

CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO SEPTEMBER 2021

1. Table 1 shows the changes to the individual portfolio programmes. The updated programme for the General Fund is £437.08M and £340.81M for the HRA.
2. There have not been any significant changes to the programme since quarter 1, the movement shown is to realign existing projects to the correct portfolio, primarily transferring City Services from Environment to Customer Service & Transformation.

Table 1 – Changes to Portfolio Programmes

	Latest Programme £M	Previous Programme £M	Total Change £M
Communities, Culture & Heritage	37.15	37.15	0.00
Customer Service & Transformation	26.92	10.55	16.38
Education & Children's Social Care	94.34	94.34	0.00
Environment	3.25	20.18	(16.93)
Finance & Capital Assets	6.58	5.78	0.81
Growth	268.35	268.60	(0.25)
Health & Adult Social Care	0.48	0.48	0.00
Total GF Capital Programme	437.08	437.08	0.00
Housing Revenue Account	340.81	340.81	0.00
Total Capital Programme	777.88	777.88	0.00

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

2021/22 MONITORING POSITION

3. The forecast performance of individual capital programmes in 2021/22 is summarised in table 2 below.

Table 2 – Summary of the General Fund & HRA Capital Forecast 2021/22

	Revised Programme £M	Forecast £M	Forecast Variance £M	Forecast Variance %
Communities, Culture & Heritage	8.87	5.29	(3.57)	(40.29%)
Customer Service & Transformation	16.04	15.36	(0.68)	(4.26%)
Education & Children's Social Care	44.49	33.03	(11.46)	(25.76%)
Environment	2.90	2.90	0.00	0.00%
Finance & Capital Assets	3.58	3.58	0.00	0.00%
Growth	77.27	75.94	(1.33)	(1.72%)
Health & Adult Social Care	0.22	0.22	0.00	0.00%
Total General Fund	153.36	136.32	(17.05)	0.00
Housing Revenue Account	69.92	38.60	(31.32)	(44.80%)
Total Capital Programme	223.28	174.91	(48.37)	(21.66%)

