That Cabinet approve an increase to the Melton Country Park Budget by £10k to £37k using funding received from The Ministry Of Housing Communities and Local Government (MHCLG) for the purpose of parks as noted in paragraph 6.6.

4.0 Reason for Recommendation:
4.1 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.

5.0 Alternate Options Considered
5.1 None

6.0 Report Detail

6.1 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 to D give details of the spending against budget for all projects up to 30 June 2019.

6.2 The overall position for all capital projects is as set out below and the financial implications outlined in Appendices A to D:

Priority	Budget 2019-20	Actual April 19 to June 19	Year End Forecast	Variance (-) = Underspend
	£000	£000	£000	£000
Corporate	108	0	108	0
People	497	115	497	0
Place - General	163	0	163	0
Place - HRA	16,186	728	TBC	TBC
Place - Special	0	0	0	0
Total	16,954	843	TBC	TBC

6.3 Total Expenditure to date is £843k against a budget of £16,954k.

The General fund budget is forecasting to spend all capital project monies for 2019/20 at the current time.

The budget set for HRA for 2019-20 is £16,186k. Due to issues regarding staffing, capacity and additional workload around fire safety works, planned maintenance and development projects are not being taken forward as planned. There is likely to be underspend on this budget for this financial year. The HRA business plan is being revised and will inform the spend and budget setting process going forward. It is not possible to forecast the year end position until the HRA business plan is prepared which is expected to conclude in November 2019.

6.4 Within People Priority, the DFG allocation from MHCLG was confirmed as £67k higher than originally budgeted of £426k. The budgeted spend has therefore been proposed for increase as per recommendation 3.2. If monies are not spent then they are returned to MHCLG. It is anticipated that all monies received will be committed.

6.5 Public Conveniences – 2018/19 prior year capital scheme

Within the Place priority the final project costs are £41k less than the amounts projected at year end as some of the costs under dispute, for prudence, were reflected, whilst the final outcome was pending. This will result in an increase in the Capital Receipts reserve as less funding was required than anticipated.

6.6	Melton Country Park Additional funding of £10k has been received from MHCLG for the purpose of local parks. This will be used for urgent repair works to the stepping stones bridge including decking works and paint work to prevent rust. Members are requested to increase the total budget accordingly as per the recommendation 3.3
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7.0	Consultation and Feedback (including Scrutiny Committee)
7.1	The Service Accountant and Budget Holders reviewed the financial performance of the Capital Programme.
7.2	The report has also been reviewed with the Portfolio Holder for Corporate Finance and Resources.

8.0	Next Steps
8.1	None

9.0	Financial Implications
9.1	All financial implications have been addressed in section 6.

10.0	Legal and Governance Implications:
10.1	Cabinet are responsible for oversight of the financial management and monitoring of budgets. There are no legal implications arising from the report.

11.0	Equality and Safeguarding Implications:
11.1	There are no equalities issues arising from this report.

12.0	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.

13.0	Other Implications
13.1	None

14.0	Risk & Mitigation:
14.1	The risks relating to individual projects will be considered as part of the project management process for each scheme.
14.2	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

	Background Papers:
	Oracle Financial Reports & Budget Holder Comments on Performance

Appendices

Appendix A - Corporate Priority Capital Programme 2019-20
Appendix B - People Priority Capital Programme 2019-20
Appendix C – Place HRA Capital Programme 2019-20
Appendix D - Place Priority Capital Programme 2019-20

Report Timeline:

Equalities Check & Challenge N/A

SLT Sign off N/A

Previously Considered by Cabinet N/A

Director Approval 14.08.19

Chief Finance Officer Sign Off 16.08.19

Monitoring Officer Sign Off 19.08.19

Chief Executive Sign Off 27.08.19

Exempt Reports

N/A

Date of Review to make public

N.A

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