

## Agenda Item 9

|   |  |
|---|--|
| <b>Cabinet Member</b>                         | Councillor Metin Huseyin, Cabinet Member for Finance, Performance and Risk   |
| <b>Strategic Management Team Lead Officer</b> | Nick Gray, Deputy Chief Executive<br>Jasvir Chohan, Executive Head of Service, People and Transformation   |
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| <b>Date</b>                                   | 30 October 2018  |
| <b>Ward (s) affected</b>                      | The Business and Budget Report covers the whole District   |
| <b>Subject</b>                                | Month 5 (August) – 2018/19 Business and Budget Monitoring  |

### RECOMMENDATIONS

That the Cabinet:

- notes the Council's performance and financial position for the period April to August 2018

### EXECUTIVE SUMMARY

This report provides the Cabinet with progress made so far in 2018/19 to deliver on our priorities, and provides the financial context. It summarises performance and, where performance has fallen below the target set, outlines the reasons and the actions taken in response.

The report is set out as below:

- 1.0 Introduction
- 1.1 Projects and Strategies
- 1.2 Performance Indicators
- 1.3 Finance Monitoring
- 1.4 Strategic Risk

There are three appendices:

Appendix A - projects and performance indicators dashboards

Appendix B - revenue position by business area

Appendix C - summary of the progress on capital schemes

## **CORPORATE PRIORITIES**

This report is an update on the Council's progress in implementing the priorities contained in the Corporate Strategy.

### **The Cabinet has the authority to determine the Recommendations**

## **1.0 INTRODUCTION**

Mole Valley's Corporate Strategy 2015-2019 is framed around three priority outcomes:

- Environment – a highly attractive area with housing that meets local need
- Prosperity – a vibrant local economy with thriving towns and villages
- Community Wellbeing – active communities and support for those who need it.

This report includes a 'dashboard' summary for each of the three priorities, highlighting progress on the current status of key projects, strategies and performance indicators relating to each priority theme.

## **1.1 PROJECTS AND STRATEGIES**

Successful delivery of the Council's key projects and strategies is fundamental to achieving the Corporate Strategy priority outcomes. Each of the three themed dashboards provides a snapshot of progress against the relevant projects and strategies. An overview of progress is included against each project and strategy. Commentary is provided where progress is below target.

## **1.2 PERFORMANCE INDICATORS**

There are 18 performance indicators (PIs) for which a target has been set. Progress against these targets is included in the relevant themed dashboard. Comments are included where performance is below target (Appendix A). At the end of August 2018, performance is assessed as follows:

- PIs on or above target (green): 14 (77.8%)
- PIs slightly off target (amber): 4 (22.2%)
- PIs off target (red): 0 (0.0%)

Further information on our suite of PIs can be found on the [MVDC website](#).

Comparing this year's performance with the same period last year, 15 of the 17 PIs for which we have 2017/18 data have either performed better or stayed at similar levels.

### 1.3 FINANCE MONITORING

#### Revenue

The Council's net revenue budget is £9.1 million and the month 5 projection is a £108k net overspend (1.2%).

The significant variances on revenue budgets are as follows:

| <b>£000</b> | <b>Reasons for the variance</b>   |
|-------------|---|
| 172         | Projected overspend in Property – Asset Management. Mainly due to vacant property in Swan Centre.                             |
| 163         | Projected under recovery of income in Parking due to initial projection of income following revised parking charges.          |
| 150         | Projected overspend on employee costs of interim staff in Financial Services.   |
| (166)       | Projected underspend in Development Management due to employee costs and additional income.                                   |
| (149)       | Projected underspend in waste collection mainly due to a cautious financial approach as the new contract is being rolled out. |

The revenue budgets for Waste and Parking will be actively monitored over the forthcoming months to determine the actual performance against budget of the new Joint Waste Contract that came into effect on 6 August 2018 and the increased parking charges that came into effect on 1 August 2018.

Further detail of the revenue financial position is included in Appendix B.

#### Capital

The Council has a capital programme of £136.1 million and the month 5 projection is a £198k net underspend (0.1%).

