

Somerset West and Taunton Council

SWT Executive – 8 October 2019

Financial Monitoring – Delegated Authority for HRA Capital Programme

This matter is the responsibility of Cllr Ross Henley, Portfolio Holder for Corporate Resources

Report Author: Emily Collacott (Finance Business Partner)

1 Executive Summary

- 1.1 An update on the projected outturn financial position of the Council for the financial year 2019/20 (as at 31 July 2019) was provided to the Executive meeting on 18 September 2019. This report seeks approval for the delegated authority to approve changes to the budgeted spend for all of the HRA capital schemes, whilst remaining within the approved capital programme for 2019/20
- 1.2 Monitoring the budget is an important part of the Council's performance management framework.

2 Recommendations

- 2.1 It is recommended that Full Council to approve the Housing Director / Head of Function, in consultation with the Housing Portfolio Holder, to have delegated authority to approve changes to the budgeted spend for all of the HRA capital schemes, whilst remaining within the approved capital programme for 2019/20. The reason for this is help address flexible delivery of the programme in year.

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
That the Authority overspends against the approved budget	3	4	12
<i>Mitigated by - Regular budget monitoring reports are produced and managers actively manage the budgets under their responsibility</i>	1	4	4

Risk Scoring Matrix

Likelihood	5		4		3		2		1	
	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)	High (16)	Medium (12)	Medium (10)	Low (5)
4	Likely	Low (4)	Medium (8)	High (12)	High (16)	Very High (20)	Very High (25)	High (16)	Medium (12)	Medium (10)
3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)	High (15)	Medium (12)	Medium (10)	Low (5)
2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)	Medium (10)	Medium (8)	Medium (10)	Low (5)
1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)	Low (5)	Low (4)	Low (5)	Low (5)

	1	2	3	4	5
	Negligible	Minor	Moderate	Major	Catastrophic
	Impact				

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

4 Background and Full details of the Report

- 4.1 Regular monitoring of financial information is a key element in the Council's Performance Management Framework. Crucially it enables remedial action to be taken in response to significant budget variances, some of which may be unavoidable. It also provides the opportunity to assess any consequent impact on reserves and the Council's Medium Term Financial Plan.
- 4.2 The Council's forecast end of year financial position for revenue and capital expenditure as at 31 July 2019 for the Council's General Fund (GF) and Housing Revenue Account (HRA) was reported to Scrutiny on 4 September 2019 and Executive on 18 September 2019.
- 4.3 Executive request Full Council to approve the Housing Director / Head of Function, in consultation with the Housing Portfolio Holder, to have delegated authority to approve changes to the budgeted spend for all of the HRA capital schemes, whilst remaining within the approved capital programme for 2019/20. The reason for this is help address flexible delivery of the programme in year. Any changes to spend will be updated through the budget monitoring updates to Scrutiny and Executive.

5 Links to Corporate Aims / Priorities

- 5.1 The financial performance of the Council underpins the delivery of corporate priorities and therefore all Corporate Aims.

6 Finance / Resource Implications

- 6.1 Contained within the body of the report.

7 Legal Implications

- 7.1 There are no legal implications associated with this report.

Democratic Path:

- **Full Council – 8 October 2019**

Reporting Frequency: one-off

List of Appendices

Contact Officers

Name	Emily Collacott
Direct Dial	01823 218742
Email	e.collacott@somersetwestandtaunton.gov.uk

Name	Paul Fitzgerald
Direct Dial	01823 217557
Email	p.fitzgerald@somersetwestandtaunton.gov.uk

Name	Kerry Prisco
Direct Dial	01823 218758
Email	k.prisco@somersetwestandtaunton.gov.uk