

## 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 Jasvir Chohan, Executive Head of Service, People and Transformation
<b>Author</b>	Danae Fiedler, Financial Services Manager (Interim) Jane Nottage, Risk Management and Performance Manager
<b>Telephone</b>	Danae Fiedler: 01306 879149 Jane Nottage : 01306 879188
<b>Email</b>	<a href="mailto:danae.fiedler@molevalley.gov.uk">danae.fiedler@molevalley.gov.uk</a> <a href="mailto:jane.nottage@molevalley.gov.uk">jane.nottage@molevalley.gov.uk</a>
<b>Date</b>	27 November 2018
<b>Ward (s) affected</b>	The Business and Budget Report covers the whole District
<b>Subject</b>	Month 7 (October) – 2018/19 Business and Budget Monitoring

### RECOMMENDATIONS

That the Cabinet:

- notes the Council's performance and financial position for the period April to October 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 October 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, 16 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 7 projection is a £313k net overspend (3.4%).

The significant variances on revenue budgets are as follows:

£000	Reasons for the variance
194	<p>Projected overspend on Parking, which is mainly due to Parking income. It is important to note that it is still too early to make an accurate projection of income or to understand trends or patterns of behaviour. Since the changes to parking charges were implemented in August, income has increased year on year as have the number of overall visits and the total use of RingGo.</p> <p>Based on income from Pay &amp; Display and RingGo there has been an increase of, on average, £57k each month based on the previous year. This is equivalent to £456k of additional income in the current year. This is less than was budgeted for in the current year by £189k however this does not assume any additional income due to a continued positive change in parking behaviour, though that is anticipated to happen. It is anticipated that this position will continue to improve throughout the remainder of the year.</p>
112	<p>Projected overspend related to Property: Asset Management, as a result of lower projected income from vacant units (including one in the Swan Centre), as well as rent free periods and rent reductions that have been offered to new tenants. There have also been additional costs relating to interim and consultancy staff which have been required in the team due to illness.</p>
150	<p>Projected overspend on employee costs of interim staff in Financial Services.</p>
(96)	<p>Projected underspend in waste collection mainly due to a cautious financial approach as the new contract is being rolled out.</p>
(61)	<p>Projected underspend in Development Management which is projecting a £61k underspend. This consists of underspend on salaries and consultants fees. The increase in application fees has slowed down. There is still difficulty in recruiting staff and a further round of advertising is due to commence in Nov/Dec. It is difficult to determine whether this will be successful but agency staff are now in place to address staffing shortfalls. Two public inquiries are in play but the timescales are set by the Planning Inspectorate. The slow down in major applications and a reluctance on the part of the Planning Inspectorate (PINS) to create public inquiries is having an impact on consultant requirements.</p>

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 £140.1 million and the month 7 projection is a £311k net underspend (0.2%).

The significant variances on the capital programme are as follows:

£000	Reasons for the variance
37	Leatherhead Bypass is projecting an overspend due to additional land being purchased for highways purposes.
(92)	Minor Estates projects are £92k underspent, mainly due to the works on St Martins Car Park lighting and minor repairs and the works (£62k) on temporary housing security and fencing (£19k) having been completed and funded from other budgets, therefore releasing these budgets to fund other Minor projects.
(30)	Minor ICT projects are £30k underspent. Phase 1 of the New Ways of Working project is complete and on budget. The £30k ICT rolling programme budget is no longer required as the planned expenditure will be accommodated in Phase 2 of the New Ways of Working project, therefore releasing this budget to fund other Minor projects.
(135)	Major projects totalling £15.5 million have been completed in this year and are underspent by £135k (0.1%). The reasons for any significant variances on each of the projects has been reported in previous monitoring reports.

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](#).

