
Capital Programme Financial Performance Report: Provisional Outturn 2018/19

Committee considering report:	Overview and Scrutiny Management Commission on 9 July 2019
Portfolio Member:	Councillor Jeff Cant
Date Portfolio Member agreed report:	22 May 2019
Report Author:	Shannon Coleman-Slaughter
Forward Plan Ref:	EX3594

1. Purpose of the Report

- 1.1 The financial performance reports provided to Members, throughout the financial year, report the under or over spend against the Council's approved capital budget. This report presents the provisional capital outturn for the Council in respect of financial year 2018/19. It should be noted that these figures are provisional and may change as a result of External Audit.

2. Recommendation

- 2.1 The capital provisional outturn position and the level of budget to be carried forward to 2019/20 should be noted.
- 2.2 Given the political and economic uncertainty at present, it is not prudent to review the property investment strategy until such time as there is more clarity in the investment market.

3. Implications

- 3.1 **Financial:** The provisional outturn is a £8.68 million underspend against the 2018/19 revised capital budget of £89.9 million. £8.57 million primarily consisting of government grants and developers contributions for Education, Highways and Housing schemes, is now proposed to be re-profiled into 2019/20 to enable the continuation of ongoing capital schemes.
- 3.2 **Policy:** N/A
- 3.3 **Personnel:** N/A
- 3.4 **Legal:** N/A
- 3.5 **Risk Management:** N/A
- 3.6 **Property:** N/A

4. Other options considered

- 4.1 None.

Executive Summary

5. Introduction / Background

- 5.1 A capital budget for 2018/19 of £72.8million was set by Council in March 2018 with funding of £25.5million from external grants, £4.5million section 106 contributions and Community Infrastructure Levy and with £42.8million planned to be funded from borrowing.
- 5.2 During the year budget changes have occurred, mainly as a result of additional grants and section 106 allocations received in year and £11.3 million of spend re-profiled into 2018/19 from 2017/18. The revised budget was £89.9million.
- 5.3 Total capital expenditure in 2018/19 was £81.3 million against the £89.9 million budget, an overall underspend of £8.7 million or 9.7 %. Capital Strategy Group on the 9th May has reviewed the outturn in detail and proposes that £8.6 million should be carried forward into 2019/20 to enable the continuation of schemes already underway and to help fund emerging pressures in the capital programme. The table below details outturn against revised budget and proposed re-profiling into 2019/20.

Directorate Summary	Current Budget	Quarter Three		Outturn		Change from Quarter Three Forecast	Amount proposed to be Re-profiled to 2019/20
		Forecast Spend in Year	Forecast (under)/Over Spend	Total Spend in Year	(Under)/Over Spend		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Communities	11,148	10,967	0	10,316	(832)	(832)	896
Economy & Environment	27,542	26,924	0	20,116	(7,426)	(7,426)	7,202
Resources	51,256	49,671	(3,078)	50,828	(428)	2,650	479
Totals	89,946	87,562	(3,078)	81,260	(8,686)	(5,608)	8,577

- 5.4 The main contributing factor for the Communities Directorate underspend position is the development of Highwood Copse School's contractor going into administration temporarily halting spend on the project. The contract for the development of the school will be retendered as part of the 2019/20 programme.
- 5.5 The capital budget of £27.5million for the Economy & Environment Directorate was underspent by £7.4million. The underspend relates primarily to Highways schemes (£6.4million), within the Transport & Countryside Service as a result of £1.9 million of additional funding was received from for highways maintenance in December 2018, which could not be fully utilised by 31st March 2019. Developer delays, inclusive of the Kings Road Link (£1.9million), £897k for Sandleford access and £850k on flood defence schemes in Thatcham, Purley and Lambourn were incurred in the year contributing to the underspend position. The Development & Planning Service underspent by £822k, primarily through funding for the purchase of temporary accommodation, three properties are planned for purchase in 2019/20.
- 5.6 The capital budget of £51.2million for the Resources Directorate was underspent by a net £428k. Underspends were incurred against budgets for Members bids (unclaimed by recipients totalling £180k), Finance & Property schemes due to delays in the completion of the new heating and cooling systems (£147k), and delays in the MyView (£61k) and ICT projects (£83k). The budget for redevelopment of the London Road Industrial Estate was overspent by £51k

because of higher than expected legal costs. It is proposed that the underspends totalling £480k across the directorate are re-profiled into 2019/20 to enable completion of the projects. The overspend against the London Road budget is proposed to be offset against the savings in the Economy & Environment Directorate.

