

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 10 AUGUST 2021
REPORT OF THE CHIEF EXECUTIVE

QUARTER 1 CAPITAL BUDGET MONITORING REPORT 2021-22

1 Executive Summary

- 1.1 This report presents the capital expenditure and associated capital funding as at the end of quarter 1. The report and appendices detail the changes to the original capital programme and funding plans, as a result of programme commitments and project delivery.
- 1.2 The current approved capital budget is £95.442m (which includes the approved re-phasing of budgets from 2020/21) and the forecast outturn is £95.442m. There are currently no forecast variances and no forecast re phasing as shown in **Table 1**.
- 1.3 A summary of progress against key projects for which no variances have been reported is detailed within **section 3.3**.
- 1.4 A forecast of the resources available to fund the capital programme and variances of the current forecast against the available resources budgeted are set out in **section 4** of this report.

2 Recommendations

- 2.1 That Cabinet note the capital forecast outturn position as at Quarter 1 as shown in **Table 1**.
- 2.2 The Cabinet to note the forecast position as at 30 June 2021 for funding of the capital programme and reserve balances as reflected in **Table 2**.

3 Capital Programme – Expenditure Forecasts

- 3.1 The capital expenditure position is summarised in **Table 1** below and a detailed breakdown by capital scheme can be found in **Appendix A**.

Table 1: Capital Outturn 2021/22 by Fund and Head of Service

	Budget 2021/22	Forecast Outturn 2021/22	Variance to Budget	Re- phasing of Capital Schemes	(Under)/ Over Outturn
	£'000	£'000	£'000	£'000	£'000
General Fund					
Planning	1,031	1,031	0	0	0
Public Health and Protection	52	52	0	0	0
Public Protection, Planning and Governance	1,083	1,083	0	0	0
Resources	12,417	12,417	0	0	0
Environment	19,425	19,425	0	0	0
Policy and Culture	150	150	0	0	0
Resources, Environment & Cultural Services	31,992	31,992	0	0	0
Community & Housing Strategy	1,688	1,688	0	0	0
Housing and Communities	1,688	1,688	0	0	0
General Fund Total	34,763	34,763	0	0	0
Now Housing	11,548	11,548			
Housing Revenue Account					
Total Head of Community & Housing Strategy	31,915	31,915	0	0	0
Housing Property Services	16,346	16,346	0	0	0
Housing Operations	870	870	0	0	0
Housing and Communities	49,131	49,131	0	0	0
Housing Revenue Account Total	49,131	49,131	0	0	0
Grand TOTAL	95,442	95,442	0	0	0

3.2 There is currently no requirement to re-phase any budget into 2022/23 and there are no forecast variances at Quarter 1.

3.3 Progress of key capital scheme expenditure:

This section provides members with additional information on the progress of high value projects (over £2.0m) for which no variance or re-phasing has been reported, and highlights any risks identified which may cause a variance or re phasing to the project to be reported at a later date.

General Fund:

3.3.1 Redevelopment of 1 and 3-9 Town Centre Hatfield £2.344m (App A ref. no 11):

This scheme progresses well. Following the demolition of the remaining block, enabling works including hoarding, and utilities diversions have commenced with active works being undertaken on site. The deadline for spending the Homes England grant has been extended from March 2021 to March 2022.

3.3.2 Welwyn Garden City Town Centre North £3.961m (App A ref. no 13):

At the end of the quarter, it was anticipated the application would imminently be submitted for the upper deck to Campus West Car Park, and is estimated to be presented to committee in Autumn 2021. The tender for the residential developer at Campus East car park has concluded, with a recommendation being made to Cabinet.

3.3.3 Bereavement Services £7.176 (App A ref. no 39):

Bids have been received for a contractor to undertake the construction of the new facility at Southway cemetery in Hatfield. These are currently being evaluated and a recommendation to the procurement board overseeing the development. It is anticipated that works will commence on site in Autumn 2021, with completion estimated to be Winter 2022.

3.3.4 Tewin Road Depot & Household Waste £11.521m (App A ref. no 44&45):

This project progresses well. The contract has been awarded to RG Carter. Works has commenced and to date the implications of sourcing materials after Brexit has not had a major impact on key deadlines.