IMPACT	Catastrophic 5					
	Major 4		C1c, C3, C4b			
	Moderate 3		C5	C4c, C7		
	Minor 2					
	Insignificant 1					
		Remote 1	Possible 2	Likely 3	Probable 4	Highly Probable 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 7 projection is a £313k net overspend (3.4%). 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 £313k projected net overspend could be accommodated, whilst still maintaining an appropriate level of General Fund Balance.

The Council has a capital programme of £140.1 million and the month 7 projection is a £311k net underspend (0.2%). 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 October 2018 (subject to any comments made) or:
- Option 2: note the Council's performance and financial position for the period April to October 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 will have a material on-going impact on 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

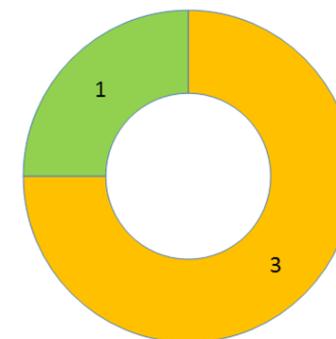
# ENVIRONMENT DASHBOARD

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> Work is progressing on developing preferred options for brownfield and greenfield development including detailed discussions with landowners, developers and infrastructure providers. A revised Local Development Scheme setting out a new timetable for completion of the draft Plan is being recommended.	●	▲	●	A revised Local Development Scheme sets out a new timetable
<b>ENV2:</b> Explore new opportunities for delivering affordable homes in Mole Valley	<b>Affordable Housing Strategy:</b> The content of the Affordable Housing Strategy will be informed alongside the development of the Local Plan and is scheduled to be presented to Cabinet in early 2019. The strategy will address options for different methods for the delivery of affordable housing including working with partners and joint ventures.	●	●	●	
<b>ENV3:</b> Implement plans for the regeneration of the eastern end of Dorking High Street	<b>East Dorking regeneration:</b> The community group CHiP (Community Hub In Pippbrook) are developing proposals for Pippbrook House. 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. MVDC will support CHiP to enable them to develop a robust proposal for the building. Officers have met with CHiP and will continue to work with them.	▲	●	●	There was a slight budgetary impact as a result of inviting external consultants to Member and community meetings in September.
<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> The household waste collection element of the contract was mobilised on 6th August. Initial teething problems were resolved swiftly and bin collection performance is now generally satisfactory. Phase two of the contract which covers the street cleansing services goes live on 1st April 2019.	●	●	●	
<b>ENV5:</b> Develop a co-ordinated approach prevent and tackle environmental anti-social behaviour (ASB)	<b>Joint Enforcement Team:</b> Development and delivery of the Joint Enforcement Team will be moving through the Council's budget setting process for 2019/20 with a view to launching the service in April 2019. The Police and Crime Commissioner has agreed an initial investment to fund the start up costs of the Joint Enforcement Team.	●	●	●	

## 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.  
 Currently, 106 net additional dwellings have been completed against a target of 441.  
 22 affordable homes have been completed against a target of 50 for 2018/19 (towards a target of 150 homes over a three year period).  
 The recycling performance is slightly below target (60.76% against a target of 60.88%) due to a reduction in the market for certain plastics.  
 \*Performance as at July 2018. The figures received from Amey under the new waste contract are currently being confirmed by JWS

