

Community Wellbeing & Housing Committee



23 November 2021

Title	Capital Monitoring Report 2021/22 – Q1 30 September 2021
Purpose of the report	To note the above for the Community Wellbeing & Housing Committee
Report Author	Paul Taylor Chief Accountant
Ward(s) Affected	All Wards
Corporate Priority	Financial Sustainability
Recommendations	<p>This is an abridged copy of the full report to be submitted to the Corporate Policy & Resources Committee (CPRC) at their meeting on 29 November and just shows the capital projects that fall under the Community Wellbeing & Housing Committee's remit.</p> <p>The Committee is asked to note the current level of underspend on capital expenditure against its Capital Programme provision as at 30 September 2021, which may be subject to change at the CPRC meeting in November.</p> <p>Also, it has not been possible to disaggregate the housing element of the Elmsleigh project for 91/92 High Street for this report, therefore, the whole scheme is shown under Corporate Policy and Resources, formerly with Economic Development.</p>

1. Key issues

- 1.1 The Capital Monitoring report covers the cumulative actual expenditure to date, against the cumulative Council approved Capital Programme budget and compares this against the latest forecast outturn from Officers.
- 1.2 For the quarter ended 30 September 2021 our approved Capital Programme expenditure for the Community Wellbeing & Housing Committee including Disabled Facilities Grants (DFGs) was £302,971k (June: £302,971k). The latest forecast outturn position is £304,183k (June: £302,681k), giving a projected aggregate overspend of £1,211k (June: (£290k) underspend) as per appendix B.
- 1.3 The significant movement being with Thameside House, showing an increase of £1,500k in the projected overspend, as a result of conditions requested by the Planning Committee.

1.4 In arriving at the cumulative expenditure to date, the Finance Team account for capitalised borrowing costs, salaries, and all costs of acquisition on each development project.

2. Variance analysis

2.1 We report on any significant projected variance over £50k or 20% of budget, whichever is the highest, by committee as follows:

2.2 Community Wellbeing & Housing – projected net overspend £1,211k (June: (£290k) underspend).

- (a) Community Centre Projects - £70k overspend on the Day Centre extensions at two of our Day Centres to be funded from the planned maintenance budget at the end of the financial year.
- (b) Ashford MSCP residential scheme - £233k overspend, no change from last quarter.
- (c) Bugle - (£680k) underspend, no change from last quarter.
- (d) Benwell phase 1, no change to the reported underspend of (£2,700k) of last quarter. In response to a question raised at the last Corporate Policy and Resources Committee meeting, officers reviewed the Cabinet papers and whilst the design was changed, there was no recommendation by Cabinet to reduce the budget to reflect the revised project.
- (e) Benwell land £623k overspend, no change to the financials since our last report.
- (f) Whitehouse Land £299k overspend back in 2017 and no change to the figures reported last quarter.
- (g) Thameside House £1,570k projected overspend (June: £70k overspend) due to increased conditions requested by the Planning Committee.
- (h) Thameside House Land & Building (£160k) underspend is unchanged since last quarter's report.
- (i) West Wing the projected overspend is below the reporting limit and unchanged since last quarter.
- (j) Whitehouse Hostel Phase A £356k overspend unchanged since last quarter's report.
- (k) Victory Place (Ashford Hospital) £1,470k projected overspend is unchanged from last quarter.

3. Financial implications

3.1 Once a project is completed, any underspend on the approved Capital Programme enables the Council to invest the monies to gain additional treasury management investment income or to fund additional schemes.

3.2 Working closely with our Treasury Management advisors, officers are currently saving the Council more than £1,300k per annum in interest

charges, through prudent use of short-term interest rates to fund regeneration development projects.

- 3.3 Upon completion of each project, officers obtain fixed rate interest loans to significantly reduce the Council's exposure to risk of future interest rate rises over the next 50 years.

4. Other considerations

- 4.1 None.

5. Equality and Diversity

- 5.1 Not Applicable.

6. Sustainability/Climate Change Implications

- 6.1 Not Applicable.

7. Timetable for implementation

- 7.1 Not applicable

Background papers: There are none.

Appendices:

Appendix A – CWH Committee - Detailed Capital Monitoring Report at 30 September 2021.

Appendix B – CWH Committee DFG - Detailed Capital Monitoring Report at 30 September 2021