

CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO MARCH 2022

1. The focus for this report is on the capital outturn position for 2021/22, the variances compared with the agreed programme, the financing of the capital spend and any changes to the programme.

2021/22 CAPITAL OUTTURN POSITION

2. The total General Fund capital expenditure in 2021/22 was £69.31M compared to a budget (as adjusted at quarter 3) of £89.80M, giving a variance of £20.49M or 22.82% of the programme compared with the quarter 3 position. The variance is comprised of £21.49M net slippage and £1.00M of deficit spend. 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.

3. The total HRA capital expenditure in 2021/22 was £33.07M compared to a budget (as adjusted at quarter 3) of £37.94M, giving a variance of £4.88M or 12.85% of the programme compared with the quarter 3 position.
The variance is comprised of £3.31M net slippage and £1.57M 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 performance of individual capital programmes in 2021/22 is summarised in table 1 and 2.

Table 1 – Summary of the General Fund & HRA Capital Outturn 2021/22

| | Approved Programme* | Actual | Variance | |
|------------------------------------|---------------------|---------------|----------------|----------------|
| | £M | £M | £M | % |
| Communities, Culture & Heritage | 3.61 | 2.75 | (0.86) | (23.75) |
| Customer Service & Transformation | 12.92 | 7.22 | (5.69) | (44.08) |
| Education & Children's Social Care | 31.48 | 26.17 | (5.32) | (16.89) |
| Environment | 2.31 | 1.75 | (0.56) | (24.28) |
| Finance & Capital Assets | 0.68 | 0.21 | (0.47) | (69.04) |
| Growth | 38.73 | 31.14 | (7.59) | (19.60) |
| Health & Adult Social Care | 0.07 | 0.07 | (0.01) | (9.72) |
| Total GF Capital Programme | 89.80 | 69.31 | (20.49) | (22.82) |
| Total HRA Capital Programme | 37.94 | 33.07 | (4.88) | (12.85) |
| Total Capital Programme | 127.74 | 102.38 | (25.37) | (19.86) |

*As amended and reported each quarter during the year

Table 2 – 2021/22 Breakdown of Variance by Programme

| Programme | (Surplus)/ Deficit £M | Slippage/ (Rephasing) £M | Variance £M |
|------------------------------------|--------------------------------------|---|------------------------|
| Communities, Culture & Heritage | 0.11 | (0.97) | (0.86) |
| Customer Service & Transformation | 0.18 | (5.87) | (5.69) |
| Education & Children's Social Care | 0.02 | (5.33) | (5.32) |
| Environment | (0.01) | (0.56) | (0.56) |
| Finance & Capital Assets | 0.00 | (0.47) | (0.47) |
| Growth | 0.71 | (8.30) | (7.59) |
| Health & Adult Social Care | 0.00 | (0.01) | (0.01) |
| Total GF Capital Programme | 1.00 | (21.49) | (20.49) |
| Total HRA Capital Programme | (1.57) | (3.31) | (4.88) |
| Total Capital Programme | (0.57) | (24.81) | (25.37) |

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

CAPITAL FINANCING

6. The resources used to finance the 2021/22 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 2021/22

| | General Fund £M | HRA £M | Total £M |
|--------------------------|--------------------------------|-------------------|---------------------|
| Total Financing Required | 69.31 | 33.07 | 102.38 |
| Financed By: - | | | |
| Council Resources | 12.68 | 3.30 | 15.97 |
| Capital Receipts | 0.25 | 3.56 | 3.81 |
| Direct Revenue Financing | 0.60 | 3.19 | 3.79 |
| Capital Grants | 53.08 | 0.00 | 53.08 |
| Contributions | 2.71 | 1.01 | 3.71 |
| MRA | 0.00 | 22.01 | 22.01 |
| Total | 69.31 | 33.07 | 102.38 |

7. 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.

| 8. | The impact of scheme variances for 2021/22 on future years' capital expenditure will feed into future capital programme updates aligned to Council priorities. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---------------------|--|--------|--------|--------|--------|-------|-------|--------|-----------------------|--------|--------|--------|--------|-------|-------|--------|-----------------|----------------|--------------|-------------|-------------|-------------|-------------|---------------|
| THE 5 YEAR CAPITAL PROGRAMME | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9. | Table 4 shows a comparison of the latest capital estimate for the period 2021/22 to 2026/27 including any amendments noted elsewhere within this report, compared to the previously reported programme for the same period, and shows a decrease of £0.04M. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10. | <p><u>Table 4 – Programme Comparison</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">2021/ 2022 £M</th> <th style="text-align: center;">2022/ 2023 £M</th> <th style="text-align: center;">2023/ 2024 £M</th> <th style="text-align: center;">2024/ 2025 £M</th> <th style="text-align: center;">2025/ 2026 £M</th> <th style="text-align: center;">2026/ 2027 £M</th> <th style="text-align: center;">Total £M</th> </tr> </thead> <tbody> <tr> <td>Actual 2021/22 /Latest Programme</td> <td style="text-align: right;">102.38</td> <td style="text-align: right;">225.38</td> <td style="text-align: right;">176.08</td> <td style="text-align: right;">101.04</td> <td style="text-align: right;">57.48</td> <td style="text-align: right;">65.14</td> <td style="text-align: right;">727.50</td> </tr> <tr> <td>Previous Programme</td> <td style="text-align: right;">127.25</td> <td style="text-align: right;">201.51</td> <td style="text-align: right;">175.13</td> <td style="text-align: right;">101.03</td> <td style="text-align: right;">57.48</td> <td style="text-align: right;">65.14</td> <td style="text-align: right;">727.54</td> </tr> <tr> <td>Variance</td> <td style="text-align: right;">(24.87)</td> <td style="text-align: right;">23.88</td> <td style="text-align: right;">0.95</td> <td style="text-align: right;">0.01</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">(0.04)</td> </tr> </tbody> </table> | | 2021/ 2022 £M | 2022/ 2023 £M | 2023/ 2024 £M | 2024/ 2025 £M | 2025/ 2026 £M | 2026/ 2027 £M | Total £M | Actual 2021/22 /Latest Programme | 102.38 | 225.38 | 176.08 | 101.04 | 57.48 | 65.14 | 727.50 | Previous Programme | 127.25 | 201.51 | 175.13 | 101.03 | 57.48 | 65.14 | 727.54 | Variance | (24.87) | 23.88 | 0.95 | 0.01 | 0.00 | 0.00 | (0.04) |
| | 2021/ 2022 £M | 2022/ 2023 £M | 2023/ 2024 £M | 2024/ 2025 £M | 2025/ 2026 £M | 2026/ 2027 £M | Total £M | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Actual 2021/22 /Latest Programme | 102.38 | 225.38 | 176.08 | 101.04 | 57.48 | 65.14 | 727.50 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Previous Programme | 127.25 | 201.51 | 175.13 | 101.03 | 57.48 | 65.14 | 727.54 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Variance | (24.87) | 23.88 | 0.95 | 0.01 | 0.00 | 0.00 | (0.04) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11. | Annex 2.2 provides details of the revised budget by individual scheme and use of resources by each programme up to 2026/27. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PRUDENTIAL INDICATORS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12. | 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 2022 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 2021/22 to 2026/27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | Prudential Indicator for Actual Capital Expenditure | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |