

# Report to Business & Transformation Scrutiny Panel

Agenda  
Item:  
  
**A.4**

Meeting Date: 29 November 2018  
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 SEPTEMBER 2018  
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES  
Report Number: RD 26/18

## Purpose / Summary:

This report provides an overview of the budgetary position of the City Council's capital programme for the period April to September 2018 which was considered by the Executive on 12 November 2018.

## Questions for / input required from Scrutiny:

Members are asked to note the variances contained within this report.

## Recommendations:

Members of the Business & Transformation Scrutiny panel are asked to note the overall budgetary position for the period April to September 2018.

## Tracking

Executive:	<b>12 November 2018</b>
Scrutiny:	<b>29 November 2018</b>
Council:	<b>8 January 2019</b>

# Report to Executive

Agenda  
Item:

Meeting Date: 12 November 2018  
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APRIL TO SEPTEMBER 2018  
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES  
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## Purpose / Summary:

This report provides an overview of the budgetary position of the City Council's capital programme for the period April to September 2018.

## Recommendations:

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 September 2018;
- (ii) Note adjustments to the 2018/19 capital programme as detailed in paragraph 2.1;
- (iii) Make recommendations to Council to approve reprofiling of £380,000 as detailed in para 3.5 and Appendix A from 2018/19 to 2019/20;
- (iv) Approve the removal of two schemes detailed in para 3.5 from the capital programme in 2018/19 and future years.

## Tracking

Executive:	12 November 2018
Scrutiny:	29 November 2018
Council:	8 January 2019

## **1. BACKGROUND**

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources 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 Chief Officers to control income and expenditure within their areas of responsibility and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.
- 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 2018/19:

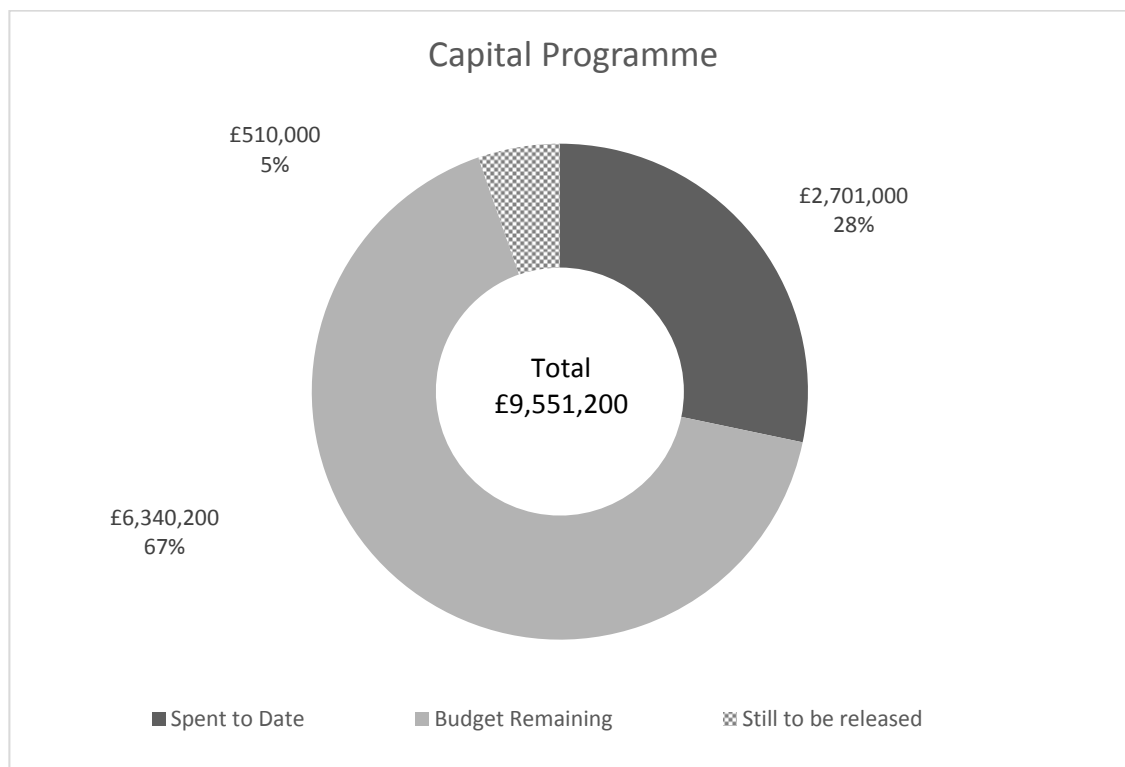
<b>2018/19 Capital Budget</b>	<b>£</b>
<b>2018/19 Capital Programme (RD04/18 Council 17/07/18)</b>	<b>7,388,800</b>
Reprofiling of Sands Centre Redevelopment (CS16/18 Council 06/03/18)	1,769,100
Revenue contribution towards Central Plaza (ED23/18 Council 17/09/18)	650,000
Revenue contribution towards Harraby Cycle Track (CS30/18 Executive 20/08/18)	38,000
Revenue contribution towards Property Acquisition (GD51/18 Executive 23/07/18)	150,000
Additional grant towards Disabled Facilities Grants (RD19/18 Executive 20/08/18)	293,200
Revenue contribution towards Public Realm Improvements	700
S106 contributions towards Affordable Homes (OD.065/18)	41,500
S106 contribution towards Crindledyke Cycleway (OD.068/18)	10,000
S106 contribution towards Open Space Improvements (CS28/18 Executive 25/06/18)	84,500
Revenue contribution towards Council Property Improvements	9,300
External grant and revenue contribution towards Play Areas	38,100
<b>Revised 2018/19 Capital Programme (at Sept 2018)</b>	<b>10,473,200</b>
Carry forwards into 2019/20 of budgets to be released (subject to Council Approval, see para 3.5)	(380,000)
Removal of Reserves to be released by Executive (see para 3.5)	(542,000)
<b>Revised 2018/19 Capital Programme</b>	<b>9,551,200</b>
Less Revised Capital Reserves to be released by Executive	(510,000)
<b>Revised 2018/19 Capital Programme (released)</b>	<b>9,041,200</b>

