

<b>Report To:</b>	<b>STRATEGIC PLANNING AND CAPITAL MONITORING PANEL</b>
<b>Date:</b>	22 November 2021
<b>Executive Member / Reporting Officer:</b>	Councillor Oliver Ryan – Executive Member (Finance and Economic Growth) Dr Ash Ramachandra – Lead Clinical GP Kathy Roe – Director of Finance
<b>Subject:</b>	<b>2021/22 CAPITAL MONITORING REPORT – AS AT MONTH 6</b>
<b>Report Summary:</b>	This is the second capital monitoring report for 2021/22, summarising the forecast outturn at 31 March 2022 based on the financial activity to 30 September 2021. The detail of this monitoring report is focused on the budget and forecast expenditure for fully approved projects in the 2021/22 financial year.
<b>Recommendations:</b>	That the Strategic Planning and Capital Monitoring Panel be recommended to ask Executive Cabinet to: <ul style="list-style-type: none"> <li>(i) Note the forecast outturn position for 2021/22 as set out in <b>Appendix 1</b>.</li> <li>(ii) <b>Approve</b> the re-profiling of budgets into 2022/23 as set out on page 4 of <b>Appendix 1</b>.</li> <li>(iii) Note the funding position of the approved Capital Programme as set on page 9 of <b>Appendix 1</b>.</li> <li>(iv) Note the changes to the Capital Programme as set out on page 10 in Appendix 1</li> <li>(v) Note the updated Prudential Indicator position set out on pages 11-12 of Appendix 1, which was approved by Council in February 2021</li> </ul>
<b>Policy Implications:</b>	Budget is allocated in accordance with Council Policy
<b>Financial Implications:</b> <b>(Authorised by the Section 151 Officer &amp; Chief Finance Officer)</b>	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 revenue budget position for 2022/23 is clearer and 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 following conclusion of the 2022/23 budget setting process. No further capital projects will be approved in the short term unless the schemes are fully funded from external sources.
<b>Legal Implications:</b> <b>(Authorised by the Borough Solicitor)</b>	It is a statutory requirement for the Council to set a balanced budget.  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.  If there are insufficient capital receipts responsible councils should review its capital programme to ensure that expenditure does not exceed the available resources. 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.

**Risk Management:**

Associated details are specified within the presentation.

Failure to properly manage and monitor the Strategic Commission's 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:**

Background papers relating to this report can be inspected by contacting :

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## **1. BACKGROUND**

- 1.1 This is the second capital monitoring report for 2021/22, summarising the forecast outturn at 31 March 2022 based on the financial activity to 30 September 2021. The detail of this monitoring report is focused on the budget and forecast expenditure for fully approved projects in the 2021/22 financial year.

## **2. CAPITAL PROGRAMME SUMMARY**

- 2.1 The approved budget for 2021/22 is £74.352m (after re-profiling approved at Period 3 Monitoring) and current forecast for the financial year is £42.521m. 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 £42.521m on capital investment in 2021/22, which is £31.831m less than the current capital budget for the year. This variation is spread across a number of areas, and is made up of a number of over/underspends on a number of specific schemes (£2.842m) less the re-profiling of expenditure in some other areas (£28.989m).
- 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 SPCMP.

## **3. RECOMMENDATIONS**

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