

Report to Council

**Agenda
Item:**

20(ii)

Meeting Date: 7th March 2017
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework YES
Public / Private Public

Title: CAPITAL BUDGET OVERVIEW AND MONITORING REPORT:
APRIL TO DECEMBER 2016
Report of: CHIEF FINANCE OFFICER
Report Number: RD 55/16

Purpose / Summary:

This report provides an overview of the budgetary position of the City Council's capital programme for the period April to December 2016.

Recommendations:

Council is asked to:

- (i) approve reprofiling of £1,164,300 as detailed in para 3.3 and Appendix A from 2016/17 into 2017/18.

Tracking

Executive:	13 th February 2017
Overview and Scrutiny:	23 rd February 2017
Council:	7 th March 2017

Report to Executive

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This report provides an overview of the budgetary position of the City Council's capital programme for the period April to December 2016.

Recommendations:

The Executive is asked to:

- (ii) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to December 2016;
- (iii) Approve the release of the balance of £72,672.13 from the Conservation Reserve to fund emergency work in relation to the Central Plaza as per OD.144/16;
- (iv) Approve a virement of £47,300 to fund emergency work at the Central Plaza, thus fulfilling the Council's legal obligations, with the funding being provided from underspends within the 2016/17 Capital Programme;
- (v) Make recommendations to Council to approve reprofiling of £1,164,300 as detailed in para 3.3 and Appendix A from 2016/17 into 2017/18.

Tracking

Executive:	13 th February 2017
Overview and Scrutiny:	23 rd February 2017
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1. BACKGROUND

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Chief Finance Officer is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. It is the responsibility of individual Directors to control income and expenditure within their areas of responsibility and to monitor performance, taking account of financial information provided by the Chief Finance Officer.
- 1.2 All Managers receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.
- 1.3 Throughout the report, the use of brackets indicates a credit or income budget, and the term underspend also relates to additional income generated.
- 1.4 It is important to understand the distinction between capital and revenue expenditure.

The general rule is that all expenditure must be treated as revenue expenditure unless it meets strict criteria allowing it to be treated as capital expenditure.

Capital expenditure is for fixed assets such as acquisition of land and buildings, construction, conversion or enhancement of existing buildings, or the purchase of new technology, vehicles, plant, machinery or equipment that yields benefits to the Council and the services it provides for more than one year.

Revenue expenditure is for the day to day running costs of providing Council services such as staff costs, premises, transport, and goods and services used in the delivery of services.

2. CAPITAL BUDGET OVERVIEW

- 2.1 The following statement shows the annual capital programme for 2016/17:

2016/17 Capital Budget	£
2016/17 Capital Programme (RD07/16 Council 19/07/16)	10,018,800
Minor Works Grants (ED09/16 Executive 04/04/16)	73,300
Section 106 & Grants for Play Areas & Open Space Improvements (LE10/16 Executive 04/07/16)	149,400
Section 106 for Play Areas & Open Space Improvements (LE15/16 Executive 30/08/16)	50,000
Direct Revenue Financing Play Areas	51,500
Additional External Grants & contributions for Play Area Improvements	82,000
Broadband Connection Vouchers (OD.075/15 29/06/15)	2,600
Direct Revenue Financing Vehicle Replacement	20,100
Increase for schemes funded from insurance settlements	2,015,500
EA Central Plaza (RD.33/16 Executive 21/11/16)	44,000
Shared service contributions towards DIS Infrastructure	40,700
Revised 2016/17 Capital Programme (at Sept 2016)	12,547,900
Less Capital Reserves to be released by Executive (see para 3.7)	(580,000)
Revised 2016/17 Capital Programme (released)	11,967,900
Carry Forwards into 2017/18 (Subject to Council Approval, see para 3.3)	(1,164,300)
Revised 2016/17 Capital Programme (released)	10,803,600

2.2 A breakdown of the revised capital programme can be found in **Appendix A**.

3. 2016/17 BUDGET MONITORING

3.1 The position statement as at December 2016 can be summarised as follows:

Directorate	Revised Annual Budget £	Budget to Date £	Spend to date £	Variance to date £	Para. Ref.
Community Services	4,364,500	990,884	989,185	(1,699)	-
Corporate Support & Resource	130,800	119,505	196,713	77,208	3.4
Economic Development	458,100	118,458	74,193	(44,265)	3.5
Governance & Regulatory	4,743,200	3,067,352	2,336,678	(730,674)	3.6
Flood Recovery	2,271,300	878,168	867,335	(10,833)	-
Total	11,967,900	5,174,367	4,464,104	(710,263)	
Reserves to be released	580,000	0	0	0	3.7
Total	12,547,900	5,174,367	4,464,104	(710,263)	

Schemes still to be released by the Executive have been removed from the budget monitoring process until the budgets have been released.