Housing Revenue Account:

3.3.5 Affordable Housing Programme – £31.915m (App A ref. no 61-78):

These projects are back on track from the previous financial year, the number of OMPs this year will be less due to being more focused on the development of new schemes.

Minster House £3.850m (App A ref. no 75) - The Project started on site on 29th September 2020 and is going to deliver 91 units. Demolition, site preparation and reduced level dig works are complete and work has now started on the structure. The anticipated contract completion date is 26th July 2022.

3.3.6 Housing Property Services £16.346m (App A ref. no 79 - 92):

Delivered through the Mears contract, this scheme is for improvements required to the housing stock including replacement kitchens, bathrooms, electrical and asbestos works. The expenditure is forecast to come in on budget.

4 Capital Programme – Financing Forecasts

4.1 The financing of the capital programme and cumulative borrowing position (internal and external loans) is shown in Table 2 below:

Table 2 - Capital Financing Summary	Current Budget 2021/22 £'000	Forecast Outturn 2021/22 £'000	Forecast Variance £'000
GENERAL FUND			
Total Expenditure	34,763	34,763	0
Capital Receipts and Reserves	(4,951)	(4,951)	0
Capital Grants and Contributions	(15,499)	(15,499)	0
Revenue Contribution to Capital	(196)	(196)	0
Borrowing Requirement for Before MRP and Loans	14,117	14,117	0
Minimum Revenue Provision	(771)	(771)	0
Net Change in Borrowing Requirement for Year (inc Loans)	13,346	13,346	0
Cumulative Borrowing Requirement at year end	52,278	52,278	0
Borrowing for Now Housing	11,548	11,548	0
Cumulative Borrowing Requirement including Now Housing	63,826	63,826	0
Capital Reserves and Grants Balance at year end	9,291	9,291	0
HOUSING REVENUE ACCOUNT			
Total Expenditure	49,131	49,131	0
Loan Repayment	21,400	21,400	0
Capital Receipts and Reserves	(16,548)	(16,548)	0
Restricted 141 Capital Receipts	(9,172)	(9,172)	0
Revenue Contribution to Capital	(6,840)	(6,715)	125
Capital Grants and Contributions	0	0	0
Borrowing Requirement for Year	37,971	38,096	125
Cumulative Borrowing Requirement at year end	262,158	262,283	125
Capital Reserves and Grants Balance at year end	5,545	5,545	0

4.2 Key Variances to the General Fund & HRA Financing are as follows:

General Fund:

The expenditure forecast – no change at Quarter 1. The current budget for financing has been updated to reflect the approved changes in relation to the de-carbonisation projects, as approved at Cabinet on 15 June 2021.

The borrowing requirement in year and the yearend reserves forecast have no changes at Quarter 1.

Housing Revenue Account:

The expenditure forecast has no change at Quarter 1.

The borrowing requirement in year and the yearend reserves forecast have no changes at Quarter 1. There is a reduction in the revenue contribution to Capital in the HRA of £0.125m owing to forecast reductions in income.

Implications

5 Legal Implication(s)

5.1 There are no direct legal implications arising from this report. However, the individual projects will require legal input into procurement and contractual documentation.

6 Financial Implication(s)

6.1 Financial implications are set out in the body of the report where relevant.

7 Risk Management Implication(s)

7.1 There are none arising directly from this report.

8 Security & Terrorism Implication(s)

8.1 There are none arising directly from this report.

9 Procurement Implication(s)

9.1 There are none arising directly from this report.

10 Climate Change Implication(s)

10.1 There are none arising directly from this report.

11 Health and Wellbeing Implications(s)

11.1 There are none arising directly from this report.

12 Link to Corporate Priorities

12.1 The subject of this report is linked to the delivery of all of the Councils the Corporate Priorities.

13 Communications Plan

13.1 There are none arising directly from this report.

14 Equality and Diversity

14.1 An Equality Impact Assessment (EIA) has not been carried out in connection with the proposals that are set out in this report as there is no impact on services directly as a result of the recommendations.

15 Human Resources Implications

15.1 There are none arising directly from this report.

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Appendix A - Capital Expenditure Monitoring by Scheme