

Report To:	EXECUTIVE CABINET
Date:	24 August 2022
Executive Member / Reporting Officer:	Councillor Jacqueline North – First Deputy (Finance, Resources and Transformation) Kathy Roe – Director of Finance
Subject:	2022/23 P3 CAPITAL MONITORING REPORT
Report Summary:	This is the first capital monitoring report for 2022/23, summarising the forecast outturn at 31 March 2023. The detail of this monitoring report is focused on the budget and forecast expenditure for fully approved projects in the 2022/23 financial year.
Recommendations:	That the Executive Cabinet be recommended to: <ol style="list-style-type: none"> 1. Note the forecast position for 2022/23 as set out in Appendix 1. 2. Note the funding position of the approved Capital Programme as set on page 8 of Appendix 1. 3. Note the changes to the Capital Programme as set out on page 7 in Appendix 1. 4. Note the updated Prudential Indicator position set out on pages 9-10 of Appendix 1, which was approved by Council in February 2022.
Policy Implications:	Budget is allocated in accordance with Council Policy
Financial Implications: (Authorised by the Section 151 Officer & Chief Finance Officer)	The Council has limited resources available to fund Capital Expenditure. On 29 September 2021, Executive Cabinet approved the allocation of the remaining capital reserves to immediate priorities. No new capital investment will be agreed until the Council has a sustainable medium term financial plan. A further review of Capital Priorities and the affordability of future borrowing to fund Capital Expenditure will be undertaken as part of the 2023/24 budget setting process. No further capital projects will be approved in the short term unless the schemes are fully funded from external sources.
Legal Implications: (Authorised by the Borough Solicitor)	<p>The Council has a Statutory requirement to set a balanced budget. Further it is vital that the capital expenditure position is regularly monitored so as to maintain a balanced budget and ensure that the priorities of the Council are being delivered.</p> <p>If there are insufficient capital receipts responsible councils should review its capital programme to ensure that expenditure does not exceed the available resources. It is also prudent for restrictions to be placed on new capital investment as set out in the financial implications.</p> <p>Members need to be comfortable they both understand and agree any changes or movements in the budget in order to deliver a balanced budget as required by law.</p>
Risk Management:	<p>Associated details are specified within the presentation.</p> <p>Failure to properly manage and monitor the Strategic Commission's</p>

budgets will lead to service failure and a loss of public confidence. Expenditure in excess of budgeted resources is likely to result in a call on Council reserves, which will reduce the resources available for future investment. The use and reliance on one off measures to balance the budget is not sustainable and makes it more difficult in future years to recover the budget position.

Background Papers:

Appendix 1	Detailed monitoring
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Background papers relating to this report can be inspected by contacting :

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1. BACKGROUND

- 1.1 This is the first capital monitoring report for 2022/23, summarising the forecast outturn position at 31 March 2023. The detail of this monitoring report is focused on the budget and forecast expenditure for fully approved projects in the 2022/23 financial year.

2. CAPITAL PROGRAMME SUMMARY

- 2.1 The approved budget for 2022/23 is £44.809m and the projected outturn for the financial year is £44.798m. There are additional schemes that have been identified as a priority for the Council, and, where available, capital resource has been earmarked against these schemes, which will be added to the Capital Programme and future detailed monitoring reports once satisfactory business cases have been approved by Executive Cabinet.
- 2.2 The current forecast is for service areas to have spent £44.798m on capital investment in 2022/23, which is £0.011m less than the current capital budget for the year. This variation is spread across the Education and Adults directorate, and is made up of variations on a number of specific schemes.
- 2.3 Detailed capital update reports for each Directorate area are included on the agenda of the Strategic Planning and Capital Monitoring Panel (SPCMP). This report provides a summary of the financial position against the overall programme but further details on scheme delivery can be found in the Directorate reports to Strategic Planning and Capital Monitoring Panel.

3. RECOMMENDATIONS

- 3.1 As stated on the front cover of the report.