

DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	CAPITAL OUTTURN 2023/24		
DATE OF DECISION:	CABINET 16 JULY 2024 COUNCIL 17 JULY 2024		
REPORT OF:	COUNCILLOR LETTS DEPUTY LEADER AND CABINET MEMBER FOR FINANCE AND CORPORATE SERVICES		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY
None.
BRIEF SUMMARY
<p>The purpose of this report is to summarise the capital outturn position of the council for 2023/24, both General Fund and Housing Revenue Account (HRA).</p> <p>This report also sets out the revised capital programme estimates for 2023/24 which take account of slippage and re-phasing.</p> <p>The position is reflected in the statement of accounts. This is subject to external audit scrutiny, which means this report is provisional, until such a time as the audit has been completed.</p>

RECOMMENDATIONS:

Cabinet is recommended to:	
i)	Notes the actual capital spending in 2023/24 for the General Fund was £61.73M and for the HRA was £36.77M, as detailed in paragraphs 2 to 5.
ii)	Notes the capital financing in 2023/24 as shown in table 3.
iii)	Recommends Council to approve the revised capital programme for 2023/24 to 2028/29 and financing as summarised in paragraph 18 and detailed in Appendix 2.
iv)	Notes the latest prudential indicators for the revised capital programme as detailed in Appendix 3.
Council is recommended to:	
v)	Notes the actual capital spending in 2023/24 for the General Fund was £61.73M and for the HRA was £36.77M, as detailed in paragraphs 2 to 5.

vi)	Notes the capital financing in 2023/24 as shown in table 3.
vii)	Approves the revised capital programme for 2023/24 to 2028/29 and financing as summarised in paragraph 18 and detailed in Appendix 2.
viii)	Approves the latest prudential indicators for the revised capital programme as detailed in Appendix 3.

REASONS FOR REPORT RECOMMENDATIONS

- To ensure that Cabinet fulfils its responsibilities for the overall financial management of the council's resources.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- None, as the capital outturn position for 2023/24 has been prepared in accordance with statutory accounting requirements.

DETAIL (including consultation carried out)

- The focus for this report is on the capital outturn position for 2023/24, the variances compared with the agreed programme, the financing of the capital spend and any changes to the programme.

4. 2023/24 CAPITAL OUTTURN POSITION

- The total General Fund capital expenditure in 2023/24 was £61.73M compared to a budget of £80.73M, giving a variance of £19.00M or 23.53% of the programme. The variance is comprised of £17.82M net slippage and £1.18M of underspend. 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.

- The total HRA capital expenditure in 2023/24 was £36.77M compared to a budget of £40.72M, giving a variance of £3.95M or 9.69% of the programme. The variance is comprised of £2.50M net slippage and £2.71M of underspend. 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.

- The performance of individual capital programmes in 2023/24 is summarised in table 1 and 2.

- Table 1 – Summary of the General Fund & HRA Capital Outturn 2023/24

	Approved Programme	Actual	Variance	
	£M	£M	£M	%
Children & Learning	11.68	9.02	(2.66)	(22.74)
Corporate Services	2.89	1.88	(1.01)	(34.84)
Place	60.26	46.92	(13.34)	(22.14)
Strategy & Performance	2.68	1.46	(1.22)	(45.57)
Wellbeing & Housing	3.21	2.44	(0.77)	(24.00)
Total GF Capital Programme	80.73	61.73	(19.00)	(23.53)
Total HRA Capital Programme	40.72	36.77	(3.95)	(9.69)
Total Capital Programme	121.44	98.50	(22.94)	(18.89)

- Table 2 – 2023/24 Breakdown of Variance by Programme

Programme	(Under)/ Overspend £M	Slippage/ (Rephasing) £M	Variance £M
Children & Learning	(0.76)	(1.90)	(2.65)
Corporate Services	0.04	(1.04)	(1.01)
Place	(0.16)	(13.19)	(13.35)
Strategy & Performance	0.00	(1.22)	(1.22)
Wellbeing & Housing	(0.31)	(0.47)	(0.77)
Total GF Capital Programme	(1.18)	(17.82)	(19.00)
Total HRA Capital Programme	(2.71)	(2.50)	(5.21)
Total Capital Programme	(3.89)	(20.32)	(24.21)
10.	Reasons for major variances on individual schemes since the last reported position are detailed for each programme in appendix 1.		
CAPITAL FINANCING			
11.	The resources used to finance the 2023/24 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.		
12.	Table 3 – Capital Financing 2023/24		
	General Fund £M	HRA £M	Total £M
Total Financing Required	61.73	36.77	98.50
Financed By: -			
Council Resources	15.14	7.17	22.31
Capital Receipts	1.47	2.74	4.21
Direct Revenue Financing	2.00	6.00	8.00
Capital Grants	36.52	2.20	38.72
Contributions	6.60	0.69	7.29
MRA	0.00	17.97	17.97
Total	61.73	36.77	98.50
13.	Any overspend 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 it results in reductions being made elsewhere in the programme.		
14.	The impact of scheme variances for 2023/24 on future years' capital expenditure will feed into future capital programme updates aligned to Council priorities.		
THE 5 YEAR CAPITAL PROGRAMME			
15.	Table 4 shows a comparison of the latest capital estimate for the period 2023/24 to 2028/29		