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

### 3. 2018/19 BUDGET MONITORING

3.1 The position statement as at September 2018 can be summarised as follows:

<b>Directorate</b>	<b>Revised Annual Budget £</b>	<b>Budget to Date £</b>	<b>Spend to date £</b>	<b>Variance to date £</b>	<b>Para. Ref.</b>
Community Services	3,994,300	873,158	879,081	5,923	-
Corporate Support	402,500	197,091	183,745	(13,346)	-
Economic Development	909,500	712,952	689,954	(22,998)	3.3
Finance and Resources	0	0	0	0	
Governance & Regulatory Services	3,734,900	1,774,909	948,220	(826,689)	3.4
<b>Total</b>	<b>9,041,200</b>	<b>3,558,110</b>	<b>2,701,000</b>	<b>(857,110)</b>	
Reserves to be released	510,000	0	0	0	3.5
<b>Total</b>	<b>9,551,200</b>	<b>3,558,110</b>	<b>2,701,000</b>	<b>(857,110)</b>	



Schemes still to be released by the Executive are outwith 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 E** with the main issues being summarised in the paragraphs below.

- 3.2 As at the end of September, expenditure of £2,701,000 has been incurred on the Council's core capital programme. When considered against the profiled budget of £3,558,110 this equates to an underspend of £857,110.

The unspent balance remaining of the revised annual budget of £9,041,200 is £6,340,200. This will be closely monitored over the following months to identify accurate project profiles and any potential slippage into future years.

- 3.3 The variance in Economic Development is attributable to the following:
- (i) An underspend of £14,962 on Durrhill Industrial Estate due to refunds received for expenditure incurred in previous years.
- 3.4 The variance in Governance & Regulatory Services is attributable to the following:
- (i) An underspend of £809,380 on Disabled Facilities Grants. Spend in the first half of 2018/19 was £877,596 which is nearly double the expenditure in the first half of 2017/18. Activity in the delivery of DFG is increasing. Capital commitments for

Occupational Therapist support and Care Act contributions to the County Council have not yet occurred and will account for £650,000 of the underspend. Following liaison with the County Council it is anticipated that the Occupational Therapist contribution will move from the DFG allocation in the next few months. A revised Housing Renewal Assistance Policy detailing additional grant contributions has been considered by the Executive and if adopted and approved by full Council in November will further improve the delivery of DFGs with increased levels of spend committed.