● = 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> Second edition of Economic Spotlight is being prepared for November. Exit interview conducted to understand why a local employer relocated non-front line staff out of the district. First pilot business reference group meeting planned for November in Leatherhead to test with businesses how to maximise engagement. Business directory contract expected to be signed in November. The business support programme is delayed; providers are awaiting a decision from Coast to Capital and Central Gov in relation to funding awards.	●	▲	●	This is due to the delay in agreeing the data protection clauses in the business directory contract and the delay in confirmation of the funding awards for the business support programmes.
<b>PRO2:</b> Enhance prospects for Mole Valley's rural communities and businesses	<b>Rural Community Strategy:</b> The Rural summit is scheduled for February 2019 and preparations are well underway. A Cabinet report detailing progress made to date on the strategy has been noted and approved via Cabinet.	●	▲	▲	The delivery of the Rural summit was an outstanding action from the 17/18 plan.
<b>PRO3:</b> Continue working with partners to transform Leatherhead into a modern market town	<b>Transform Leatherhead:</b> 100 people attended the fourth TL forum in October and 600 viewers watched live via Facebook. First phase refurbishment works to the Swan Centre (incl. car park) completed on time, allowing a break for Christmas trading. The annual Halloween event was well attended. The submission of the outline planning application for Claire House and James House is on track for November.	●	●	●	
<b>PRO4:</b> Pursue the car park improvement programme	<b>Parking Strategy:</b> A costed specification for Ashted Peace memorial Hall is expected by the end of November. Parking Panel to consider specification at the next panel meeting. (November) Specification for Southside Dorking to be discussed and set as the second priority car park within the programme.	●	●	●	
<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> Sixth AIS acquisition completed in October. This takes total investment, including acquisition costs, to £92.53 million. Interest rates currently being paid are slightly higher than budgeted but the AIS is significantly ahead of its implementation timetable such that overall net benefit is greater than that budgeted for in 2018/19.	●	●	▲	The implications for 2019/20 of not investing the full £100m and slightly higher than modelled borrowing costs are considered in the financial 'Scene Setting' report (Report to Cabinet November 2018).

## 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, 67.8% against a target of 69.6%.

There are some vacant posts and temporary staff have been recruited which will improve performance

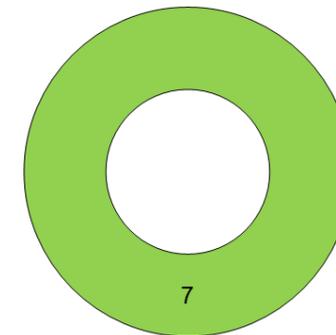
● = Green    ▲ = Amber    ◆ = Red

# COMMUNITY WELLBEING DASHBOARD

Active communities and support for those who need it

	Progress overview	Cost	Time	Obj.	Commentary (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> The ground is now establishing as the home of Dorking Wanderers FC, including first team, age groups and their academy. Bookings through Surrey FA continue to grow and facility is well regarded in community football circles. The soft-play facility is proving very popular with strong visitor numbers.	n/a	n/a	●	
<b>CWB2:</b> Working with partners, continue to explore options for enhancing community transport	<b>Community Transport Strategy:</b> The Community Transport Service has undergone changes to increase the availability to more members by providing a range of service options to choose from including the new Community Cab, a smaller vehicle that can be booked for more individualised accessible journeys.	●	●	●	
<b>CWB3:</b> Provide help to anyone at risk of becoming homeless in Mole Valley, intervening early	<b>Homelessness Strategy:</b> Progress of the Strategy will be reported to the Council's Scrutiny Committee and Cabinet meeting in November. The key feature of the Strategy was the achievement of the Gold Standard for Homelessness Services which was secured this year. This makes Mole Valley District Council one of only 16 Councils nationally to be able to boast this achievement.	●	●	●	
<b>CWB4:</b> Continue delivering wellbeing initiatives	<b>Wellbeing Strategy:</b> The launch event at Kingston Road Recreation Ground for its new playground and skate park was a huge success with over 70 children involved and taking part in the demonstrations of skateboarding tricks. National Restart A Heart Day was marked at West Ashted Primary School on 18th Oct with all Year 5 students being trained in Cardio Pulmonary Resuscitation and basic life saving skills.	●	●	●	
<b>CWB5:</b> Develop a destination management plan for rural Mole Valley	<b>Destination Management Plan:</b> A delivery mechanism for the plan has been recommended. A potential approach is a partnership board to promote and deliver actions within the plan. A meeting has been scheduled to discuss a governance structure mid November.	●	●	●	
<b>CWB6:</b> Develop a Customer Service Strategy to deliver an enhanced customer experience	<b>Customer Service Strategy:</b> Internal consultation and engagement has begun to shape the strategy with key business managers, soon to be followed with external consultation with our key stakeholders.	●	●	●	

