

CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO JUNE 2022

1. Table 1 shows the changes to the individual portfolio programmes. The updated programme for the General Fund is £359.50M and £266.72M for the HRA.
2. Details of changes made since the start of the year, totalling a net increase of £1.10M can be found in annex 2.1. £0.76M has been added to the programme under either delegated decisions or previous Cabinet/Council papers and £0.33M net addition requires approval, as detailed in paragraph 3 and 4.

Table 1 – Changes to Portfolio Programmes

	Latest Programme £M	Previous Programme £M	Total Change £M
Children & Learning	71.07	71.07	0.00
Communities & Customer Engagement	0.97	0.85	0.12
Economic Development	3.05	3.05	0.00
Finance & Change	27.01	27.01	0.00
Health, Adults & Leisure	18.85	18.85	0.00
Housing & the Green Environment	33.82	33.81	0.01
Leader	9.72	9.20	0.52
Safer City	0.16	0.16	0.00
Transport & District Regeneration	194.85	194.40	0.45
Total GF Capital Programme	359.50	358.40	1.10
Housing Revenue Account	266.72	266.72	0.00
Total Capital Programme	626.22	625.12	1.10

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

3. Approval is sought for the addition and spend of £0.53M to the Transport & District Regeneration programme for Cycling. Grant funding has been awarded from the Department for Transport to provide cycle facilities in the Bitterne area. The grant comes from the Active Travel Fund and will be providing improvements to cycling and walking along Bitterne Road East. Improvements will include enhanced signalised pedestrian crossings, cycle lanes and enhanced landscaping along the corridor. Works will be complete in the 2022/23 financial year.
4. Approval is sought for the reduction of £0.20M to the Transport & District Regeneration Future Transport Zone project in 2023/24. The delivery of the project will not be affected, as the funding was received directly by our partners.

SLIPPAGE AND REPHASING

5. Slippage occurs where works are not expected to take place according to the provisions agreed in the capital programme. Re-phasing of capital expenditure is due to works being carried out sooner than anticipated, budget and funding is brought forward from future years to match the expenditure.

	Following a review to ensure that all projects are accurately profiled, and budgets are suitably aligned to anticipated works and spend, there is £30.64M of General Fund and £6.94M of HRA anticipated work in 2022/23 where work has slipped into later years. Details of schemes with major slippage and where any rephasing has been applied are provided in annex 2.3.			
6.	Table 2 below summarises resulting net 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 in 2022/23 £M	Annex 2.3 Ref	
	Children & Learning	0.03	-	
	Communities & Customer Engagement	0.00	-	
	Economic Development	(0.15)	-	
	Finance & Change	(3.16)	1-2	
	Health, Adults & Leisure	(10.56)	3	
	Housing & the Green Environment	(3.76)	4-6	
	Leader	(4.09)	7	
	Safer City	0.00	-	
	Transport & District Regeneration	(8.95)	8-10	
	Total General Fund	(30.64)		
	Housing Revenue Account	(6.94)	11-15	
	Total Capital Programme	(37.58)		
	NB. there may be small arithmetic variations in the table as figures have been rounded			
	20202/23 MONITORING POSITION			
7.	The forecast performance of individual capital programmes in 2022/23 is summarised in table 2 below.			
	<u>Table 2 – Summary of the General Fund & HRA Capital Forecast 2022/23</u>			
		Revised Programme £M	Forecast £M	Forecast Variance £M
				Forecast Variance %
	Children & Learning	30.87	30.87	0.00
	Communities & Customer Engagement	0.97	0.97	0.00
	Economic Development	2.31	2.31	0.00
	Finance & Change	11.01	11.01	0.00
	Health, Adults & Leisure	3.94	3.94	0.00
	Housing & the Green Environment	15.17	15.17	0.00
	Leader	5.63	5.63	0.00
	Safer City	0.16	0.16	0.00
	Transport & District Regeneration	70.00	70.00	0.00
	Total General Fund	140.07	140.07	(0.00)
				0.00

	Housing Revenue Account	49.04	46.04	(3.00)	(6.12)
	Total Capital Programme	189.11	186.11	(3.00)	(1.56)
	<u>Financed by</u>				
	*CR - GF Borrowing	(58.04)	(58.04)	0.00	0.00
	*CR - HRA Borrowing	(19.33)	(18.88)	(0.46)	(2.35)
	Capital Receipts	(4.12)	(4.12)	0.00	0.00
	Contributions	(12.87)	(12.87)	0.00	0.00
	Capital Grants	(67.69)	(67.70)	(0.00)	0.00
	Direct Revenue Financing	(2.18)	(1.99)	(0.19)	(8.54)
	HRA – MRA	(24.87)	(22.51)	(2.36)	(9.49)
	Total Funding	189.11	186.11	(3.00)	(1.59)
	*CR – Council Resources NB there may be small arithmetic variations in the table as figures have been rounded				
8.	The forecast spend for 2022/23 is £189.11M, giving a total forecast favourable variance of £3.00M. The reasons for the major forecast surplus/deficit variances are detailed in Annex 2.2.				
	CAPITAL RESOURCES				
9.	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 				
10.	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.				
11.	It should be noted that the revised General Fund Capital programme is based on prudent assumptions of future government grants to be received. Most of these grants relate to funding for schools and transport and are unringfenced. However, in 2022/23 these grants have been passported to these areas.				
12.	Annex 2.4 details the current level of available resources. This shows that the largest resource currently un-earmarked is S106 developer contributions. This relates to receipts in the latter part of 2021/22 for which the works are still being scoped and will be added to the programme during 2022/23.				
	OVERALL CAPITAL PROGRAMME AND FINANCING				
13.	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.				
14.	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 Reserve (direct revenue contribution).
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<u>SUPPORTING DOCUMENTATION</u>	
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Annexes	
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| 1. | GF & HRA Programme Changes Since Last Reported Position |
| 2. | GF & HRA Major Forecast Variances as at June 2022 |
| 3. | GF & HRA Slippage & Rephasing as at June 2022 |
| 4. | GF Capital Resources Available as at June 2022 |
| 5. | GF & HRA Revised 5 Year Programme and Use of Resources. |