- 3.5 A number of schemes are included in the capital programme for 2018/19 that require reports to be presented to the Executive for the release of funding before the project can go ahead, some of which may slip into future years capital programmes.

Scheme	Budget £	Note
Public Realm Improvements	380,000	1
Regeneration of Botchergate/London Road	247,000	2
Chatsworth/Portland Square Townscape Heritage Initiative	295,000	2
Business Interaction Centre	510,000	
<b>Total</b>	<b>1,432,000</b>	

Notes:

- Executive are asked to make recommendations to Council to approve reprofiling of this budget into 2019/20 when a report detailing a full breakdown of proposed projects will be presented to the Executive to release the budget.**
- Executive are asked to approve the removal of these 2 projects from the 2018/19 capital programme and in future years due to the schemes not progressing passed the development stage due to unsuccessful bids for external funding.**

#### **4. FINANCING**

- 4.1 The 2018/19 capital programme can be financed as follows:

	Annual Budget £	Revised Annual Budget £	Current Programme £
<b>Total Programme to be financed (para 2.1)</b>	<b>10,473,200</b>	<b>9,551,200</b>	<b>9,041,200</b>
<u>Financed by:</u>			
Capital Receipts / Internal Borrowing	4,832,800	4,390,800	4,315,800
Capital Grants			
• Disabled Facilities Grant	1,760,500	1,760,500	1,760,500
• General	1,228,900	748,900	448,200
Direct Revenue Financing	2,261,800	2,261,800	2,127,500
Other Contributions	379,400	379,400	379,400
Earmarked Reserves	9,800	9,800	9,800
<b>Total Financing</b>	<b>10,473,200</b>	<b>9,551,200</b>	<b>9,041,200</b>

## 5. CAPITAL RESOURCES

5.1 The following table shows the position as at September 2018 of the capital resources due to be received during 2018/19:

	2018/19 Annual Budget £	2018/19 Current Budget £	2018/19 Actual £	2018/19 Not yet received £	Note
Capital Receipts					
• General	0	0	(502,000)	(502,000)	1
• Asset Review	(2,754,000)	(2,754,000)	(212)	2,753,788	1
Capital Grants					2
• Disabled Facilities Grant	(1,760,500)	(1,760,500)	(1,760,573)	(73)	
• Tennis Facilities	(400,000)	(400,000)	0	400,000	
• Regeneration of Botchergate/London Road	(210,000)	0	0	0	
• Chatsworth/Portland Square Townscape Heritage Initiative	(270,000)	0	0	0	
• Business Interaction Centre	(300,700)	0	0	0	
• General	(25,000)	(25,000)	(15,000)	10,000	
Capital Contributions					
• Section 106	(379,400)	(379,400)	(188,110)	191,290	3
• Disabled Facilities Grants	0	0	(14,111)	(14,111)	
• General	0	0	0	0	
<b>Total</b>	<b>(6,099,600)</b>	<b>(5,318,900)</b>	<b>(2,480,006)</b>	<b>2,838,894</b>	

Notes:

1. Receipts for 2018/19 are anticipated to be received from asset review sales (£2,754,000). A review of the disposal programme is being undertaken as part of the budget process. Included within general sales are receipts of £212 that are below the de minimis for capital receipts and will be transferred to revenue. Also

included within general sales is £120,000 for Durranhill Industrial Estate which is required to repay the original grant received for the redevelopment work and which was a condition of the grant award.

2. Capital grants are received once associated capital expenditure has been incurred and the amounts then reclaimed from the sponsoring body.
3. Contributions from Section 106 agreements to Crindledyke Cycleway (£138,700), Open Space Improvements (£84,500) and Affordable Homes (£156,200).

## **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 2017/18 accounts, fixed assets totalled £157million (2016/17 £161million). This represents 93% 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. 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 September 2018 debtors of £259,935 (£566,593 at 31 March 2018) were outstanding for capital grants, contributions and receipts.



## 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 June 2018 totalled £580,352 (£857,255 at 31 March 2018).

## 7. PERFORMANCE

- 7.1 The 2018/19 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 now totalling £510,000 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 Transformation Sub-Group 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. RISKS

- 8.1 Individual capital schemes have different risks involved. A risk assessment of the overall capital programme is included in **Appendix F**.