including any amendments noted elsewhere within this report, compared to the previously reported programme for the same period, and shows an increase of £1.86M. This is due to devolved capital spend from school accounts, which is transferred at the end of the year.

16. Table 4 – Programme Comparison

	2023/ 2024 £M	2024/ 2025 £M	2025/ 2026 £M	2026/ 2027 £M	2027/ 2028 £M	2028/ 2029 £M	Total £M
Actual 2023/24							
/Latest Programme	102.39	176.79	106.04	76.20	45.32	39.94	546.68
Previous Programme	120.91	156.97	105.46	76.23	45.32	39.94	544.83
Variance	(18.52)	19.82	0.59	(0.03)	0.00	0.00	1.86

17. Tables 6 and 7 show capital budgets by directorate and the use of resources to finance the capital programme up to and including 2028/29.

18. Table 6 – Capital Budgets by Directorate

Programme	2023/ 2024 £M	2024/ 2025 £M	2025/ 2026 £M	2026/ 2027 £M	2027/ 2028 £M	2028/ 2029 £M	Total £M
Children & Learning	9.78	20.36	9.84	26.22	0.71	0.00	66.92
Corporate Services	1.85	4.65	5.00	3.50	1.50	0.00	16.49
Place	47.07	78.33	26.69	5.63	4.20	1.00	162.92
Strategy & Performance	1.46	8.13	0.00	0.00	0.00	0.00	9.59
Wellbeing & Housing	2.75	4.10	3.35	0.55	0.00	0.00	10.75
General Fund Total	62.91	115.56	44.88	35.90	6.41	1.00	266.67
HRA Total	39.48	61.23	61.16	40.30	38.91	38.94	280.02
Overall Total	102.39	176.79	106.04	76.20	45.32	39.94	546.68

Table 7 – Use of Resources

Capital Grants	(38.57)	(75.14)	(16.77)	(2.05)	0.00	0.00	(132.53)
Contributions	(6.14)	(9.89)	(4.48)	(0.05)	0.00	0.00	(20.56)
Revenue Financing	(3.29)	(2.25)	(1.16)	(0.45)	(0.55)	(0.93)	(8.63)
Capital Receipts	(2.61)	(12.41)	(2.75)	(2.50)	(2.63)	(1.89)	(24.78)
MRA	(22.30)	(24.86)	(22.84)	(23.40)	(23.79)	(24.20)	(141.39)
CR – Borrowing	(29.49)	(52.25)	(58.05)	(47.74)	(18.35)	(12.92)	(218.80)
Total	(102.39)	(176.79)	(106.04)	(76.20)	(45.32)	(39.94)	(546.68)

*CR – Council Resources

NB: Table includes rounded figures

19. Appendix 2 provides details of the revised budget by individual scheme and use of resources by each programme up to 2028/29.

PRUDENTIAL INDICATORS

20. 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 appendix 3 are those reported to Council as part of the March 2024 Annual Treasury Management Strategy and Prudential Limits report.

RESOURCE IMPLICATIONS

Capital/Revenue

21. The capital implications are contained in the report. The revenue implications are contained within the Revenue Outturn 2023/24 report elsewhere on this agenda.

Property/Other

22. There are no specific property implications arising from this report other than the schemes already referred to within Appendix 2 of the report.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

23. Financial reporting is consistent with the Section 151 Officer's duty to ensure good financial administration within the Council.

Other Legal Implications:

24. None.

RISK MANAGEMENT IMPLICATIONS

25. Risk management implications are contained in the report.

POLICY FRAMEWORK IMPLICATIONS

26. The proposals contained in the report are in accordance with the Council's Policy Framework Plan.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	GF & HRA Major Variance Explanations 2023/24
2.	GF & HRA Scheme Budgets and Use of Resources for 2023/24 to 20287/29
3.	Capital Prudential Indicators 2023/24

Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?	No
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Privacy Impact Assessment

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out?	No
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Other Background Documents
Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	The General Fund Capital Programme 2023/24 to 2028/29 (Council 6 March 2024)	
2.		