## 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 £k	Projection £k	Budget v projection £k
<b>Environment</b>	Waste, Street Care & Sustainability	2,889	2,793	(96)
Councillor Wiltshire	Environmental Health & Licensing	461	482	21
		<b>3,350</b>	<b>3,275</b>	<b>(75)</b>
<b>Wellbeing</b>	Parks & Landscapes	494	507	13
Councillor Hawksworth	Community Support Services	275	274	(1)
	Community Safety & Wellbeing	(265)	(250)	15
	Parking	(1,978)	(1,784)	194
		<b>(1,474)</b>	<b>(1,253)</b>	<b>221</b>
<b>Strategy &amp; Assets</b>	Dorking Halls	159	159	(0)
Councillor Yarwood	Property : Asset Management	(1,628)	(1,516)	112
	ICT	1,081	1,081	(0)
		<b>(387)</b>	<b>(276)</b>	<b>111</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)	(39)	38
Councillor Hunt	Development Management	464	403	(61)
	Planning Support	278	286	8
	Housing	623	621	(2)
	Benefits	396	412	16
		<b>1,684</b>	<b>1,683</b>	<b>(0)</b>
<b>Finance, Performance &amp; Risk</b>	Strategic Leadership Team	755	736	(19)
Councillor Huseyin	Financial Services	472	622	150
	Corporate Costs	863	863	-
	Revenues & Exchequer	433	436	3
	Legal Services	294	313	19
	Risk Management & Performance	282	281	(1)
		<b>3,098</b>	<b>3,251</b>	<b>152</b>
<b>People &amp; Rural Mole Valley</b>	CSU	482	457	(25)
Councillor Osborne-Patterson	Human Resources	358	354	(4)
	Democratic Services	957	931	(26)
	Communications	220	240	20
	Strategic Corporate Support	300	260	(40)
	Cycling	15	-	(15)
		<b>2,332</b>	<b>2,242</b>	<b>(90)</b>
<b>Prosperity</b>	Economic Development	201	182	(19)
Councillor Edge	Property : Regeneration & Investment Team	403	421	18
	Asset Investment Strategy	(610)	(609)	1
		<b>(6)</b>	<b>(6)</b>	<b>1</b>
<b>Total net services revenue</b>		<b>9,068</b>	<b>9,379</b>	<b>313</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 7 projection is a £313k net overspend (3.4%).

**Environment** is currently projecting an overspend of £75k mainly due to a cautious approach being given to the financial effect of the new waste collection contract that is showing an underspend of £96k. The new Joint Waste contract took effect from 6th August, and is being carefully monitored to determine the actual performance against budget.

**Wellbeing** is projecting a £221k net overspend. This is mainly related to Parking income. It is important to note that it is still too early to make an accurate projection of income or to understand trends or patterns of behaviour. Since the changes to parking charges were implemented in August, income has increased year on year as have the number of overall visits and the total use of RingGo. Based on income from Pay & Display and RingGo there has been an increase of, on average, £57k each month based on the previous year. This is equivalent to £456k of additional income in the current year. This is less than was budgeted for in the current year by £189k however this does not assume any additional income due to a continued positive change in parking behaviour, though that is anticipated to happen. It is anticipated that this position will continue to improve throughout the remainder of the year.

**Strategy & Assets** is projecting a £111k overspend that relates to Property: Asset Management. This is as a result of lower projected income from vacant units (including one in the Swan Centre), as well as rent free periods and rent reductions that have been offered to new tenants. There have also been additional costs relating to interim and consultancy staff which have been required in the team due to illness.

