

APPENDIX 2

<b>CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO DECEMBER 2020</b>																																															
1.	Table 1 shows the changes to the individual portfolio programmes. The updated programme for the General Fund is £661.70M and £212.17M for the HRA. Details of changes made since the start of the year, totalling £5.84M can be found in annex 2.1.																																														
	<p><b>Table 1 – Changes to Portfolio Programmes</b></p> <table border="1"> <thead> <tr> <th></th> <th><b>Latest Programme £M</b></th> <th><b>Previous Programme £M</b></th> <th><b>Total Change £M</b></th> </tr> </thead> <tbody> <tr> <td>Children &amp; Learning</td> <td>107.16</td> <td>106.45</td> <td>0.71</td> </tr> <tr> <td>Culture &amp; Homes</td> <td>19.96</td> <td>19.96</td> <td>0.00</td> </tr> <tr> <td>Customer &amp; Organisation</td> <td>20.31</td> <td>13.46</td> <td>6.84</td> </tr> <tr> <td>Finance &amp; Income Generation</td> <td>201.27</td> <td>201.27</td> <td>0.00</td> </tr> <tr> <td>Green City &amp; Place</td> <td>303.15</td> <td>306.05</td> <td>(2.90)</td> </tr> <tr> <td>Health &amp; Adults</td> <td>0.62</td> <td>0.62</td> <td>0.00</td> </tr> <tr> <td>Stronger Communities</td> <td>9.25</td> <td>9.25</td> <td>0.00</td> </tr> <tr> <td><b>Total GF Capital Programme</b></td> <td><b>661.70</b></td> <td><b>657.05</b></td> <td><b>4.65</b></td> </tr> <tr> <td>Housing Revenue Account</td> <td>212.17</td> <td>210.98</td> <td>1.19</td> </tr> <tr> <td><b>Total Capital Programme</b></td> <td><b>873.87</b></td> <td><b>868.03</b></td> <td><b>5.84</b></td> </tr> </tbody> </table> <p>NB. there may be small arithmetic variations in the table as figures have been rounded</p>				<b>Latest Programme £M</b>	<b>Previous Programme £M</b>	<b>Total Change £M</b>	Children & Learning	107.16	106.45	0.71	Culture & Homes	19.96	19.96	0.00	Customer & Organisation	20.31	13.46	6.84	Finance & Income Generation	201.27	201.27	0.00	Green City & Place	303.15	306.05	(2.90)	Health & Adults	0.62	0.62	0.00	Stronger Communities	9.25	9.25	0.00	<b>Total GF Capital Programme</b>	<b>661.70</b>	<b>657.05</b>	<b>4.65</b>	Housing Revenue Account	212.17	210.98	1.19	<b>Total Capital Programme</b>	<b>873.87</b>	<b>868.03</b>	<b>5.84</b>
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	<b>SLIPPAGE AND REPHASING</b>																																														
2.	<p>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.</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 £6.24M of General Fund and £0.75M of HRA anticipated work in 2020/21 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.</p>																																														
3.	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>		<b>Movement £M</b>	<b>Annex 2.3 Ref</b>	
Children & Learning		(1.62)	1-4	
Culture & Homes		(1.60)	5-6	
Customer & Organisation		(1.93)	7-9	
Finance & Income Generation		0.00		
Green City & Place		(0.54)	10	
Health & Adults		(0.07)		
Stronger Communities		(0.48)	11	
<b>Total General Fund</b>		<b>(6.24)</b>		
Housing Revenue Account		(0.75)	12	
<b>Total Capital Programme</b>		<b>(6.99)</b>		
NB. there may be small arithmetic variations in the table as figures have been rounded				
<b>2020/21 MONITORING POSITION</b>				
4.	The performance of the capital programmes in 2020/21 is summarised in table 3, using budgets adjusted for slippage and re-phasing, compared with forecast spend.			
<u>Table 3 – Summary of the General Fund &amp; HRA Capital Forecast 2020/21</u>				
	<b>Revised Programme £M</b>	<b>Forecast £M</b>	<b>Forecast Variance £M</b>	<b>Forecast Variance %</b>
Children & Learning	17.24	16.57	(0.67)	(3.90)
Culture & Homes	1.03	1.03	0.00	0.00
Customer & Organisation	6.20	6.20	0.00	0.00
Finance & Income Generation	51.27	1.27	(50.00)	(97.52)
Green City & Place	55.99	56.46	(0.47)	0.84
Health & Adults	0.15	0.15	0.00	0.00
Stronger Communities	1.96	1.87	(0.10)	(5.04)
<b>Total General Fund</b>	<b>133.86</b>	<b>83.55</b>	<b>(50.30)</b>	<b>(37.58)</b>
Housing Revenue Account	47.36	39.39	(7.97)	(16.83)
<b>Total Capital Programme</b>	<b>181.21</b>	<b>122.94</b>	<b>(58.28)</b>	<b>(32.16)</b>
<b><u>Financed by</u></b>				
*CR - GF Borrowing	(70.28)	(20.37)	(49.91)	(71.02)
*CR - HRA Borrowing	(8.35)	(6.55)	(1.80)	(21.55)
Capital Receipts	(17.76)	(17.12)	(0.64)	(3.62)
Direct Revenue Financing	(9.29)	(10.41)	1.13	12.12
Capital Grants	(46.06)	(45.85)	(0.21)	(0.46)
Contributions	(10.41)	(7.17)	(3.23)	(31.06)
HRA – MRA	(19.07)	(15.46)	(3.60)	(18.90)

