



Agenda Item

Policy and Resources
Committee: 24 September 2024

Report of: Director of Finance and Resources

Relevant Lead Member: Mark Anderson

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SUBJECT: CAPITAL MONITORING FOR QUARTER 1

Wards affected: Borough wide

1.0 PURPOSE OF REPORT

1.1.1 To note the Revised General Revenue Account (GRA) Capital Programme for 2024/25 and provide an update on progress on capital schemes.

2.0 RECOMMENDATIONS FOR P&R COMMITTEE

2.1 That the revised Capital Programme, including the budget adjustments contained within Appendix A, be noted.

2.2 That progress against the Revised Capital Programme at Quarter 1 be noted.

3.0 BACKGROUND

3.1 The Capital Programme is set on a three-year rolling basis and the Programmes for 2024/2025, 2025/2026 and 2026/2027 were approved by Council in February 2024.

- 3.2 In accordance with best practice, the Capital Programme is subject to revision during the year to ensure that it is based on the latest available information and to make monitoring of the Programme more meaningful. It enables Managers to review their schemes with the most up to date information and to review the resources available. It also provides a base upon which to build future Capital Programmes.
- 3.3 Members are kept informed of the financial position of the Capital Programme through monitoring reports. The Housing Public Sector programme is the subject of a separate report elsewhere on the agenda and will be also presented to this Policy and Resources Committee. This report concentrates on the GRA programme.

4.0 REVISED CAPITAL PROGRAMME

- 4.1 The original Capital Programme that was set for the 2024/2025 financial year together with underspends brought forward from the previous financial year totals £12.744m of which £931k has been spent to date as shown in Appendix A - 2024/2025 Revised Capital Programme Spend to Date Against Budget.
- 4.2 The £160k for Resurfacing of Blaguegate Lane has now been returned to the Clinical Commissioning Group and has therefore been removed from the Capital Programme.
- 4.3 The £47k grant that was expected for Play Strategy Improvements is unlikely to be received and has also therefore been removed from the Capital Programme.

5.0 CAPITAL EXPENDITURE

- 5.1 Generally, capital schemes are profiled with relatively low spending compared to budget in the early part of the financial year with increased spending as the year progresses. This reflects the fact that many new schemes have considerable lead in times. Other schemes are dependent on external partner funding and can only begin once their funding details have been finalised. Other related issues include contract retentions or contingencies that will only be spent some time after completion of the contract.
- 5.2 For the current year, £58k (0.99%) of expenditure from borrowing has been incurred by the end of Quarter 1.
- 5.3 It was agreed at Cabinet in November 2020 that the £247k for Affordable Housing that was originally agreed in 2011 be utilised by Tawd Valley Developments. This was because the arrangement with Regenda Housing was ended.

6.0 CAPITAL RESOURCES

- 6.1 There are sufficient resources identified to fund the 2024/2025 Revised Capital Programme as shown in Appendix A.
- 6.2 The target for useable capital receipts (including the affordable housing element) to be generated from Council House sales in the year is £0.960m from 60 sales. By the end of quarter 1, 11 sales had been completed with a sales value of £460.7k.

7.0 SUSTAINABILITY IMPLICATIONS

- 7.1 The Capital Programme includes schemes that the Council plans to implement to enhance service delivery and assets. The Capital Programme also achieves the objectives of the Prudential Code for Capital Finance in Local Authorities by ensuring capital investment plans are affordable, prudent, and sustainable. This report provides an updated position on project plans and shows progress against them.

8.0 RISK ASSESSMENT

- 8.1 Capital assets shape the way services are delivered for the long term and, as a result, create financial commitments. The formal reporting of performance against the Capital Programme is part of the overall budgetary management and control framework that is designed to minimise the financial risks facing the Council. Schemes within the Programme that are reliant on external contributions and/or decisions are not started until funding is secured. Other resources that are subject to fluctuations are monitored closely to ensure availability. The Capital receipts position is scrutinised on a regular basis and managed over the medium term to mitigate the risk of unfunded capital expenditure.

9.0 HEALTH AND WELLBEING IMPLICATIONS

- 9.1 Some of the Capital Schemes will enhance the Health and Wellbeing of residents and the management of the delivery is ensured via the reporting mechanism.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The majority of the budget issues set out in this report have been the subject of previous reports to committees and consequently an Equality Impact Assessment has already been prepared for them where relevant.

Appendices

A 2024/2025 Revised Capital Programme Spend to Date Against Budget