

APPENDIX 2

CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO SEPTEMBER 2020																																															
1.	Table 1 shows the changes to the individual portfolio programmes. The updated programme for the General Fund is £657.05M and £210.98M for the HRA. Details of changes made since the start of the year, totalling £2.10M can be found in annex 2.1.																																														
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: center;">Latest Programme £M</th> <th style="text-align: center;">Previous Programme £M</th> <th style="text-align: center;">Total Change £M</th> </tr> </thead> <tbody> <tr> <td>Health & Adults</td> <td style="text-align: center;">0.62</td> <td style="text-align: center;">0.62</td> <td style="text-align: center;">0.00</td> </tr> <tr> <td>Children & Learning</td> <td style="text-align: center;">106.45</td> <td style="text-align: center;">108.05</td> <td style="text-align: center;">(1.60)</td> </tr> <tr> <td>Finance & Income Generation</td> <td style="text-align: center;">201.27</td> <td style="text-align: center;">200.00</td> <td style="text-align: center;">1.27</td> </tr> <tr> <td>Stronger Communities</td> <td style="text-align: center;">9.25</td> <td style="text-align: center;">8.31</td> <td style="text-align: center;">0.94</td> </tr> <tr> <td>Culture & Homes</td> <td style="text-align: center;">19.96</td> <td style="text-align: center;">19.96</td> <td style="text-align: center;">0.00</td> </tr> <tr> <td>Green City & Place</td> <td style="text-align: center;">306.05</td> <td style="text-align: center;">305.37</td> <td style="text-align: center;">0.68</td> </tr> <tr> <td>Customer & Organisation</td> <td style="text-align: center;">13.46</td> <td style="text-align: center;">12.66</td> <td style="text-align: center;">0.80</td> </tr> <tr> <td>Total GF Capital Programme</td> <td style="text-align: center;">657.05</td> <td style="text-align: center;">654.95</td> <td style="text-align: center;">2.10</td> </tr> <tr> <td>Housing Revenue Account</td> <td style="text-align: center;">210.98</td> <td style="text-align: center;">210.98</td> <td style="text-align: center;">0.00</td> </tr> <tr> <td>Total Capital Programme</td> <td style="text-align: center;">868.03</td> <td style="text-align: center;">865.94</td> <td style="text-align: center;">2.10</td> </tr> </tbody> </table> <p style="font-size: small;">NB. there may be small arithmetic variations in the table as figures have been rounded</p>				Latest Programme £M	Previous Programme £M	Total Change £M	Health & Adults	0.62	0.62	0.00	Children & Learning	106.45	108.05	(1.60)	Finance & Income Generation	201.27	200.00	1.27	Stronger Communities	9.25	8.31	0.94	Culture & Homes	19.96	19.96	0.00	Green City & Place	306.05	305.37	0.68	Customer & Organisation	13.46	12.66	0.80	Total GF Capital Programme	657.05	654.95	2.10	Housing Revenue Account	210.98	210.98	0.00	Total Capital Programme	868.03	865.94	2.10
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2.	Approval is being sought for amendments to the programme; a net reduction of £0.27M in 2020/21 and addition of £0.96M in 2021/22. Details of these amendments, the funding source and the portfolios affected can be found in annex 2.6.																																														
	SLIPPAGE/REPHASING																																														
3.	<p>Slippage occurs where works are not expected to take place to expected timescales, whereas re-phasing is the intentional rescheduling of funds across the life of the project to better reflected the expected staging and therefore anticipated spending for a project.</p> <p>Following a review to ensure that all projects are accurately profiled, and budgets are suitably aligned to anticipated works and spend, there is £12.30M of General Fund and £11.30M of HRA anticipated work in 2020/21 being either slipped or rescheduled into later years. Details of schemes with major slippage and rephasing are provided in annex 2.3.</p>																																														
4.	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. Although the St. Marks school project is highlighted at annex 2.3, the work is still expected to deliver to the originally set deadline, but a tender received over the summer for the bulk of the work has meant the work has been re-appraised, with a re-phasing update to provide a better assessment over the workflows and timing within the programme.																																														

	<u>Table 2 – Net Slippage</u>	Movement £M	Annex 2.3 Ref		
	Health & Adults	0.00			
	Children & Learning	(8.49)	2-4		
	Finance & Income Generation	0.00			
	Stronger Communities	(0.44)			
	Culture & Homes	0.00			
	Green City & Place	(3.37)	1		
	Customer & Organisation	0.00			
	Total General Fund	(12.30)			
	Housing Revenue Account	(11.30)	5-11		
	Total Capital Programme	(23.60)			
	NB. there may be small arithmetic variations in the table as figures have been rounded				
	2020/21 MONITORING POSITION				
5.	The forecast performance of the capital programmes in 2020/21 is summarised in table 3 below.				
	<u>Table 3 – Summary of the General Fund & HRA Capital Forecast 2020/21</u>				
		Revised Programme £M	Forecast £M	Forecast Variance £M	Forecast Variance %
	Health & Adults	0.22	0.22	0.00	0.00
	Children & Learning	18.82	18.58	(0.24)	(1.26)
	Finance & Income Generation	51.27	51.27	0.00	0.00
	Stronger Communities	2.44	2.35	(0.10)	(4.05)
	Culture & Homes	2.63	2.63	0.00	0.00
	Green City & Place	56.54	56.54	0.00	0.00
	Customer & Organisation	8.13	8.13	0.00	0.00
	Total General Fund	140.05	139.72	(0.33)	(0.24)
	Housing Revenue Account	48.11	41.07	(7.04)	(14.63)
	Total Capital Programme	188.16	180.79	(7.37)	(3.92)
	<u>Financed by</u>				
	*CR - GF Borrowing	(75.21)	(75.01)	(0.20)	(0.26)
	*CR - HRA Borrowing	(8.69)	(6.30)	(2.39)	(27.47)
	Capital Receipts	(17.95)	(17.77)	(0.18)	(1.01)
	Direct Revenue Financing	(9.55)	(8.67)	(0.89)	(9.27)
	Capital Grants	(46.88)	(46.74)	(0.14)	(0.29)
	Contributions	(10.68)	(10.68)	0.00	0.00
	HRA – MRA	(19.21)	(15.63)	(3.58)	(18.66)

	Total Funding	(188.16)	(180.79)	(7.37)	(3.92)
	*CR – Council Resources NB there may be small arithmetic variations in the table as figures have been rounded				
6.	The General Fund programme is currently forecast to be underspent by £0.33M and the HRA is £7.04M underspent. The reasons for the major forecast variances changes since the last report are detailed in Annex 2.2.				
	COVID-19 and Capital Programme 2020/21				
7.	When reviewing the capital programme to ensure that all projects are accurately profiled COVID-19 has been considered. The impact of this has resulted in increased programme slippage, where works will be carried out later than planned. It is not anticipated that there will be any service failures as a result of these delays.				
8.	A further review of the total capital programme will take place which will be reported to the February 2021 Council meeting on the budget, when changes to the capital programme are agreed.				
	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 2020/21 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. 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.				
13.	Following a review of the expected General Fund capital receipts an increase £0.10M is anticipated in 2020/21 since the last reported position. This is due to additional lease sales expected in 2020/21.				
	OVERALL CAPITAL PROGRAMME AND FINANCING				
14.	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.				
15.	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).
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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 Variance Changes Since Last Reported Position. |
| 3. | GF & HRA Slippage & Rephasing as at September 2020. |
| 4. | GF Capital Resources Available as at September 2020 |
| 5. | GF & HRA Revised 5 Year Programme and Use of Resources. |
| 6. | Programme Additions for Approval. |