

# Overview and Scrutiny Committee

28 March 2017



|                                  |                                    |                     |    |
|----------------------------------|------------------------------------|---------------------|----|
| <b>Title</b>                     | Capital Monitoring Report          |                     |    |
| <b>Purpose of the report</b>     | To note                            |                     |    |
| <b>Report Author</b>             | Adrian Flynn                       |                     |    |
| <b>Cabinet Member</b>            | Councillor Howard Williams         | <b>Confidential</b> | No |
| <b>Corporate Priority</b>        | Financial Sustainability           |                     |    |
| <b>Recommendations</b>           | To note the current level of spend |                     |    |
| <b>Reason for Recommendation</b> | Not applicable                     |                     |    |

## 1. Key issues

- 1.1 Attached as Appendix A & B is the actual spend to date on capital covering the period April to December 2016.
- 1.2 For the period ending December 2016, capital expenditure including commitments was £412m which represents (79.5%) of the revised budget (excluding the Knowle Green and £1.1m of the Housing opportunity project).
- 1.3 The projected outturn shows that we are anticipating to spend £454.5m which represents (87.7%) of the revised budget (excluding the Knowle Green and £1.1m of the Housing opportunity project).

### Key issues

- 1.4 £8.1m of the £8.2m that has been allocated for Housing and Knowle Green relocation projects will not be spent in the current financial year and therefore will be removed from the 2016/17 programme and transferred to the 2017/18 capital programme.
- 1.5 *Acquisition of Assets*, Following on from the purchase of the BP site in Sunbury, the BP south west corner site & Elmbrook House were purchased in December 2016. Further acquisitions may take place before the end of the financial year and a carry forward request will be made at year end for the remaining budget that is unspent.
- 1.6 Accountancy were concerned to how realistic some of the outturn forecasts were at the end of Quarter 2 regarding some of the projects being completed by the end of the financial year. This was an issue that we kept an eye on during the 3<sup>rd</sup> Quarter to see if progress was being made and to evaluate if

some projects should be removed from 2016/17 and moved to the 2017/18 capital programme at the end of the 3rd Quarter. There are a number of projects which accountancy feel should be moved and some of these are detailed below.

### **Significant Developments/Variances**

- 1.7 Disabled Facilities grant: We have received extra funding of £359k which will allow further grant payments to be made throughout the rest of the financial year.
- 1.8 Laleham Park Upgrade: The project has been redefined to address changes in the project and the Portfolio Holder's views. The project is expected to run over 2 financial years and therefore the project has been removed from the 2016/17 programme and transferred to 2017/18 programme.
- 1.9 Refuse/Recycling Vehicles: The vehicles have been ordered, but payment is not due till the summer of 2017, therefore the budget has been removed from the 2016/17 programme and transferred to the 2017/18 programme
- 1.10 Electronic Document Management system: Due to the resource requirements of the Harper and Bugle projects, delays have occurred but are now been rectified. However £108k of the budget will be removed from the 2016/17 programme and moved to the 2017/18 programme.
- 1.11 Sharepoint redesign: The project is under review and will be integrated with other ICT projects but will not be completed in this financial year. £70k of the budget will be removed from the 2016/17 programme and moved to the 2017/18 programme.
- 1.12 Small Scale Regeneration: The tendering exercise has taken place, but only a net £40k is expected to be spent in the current financial year, therefore the remaining net £310k will be removed from the 2016/17 programme and moved to the 2017/18 programme.

## **2. Options analysis and proposal**

- 2.1 The Overview and Scrutiny Committee is asked to note the current spend position.

## **3. Financial implications**

- 3.1 Any underspend on the approved Capital Programme enables the authority to invest the monies to gain additional investment income or can be used to fund additional schemes.

## **4. Other considerations**

- 4.1 Schemes which are currently incomplete and require a budget carry forward may have contractual obligations which could leave us liable to litigation if they are not allowed the funds to complete the works.

## **5. Timetable for implementation**

Bi monthly monitoring reports are prepared for Management team and incorporate revised actual figures.

**Background papers: None**

**Appendices: A+B**