

Report of	Assistant Chief Executive	Author	Graham Coleman ☎ 282741
Title	Capital Expenditure Monitor 2014/15		
Wards affected	Not applicable		

**The Panel is invited to review the progress against all capital schemes during the first three months of 2014/15**

## 1. Action required

- 1.1 To review the level of capital spending during 2014/15, and forecasts for future years.

## 2. Reason for scrutiny

- 2.1 Monitoring capital spending is important to ensure:
- Spending on projects is within agreed scheme budgets.
  - The overall programme is delivered within budget.
- 2.2 This report also gives the Panel the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

## 3. Background

- 3.1 This report sets out details of spending for the financial year 2014/15 (April to June) and revised forecasts for future years.
- 3.2 The report includes new capital funding and changes to the capital programme.
- 3.3 The report includes capital expenditure in respect of the Housing Investment Programme, including expenditure on the Council's housing stock.

## 4. 2014/15 review

- 4.1 **Appendix A** sets out details of spending on all schemes along with existing expenditure forecasts provided by budget managers to provide an indication of progress against schemes in monetary terms. It should be pointed out that expenditure is unlikely to be incurred evenly throughout the year, so any apparent variances from the forecast position for the year are unlikely to indicate any over or under spending against projects as a whole, but tend to relate to timing differences between anticipated payments and actual payments to contractors. Any significant divergences from planned activity will be brought to the Panel's attention in the following paragraphs.
- 4.2 Accrued capital spending in the first three months of the year totalled £1.9 million. This expenditure represents 7.6% of the projected spend for 2014/15.

- 4.3 It should be noted that the programme includes a number of major schemes where spending is planned across more than one year. Budget managers have profiled their forecasts for expenditure in line with expectations for 2014/15 and beyond. The table below provides a summary of the capital programme by service area:

	<b>Total Prog.</b>	<b>2014/15 Spend</b>	<b>2014/15 Forecast</b>	<b>Future Years Forecast</b>	<b>(Surplus) / Shortfall</b>
<b>Service / Scheme</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Corporate & Financial Mgmnt	2,841.8	159.9	2,609.7	229.7	(2.4)
Operational Services	986.0	73.3	986.0	0.0	0.0
Professional Services	1,848.2	212.3	922.0	926.2	0.0
Commercial Services	1,841.0	191.9	1,863.0	3.0	25.0
Community Services	2,014.5	778.3	1,990.0	24.5	0.0
Completed Schemes	0.0	(7.0)	0.0	0.0	0.0
Housing Revenue Account	16,366.6	459.4	16,366.6	0.0	0.0
<b>Total Capital Programme</b>	<b>25,898.1</b>	<b>1,868.1</b>	<b>24,737.3</b>	<b>1,183.4</b>	<b>22.6</b>

- 4.4 The Capital Programme has increased by £15.3m since the previous report. £14.8m of this results from the inclusion of the 2014/15 Housing Investment Programme into the Capital Programme. £452k has been added in respect of Government Grant for the provision of Disabled Facility Grants. There are a number of other small adjustments for schemes funded from external grants and Section 106 monies and the provision of contributions from revenue funding. The Capital Programme now stands at £25.9 million.
- 4.5 The most significant areas of planned expenditure in the year are summarised in the following table:

<b>Scheme</b>	<b>Forecast £'000</b>	<b>Actual £'000</b>	<b>RAG status</b>
Decent Homes & Upgrades	9,821.2	39.4	G
Council House New Build	3,356.0	124.0	G
Sheltered Accommodation Review	2,350.0	161.0	G
Universal Customer Contact FSR – ICT	1,650.0	(51.6)	A
Castle Museum Redevelopment	904.4	618.8	A
Shrub End Depot – new baler and shed	840.5	0.0	A
Carbon Management Prog Ph3 – PV Systems	561.1	74.5	G
Adaptations	560.0	56.7	G
Disabled Facilities Grants	500.0	158.9	A
Walls – Town, Castle and Closed Churchyards	453.2	11.4	G

- 4.6 The Scrutiny Panel on 20 August 2013 requested that a RAG (Red, Amber, Green) status was added to the quarterly capital monitoring report to provide a clear indicator of overall project performance. The RAG status of capital schemes is summarised in **Appendix A**. Although there are no 'Red' schemes, a total of 10 schemes were classed as 'Amber' by the budget manager. The current position against these schemes is detailed in **Appendix B** to this report.

- 4.7 There is currently a projected net overspend on the capital programme of £22.6k. This is detailed below:

<b>Scheme</b>	<b>Over/ (Under) £'000</b>
Town Hall DDA Sensory Project (forecast)	3.5
Carbon Management Programme (forecast)	(5.9)
Site Disposal Costs	25.0
<b>Total Net Overspend</b>	<b>22.6</b>

- 4.8 It is possible that the small variances against the Town Hall DDA Sensory Project and phase 2 of the Carbon Management Programme will be mitigated as part of the overall programme. Further funding of £25.0k is now required to provide for the costs of site disposals that will result in future capital receipts for the Council. Subject to final figures these items will be referred to a future Cabinet for consideration alongside an updated forecast of capital receipts.

## **5. Strategic Plan references**

- 5.1 The Council's Capital Programme is aligned to the Strategic Plan.

## **6. Financial implications**

- 6.1 As set out above.

## **7. Risk management implications**

- 7.1 Risk management issues are considered as part of all capital projects.

## **8. Other standard references**

- 8.1 Having considered consultation, publicity, equality, diversity and human rights, community safety, and health and safety implications, there are none that are significant to the matters in this report.

### **Background papers**

None