



Governance & Audit Committee

Item
11

7 March 2017

Report of	Assistant Chief Executive	Author	Graham Coleman ☎ 282741
Title	Capital Expenditure Monitor 2016/17		
Wards affected	Not applicable		

The Panel is invited to review the progress against all capital schemes during the first nine months of 2016/17

1 Action required

- 1.1 To review the level of capital spending during the first nine months of 2016/17, and forecasts for future years.

2 Reason for scrutiny

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

3 Background information

- 3.1 This report sets out details of spending in the first nine months of the financial year 2016/17 (April to December) and revised forecasts for future years, including new capital funding and changes to the capital programme. The report includes capital expenditure in respect of the Housing Investment Programme, including expenditure on the Council's housing stock. It also includes the capital resources that form part of the Revolving Investment Fund (RIF).
- 3.2 Accrued capital spending for the first nine months of the year totalled £13.7 million. This represents 56% of the projected spend for 2016/17. **Appendix A** sets out details of spending on all schemes, along with expenditure forecasts provided by budget managers to provide an indication of progress against their expectations for schemes in monetary terms.
- 3.3 It should be noted that the Capital Programme mainly consists of schemes where spending is planned across more than one year. 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 would be brought to the Committee's attention in the following paragraphs.
- 3.4 The table below provides a summary of the capital programme by service area:

	Total Prog.	2016/17 Spend Qtr 3	2016/17 Forecast	Future Years Forecast	(Surplus) / Shortfall
Service / Scheme	£'000	£'000	£'000	£'000	£'000
Operational Services	3,939	522	1,175	2,764	0
Professional Services	2,166	548	980	1,186	0
Commercial Services (excl. RIF)	502	45	305	197	0
Community Services	3,213	370	1,208	2,005	0
Revolving Investment Fund (RIF)	33,240	5,697	8,656	24,684	100
Completed Schemes	348	265	348	0	0
Capitalised Maintenance Schemes	236	127	196	40	0
Housing Revenue Account	12,960	6,127	11,675	1,285	0
Total Capital Programme	56,604	13,701	24,543	32,161	100

- 3.5 Changes to the Capital Programme are regularly made to reflect changes in funding and the addition of new schemes. The Capital Programme has increased by £18.9m since the previous report, and now stands at £56.6 million. This increase is due to the introduction of funding for the Northern Gateway Sports Hub project, the Waste Collection Strategy, the use of 1-4-1 capital receipts in the Housing Revenue Account and the release of Section 106 monies for five new schemes. The changes to the Capital Programme over the last quarter are detailed in **Appendix B**.
- 3.6 The most significant areas of planned expenditure for the year are detailed in **Appendix C**, along with the actual expenditure and updated commentary from budget holders.
- 3.7 **Appendix A** includes a RAG (Red, Amber, Green) status of overall project performance against capital schemes. Although there are no 'Red' schemes, a total of eight schemes were classed as 'Amber' by the budget managers. The current position against these schemes is detailed in **Appendix D** to this report.
- 3.8 The Creative Business Centre project is predicted to be overspent by £100k. This will be referred to the Revolving Investment Fund Committee for consideration.

4 Strategic Plan references

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

5 Financial implications

- 5.1 As set out above.

6 Risk management implications

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

7 Other standard references

- 7.1 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