	<p><u>Financed by</u></p> <table border="1"> <tr> <td>*CR - GF Borrowing</td> <td>(53.38)</td> <td>(40.49)</td> <td>(12.90)</td> <td>(24.16%)</td> </tr> <tr> <td>*CR - HRA Borrowing</td> <td>(28.72)</td> <td>(16.56)</td> <td>(12.16)</td> <td>(42.34%)</td> </tr> <tr> <td>Capital Receipts</td> <td>(9.52)</td> <td>(3.57)</td> <td>(5.95)</td> <td>(62.54%)</td> </tr> <tr> <td>Direct Revenue Financing</td> <td>(13.70)</td> <td>(10.41)</td> <td>(3.29)</td> <td>(24.00%)</td> </tr> <tr> <td>Capital Grants</td> <td>(86.78)</td> <td>(84.42)</td> <td>(2.36)</td> <td>(2.72%)</td> </tr> <tr> <td>Contributions</td> <td>(5.69)</td> <td>(5.29)</td> <td>(0.40)</td> <td>(6.98%)</td> </tr> <tr> <td>HRA – MRA</td> <td>(25.49)</td> <td>(14.18)</td> <td>(11.31)</td> <td>(44.39%)</td> </tr> <tr> <td>Total Funding</td> <td>223.28</td> <td>174.91</td> <td>(48.37)</td> <td>(21.66%)</td> </tr> </table> <p>*CR – Council Resources NB there may be small arithmetic variations in the table as figures have been rounded</p>	*CR - GF Borrowing	(53.38)	(40.49)	(12.90)	(24.16%)	*CR - HRA Borrowing	(28.72)	(16.56)	(12.16)	(42.34%)	Capital Receipts	(9.52)	(3.57)	(5.95)	(62.54%)	Direct Revenue Financing	(13.70)	(10.41)	(3.29)	(24.00%)	Capital Grants	(86.78)	(84.42)	(2.36)	(2.72%)	Contributions	(5.69)	(5.29)	(0.40)	(6.98%)	HRA – MRA	(25.49)	(14.18)	(11.31)	(44.39%)	Total Funding	223.28	174.91	(48.37)	(21.66%)				
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4.	The forecast spend for 2021/22 is £174.91M, giving a total forecast variance of £48.37M, which is a combination of £42.63M net slippage and rephasing and £5.73M potential surplus, as detailed in table 3 below.																																												
5.	<p><u>Table 3 – Breakdown of 2021/22 Forecast Variance</u></p> <table border="1"> <thead> <tr> <th></th> <th>(Surplus)/ Deficit £M</th> <th>(Slippage)/ Rephasing £M</th> <th>Total £M</th> </tr> </thead> <tbody> <tr> <td>Communities, Culture & Heritage</td> <td>(0.51)</td> <td>(3.06)</td> <td>(3.57)</td> </tr> <tr> <td>Customer Service & Transformation</td> <td>0.02</td> <td>(0.70)</td> <td>(0.68)</td> </tr> <tr> <td>Education & Children's Social Care</td> <td>(5.05)</td> <td>(6.41)</td> <td>(11.46)</td> </tr> <tr> <td>Environment</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>Finance & Capital Assets</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>Growth</td> <td>(1.16)</td> <td>(0.17)</td> <td>(1.33)</td> </tr> <tr> <td>Health & Adult Social Care</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>Total General Fund</td> <td>(6.71)</td> <td>(10.34)</td> <td>(17.05)</td> </tr> <tr> <td>Housing Revenue Account</td> <td>0.98</td> <td>(32.30)</td> <td>(31.32)</td> </tr> <tr> <td>Total Capital Programme</td> <td>(5.73)</td> <td>(42.63)</td> <td>(48.37)</td> </tr> </tbody> </table> <p>NB. there may be small arithmetic variations in the table as figures have been rounded</p>		(Surplus)/ Deficit £M	(Slippage)/ Rephasing £M	Total £M	Communities, Culture & Heritage	(0.51)	(3.06)	(3.57)	Customer Service & Transformation	0.02	(0.70)	(0.68)	Education & Children's Social Care	(5.05)	(6.41)	(11.46)	Environment	0.00	0.00	0.00	Finance & Capital Assets	0.00	0.00	0.00	Growth	(1.16)	(0.17)	(1.33)	Health & Adult Social Care	0.00	0.00	0.00	Total General Fund	(6.71)	(10.34)	(17.05)	Housing Revenue Account	0.98	(32.30)	(31.32)	Total Capital Programme	(5.73)	(42.63)	(48.37)
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6.	The General Fund programme forecast position is a surplus of £6.71M and the HRA is £0.98M deficit. The reasons for the major forecast variances changes since the end of quarter 1 are detailed in Annex 2.1.																																												
7.	<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>Forecast net slippage and rephasing is £42.63M, £10.34M of General Fund and £32.30M of HRA. Details of projects with major forecast slippage and where any rephasing has been applied are provided in annex 2.2.</p> <p>A thorough mid-year review has been taken of the HRA programme to ensure a realistic in year programme that can be achieved, resulting in the significant level of slippage.</p>																																												

	COVID-19 IMPACT
8.	<p>There has been no significant impact to report to date as a result of COVID-19. There was significant slippage from 2020/21 into the current year but it is felt that this work is achievable alongside the planned projects for 2021/22.</p> <p>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, which will be reported at the earliest opportunity.</p>
	CAPITAL RESOURCES
9.	<p>The resources which can be used to fund the capital programme are as follows:</p> <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 2021/22 these grants have been passported to these areas.
12.	Annex 2.3 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 were required for new projects. This has resulted in additions to the capital programme detailed in the programme update paper on this agenda.
	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 2.4.
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).
<u>SUPPORTING DOCUMENTATION</u>	
Annexes	
1.	GF & HRA Major Forecast Variances as at September 2021.
2.	GF & HRA Slippage & Rephasing as at September 2021.
3.	GF Capital Resources Available as at September 2021.
4.	GF & HRA Revised 5 Year Programme and Use of Resources.