The significant variances on the capital programme are as follows:

| <b>£000</b> | <b>Reasons for the variance</b>   |
|-------------|---|
| 131         | The Leatherhead Church Street project is complete and is currently showing a £131k overspend, but the final account is not yet settled, so the projection is still subject to change. |
| (124)       | The Carbon Reduction was funded from other budgets, so the funding will be returned to reserves.  |
| (157)       | The Swan Centre purchase is completed and came in under budget, due to a final discount being negotiated on the purchase price.   |

Further detail of the financial position on the capital programme is included in Appendix C.

## 1.4 STRATEGIC RISK

There are six strategic risks that are being closely and actively managed. The matrix below summarises these risks, and shows the risk rating for each after mitigation. All risks are below the Council's approved risk tolerance level. Further information on the Strategic Risk Register, and actions being taken to mitigate each risk, is available on the [MVDC website](#).

|                    |                    |             |                 |             |               |                         |
|--------------------|--------------------|-------------|-----------------|-------------|---------------|-------------------------|
| <b>IMPACT</b>      | Catastrophic<br>5  |             |                 |             |               |                         |
|                    | Major<br>4         |             | C1c, C3,<br>C4b |             |               |                         |
|                    | Moderate<br>3      |             | C5              | C4c, C7     |               |                         |
|                    | Minor<br>2         |             |                 |             |               |                         |
|                    | Insignificant<br>1 |             |                 |             |               |                         |
|                    |                    | Remote<br>1 | Possible<br>2   | Likely<br>3 | Probable<br>4 | Highly<br>Probable<br>5 |
| <b>PROBABILITY</b> |                    |             |                 |             |               |                         |

C1c Asset Investment Strategy

C3 Health and Safety

C4b IT – hacking

C4c IT – resilience

C5 Data Protection/Information Governance

C7 Organisational capacity to deliver

## **Financial implications**

The Council's net revenue budget is £9.1 million and the month 5 projection is a £108k net overspend (1.2%). This will be closely monitored over the next months to establish whether any corporate action will be needed. Any net overspend at outturn would reduce the level of the General Fund Balance and the £108k projected net overspend could be accommodated, whilst still maintaining an appropriate level of General Fund Balance.

The Council has a capital programme of £136.1 million and the month 5 projection is a £198k net underspend (0.1%). This will be monitored on a monthly basis. Any underspend at outturn will mean that less capital financing will need to be applied for this financial year. For any part of the underspend that is a result of slippage, the capital financing would need to be retained for application in future years when the capital spend is incurred. Any remaining underspend that is not slippage would reduce the level of capital financing that needs to be applied in 2018/19 and would release that financing for future Council spending. The Council's sources of capital financing are capital receipts, capital grants, reserves etc.

## **Legal implications**

There are no direct legal implications regarding the request to note this report: legal advice will be provided on the projects referred to as appropriate.

## **OPTIONS**

The Cabinet has 2 options for consideration.

- Option 1: note the Council's performance and financial position for the period April to August 2018 (subject to any comments made) or:
- Option 2: note the Council's performance and financial position for the period April to August 2018 (subject to any comments made) and requests further work by officers

## **CORPORATE IMPLICATIONS**

### **Monitoring Officer commentary**

In producing and reviewing this report the Council is meeting its legal obligations to monitor its financial position.

### **S151 Officer commentary**

The report covers the key financial issues. It is anticipated that the 2018/19 outturn will be broadly in line with the budget set. No areas have been identified that need to be considered in the development of the Medium Term Financial Strategy.

### **Risk Implications**

This report is presented to Cabinet for information and noting. There are therefore no specific risks arising from agreement of either option.

### **Equalities Implications**

There are no equalities issues arising as a direct result of this report.

### **Employment Issues**

There are no employment issues arising as a direct result of this report.

### **Sustainability Issues**

There are no sustainability issues arising as a direct result of this report.

