

CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO JULY 2020

1. Table 1 shows the changes to the individual portfolio programmes. The updated programme for the General Fund is £654.95M and £210.98M for the HRA. Details of changes made since the start of the year, totalling £17.60M can be found in annex 2.1.

The £17.60M removed from the programme, is an adjustment to reflect the addition of Future Transport Zone spending plus replacing the estimated funding for the Connected Southampton works with a (lesser) actual amount following confirmation of the grant actually available.

Table 1 – Changes to Portfolio Programmes

	Latest Programme £M	Previous Programme £M	Total Change £M
Health & Adults	0.62	0.62	0.00
Children & Learning	108.05	108.05	0.00
Finance & Income Generation	200.00	200.00	0.00
Stronger Communities	8.31	8.31	0.00
Culture & Homes	19.96	19.96	0.00
Green City & Place	305.37	322.97	(17.60)
Customer & Organisation	12.66	12.66	0.00
Total GF Capital Programme	654.95	672.55	(17.60)
Housing Revenue Account	210.98	210.98	0.00
Total Capital Programme	865.94	883.54	(17.60)

NB. there may be small arithmetic variations in the table as figures have been rounded

SLIPPAGE/REPHASING

2. Following a review to ensure that all projects are accurately profiled and budgets are suitably aligned to anticipated works and spend, there is £178.66M of General Fund anticipated work in 2020/21 being slipped into later years. And £4.98M of HRA anticipated work scheduled for 2021/22 being rephased to 2020/21. Details are provided in annex 2.3.

3. Table 2 below summarises resulting slippage and rephasing by individual capital programmes. There is zero net effect to the budgets over the 5 year capital programme.

<u>Table 2 – Net Slippage</u>	Movement £M	Annexe. 2.3 Ref
Health & Adults	0.00	
Children & Learning	(19.55)	1-4
Finance & Income Generation	(150.00)	5
Stronger Communities	(2.85)	6
Culture & Homes	(0.07)	
Green City & Place	(6.06)	7-9
Customer & Organisation	(0.12)	
Total General Fund	(178.66)	
Housing Revenue Account	4.98	10
Total Capital Programme	(173.67)	
NB. there may be small arithmetic variations in the table as figures have been rounded		

2020/21 MONITORING POSITION

4. The forecast performance of individual capital programmes in 2020/21 is summarised in table 3 below.

Table 3 – Summary of the General Fund & HRA Capital Forecast 2020/21

	Revised Programme £M	Forecast £M	Forecast Variance £M	Forecast Variance %
Health & Adults	0.22	0.22	0.00	0.00
Children & Learning	29.91	29.91	0.00	0.00
Finance & Income Generation	50.00	50.00	0.00	0.00
Stronger Communities	2.89	2.89	0.00	0.00
Culture & Homes	2.93	2.93	0.00	0.00
Green City & Place	61.70	61.70	0.00	0.00
Customer & Organisation	8.54	8.54	0.00	0.00
Total General Fund	156.20	156.20	0.00	0.00
Housing Revenue Account	59.40	37.95	(21.46)	(36.12)
Total Capital Programme	215.60	194.15	(21.46)	(9.96)
<u>Financed by</u>				
*CR - GF Borrowing	(81.58)	(81.58)	0.00	0.00
*CR - HRA Borrowing	(15.38)	(6.33)	(9.05)	(58.85)
Capital Receipts	(18.59)	(18.59)	0.00	0.00
Direct Revenue Financing	(10.04)	(6.20)	(3.84)	(38.24)
Capital Grants	(55.69)	(55.69)	0.00	0.00

	Contributions	(10.91)	(10.91)	0.00	0.00
	HRA – MRA	(23.42)	(14.86)	(8.57)	(36.57)
	Total Funding	(215.60)	194.15	(21.46)	(9.96)
	*CR – Council Resources NB there may be small arithmetic variations in the table as figures have been rounded				
5.	The programme is currently forecast to be underspent by £21.46M. The reasons for the major forecast variances changes since the last report are detailed in Annex 2.2.				
	CAPITAL RESOURCES				
6.	The resources which can be used to fund the capital programme are as follows: <ul style="list-style-type: none"> • Central Government Grants and from other bodies • Contributions from third parties • Council Resources - Capital Receipts from the sale of HRA assets • Council Resources - Capital Receipts from the sale of General Fund assets • Revenue Financing • Council Resources – Borrowing 				
7.	Capital Receipts from the sale of Right to Buy (RTB) properties are passed to the General Fund capital programme to support the Private Sector Housing schemes.				
8.	It should be noted that the revised General Fund Capital Programme is based on prudent assumptions of future Government grants to be received. The majority of these grants relate to funding for schools and transport and are unringfenced. However, in 2020/21 these grants have been passported to these areas.				
9.	Annex 2.4 details the current level of available resources. This shows that the largest resource currently available is CIL developer contributions. A review has been undertaken of all S106 and CIL monies to ensure that programmes of work are matched to the appropriate funding and to identify areas where business cases are required for new projects. This work will be ongoing as part of the monitoring process.				
10.	It should be noted that there has been no variation to the expected capital receipts since the last reported position.				
	OVERALL CAPITAL PROGRAMME AND FINANCING				
11.	The revised overall programme by year, including amendments that are being requested as part of this report and use of resources, can be found in annex 2.5.				
12.	The most significant amount of funding for the General Fund programme is provided by Council Resources, which at present, is mainly through borrowing. Borrowing costs are in the main met within a central provision. The HRA programme is primarily funded by Major Repairs Allowance (direct revenue contribution).				
	<u>SUPPORTING DOCUMENTATION</u>				
	Annexes				
1.	GF & HRA Programme Changes Since Last Reported Position.				

2.	GF & HRA Major Forecast Variance Changes Since Last Reported Position.
3.	GF & HRA Slippage & Rephasing as at July 20.
4.	GF Capital Resources Available as at July 20.
5.	GF & HRA Revised 5 Year Programme and Use of Resources.