A detailed analysis of the schemes within each directorate can be found in **Appendices B to F** with the main issues being summarised in the paragraphs below.

- 3.2 As at the end of December, expenditure of £4,464,104 has been incurred. When considered against the profiled budget of £5,174,367 this equates to an underspend of £710,263.

The unspent balance remaining of the revised annual budget of £11,967,900 is £7,503,796. This will continue to be closely monitored over the following months to identify accurate project profiles and any potential slippage into future years.

- 3.3 However an initial review of the 2016/17 capital programme has been undertaken and **the Executive are asked to recommend to Council the reprofiling of £1,164,300 from 2016/17 to 2017/18** (further details in Appendix A).

Directorate	Annual Budget	Carry Forwards	Revised Annual Budget	Spend to Date	Budget Remaining
	£	£	£	£	£
Community Services	4,364,500	(497,000)	3,867,500	989,185	2,878,315
Corporate Support & Resource	130,800	0	130,800	196,713	(65,913)
Economic Development	458,100	0	458,100	74,193	383,907
Governance & Regulatory	4,743,200	(667,300)	4,075,900	2,336,678	1,739,222
Flood Recovery	2,271,300	0	2,271,300	867,335	1,403,965
Total	11,967,900	(1,164,300)	10,803,600	4,464,104	6,339,496
Reserves to be released	580,000	0	0	0	0
Total	12,547,900	(1,164,300)	10,803,600	4,464,104	6,339,496

The unspent balance remaining of the revised annual budget of £10,803,600 is £6,339,496 as at December 2016.

- 3.4 The variance in Resources is attributable to the following:
- (i) A net overspend on DIS Strategy & RBS ICT upgrades to date. There is budget of £200,000 available for ICT Infrastructure subject to release by the Executive. A report is considered elsewhere on this agenda.
- 3.5 The variance in Economic Development is attributable to the following:
- (i) An underspend on Old Town Hall of £51,500. Project is now complete with outstanding retention subsequently paid in early January. Project has completed under budget.

- (ii) An overspend on Central Plaza as at December 2016 of £7,300. A total of £164,000 of work at the Central Plaza has been approved under the Building Act 1984 S78 Dangerous building – emergency measures. It is proposed to fund the expenditure as follows:

	£
Approved Emergency Works (OD.104/16 & OD.144/16)	164,000.00
Funded from Conservation Reserve (released by Executive 21/11/16 RD.33/16)	(44,000.00)
Balance of funding required	120,000.00
Balance available from Conservation Reserve (subject to release by Executive)	(72,672.13)
Shortfall in funding to be provided from a virement (subject to approval by Executive)	(47,327.87)

The Executive is requested to release the balance of £72,672.13 from the Conservation Reserve to part fund the emergency work in relation to the Central Plaza as per OD.144/16, thus fulfilling the Council's legal obligations. It is proposed to provide the balance of funding from underspends on the 2016/17 Capital Programme and the Executive is formally asked to approve the virement of £47,300.

It should be noted that the total expenditure for these works is now expected to be slightly in excess of the level currently approved.

3.6 The variance in Governance and Regulatory Services is attributable to the following:

- (i) An overspend of £87,700 on Durranshill Industrial Estate. Additional contributions towards the project are being finalised which will cover the level of overspend.
- (ii) An underspend on Disabled Facilities Grants of £821,000. The take up of DFGs is reduced due to a reduced level of referrals being received. The position is being monitored. £400,000 from the DFG allocation is now being earmarked for discretionary funds as approved by Council 10/01/17 (GD04/17). A total carry forward of £667,300 into 2017/18 has been identified; however it is likely that there will be a further carry forward requirement for any remaining balances at year end.

3.7 A number of schemes are included in the capital programme for 2016/17 that require reports to be presented to the Executive for the release of funding before the project can go ahead.

