

CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO MARCH 2021

1. The focus for this report is on the capital outturn position for 2020/21, the variances compared with the agreed programme, the financing of the capital spend and any changes to the programme.

2. The effects of COVID on capital programme delivery have been reported throughout the year, this report also highlights where it has been an issue during the final quarter of the year i.e. between the reported outturn and budgets already adjusted as at quarter 3 for the impact of COVID.

2020/21 CAPITAL OUTTURN POSITION

3. The total General Fund capital expenditure in 2020/21 was £50.20M compared to an estimate of £83.53M, giving a variance of £33.33M or 39.90% of the programme. The variance is comprised of £32.16M net slippage and £1.17M of surplus budget. Net slippage is the net effect of slippage where budget is rolled forward into future years and rephasing where budget from future years has been brought forward to the current year.

4. The total HRA capital expenditure in 2020/21 was £33.97M compared to an estimate of £47.36M, giving a variance of £13.39M or 28.27% of the programme. The variance is comprised of £7.98M net slippage and £5.41M of surplus budget. Net slippage is the net effect of slippage where budget is rolled forward into future years and rephasing where budget from future years has been brought forward to the current year.

5. The performance of individual capital programmes in 2020/21 is summarised in table 1 and 2.

Table 1 – Summary of the General Fund & HRA Capital Outturn 2020/21

	Approved Programme	Actual	Variance	
	£M	£M	£M	%
Children & Learning	17.24	14.16	(3.08)	(17.87)
Culture & Homes	1.03	0.07	(0.96)	(93.20)
Customer & Organisation	6.20	5.06	(1.14)	(18.39)
Finance & Income Generation	1.27	1.26	(0.01)	(0.79)
Green City & Place	55.77	27.91	(27.86)	(49.96)
Health & Adults	0.15	0.13	(0.02)	(13.33)
Stronger Communities	1.87	1.61	(0.26)	(13.90)
Total GF Capital Programme	83.53	50.20	(33.33)	(39.90)
Total HRA Capital Programme	47.36	33.97	(13.39)	(28.27)
Total Capital Programme	130.89	84.17	(46.72)	(35.69)

Table 2 – 2020/21 Breakdown of Variance by Programme

Programme	Slippage/ (Rephasing) £M	(Surplus)/ Deficit £M	Variance £M
Children & Learning	(2.37)	(0.71)	(3.08)
Culture & Homes	(0.95)	(0.01)	(0.96)
Customer & Organisation	(1.13)	(0.01)	(1.14)
Finance & Income Generation	0.00	(0.01)	(0.01)
Green City & Place	(27.36)	(0.50)	(27.86)
Health & Adults	(0.02)	0.00	(0.02)
Stronger Communities	(0.33)	0.07	(0.26)
Total GF Capital Programme	(32.16)	(1.17)	(33.33)
Total HRA Capital Programme	(7.98)	(5.41)	(13.39)
Total Capital Programme	(40.14)	(6.58)	(46.72)

6. Reasons for major variances on individual schemes since the last reported position are detailed for each programme in annex 2.1.

CAPITAL FINANCING

7. The resources used to finance the 2020/21 expenditure for the General Fund HRA capital programmes are summarised in table 3 below. The most significant source of financing for the General Fund was capital grants and for the HRA it was MRA financing.

Table 3 – Capital Financing 2020/21

	General Fund £M	HRA £M	Total £M
Total Financing Required	50.20	33.97	84.17
Financed By: -			
Council Resources	7.51	0.00	7.51
Capital Receipts	9.62	7.21	16.83
Direct Revenue Financing	0.66	7.19	7.85
Capital Grants	30.31	0.00	30.31
Contributions	2.10	0.51	2.61
MRA	0.00	19.06	19.06
Total	50.20	33.97	84.17

8. Any deficit spend on individual schemes are financed from identified additional funding or from savings elsewhere within the programme. Programmes are required to balance their capital programmes within the resources available to them, this may result in reduced outputs where a deficit results in reductions being made elsewhere in the programme.

9.	The impact of scheme variances for 2020/21 on future years' capital expenditure will feed into future capital programme updates aligned to Council priorities and the five key programme areas.																																
	THE 5 YEAR CAPITAL PROGRAMME																																
10.	Table 4 shows a comparison of the latest capital estimate for the period 2020/21 to 2025/26 including any amendments noted elsewhere within this report, compared to the previously reported programme for the same period, and shows a decrease of £6.58M which can be wholly attributed to project budget surplus in 2020/21.																																
11.	<p><u>Table 4 – Programme Comparison</u></p> <table border="1"> <thead> <tr> <th></th> <th>2020/ 2021 £M</th> <th>2021/ 2022 £M</th> <th>2022/ 2023 £M</th> <th>2023/ 2024 £M</th> <th>2024/ 2025 £M</th> <th>2025/ 2026 £M</th> <th>Total £M</th> </tr> </thead> <tbody> <tr> <td>Actual 2020/21 /Latest Programme</td> <td>84.17</td> <td>217.31</td> <td>275.07</td> <td>142.88</td> <td>83.49</td> <td>33.45</td> <td>836.37</td> </tr> <tr> <td>Previous Programme</td> <td>130.89</td> <td>179.40</td> <td>272.86</td> <td>142.88</td> <td>83.47</td> <td>33.45</td> <td>842.95</td> </tr> <tr> <td>Variance</td> <td>(46.72)</td> <td>37.91</td> <td>2.21</td> <td>0.00</td> <td>0.02</td> <td>0.00</td> <td>(6.58)</td> </tr> </tbody> </table>		2020/ 2021 £M	2021/ 2022 £M	2022/ 2023 £M	2023/ 2024 £M	2024/ 2025 £M	2025/ 2026 £M	Total £M	Actual 2020/21 /Latest Programme	84.17	217.31	275.07	142.88	83.49	33.45	836.37	Previous Programme	130.89	179.40	272.86	142.88	83.47	33.45	842.95	Variance	(46.72)	37.91	2.21	0.00	0.02	0.00	(6.58)
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Variance	(46.72)	37.91	2.21	0.00	0.02	0.00	(6.58)																										
12.	Annex 2.2 provides details of the revised budget by individual scheme and use of resources by each programme up to 2025/26.																																
	PRUDENTIAL INDICATORS																																
13.	The Prudential Code requires the Prudential Indicator for Actual Capital Expenditure to be reported against the estimates previously reported. The estimates shown in the tables in annex 2.3 are those reported to Council as part of the February 2021 Annual Treasury Management Strategy and Prudential Limits report.																																
<u>SUPPORTING DOCUMENTATION</u>																																	
Annexes																																	
1.	GF & HRA Major Variance Explanations																																
2.	GF & HRA Scheme Budgets and Use of Resources for 2020/21 to 2025/26																																
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