### **Consultation**

Not applicable

### **Communications**

This report will be posted on the [Performance page](#) of the Council's website

### **BACKGROUND PAPERS**

None

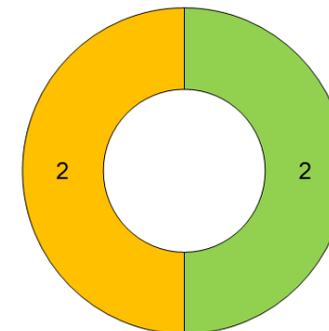
# ENVIRONMENT DASHBOARD

A highly attractive area with housing that meets local need

# APPENDIX A

|  | Progress Overview  | Cost | Time | Obj. | Commentary (when amber or red)  |
|--|--|------|------|------|---|
| <b>ENV1:</b> Complete evidence gathering and community engagement in readiness for submitting the Future Mole Valley Local Plan  | <b>Future Mole Valley Local Plan:</b> A list of strategic housing sites has been agreed to focus detailed negotiations with landowners/developer and discussions with infrastructure providers. Responses from Parish Councils regarding modest additions to rural villages are awaited and will feed in to the draft Plan.  | ●    | ▲    | ●    | The plan's production has slipped from the timetable published in the Local Development Scheme but work is now progressing again. The timetable will be reassessed by Cabinet in November.                      |
| <b>ENV2:</b> Explore new opportunities for delivering affordable homes in Mole Valley  | <b>Affordable Housing Strategy:</b> Work is ongoing to deliver the actions in the Affordable Housing Position Statement. Officers are exploring feasibility of establishing a housing company and joint ventures with development partners.<br>The National Planning Policy Framework was published in July 2018 and work to develop the strategy can now be undertaken with a view to approval by Cabinet in the new year.  | ●    | ●    | ●    |   |
| <b>ENV3:</b> Implement plans for the regeneration of the eastern end of Dorking High Street                                      | <b>East Dorking regeneration:</b> During consultation the community group CHiP (Community Hub In Pippbrook) shared some proposals about their emerging plans for the building. It had always been a preferred option to have a community use for the building although this was not something that MVDC would be able to deliver without significant expenditure. CHiP are able to access a wider source of funding opportunities, and therefore MVDC will support CHiP to enable them to develop a robust proposal for the building . | ▲    | ●    | ●    | It was considered important to invite the consultants to engagement sessions during September with Members and Stakeholders to present the outcomes of their work, although this had a slight budgetary impact. |
| <b>ENV4:</b> Ensure a smooth transition from existing contract arrangements for waste collection to the new joint waste contract | <b>Joint Waste Contract:</b> Mobilised on 6th August 2018. Roll out of the new contract was co-ordinated by Joint Waste Solutions, including publicity to all households. Mechanisms in place to respond effectively to any issues received to minimise disruption.  | ●    | ●    | ●    |   |
| <b>ENV5:</b> Develop a co-ordinated approach prevent and tackle environmental anti-social behaviour (ASB)                        | <b>Joint Enforcement Team:</b> The Police and Crime Commissioner has agreed an initial investment to fund the start up costs of the Joint Enforcement Team. This is subject to agreement over the model of delivery. Plans for the scope and shape of the service are currently being developed.   | ●    | ●    | ●    |   |

## Performance Indicators



|                                       |   |
|---------------------------------------|---|
| Net increase in number of dwellings   | ▲ |
| Number of affordable homes            | ▲ |
| Number of missed bins*                | ● |
| Waste recycled, reused and composted* | ● |

**Commentary (when amber or red)**  
Net increase in number of dwellings and number of affordable homes will remain amber until end of year performance against target is known