Scheme	Budget £	Note
Old Town Hall / Greenmarket	380,000	
ICT Infrastructure	200,000	1
Total Reserves to be released	580,000	

Notes:

1. A report is considered elsewhere on this agenda for the release of this budget in line with the DIS Digital Strategy.

4. FINANCING

- 4.1 The 2016/17 capital programme can be financed as follows:

	Current Programme £
Total Programme to be financed (para 2.1)	10,803,600
<u>Financed by:</u>	
Capital Receipts (including PRTB receipts)	2,372,100
Capital Grants	
• Disabled Facilities Grant	1,467,300
• General	2,034,200
Direct Revenue Financing	4,031,800
Other Contributions	844,400
Earmarked Reserves	53,800
Total Financing	10,803,600

5. CAPITAL RESOURCES

- 5.1 The following table shows the position as at December 2016 of the capital resources due to be received during 2016/17:

	2016/17 Budget £	2016/17 Revised Budget £	2016/17 Actual £	2016/17 Not yet received £	Note
Capital Receipts					
· General	0	0	(62,000)	(62,000)	1
· Asset Review	(2,000,000)	(2,000,000)	(516,364)	1,483,636	1
· Vehicle Sales		0	(2,375)	(2,375)	2
· Renovation Grants repaid	0	0	0	0	
· PRTB Sharing agreement	(150,000)	(150,000)	0	150,000	3
Capital Grants					4
· Disabled Facilities Grant	(1,467,300)	(1,467,300)	(1,467,316)	(16)	
· Durranshill Industrial Estate	(1,157,800)	(1,157,800)	(1,157,763)	37	
· Lawn Tennis Association	(400,000)	0	0	0	
· British Cycling	(650,000)	(650,000)	0	650,000	
· General	(153,100)	(153,100)	(73,140)	79,960	
Capital Contributions					
· Section 106	(803,700)	(803,700)	(71,555)	732,145	5
· General	(40,700)	(40,700)	(100,927)	(60,227)	6
Total	(6,822,600)	(6,422,600)	(3,451,440)	2,971,160	

Notes:

1. Receipts for 2016/17 are anticipated to be received from asset review sales (£2,000,000).
2. Included within vehicle sales are receipts of £2,375 for individual vehicle sales that are below the deminimis of £10,000 for capital receipts. These will be transferred to revenue at the year end and will be used to fund the capital programme in line with the capital strategy.
3. PRTB income for the year is received on 28 April following the year-end but is accrued into the relevant year. There have been 10 sales as at December 2016. Updated information recently received from Riverside Group suggests that the income from PRTB receipts for 2016/17 is likely to be approximately £172,100 with a maximum of 11 sales projected during the year.
4. Capital grants are received once associated capital expenditure has been incurred and the amounts then reclaimed from the sponsoring body.
5. Contributions from Section 106 agreements to Castle Way scheme (£329,700), Public Realm S106 (£62,100), Crindledyke Cycleway (£281,000), Play Area Developments (£58,900) and Open Space Improvements (£72,000).

6. Additional contributions received towards Disabled Facilities Grants (£32,254), Public Realm (£25,000), DIS Strategy (£40,673) and Vehicle Replacements (£3,000).

6. BALANCE SHEET MANAGEMENT

- 6.1 In line with CIPFA guidance and best practice, information relating to significant capital items on the Council's balance sheet is provided in this section. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis and will ensure that the Council is using its resources effectively and that appropriate governance arrangements are in place around the use of Council assets and liabilities.
- 6.2 Fixed assets are revalued annually to ensure that an up to date value is held in the balance sheet. The revaluation programme is the responsibility of Property Services. It should be noted that some expenditure will be incurred during the course of the year which can be correctly classified as capital expenditure, but which will not increase the value of any of the Council's assets. This expenditure is written off to the revaluation reserve or through the Comprehensive Income and Expenditure Account as appropriate.
- 6.3 The value of fixed assets is a significant part of the balance sheet. In the 2015/16 accounts, fixed assets totalled £160million (2014/15 £153million). This represents 95% of the net current assets of the City Council.
- 6.4 Debtors
This relates to the amount of income due to the Council that has not yet been received. For capital items, this mainly relates to grants and contributions that the Council is able to claim towards funding capital expenditure, and receipts for the Council's share of the PRTB (Preserved Right to Buy) agreement. Generally capital debtors arise due to timing differences where a cut off point occurs (e.g. the financial year-end) and/or expenditure has been incurred in advance of making the grant claim. As at December 2016 debtors of £11,935 (£1,141,427 at 31 March 2016) were outstanding for capital grants, contributions and receipts. PRTB receipts for 2015/16 were received in April in accordance with the agreement.
- 6.5 Creditors
This is the amount of money due to be paid by the Council for goods and services received from its external customers and contractors. For capital schemes this also includes retentions i.e. the amount due to the contractor after a specified period (normally one year) following the completion of a project; this time is used to assess

and correct any defects outstanding on the scheme. Amounts earmarked for retention as at December 2016 totalled £55,260 (£113,890 at 31 March 2016).