	Total Funding	181.21	122.94	(58.28)	(32.16)
	<p>*CR – Council Resources  NB there may be small arithmetic variations in the table as figures have been rounded</p>				
5.	<p>The General Fund programme is currently forecast to be £50.30M below the programmed spend and the HRA is £7.97M also below the agreed programmed spend. The reasons for this variance since the last report are detailed in Annex 2.2. The key factor on the General Fund has been the inability to progress the anticipated Property Investment Fund, with £50M in the programme but no spending. This is due to revised rules around borrowing for this purpose that means the scheme now needs to be reconsidered. The single biggest factor with the HRA is the acquisitions policy for buying back properties that were purchased under the Right to Buy scheme is currently under review which means any purchases have been put on hold, producing a £2.58M favourable position compared with agreed programme spend.</p>				
	<b>COVID-19 and Capital Programme 2020/21</b>				
6.	<p>When reviewing the capital programme to ensure that all projects are accurately profiled any delays as a result of COVID-19 have been considered. The impact of this has resulted in works now planned to be carried out later than anticipated. No service failures are expected as a result of these delays.</p>				
7.	<p>The capital programme will be reported to the February 2021 Council meeting on the budget, when any changes or additions to the capital programme are agreed and a regular review will be maintained on capital works to assess the impact of COVID-19 and any adjustment needed to the programme as a result.</p>				
	<b>CAPITAL RESOURCES</b>				
8.	<p>The resources which can be used to fund the capital programme are as follows:</p> <ul style="list-style-type: none"> <li>• Central Government Grants and from other bodies</li> <li>• Contributions from third parties</li> <li>• Council Resources - Capital Receipts from the sale of HRA assets</li> <li>• Council Resources - Capital Receipts from the sale of General Fund assets</li> <li>• Revenue Financing</li> <li>• Council Resources – Borrowing</li> </ul>				
9.	<p>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.</p>				
10.	<p>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.</p>				
11.	<p>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.</p>				

12.	Following a review of the expected General Fund capital receipts an increase £0.05M is anticipated in 2020/21 since the last reported position. This is due to additional lease sales expected in 2020/21.
<b>OVERALL CAPITAL PROGRAMME AND FINANCING</b>	
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 Allowance (direct revenue contribution).
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Annexes</b>	
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 December 2020.
4.	GF Capital Resources Available as at December 2020
5.	GF & HRA Revised 5 Year Programme and Use of Resources.