\* Performance as at Q1 2018/19. Figure now produced on a quarterly basis

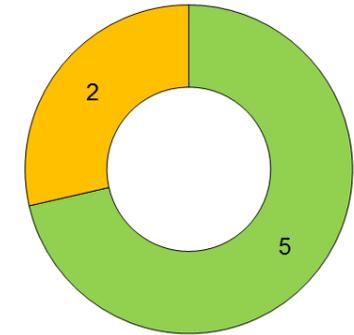
● = Green    ▲ = Amber    ◆ = Red

# PROSPERITY DASHBOARD

A vibrant local economy with thriving towns and villages

|  | Progress overview   | Cost | Time | Obj. | Commentary (when amber or red)   |
|--|---|------|------|------|--|
| <b>PRO1:</b> Implement a new strategic approach to economic prosperity in the District   | <b>Economic Prosperity Strategy :</b> Discussions are being held with Leatherhead and District Chamber of Commerce to review existing market arrangements and options for improving and extending the offer in Leatherhead. A property database licence has been purchased as part of the business enquiries service. This will enable MVDC to assist businesses who are searching for business premises in our district. The first 'Mole Valley Economic Spotlight' report went out to businesses by email and on its dedicated page on the MVDC website at the end of August. | ●    | ●    | ●    |  |
| <b>PRO2:</b> Enhance prospects for Mole Valley's rural communities and businesses  | <b>Rural Community Strategy:</b> A Rural Summit is being planned for February 2019. This will bring together key members of the rural community, delivery agencies and organisations. The Summit will help inform the action plan for 2019-20.  | ●    | ▲    | ▲    | The delivery of the Rural Summit was an outstanding action from the 2017-18 action plan. This has been rescheduled to take place in February 2019. |
| <b>PRO3:</b> Continue working with partners to transform Leatherhead into a modern market town   | <b>Transform Leatherhead:</b> A review of the scheme for Claire House & James House is taking place in light of comments received during consultation in July. Swan Centre refurbishment works commenced onsite on the 3rd Sept. Phasing varied slightly to ensure least disruption to Christmas trading. Transport modelling is being undertaken and the options appraisal will take place in early Oct 2018.  | ●    | ●    | ●    |  |
| <b>PRO4:</b> Pursue the car park improvement programme   | <b>Parking Strategy:</b> Specification for the work is underway for Ashted Peace Memorial Hall. The Parking Panel is developing a programme of works for 2019-23.   | ●    | ●    | ●    |  |
| <b>PRO5:</b> Continue to develop innovative measures to maintain a balanced budget including investing in commercial property to generate income to support services | <b>Asset Investment Strategy:</b> Approximately 80% of the investment fund has now been placed. Opportunities will continue to be evaluated in order to place the remaining funds for investment.   | ●    | ●    | ●    |  |

## Performance Indicators



|  |   |
|--|---|
| Council tax collected                                | ▲ |
| Non-domestic rates collected                         | ▲ |
| Cost of services                                     | ● |
| Major applications processed in time                 | ● |
| Non-major applications processed in time             | ● |
| Major development decisions overturned on appeal     | ● |
| Non-major development decisions overturned on appeal | ● |

**Commentary** (when amber or red)  
 Council tax collection is slightly below target, 48.6% against a target of 49.7%. Non-domestic rates collection is also below target, 48.8% against a target of 52.5%.  
 Additional measures are being put in place to bring the collection rates into line with the target

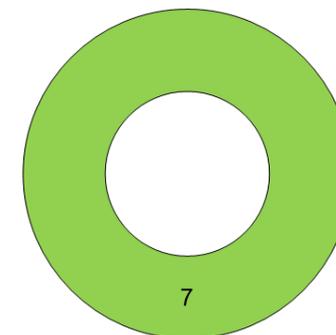
● = Green    ▲ = Amber    ◆ = Red

# COMMUNITY WELLBEING DASHBOARD

## Active communities and support for those who need it

|  | Progress overview   | Cost | Time | Obj. | Commentary<br>(when amber or red) |
|--|---|------|------|------|-----------------------------------|
| <b>CWB1:</b> Maximise the potential of the new community-based sports facility at Meadowbank Park in Dorking | <b>Meadowbank Park sports facility:</b> Formal opening took place on 8th July 2018. Dorking Wanderers now make use of the ground for first team games, as well as Wanderers' age group teams and academy for training and matches. Many community football teams are making use of the pitch throughout the week.   | N/A  | N/A  | ●    |                                   |
| <b>CWB2:</b> Working with partners, continue to explore options for enhancing community transport            | <b>Community Transport Strategy:</b> Strategy action plan is being implemented. Changes in the use of 'not-for-profit' permits for Community Transport have meant the service has been reviewed, including increased flexibility of the workforce, in order to meet demands of the service.   | ●    | ●    | ●    |                                   |
| <b>CWB3:</b> Provide help to anyone at risk of becoming homeless in Mole Valley, intervening early           | <b>Homelessness Strategy:</b> The National Practitioner Support Service Gold Standard for homelessness was achieved by MVDC on 4 July 2018. The main focus of the Homelessness Strategy is meeting and maintaining the national standards for homelessness services. Review on progress will be made at Scrutiny Committee in November 2018.  | ●    | ●    | ●    |                                   |
| <b>CWB4:</b> Continue delivering wellbeing initiatives   | <b>Wellbeing Strategy:</b> Alongside partners, MVDC is setting up 2 satellite clubs in the Goodwyn's Estate in Dorking to get more young people active. Creative Celebration Days in Leatherhead and Dorking have been held. Arts Alive is underway. MVDC is starting a local lacrosse club at Meadowbank in Dorking and in October a skateboarding, scooter and BMX event will take place on the newly refurbished Kingston Road Recreational skate park, in Leatherhead . | ●    | ●    | ●    |                                   |
| <b>CWB5:</b> Develop a destination management plan for rural Mole Valley                                     | <b>Destination Management Plan:</b> A draft plan is under development. Meetings are being held to agree next steps.   | ●    | ●    | ●    |                                   |
| <b>CWB6:</b> Develop a Customer Service Strategy to deliver an enhanced customer experience                  | <b>Customer Service Strategy:</b> The development of the Customer Service Strategy will ensure the Council takes advantage of new technology and considers external opportunities and challenges. A draft strategy is under development.  | ●    | ●    | ●    |                                   |

