

2019/20 Capital Budget Monitoring – Quarter 2 Report

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Cabinet Member: Cllr Mandy Chilcott, Cabinet Member for Resources
Division and Local Member: All

1. Summary

- 1.1. The Cabinet report provides the Month 6 indication regarding the potential Capital Budget outturn position for the 2019/20 financial year. It highlights variances to the Medium-Term Financial Plan (MTFP) assumptions, as well as emerging issues, risks, areas of concern and proposed actions to resolve them.
- 1.2. This report is a summary and shows a projected **underspend** for the authority against the approvals within the current capital programme.

Services have provided their forecasts for the capital programme. The first quarter's forecast will provide the benchmark for the rest of the year and final outturn position. Services will need to explain any significant variances to this.

Forecasting expenditure can be challenging as there are many factors which can impact on delivery of a capital programme including external factors such as a reliance on contractor activity, the weather, and capacity within the Council's providers to design and support the programme.

2. Issues for consideration / Recommendations

- 2.1. The Committee is asked to comment on the projected capital outturn for 2019/20, whether there are any suggestions for management actions or alternative options that they would like to recommend to the Cabinet.
- 2.2. The Committee is asked to comment on the new format of the budget report, whether there are any suggestions or comments on the presentation of information within it.
- 2.3. The Committee is asked to consider any issues or information they would like to be addressed or included in future reports.

3. Background

- 3.1.** The Cabinet report (**Annex A**) is second capital monitoring report for the year. It shows that there is a projected underspend of £1.735m against existing approvals of £788.425m.
- 3.2.** The Cabinet report (**Annex A**), along with its appendices, provides further detail on the budget monitoring for comment by Scrutiny Members.
- 3.3.** An overview of the Capital Programme indicates that the programme is being managed proactively by services within the resources that they have available. Commitments are not being entered into without an available budget and generic approvals are being managed as costs become more certain and the programme of work adjusted accordingly. However, there remains a need to fully scrutinise the forecasts received in order to be certain of their accuracy as we head further into the financial year.
- 3.4.** We will continue to present the formal quarterly monitoring reports that are considered by Cabinet to Scrutiny for Policies and Place at their next available meeting. We will continue make improvements to the format, content and layout of the reports to aid effective review and scrutiny.

4. Consultations undertaken

- 4.1.** See **Annex A**

5. Implications

- 5.1.** See **Annex A**

6. Background papers

- 6.1.** Month 6 (Qtr. 2) Capital Budget Monitoring Report to Cabinet - 13th November 2019
- 6.2.** Month 6 (Qtr. 2) Capital Budget Monitoring Report Appendices to Cabinet – 13th November 2019

Note: For sight of individual background papers please contact the report author