## 9. CONSULTATION

- 9.1 Consultation to Date  
SMT & JMT have considered the issues raised in this report.
- 9.2 Consultation Proposed  
Business & Transformation Scrutiny Panel will consider the report on 29 November 2018.

## **10. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

10.1 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 September 2018;
- (ii) Note adjustments to the 2018/19 capital programme as detailed in paragraph 2.1;
- (iii) Make recommendations to Council to approve reprofiling of £380,000 as detailed in para 3.5 and Appendix A from 2018/19 to 2019/20;
- (iv) Approve the removal of two schemes detailed in para 3.5 from the capital programme in 2018/19 and future years.

## **11. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

11.1 The Council's capital programme supports the current priorities in the Carlisle Plan.

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**Appendices** A to F

**attached to report:**

**Note:** in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

### **CORPORATE IMPLICATIONS:**

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

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

**EQUALITY** – This report raises no explicit issues relating to the public sector Equality Duty.

**INFORMATION GOVERNANCE** – There are no information governance implications.

## 2018/19 CAPITAL PROGRAMME

## APPENDIX A

Scheme	Original Capital Programme 2018/19 £	Other Adjustments £	Updated Capital Programme 2018/19 £	Proposed Savings £	Proposed Carry Forwards £	Revised Capital Programme 2018/19 £
<b><u>Current non-recurring commitments</u></b>						
Play Area Green Gyms	25,000	0	25,000	0	0	25,000
Fusehill Street Play Area	35,000	6,100	41,100	0	0	41,100
Planning Software	150,000	0	150,000	0	0	150,000
Cemetery Infrastructure	30,000	0	30,000	0	0	30,000
Recycling Containers	45,000	0	45,000	0	0	45,000
Tennis Facilities	502,900	0	502,900	0	0	502,900
Cycle Track Development	12,700	38,000	50,700	0	0	50,700
Crindledyke Cycleway	128,700	10,000	138,700	0	0	138,700
Play Area Developments	4,000	32,000	36,000	0	0	36,000
Open Space Improvements	0	84,500	84,500	0	0	84,500
Kingstown Industrial Estate	9,800	0	9,800	0	0	9,800
Public Realm Improvements	4,600	700	5,300	0	0	5,300
Revenues & Benefits ICT Upgrades	45,200	0	45,200	0	0	45,200
Car Park Improvements	164,300	0	164,300	0	0	164,300
Affordable Homes (S106)	114,700	41,500	156,200	0	0	156,200
Sand Redevelopment	0	1,769,100	1,769,100	0	0	1,769,100
Central Plaza	(52,000)	650,000	598,000	0	0	598,000
Asset Management Plan	0	150,000	150,000	0	0	150,000
	<b>1,219,900</b>	<b>2,781,900</b>	<b>4,001,800</b>	<b>0</b>	<b>0</b>	<b>4,001,800</b>
<b><u>Recurring commitments</u></b>						
Planned Enhancements to Council Property	170,000	9,300	179,300	0	0	179,300
Vehicles, Plant & Equipment	1,107,000	0	1,107,000	0	0	1,107,000
ICT Infrastructure	357,300	0	357,300	0	0	357,300
	<b>1,634,300</b>	<b>9,300</b>	<b>1,643,600</b>	<b>0</b>	<b>0</b>	<b>1,643,600</b>
<b><u>Disabled Facilities Grants</u></b>						
Private Sector Grants	3,079,400	293,200	3,372,600	0	0	3,372,600
Minor Works Grants	23,200	0	23,200	0	0	23,200
	<b>3,102,600</b>	<b>293,200</b>	<b>3,395,800</b>	<b>0</b>	<b>0</b>	<b>3,395,800</b>
<b>TOTAL</b>	<b>5,956,800</b>	<b>3,084,400</b>	<b>9,041,200</b>	<b>0</b>	<b>0</b>	<b>9,041,200</b>
<b><u>Capital Reserves to be released</u></b>						
Regeneration of Botchergate & London Road	247,000	0	247,000	(247,000)	0	0
Chatsworth/Portland Square Townscape		0	295,000	(295,000)	0	
Heritage Initiative	295,000					0
Business Interaction Centre	510,000	0	510,000	0	0	510,000
Public Realm Improvements	380,000	0	380,000	0	(380,000)	0
	<b>1,432,000</b>	<b>0</b>	<b>1,432,000</b>	<b>(542,000)</b>	<b>(380,000)</b>	<b>510,000</b>
<b>REVISED TOTAL</b>	<b>7,388,800</b>	<b>3,084,400</b>	<b>10,473,200</b>	<b>(542,000)</b>	<b>(380,000)</b>	<b>9,551,200</b>