**Planning Policy** is broadly on budget.

**Planning Services & Housing** is on budget at portfolio level, but there is one significant variance that relates to Development Management, which is projecting a £61k underspend. This consists of underspend on salaries and consultants fees. The increase in application fees has slowed down. There is still difficulty in recruiting staff and a further round of advertising is due to commence in Nov/Dec. It is difficult to determine whether this will be successful but agency staff are now in place to address staffing shortfalls. Two public inquiries are in play but the timescales are set by the Planning Inspectorate. The slow down in major applications and a reluctance on the part of Planning Inspectorate (PINS) to create public inquiries is having an impact on consultant requirements.

**Finance Performance & Risk** is projecting a £152k 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 £90k net underspend. This is mainly due to a number of vacancies within the CSU, Democratic Services and Strategic Corporate Support, following staff turnover during the year.

**Prosperity** is on budget.

	Approved budget	Projected spend	Budget v projection
	£k	£k	£k
<b>Major Projects</b>			
Affordable Housing	1,375	1,375	-
Car Park Enhancement (5 year project)	1,000	1,000	-
Deepdene Trail/Hope Springs	929	929	-
Dorking Halls External Refurbishment Works	270	270	-
Emergency Accommodation	1,100	1,100	-
Joint Waste Services	4,000	4,000	-
Leatherhead Bypass	135	172	37
Leatherhead High Street units 21 and 23	1,176	1,176	-
Leatherhead Youth Football Club	942	966	24
Meadowbank Centre, Dorking	6,502	6,502	-
Meadowbank - land decontamination	2,000	2,000	-
Property Projects	150	150	-
Swan Centre Development Initiatives	885	885	-
Swan Centre Car Park Refurbishment	330	330	-
Major Projects - completed this year	15,676	15,541	(135)
<b>Annual capital expenditure</b>			
Affordable housing	500	500	-
Capitalised salaries	175	175	-
Community Grants	74	74	-
Dial-a-Ride Vehicle Replacement	50	50	-
Disability Adaptations	665	665	-
Playground Refurbishment	60	60	-
Telecare Equipment	50	50	-
<b>Total Major Projects</b>	<b>38,044</b>	<b>37,846</b>	<b>(198)</b>
<b>Minor Projects</b>			
Community Support Services (4 projects)	110	110	-
Depot (3 projects)	95	95	-
Dorking Halls (4 projects)	143	152	9
Estates (18 projects)	387	295	(92)
Housing (1 project)	12	12	-
ICT (5 projects)	741	711	(30)
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>2,022</b>	<b>1,909</b>	<b>(113)</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>140,066</b>	<b>139,755</b>	<b>(311)</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 £140.1 million and the month 7 projection is a £311k net underspend (0.2%).

Once a project has been reported as complete it will be moved to completed projects in the next monitoring report.

**Major Projects**

Leatherhead Bypass is projecting an overspend of £37k due to additional land being purchased for highways purposes.

Major projects totalling £15.5 million have been completed in this year and are underspent by £135k (0.1%).

New major projects that have been added to the capital programme since the last monitoring report are Joint Waste Services purchase of vehicles £4 million and the purchase of Leatherhead High Street units 21 and 23 for £1.2 million.

**Minor Projects**

**Estates** projects are £92k underspent, mainly due to the works on St Martins Car Park lighting and minor repairs and the works (£62k) on temporary housing security and fencing (£19k) having been completed and funded from other budgets, therefore releasing these budgets to fund other Minor projects.

**ICT** projects are £30k underspent. Phase 1 of the New Ways of Working project is complete and on budget. The £30k ICT rolling programme budget is no longer required as the planned expenditure will be accommodated in Phase 2 of the New Ways of Working project, therefore releasing this budget to fund other Minor projects.

New minor projects that have been added to the capital programme since the last monitoring report are: Dorking Halls - ceiling works, Dorking Sports Centre - contribution to new steam and sauna works, kiosks at Pippbrook House.

**Asset Investment Strategy**

Phase 1 is complete. Phase 2 is in progress and three properties have been acquired.