7. PERFORMANCE

- 7.1 The 2016/17 programme has been kept to a level that takes account of the Council's ability to deliver schemes with regard to capacity and available resources. Work is ongoing to continue to monitor the profiling of budgets, and these are adjusted to reflect progress in current capital schemes. It is likely that there will still be a requirement for some carry forwards at the year end due to further slippage and delays on projects. Members are reminded that budgets totalling £580,000 are being held in reserves until approved by Executive for release.
- 7.2 The Senior Management Team will provide strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities and objectives. Technical project support and quality assurance of business cases and associated project management activities will be managed by a Corporate Programme Board chaired by the Chief Executive. Decisions to proceed or otherwise with proposed projects will be made in the usual way in accordance with the Council decision making framework.
- 7.3 A review of all capital expenditure incurred is ongoing to ensure that the expenditure has been correctly allocated between revenue and capital schemes. This will facilitate the year end classification of assets.

8. CONSULTATION

- 8.1 Consultation to Date
SMT & JMT have considered the issues raised in this report.
- 8.2 Consultation Proposed
Resources Overview & Scrutiny Panel will consider the report on 23 February 2017.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 9.1 The Executive is asked to:
- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to December 2016;
 - (ii) Approve the release of the balance of £72,672.13 from the Conservation Reserve to fund emergency work in relation to the Central Plaza as per OD.144/16;

- (iii) Approve a virement of £47,300 to fund emergency work at the Central Plaza, thus fulfilling the Council's legal obligations, with the funding being provided from underspends within the 2016/17 Capital Programme;
- (iv) Make recommendations to Council to approve reprofiling of £1,164,300 as detailed in para 3.3 and Appendix A from 2016/17 into 2017/18.

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

10.1 The Council's capital programme reflects the current priorities in the Carlisle Plan.

Contact Officer: Emma Gillespie

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**Appendices A to F
attached to report:**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's – Not applicable

Deputy Chief Executive's – Not applicable

Economic Development – Not applicable

Governance – The Council has a fiduciary duty to manage its finances properly and the proper reporting of the budget monitoring is part of this process

Resources – Financial implications are contained in the main body of the report.

2016/17 CAPITAL PROGRAMME
APPENDIX A

Scheme	Original Capital Programme 2016/17 £	Other Adjustments £	Proposed Carry Forwards £	Revised Capital Programme 2016/17 £
<u>Current non-recurring commitments</u>				
Public Realm (S106)	62,100	0	0	62,100
Castle Way (S106)	329,700	0	0	329,700
Arts Centre	47,900	0	0	47,900
Old Town Hall Phase 2	88,100	0	0	88,100
Tennis Facilities	497,000	0	(497,000)	0
Cycle Track Development	650,000	0	0	650,000
Harraby School and Community Campus contribution	500,000	0	0	500,000
Asset Review	992,900	0	0	992,900
Market Hall Roof	460,000	0	0	460,000
	3,627,700	0	(497,000)	3,130,700
<u>Recurring commitments</u>				
Planned Enhancements to Council Property	252,400	0	0	252,400
Vehicles, Plant & Equipment	1,818,100	20,100	0	1,838,200
DIS Infrastructure	44,900	40,700	0	85,600
	2,115,400	60,800	0	2,176,200
<u>Disabled Facilities Grants</u>				
Private Sector Grants	1,467,300	0	(667,300)	800,000
Minor Works Grants	0	73,300	0	73,300
	1,467,300	73,300	(667,300)	873,300
<u>Continuing Schemes</u>				
Crindledyke Cycleway	281,000	0	0	281,000
Durranhill Industrial Estate	1,157,800	0	0	1,157,800
Play Area Developments	1,500	217,600	0	219,100
Open Space Improvements	0	72,000	0	72,000
Kingstown Industrial Estate	9,800	0	0	9,800
Public Realm Improvements	261,300	0	0	261,300
Revenues & Benefits ICT Upgrades	45,200	0	0	45,200
Broadband Connection Vouchers	0	2,600	0	2,600
	1,756,600	292,200	0	2,048,800
<u>New non-recurring commitments</u>				
Vehicles, Plant & Equipment	259,300	0	0	259,300
Bits Park Improvements	212,500	43,300	0	255,800
IC All Risk Flood	0	94,800	0	94,800
IC Buildings Flood	0	1,920,700	0	1,920,700
EA Central Plaza	0	44,000	0	44,000
	471,800	2,102,800	0	2,574,600
TOTAL	9,438,800	2,529,100	(1,164,300)	10,803,600
<u>Capital Reserves to be released</u>				
DIS Infrastructure	200,000	0	0	200,000
Old Town Hall / Greenmarket	380,000	0	0	380,000
	580,000	0	0	580,000
REVISED TOTAL	10,018,800	2,529,100	(1,164,300)	11,383,600