- 5.7 The Resources Directorate budget included £47million for the acquisition of commercial property supporting the Council's Investment Property Strategy. Appendix D provides an update on the Property Investment Portfolio. Council had previously agreed that the Strategy overseeing this area of investment should be reviewed on an annual basis. However, given the political and economic uncertainty at present, it is proposed that it is not prudent to review the full strategy until such time as there is more clarity in the investment market.

6. Proposal

- 6.1 To note the outturn position.

7. Conclusion

- 7.1 Total capital expenditure in 2018/19 was £81.3 million against the £89.9 million budget, an overall underspend of £8.7 million or 9.7 %. Capital Strategy Group on the 9th May has reviewed the outturn in detail and proposed that £8.57 million is carried forward into 2019/20 to enable the continuation of schemes already underway and to help fund any emerging pressures in the capital programme.

8. Appendices

- 8.1 Appendix A – Data Protection Impact Assessment
- 8.2 Appendix B – Equalities Impact Assessment
- 8.3 Appendix C – Supporting Information
- 8.4 Appendix D – Property Investment Performance March 2019

Appendix A

Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via dp@westberks.gov.uk

Directorate:	Resources
Service:	Finance and Property
Team:	Accountancy
Lead Officer:	Andy Walker
Title of Project/System:	
Date of Assessment:	7/5/19

Do you need to do a Data Protection Impact Assessment (DPIA)?

	Yes	No
<p>Will you be processing SENSITIVE or “special category” personal data?</p> <p>Note – sensitive personal data is described as “<i>data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation</i>”</p>	<input type="checkbox"/>	X
<p>Will you be processing data on a large scale?</p> <p>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</p>	<input type="checkbox"/>	X
<p>Will your project or system have a “social media” dimension?</p> <p>Note – will it have an interactive element which allows users to communicate directly with one another?</p>	<input type="checkbox"/>	X
<p>Will any decisions be automated?</p> <p>Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</p>	<input type="checkbox"/>	X
<p>Will your project/system involve CCTV or monitoring of an area accessible to the public?</p>	<input type="checkbox"/>	X
<p>Will you be using the data you collect to match or cross-reference against another existing set of data?</p>	<input type="checkbox"/>	X
<p>Will you be using any novel, or technologically advanced systems or processes?</p> <p>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</p>	<input type="checkbox"/>	X

If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.

Appendix B

Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; this includes the need to:**
 - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
 - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

What is the proposed decision that you are asking the Executive to make:	To note the Quarter Three capital monitoring position.
Summary of relevant legislation:	Not applicable
Does the proposed decision conflict with any of the Council's key strategy priorities?	No
Name of assessor:	Shannon Coleman-Slaughter
Date of assessment:	7.5.19

Is this a:		Is this:	
Policy	No	New or proposed	No
Strategy	No	Already exists and is being reviewed	No
Function	No	Is changing	No
Service	No		

1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?	
Aims:	Overview of the position of the 2018/19 capital programme
Objectives:	As above
Outcomes:	As above
Benefits:	As above

2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this. (Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
Group Affected	What might be the effect?	Information to support this
Age	Yes	Capital programme covers delivery of key projects aligned to the Council Strategy.
Disability	Yes	
Gender Reassignment	No	

Marriage and Civil Partnership	No	
Pregnancy and Maternity	No	
Race	No	
Religion or Belief	No	
Sex	No	
Sexual Orientation	No	
Further Comments relating to the item:		

3 Result	
Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?	No
Please provide an explanation for your answer:	
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?	No
Please provide an explanation for your answer:	

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

4 Identify next steps as appropriate:	
Stage Two required	No
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	

Name: Shannon Coleman-Slaughter

Date: 7/5/19

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) (rachel.craggs@westberks.gov.uk), for publication on the WBC website.