## Performance Indicators



|  |   |
|--|---|
| Telecare calls answered within 60 seconds                    | ● |
| Families in temporary B&B for longer than 6 weeks            | ● |
| 16 or 17 years olds in temporary B&B for longer than 6 weeks | ● |
| Food businesses with 'Scores on the door' of 3 or over       | ● |
| Community transport customer satisfaction (annual survey)    | ● |
| Day Centre customer satisfaction (annual survey)             | ● |
| Telecare service customer satisfaction                       | ● |

● = Green    ▲ = Amber    ◆ = Red

|  |   | Base budget<br>£k | Projection<br>£k | Budget v<br>projection<br>£k |
|--|---|-------------------|------------------|------------------------------|
| <b>Environment</b>                     | Waste, Street Care & Sustainability         | 2,942             | 2,793            | (149)                        |
| Councillor Wiltshire                   | Environmental Health & Licensing            | 461               | 482              | 21                           |
|  |   | <b>3,403</b>      | <b>3,275</b>     | <b>(128)</b>                 |
| <b>Wellbeing</b>                       | Parks & Landscapes                          | 495               | 513              | 18                           |
| Councillor Hawksworth                  | Community Support Services                  | 275               | 261              | (14)                         |
|  | Community Safety & Wellbeing                | (265)             | (255)            | 10                           |
|  | Parking                                     | (2,232)           | (2,069)          | 163                          |
|  |   | <b>(1,728)</b>    | <b>(1,550)</b>   | <b>177</b>                   |
| <b>Strategy &amp; Assets</b>           | Dorking Halls                               | 159               | 158              | (1)                          |
| Councillor Yarwood                     | Property : Asset Management                 | (1,629)           | (1,457)          | 172                          |
|  | ICT   | 1,081             | 1,078            | (3)                          |
|  |   | <b>(389)</b>      | <b>(221)</b>     | <b>168</b>                   |
| <b>Planning Policy</b>                 | Planning Policy                             | 470               | 463              | (7)                          |
| Councillor Harper                      |   | <b>470</b>        | <b>463</b>       | <b>(7)</b>                   |
| <b>Planning Services &amp; Housing</b> | Building Control                            | (77)              | (53)             | 24                           |
| Councillor Hunt                        | Development Management                      | 465               | 299              | (166)                        |
|  | Planning Support                            | 278               | 273              | (5)                          |
|  | Housing                                     | 623               | 608              | (15)                         |
|  | Benefits                                    | 396               | 407              | 11                           |
|  | Benefits - paid and recovered               | -                 | -                | -                            |
|  |   | <b>1,685</b>      | <b>1,534</b>     | <b>(151)</b>                 |
| <b>Finance, Performance &amp; Risk</b> | Strategic Leadership Team                   | 771               | 736              | (35)                         |
| Councillor Huseyin                     | Financial Services                          | 472               | 622              | 150                          |
|  | Corporate Costs                             | 1,058             | 1,083            | 25                           |
|  | Revenues & Exchequer                        | 433               | 409              | (24)                         |
|  | Legal Services                              | 294               | 302              | 8                            |
|  | Risk Management & Performance               | 282               | 281              | (1)                          |
|  |   | <b>3,309</b>      | <b>3,433</b>     | <b>123</b>                   |
| <b>People &amp; Rural Mole Valley</b>  | CSU   | 482               | 457              | (25)                         |
| Councillor Osborne-Patterson           | Human Resources                             | 358               | 352              | (6)                          |
|  | Democratic Services                         | 957               | 926              | (31)                         |
|  | Communications                              | 221               | 241              | 20                           |
|  | Strategic Corporate Support                 | 295               | 266              | (29)                         |
|  | Cycling                                     | 15                | -                | (15)                         |
|  |   | <b>2,328</b>      | <b>2,242</b>     | <b>(86)</b>                  |
| <b>Prosperity</b>                      | Economic Development                        | 201               | 201              | (0)                          |
| Councillor Edge                        | Property : Regeneration & Investment Team   | 403               | 414              | 11                           |
|  | Asset Investment Strategy                   | (615)             | (614)            | 1                            |
|  |   | <b>(10)</b>       | <b>1</b>         | <b>12</b>                    |
| <b>Total net services revenue</b>      |   | <b>1.2%</b>       | <b>9,068</b>     | <b>9,176</b>                 |
|  |   |                   |                  | <b>108</b>                   |
| <b>Transform Leatherhead</b>           | Transform Leatherhead 2018-19 Allocation    | 1,630             | 1,630            | -                            |
| (funded from reserves)                 | Transfer from Transform Leatherhead reserve | (1,630)           | (1,630)          | -                            |
|  |   | -                 | -                | -                            |

