
MONITORING OF THE CAPITAL FINANCIAL PLAN 2017/18

Report by Chief Financial Officer

EXECUTIVE

5 September 2017

1 PURPOSE AND SUMMARY

- 1.1 This report updates the Executive Committee on the progress of the 2017/18 Capital Financial Plan, seeks approval for projected outturns and associated virements, and the reallocation of funds.**
- 1.2 The monitoring tables in Appendix 1 report on actual expenditure to 30 June 2017. Key issues identified in these tables are summarised within the main report. The tables identify a projected net variance of £1.333m against the approved budget. The net in-year budget increase of £1.333m is due additional external funding secured for a number of projects.
- 1.3 Appendix 2 contains a list of the block allocations approved for this year and the various approved and proposed projects to be allocated from them within the 2017/18 Capital Plan.
- 1.4 There are no budget timing movements to future years projected in this monitoring report. Appendix 3 contains a summarised list of timing and budget movements within the 2017/18 Capital Plan.
- 1.5 Appendix 4 contains a list of estimated whole project capital costs for single projects which will not be completed in the current financial year.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Executive Committee:**
 - (a) Agrees the projected outturns in Appendix 1 as the revised capital budget;**
 - (b) Notes the budget virements previously approved by the Chief Financial Officer and Service Director Assets & Infrastructure detailed in Appendix 2 under delegated authority;**
 - (c) Notes the list of block allocations detailed in Appendix 2;**
 - (d) Approves the virements as detailed in Appendix 3; and**
 - (d) Notes the list of whole project costs detailed in Appendix 4**

3 BACKGROUND

- 3.1 The Council approved the Capital Plan for the period 2017/18 to 2026/17 on 9 February 2017, which has subsequently been updated to reflect budget adjustments, associated timing movements and other approvals. The movements to the total available budget since the Council meeting is as follows:

	£000s	£000s
Capital Plan 2017/18 as approved at Council 9 February 2017		39,660
Previous Year Budget Movements	11,374	
Council 2 March 2017	3,600	
Executive 21 March 2017	81	
Virements 2017/18	516	
In Year Budget Movements		15,771
Latest Approved Capital Plan 2017/18 at 30 June 2017		55,231

- 3.2 The presentation of the monitoring tables in Appendix 1 focuses on the three year Operational Plan of the approved 10 year Capital Financial Plan. The first section of the tables in Appendix 1 focuses in detail on the 2017/18 position; there are three columns each for 2018/19 and 2019/20 and then three columns for the 7 year strategic plan 2020/21 to 2026/27. Below the tables, a narrative is provided where appropriate.
- 3.3 The implementation of Business World from the 1st April has been achieved following a 13 month build period, significantly truncating the normal time for a build of this scale and complexity. This has inevitably meant that a number of areas of system functionality have not yet been developed fully including anticipated changes to the method of corporate financial monitoring and reporting with more involvement for service managers in taking responsibility for financial projections. For this reason the existing methodology of agreeing financial projections with managers has continued in compiling these statements.
- 3.4 This report is the first monitoring report in the planned reporting schedule for 2017/18.

4 MONITORING THE PLAN

- 4.1 Appendix 1 to this report contains the budget monitoring tables. The actual expenditure to 30 June 2017 is shown together with the projected outturn for the full financial year and where appropriate contains an explanation of budget movements. Appendix 2 also contains any budget and timing movements approved by the Chief Financial Officer and Service Director Assets & Infrastructure under the Financial Regulations approved in June 2016.
- 4.2 The actual expenditure to 30 June 2017 has been adjusted for any credit balances for accrued expenses from 2016/17 which have not yet been invoiced.
- 4.3 Appendix 2 contains a summary for each block allocation within the 2017/18 Capital Plan of approved and proposed proposals for various projects and programmes.
- 4.4 Appendix 3 contains a summary of variances analysed between budget virements and timing movements proposed for 2017/18 as part of this report.

- 4.5 Appendix 4 contains a list of estimated whole project capital costs for single projects where the project will not be completed in the current financial year.

5 SPECIFIC ISSUES

- 5.1 The following sections identify the other key areas of note within the Appendix 1 tables.

5.2 **Roads & Bridges - including RAMP and Winter Damage/Slopes**

Addition from the Strategic Timber Transport Scheme (STTS) of £0.593m. The allocation of these funds are detailed within Appendix 2

5.3 **Early Learning & Childcare**

Additional £0.689m funding from Scottish Government to be fully spent in 2017/18

5.4 **Emergency & Unplanned Schemes**

The table below provides an update on the projected position of the Emergency & Unplanned Schemes:

	£000s
Budget as Approved at Council 9 February 2017	300
Executive - 20 June 2017 - Selkirk Streetscape	(15)
Projected Balance	285

6 IMPLICATIONS

6.1 **Financial**

- (a) There are no financial implications beyond those contained in the report and appendices.
- (b) Any capital borrowing requirements associated with these changes will be managed in line with the approved Treasury Strategy from approved budgets. The principal part of the capital financial plan is funded by long term loans and the resultant loan charges are reported within the revenue monitoring reports.

6.2 **Risk and Mitigations**

- (a) At the end of June 2017, actual expenditure totalled £6.106m which represents 11% of the projected outturn, excluding the impact of large accruals. There is a risk of timing movements this financial year some of which has already been highlighted in narrative in Appendix 1. It is vital that capital budgets continue to be monitored carefully through the Project Managers and that their outturn projections are as accurate as possible.
- (b) Key risks associated with individual projects have been identified within the narrative and the individual project managers are undertaking the appropriate work to manage these.

6.3 **Equalities**

No Equalities Impact Assessment has been carried out in relation to the Capital Monitoring report; it is, however, expected that for individual projects this work will have been undertaken by the relevant project manager/budget holder prior to budget being approved.

6.4 Acting Sustainably

There are no direct economic, social or environmental issues with this report although there may be within individual projects and these will be identified and addressed as appropriate as part of their specific governance arrangements.

6.5 Carbon Management

There are no direct carbon emissions impacts as a result of this monitoring report; however, there may be within individual projects and these will be identified and addressed as appropriate as part of their specific governance arrangements.

6.6 Rural Proofing

This report does not relate to new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

6.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to the Scheme of Administration or Delegation are required as a result of this report.

7 CONSULTATION

7.1 The Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted in the preparation of this report and any comments received incorporated into the report.

7.2 The Service Director Assets & Infrastructure has been consulted in the preparation of this report and the content of the detailed appendices and any comments incorporated.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

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Background Papers: None

Previous Minute Reference: None

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