DECEMBER 2016 - CAPITAL BUDGET MONITORING

APPENDIX B

COMMUNITY SERVICES

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Art Centre	47,900	0	47,900	633	634	1	Project build completed and venue opened May 2015. Budget carried forward to provide for any uninsured costs associated with the rebuild after the floods.
Harraby School and Community Campus Contribution	500,000	0	500,000	500,000	500,000	0	Budget released by Executive 11/3/13 (SD02/13). Phased payments released as per agreement.
Tennis Facilities	497,000	(497,000)	0	0	0	0	Approved by Council 08/09/15 (SD16/15).
Cycle Track Developments	650,000	0	650,000	0	0	0	Approved by Executive 27/07/15 (SD13/15). Tender exercise complete. Due to commence March 2017.
Vehicles & Plant	2,097,500	0	2,097,500	328,600	328,819	219	Approved by Executive 07/04/15 (LE09/15). Replacement of vehicle purchases in 2016/17 on target to date.
Play Area Developments	219,100	0	219,100	144,450	143,564	(886)	Approved by Executive 04/07/16 (LE10/16) funded by S106 monies, external grant and direct revenue financing. Schemes progressing as planned.
Open Space Improvements	72,000	0	72,000	13,800	12,778	(1,022)	Approved by Executive 04/07/16 (LE10/16) funded by S106 monies, external grant and direct revenue financing.
Crindledyke Cycleway (S106)	281,000	0	281,000	3,401	3,390	(11)	Approved by Executive 01/06/15 (LE10/15). Funded by Section 106 monies.
Grand Total	4,364,500	(497,000)	3,867,500	990,884	989,185	(1,699)	

DECEMBER 2016 - CAPITAL BUDGET MONITORING

APPENDIX C

CORPORATE SUPPORT & RESOURCES

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
DIS Infrastructure	85,600	0	85,600	85,600	196,713	111,113	Part of DIS Strategy Business Case. Budget carried forward to accommodate contracts and orders placed to upgrade IT infrastructure, network & equipment. Additional £200,000 budget available subject to release by Executive.
Revenues and Benefits ICT Upgrades	45,200	0	45,200	33,905	0	(33,905)	Budget carried forward as part of DIS Strategy.
Grand Total	130,800	0	130,800	119,505	196,713	77,208	

DECEMBER 2016 - CAPITAL BUDGET MONITORING

APPENDIX D

ECONOMIC DEVELOPMENT

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Public Realm Work	261,300	0	261,300	18,555	18,438	(117)	Budget released by Executive 10/03/14 (ED10/14). Additional budget released by Executive 07/04/15 (ED15/15). Project progressing.
Broadband Connection Vouchers	2,600	0	2,600	2,600	2,640	40	OD.075/15 (29/06/15) approved participation in this initiative which is fully funded by external grant. Project complete.
Old Town Hall Phase 2	88,100	0	88,100	53,303	1,779	(51,524)	Budget carried forward to cover outstanding contractual payments. Project complete. Retention due.
Public Realm (S106)	62,100	0	62,100	0	0	0	Approved by Executive 3/9/12 (RD34/12). Funded by Section 106 monies. Tender awarded. Contract will commit expenditure and secure S106 monies.
EA Central Plaza	44,000	0	0	44,000	51,336	7,336	Implementation of work under the Director of Economic Development's emergency powers with reference to the Building Act 1984 S78 Dangerous building - emergency measures (OD.104/16).
Grand Total	458,100	0	414,100	118,458	74,193	(44,265)	

