

Environment & Sustainability Committee



8 March 2022

Title	Capital Monitoring Report 2021/22 – Q3 December 2021
Purpose of the report	To note
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 Environment and Sustainability 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 31 December 2021, which may be subject to change at the CPRC meeting in 14 March.</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 Although the projects may have a budget allocation in the capital programme, any increases in budget will require prior approval by Corporate Policy & Resources Committee before drawing down on the budget.
- 1.3 Officers are beginning to see the impact of BREXIT, COVID-19 on our building costs, availability of labour and shorter fixed price guarantees from building suppliers.
- 1.4 For the quarter ended 31 December 2021 the Committee’s approved capital expenditure programme was £1,178k (September: £1,178k unchanged). The latest forecast outturn position is £1,260k (September: £1,261k unchanged), giving a projected aggregate overspend £81.2k (September: £81.2k overspend unchanged) as per appendix B.

2. Variance analysis

- 2.1 We report on any significant movement in forecast variance over £50k or 20% of budget, whichever is the highest, since last quarter by committee as follows:
 - (a) Laleham Park Upgrade – £88k overspend no change since 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 B – Detailed Capital Monitoring Report as at 31 December 2021.