**SEPTEMBER 2018 - CAPITAL BUDGET MONITORING****APPENDIX B****COMMUNITY SERVICES**

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Cemetery Infrastructure	30,000	4,998	4,680	(318)	Footbridge improvements underway.
Vehicles & Plant	1,107,000	187,400	184,772	(2,628)	Replacement of vehicle purchases in 2018/19 on target to date.
Play Area Developments	77,100	36,000	35,935	(65)	Individual schemes progressing as planned.
Crindledyke Cycleway (S106)	138,700	78,366	78,310	(56)	Funded by Section 106 monies. Phase 2 in progress.
Open Space Improvements	84,500	0	0	0	Funded by Section 106 monies.
Green Gyms	25,000	0	0	0	Budget released by Executive 30/05/18 (CS27/18).
Tennis Facilities	502,900	8,550	8,869	319	Approved by Council 08/09/15 (SD16/15).
Cycle Track Developments	50,700	50,700	49,728	(972)	Budget carried forward from 2017/18.
Sands Centre Redevelopment	1,769,100	462,144	462,180	36	Budget reprofiling approved by Council 06/03/18 (CS16/18).
Car Park Improvements	164,300	0	0	0	Work is progressing as planned with 1 out of 3 sites completed. Completion of the remaining 2 sites is expected by mid-September.
Waste Minimisation	45,000	45,000	54,607	9,607	Purchase of waste receptacles are overspent against the annual budget.
<b>Grand Total</b>	<b>3,994,300</b>	<b>873,158</b>	<b>879,081</b>	<b>5,923</b>	

**SEPTEMBER 2018 - CAPITAL BUDGET MONITORING****APPENDIX C****CORPORATE SUPPORT**

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
ICT Infrastructure	357,300	182,022	183,745	1,723	Part of ICT Strategy Business Case.
Revenues and Benefits ICT Upgrades	45,200	15,069	0	(15,069)	Budget carried forward as part of ICT Strategy.
<b>Grand Total</b>	<b>402,500</b>	<b>197,091</b>	<b>183,745</b>	<b>(13,346)</b>	

**SEPTEMBER 2018 - CAPITAL BUDGET MONITORING****APPENDIX D****ECONOMIC DEVELOPMENT**

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
EA Central Plaza	598,000	598,000	590,549	(7,451)	Implementation of work under the Corporate Director of Economic Development's emergency powers with reference to the Building Act 1984 S78 Dangerous building - emergency measures. Use of General Fund Reserve of up to £650,000 approved to fund these emergency works.
Public Realm Work	5,300	5,300	4,567	(733)	Project Plan is being implemented in line with revised timescales.
Durranhill Industrial Estate	0	0	(14,962)	(14,962)	Refund received for expenditure incurred in previous years.
Planning Software	150,000	0	0	0	Project yet to start.
Affordable Homes	156,200	109,652	109,800	148	Approved by Executive 31/07/17 (ED24/17) and OD.065/18.
<b>Grand Total</b>	<b>909,500</b>	<b>712,952</b>	<b>689,954</b>	<b>(22,998)</b>	

**SEPTEMBER 2018 - CAPITAL BUDGET MONITORING****APPENDIX E****GOVERNANCE & REGULATORY SERVICES**

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Planned Enhancements to Council Property	179,300	71,423	70,624	(799)	Individual projects progressing as planned.
Kingstown Industrial Estate Roads	9,800	4,904	0	(4,904)	Remaining budget required for additional public realm signage on the estate.
Minor Works Grants	23,200	11,606	0	(11,606)	Budget approved by Executive 04/04/16 (ED09/16).
Disabled Facilities Grants	3,372,600	1,686,976	877,596	(809,380)	Mandatory Grants. Increased grant allocation for 2018/19. The position is being closely monitored.
Asset Management Plan	150,000	0	0	0	Budget approved by Executive 23/07/18 (GD51/18).
<b>Grand Total</b>	<b>3,734,900</b>	<b>1,774,909</b>	<b>948,220</b>	<b>(826,689)</b>	