**COMMENTARY**

Please note that the commentary only includes explanations for the significant variances and also outlines any areas where there is some uncertainty on the projected spend

**Summary by Cabinet Portfolio**

The Council's net revenue budget for 2018/19 is £9.1 million and the month 5 projection is a £108k net overspend (1.2%).

**Environment** is currently projecting an underspend of £128k mainly due to a cautious approach being given to the financial effect of the new waste collection contract that is showing an underspend of £149k. The new Joint Waste contract took effect from 06/08/18 and is being carefully monitored to determine the actual performance against budget.

**Wellbeing** is projecting a £177k overspend. There is one large variance within the Parking service around the impact of the increased parking charges that came into effect on 01/08/18. Following the revising charging, one month's income has been received and a cautious income projection has been included at this stage. This will be actively monitored over the forthcoming months and the projection revised accordingly.

**Strategy & Assets** is projecting a £168k overspend. This is related to Property: Asset Management, which is projecting an overspend of £172k. This is driven by a £80k rental income reduction, mainly due a vacant unit in the Swan Centre, which is unlikely to generate income until the new financial year. There is also an overspend of £36k in salaries due to a higher level of interim staff due to staff absences.

**Planning Services & Housing** is projecting a £151k net underspend and is mostly related to Development Management, which is projecting a £166k underspend. The underspend is as a result of salaries, consultants fees and an increase in application fees. It is anticipated that successful recruitment to the vacant posts will be in place by 31/12/18. Compared with previous years' there are currently no major planning inquiries underway so a reduction in consultants fees is being forecast.

**Finance Performance & Risk** is projecting a £123k net overspend and is mostly related to Financial Services, which is projecting a £150k overspend. This is due to the level of interim staff needed to cover vacant posts, pending the outcome of a review of the Financial Services structure.

**People & Rural Mole Valley** is projecting an £86k net underspend. CSU, Democratic Services and Strategic Corporate Support are all reporting an underspend. This is due to a number of vacancies within the teams, following staff turnover during the year. Some posts have now been filled and it is anticipated that the remaining vacancies will be filled by the end of Dec-18.