DECEMBER 2016 - CAPITAL BUDGET MONITORING

APPENDIX E

GOVERNANCE & REGULATORY

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Planned Enhancements to Council Property	252,400	0	252,400	111,567	112,793	1,226	Individual projects progressing as planned.
Market Hall Roof	460,000	0	460,000	0	0	0	Budget released by Executive 26/09/16 (GD51/16).
Asset Management Plan	992,900	0	992,900	669,997	670,267	270	Budget carried forward in relation to remaining payments from Escrow account & demolition costs.
Kingstown Industrial Estate Roads	9,800	0	9,800	0	0	0	Remaining budget required for additional public realm signage.
Durranshill Industrial Estate	1,157,800	0	1,157,800	1,157,800	1,245,517	87,717	Approved by Executive 15/01/14 (ED02/14). Revised programme of works approved by Executive 7/04/15 (ED14/15). Additional contributions expected which should cover the overspend.
Castle Way (S106)	329,700	0	329,700	27,366	26,971	(395)	Approved by Executive 11/4/12 (RD01/12). Funded by Section 106 monies. Revised scheme being progressed.
Disabled Facilities Grants	1,467,300	(667,300)	800,000	1,100,622	279,599	(821,023)	Mandatory Grants. The take up of DFGs is reduced due to a lower level of referrals. The position is being closely monitored. £400,000 is now being earmarked for discretionary funds as approved by Council 10/01/17 (GD04/17).
Minor Works Grants	73,300	0	73,300	0	1,531	1,531	Budget approved by Executive 04/04/16 (ED09/16).
Grand Total	4,743,200	(667,300)	4,075,900	3,067,352	2,336,678	(730,674)	

DECEMBER 2016 - CAPITAL BUDGET MONITORING

APPENDIX F

FLOOD RELATED CAPITAL EXPENDITURE

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
IC Buildings Flood Capital	1,920,700	0	1,920,700	552,637	552,812	175	Capitalisation of building improvements as a result of the flood.
IC Equipment Flood Capital	255,800	0	255,800	230,731	231,047	316	Capitalisation of equipment purchases as a result of the flood.
IC All Risk Flood Capital	94,800	0	94,800	94,800	83,476	(11,324)	Capitalisation of items purchased under the all risk insurance policy as a result of the flood.
Grand Total	2,271,300	0	2,271,300	878,168	867,335	(10,833)	

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 13 FEBRUARY 2017

**EX.18/17 **CAPITAL BUDGET OVERVIEW AND MONITORING REPORT –
APRIL TO DECEMBER 2016
(Non Key Decision)**

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, the Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder submitted report RD.55/16 providing an overview of the budgetary position of the City Council's capital programme for the period April to December 2016. He outlined for Members the overall budget position of the various Directorates and the financing of the 2016/17 Capital Programme, details of which were set out in the report.

Paragraph 3.3 recorded that an initial review of the 2016/17 capital programme had been undertaken and the Executive was asked to recommend to Council the re-profiling of £1,164,300 from 2016/17 to 2017/18, further details of which were set out at Appendix A.

The unspent balance remaining of the revised annual budget of £10,803,600 was £6,339,496 as at December 2016.

The Executive was requested to release the balance of £72,672.13 from the Conservation Reserve to part fund the emergency work in relation to the Central Plaza as per OD.144/16, thus fulfilling the Council's legal obligations. It was proposed to provide the balance of funding from underspends on the 2016/17 Capital Programme and the Executive was formally asked to approve the virement of £47,300.

Members noted that the total expenditure for those works was now expected to be slightly in excess of the level currently approved.

The Deputy Leader further commented upon performance against the 2016/17 programme, reminding Members that the Senior Management Team would provide a strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities and objectives. Technical project support and quality

assurance of business cases and associated project management activities would be managed by a Corporate Programme Board chaired by the Chief Executive. Decisions to proceed or otherwise with proposed projects would be made in the usual way in accordance with the Council's decision making framework.

In summary, the Deputy Leader said that a review of all capital expenditure incurred was ongoing to ensure that the expenditure had been correctly allocated between revenue and capital schemes. That work would facilitate the year end classification of assets.

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder then moved the recommendations, which were seconded by the Leader.

Summary of options rejected None

DECISION

That the Executive:

- (i) Noted and had commented on the budgetary position and performance aspects of the capital programme for the period April to December 2016;
- (ii) Approved the release of the balance of £72,672.13 from the Conservation Reserve to fund emergency work in relation to the Central Plaza as per OD.144/16;
- (iii) Approved a virement of £47,300 to fund emergency work at the Central Plaza, thus fulfilling the Council's legal obligations, with the funding being provided from underspends within the 2016/17 Capital Programme;
- (iv) Made recommendations to Council to approve re-profiling of £1,164,300 as detailed in paragraph 3.3 and Appendix A from 2016/17 into 2017/18.

Reasons for Decision

To inform the Executive of the Council's actual financial position opposite its Capital Programme