## APPENDIX F

### Capital Programme – Risk Assessment

Risk	Likelihood	Impact	Mitigation
Capital projects are approved without a full appraisal of the project and associated business case.	Remote	Marginal	Strengthen the role of Transformation Sub-Group when considering capital project appraisals, to include consideration of business cases
Full capital and revenue costs of a project not identified.	Reasonably Probable	Marginal	Capital spending must meet statutory definitions. Financial Services to regularly review spending charged to capital. Appraisals to identify revenue costs, including whole life costs to improve financial planning. This may need to be reviewed if major schemes progress, e.g. Sands
VAT partial exemption rules are not considered.	Reasonably Probable	High	Reduced impact following the decision to elect to tax land and property. To be considered as part of Project Appraisals and assessed by Financial Services.
Capital projects are not delivered to time	Reasonably Probable	High	Significant slippage in the current capital programme. Better project management skills to be introduced through PRINCE 2. Project managers to take more ownership and responsibility for the delivery of projects. The review of the capital programme currently underway will address some of these issues.
Capital projects are not delivered to budget. Major variations in spending impact on the resources of the Council.	Reasonably Probable	Marginal	Improved capital programme monitoring through PRINCE 2 and monthly financial monitoring. Corrective action to be put in place where necessary.
Assumptions on external funding for capital projects are unrealistic	Probable	High	Potential shortfalls arising from changes to external funding have to be met from other Council resources, so assumptions need to be backed by firm offers of funding before projects are submitted for appraisal. Risk increased due to uncertainty around funding, e.g. MHCLG grants
Spending subject to specific grant approvals e.g. housing improvement grants, disabled persons adaptations varies from budget	Remote	Marginal	Specific grants are generally cash limited so variations in projects supported by funding of this nature will be monitored closely to ensure target spend is achieved to avoid loss of grant or restrictions on subsequent years grant funding.
Shortfall in level of capital resources generated from PRTB/Capital Receipts	Probable	High	Economic downturn will impact - early warning so as not to over commit capital resources.



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## **EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 12 NOVEMBER 2018**

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**EX.113/18 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT – APRIL  
TO SEPTEMBER 2018**  
(Non Key Decision)

**Portfolio** Finance, Governance and Resources

**Relevant Scrutiny Panel** Business and Transformation

### **Subject Matter**

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder submitted report RD.26/18 providing an overview of the budgetary position of the City Council's capital programme for the period April to September 2018, including greater use of graphics to aide understanding. Detailed therein were the capital budget overview; the overall budget position for the various Directorates; the monitoring and control of expenditure against budget allocations and the exercise of virement.

The Deputy Leader commented, in particular, upon the fact that as at the end of September, expenditure of £2,701,000 had been incurred on the Council's core capital programme. When considered against the profiled budget of £3,558,110 that equated to an underspend of £857,110. The unspent balance remaining of the revised annual budget of £9,041,200 was £6,340,200. That would be closely monitored over the following months to identify accurate project profiles and any potential slippage into future years.

In addition, paragraph 3.5 recorded that a number of schemes were included in the capital programme for 2018/19 which required reports to be presented to the Executive for the release of funding before the project could go ahead, some of which may slip into future years capital programmes.

The 2018/19 programme had been kept to a level that took account of the Council's ability to deliver schemes with regard to capacity and available resources. Work was ongoing to continue to monitor the profiling of budgets, and those were adjusted to reflect progress in current capital schemes. It was likely that there would still be a requirement for some carry forwards at the year end due to further slippage and delays on projects. Budgets now totalling £510,000 were being held in reserves until approved by Executive for release.

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder then formally moved the recommendations set out in the report, which were formally seconded by the Leader.

**Summary of options rejected**    none

## **DECISION**

That the Executive:

1.     Noted and had commented on the budgetary position and performance aspects of the capital programme for the period April to September 2018.
2.     Noted adjustments to the 2018/19 capital programme as detailed in paragraph 2.1 of Report RD.26/18.
3.     Made recommendations to Council to approve reprofiling of £380,000 as detailed in paragraph 3.5 and Appendix A from 2018/19 to 2019/20.
4.     Approved the removal of two schemes detailed in paragraph 3.5 from the capital programme in 2018/19 and future years.

## **Reasons for Decision**

To inform the Executive of the Council's actual financial position opposite its Capital programme for 2018/19