|   | Approved<br>budget | Projected<br>spend | Budget v<br>projection |
|---|--------------------|--------------------|------------------------|
|   | £k                 | £k                 | £k                     |
| <b>Major Projects</b>                         |                    |                    |                        |
| Affordable Housing                            | 1,970              | 1,970              | -                      |
| Carbon Reduction Project                      | 124                | -                  | (124)                  |
| Car Park Enhancement (5 year project)         | 1,000              | 1,000              | -                      |
| Church Gardens Refurbishment                  | 260                | 228                | (32)                   |
| Deepdene Trail/Hope Springs                   | 929                | 929                | -                      |
| Dorking Halls External Refurbishment Works    | 270                | 270                | -                      |
| Emergency Accommodation                       | 2,530              | 2,530              | -                      |
| Leatherhead Bypass                            | 135                | 172                | 37                     |
| Leatherhead Church Street (Dev Contributions) | 656                | 787                | 131                    |
| Leatherhead Youth Football Club               | 942                | 966                | 24                     |
| Meadowbank Centre, Dorking                    | 6,502              | 6,502              | -                      |
| Meadowbank - land decontamination             | 2,000              | 2,000              | -                      |
| Pippbrook HQ Refurbishment                    | 4,587              | 4,634              | 47                     |
| Swan Centre, Leatherhead                      | 8,619              | 8,462              | (157)                  |
| Swan Centre Development Initiatives           | 885                | 885                | -                      |
| Swan Centre Car Park Refurbishment            | 330                | 330                | -                      |
| <b>Annual capital expenditure</b>             |                    |                    |                        |
| Affordable housing                            | 500                | 500                | -                      |
| Capitalised salaries                          | 234                | 234                | -                      |
| Community Grants                              | 74                 | 74                 | -                      |
| Developer Contribution projects               | 250                | 250                | -                      |
| Dial-a-Ride Vehicle Replacement               | 200                | 200                | -                      |
| Disability Adaptations                        | 665                | 665                | -                      |
| Playground Refurbishment                      | 60                 | 60                 | -                      |
| Property Projects                             | 150                | 150                | -                      |
| Telecare Equipment                            | 200                | 200                | -                      |
| <b>Total Major Projects</b>                   | <b>34,072</b>      | <b>33,874</b>      | <b>(198)</b>           |
| <b>Minor Projects</b>                         |                    |                    |                        |
| Community Support Services (3 projects)       | 107                | 107                | -                      |
| Depot (3 projects)                            | 95                 | 95                 | -                      |
| Dorking Halls (3 projects)                    | 128                | 128                | -                      |
| Estates (17 projects)                         | 369                | 369                | -                      |
| Housing (1 project)                           | 12                 | 12                 | -                      |
| ICT (5 projects)                              | 741                | 741                | -                      |
| Minor Works Contingency (3 projects)          | 56                 | 56                 | -                      |
| Parking, Parks & Landscapes (11 projects)     | 433                | 433                | -                      |
| Planning (1 project)                          | 45                 | 45                 | -                      |
| <b>Total Minor Projects</b>                   | <b>1,986</b>       | <b>1,986</b>       | <b>-</b>               |
| <b>Asset Investment Strategy</b>              |                    |                    |                        |
| Phase I                                       | 48,530             | 48,530             | -                      |
| Phase II                                      | 51,470             | 51,470             | -                      |
| <b>Total Asset Investment Strategy</b>        | <b>100,000</b>     | <b>100,000</b>     | <b>-</b>               |
| <b>Total Capital Programme</b>                | <b>136,058</b>     | <b>135,860</b>     | <b>(198)</b>           |

**COMMENTARY**

Please note that the commentary only includes explanations for the significant variances and also outlines any areas where there is some uncertainty on the projected spend

**Summary**

The Council has a restated capital programme of £136.1 million (see Dorking Halls External Refurb. below) and the month 5 projection is a £198k net underspend (0.1%). The variances are all on the Major Capital Projects.

Work has been completed to determine the profile of the capital expenditure over the next 4 years to assist Treasury Management decisions and managing funding within Prudential Indicators.

**Major Projects**

Carbon Reduction Project was funded from other budgets, this budget will therefore be returned to reserves.

Car Park Enhancement is a new addition to the capital programme, it is a 5 year rolling project and currently excludes the Swan Centre Car Park Roof mentioned later.

Church Gardens Refurbishment, £32k savings achieved by strong internal project management and working closely with the contractor. **Project complete.**

Dorking Halls External Refurb. the £270k budget was double counted in the capital programme.

Leatherhead Bypass, £37k additional land acquired from Surrey CC for potential development.

Leatherhead Church Street is complete and the £131k overspend, is due to the original budget being understated. Processes have been introduced to improve the budget setting on all major projects.

Meadowbank is almost completed and the projection is still subject to change while the account is being finalised.

The Swan Centre Leatherhead was finalised and an underspend of £157k was achieved due to the condition of the car park roof which will need refurbishing in the next 2 years.

**Annual capital expenditure**

Telecare equipment, potential issue of obsolete stock, as analogue signal is switch off in 2025, currently under taking stock take to ensure that risks are minimised and purchasing of new equipment meets new digital signal requirements.

**Minor Projects**

Planning is well advanced on many projects, with a substantial number of minor works starting in the next few weeks and scheduled to complete in early Autumn.

**Asset Investment Strategy**

Phase I is complete.

Phase II is on budget, with 2 additional properties acquired.