

CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO SEPTEMBER 2024

1. Table 1 shows the changes to the individual directorate programmes. The updated programme for the General Fund is £206.99M and £240.53M for the HRA.
2. Due to the current financial environment, there is an ongoing need to review the programme. This is against the backdrop of rising construction costs and higher (albeit now falling) interest rates which has seen the cost of borrowing increase.
3. Details of changes made since the last reported position, totalling a net increase of £0.94M can be found in Annex 2.1, all of which have been added to the programme by delegated and Cabinet decisions.

4. Table 1 – Changes to Programmes

	Latest Programme £M	Previous Programme £M	Total Change £M
Children & Learning	57.74	57.16	0.59
Community Wellbeing	8.15	8.00	0.16
Enabling Services	14.65	14.65	0.00
Growth & Prosperity	76.96	76.77	0.19
Resident Services	41.36	41.36	0.00
Strategy & Performance	8.13	8.13	0.00
Total GF Capital Programme	206.99	206.06	0.94
Housing Revenue Account	240.53	240.53	0.00
Total Capital Programme	447.53	446.59	0.94

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

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.

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. Approval is sought for the slippage of £17.80M from 2024/25 into later years, £15.04M for GF and £2.76M for HRA.

7.	<u>Table 2 – Net Slippage</u>	Movement in 2024/25 £M	Annex 2.3 Ref		
	Children & Learning	(5.09)	1-7		
	Community Wellbeing	0.00	-		
	Enabling Services	(0.50)	-		
	Growth & Prosperity	(8.42)	8-13		
	Resident Services	(1.03)	14-17		
	Strategy & Performance	0.00	-		
	Total General Fund	(15.04)			
	Housing Revenue Account	(2.76)	18-21		
	Total Capital Programme	(17.80)			
	NB. there may be small arithmetic variations in the table as figures have been rounded				
2024/25 MONITORING POSITION					
8.	The forecast performance of individual capital programmes in 2024/25 is summarised in table 3 below.				
9.	<u>Table 3 – Summary of the General Fund & HRA Capital Forecast 2024/25</u>	Revised Programme £M	Forecast £M	Forecast Variance £M	Forecast Variance %
	Children & Learning	14.62	14.14	(0.48)	(3.31)
	Community Wellbeing	4.25	4.25	0.00	0.00
	Enabling Services	4.15	3.47	(0.68)	(16.45)
	Growth & Prosperity	47.18	46.91	(0.27)	(0.58)
	Resident Services	17.88	17.92	0.04	0.25
	Strategy & Performance	8.13	8.13	0.00	0.00
	Total General Fund	96.21	94.81	(1.40)	(1.45)
	Housing Revenue Account	58.47	60.17	1.71	2.92
	Total Capital Programme	154.67	154.98	0.31	0.20
	Financed by				
	*CR - GF Borrowing	(11.49)	(10.54)	(0.96)	(8.32)
	*CR - HRA Borrowing	(28.36)	(28.26)	(0.10)	(0.35)
	Capital Receipts	(11.94)	(11.94)	0.00	0.00
	Contributions	(8.07)	(8.09)	(0.02)	0.24
	Capital Grants	(68.30)	(67.84)	(0.46)	(0.67)
	Direct Revenue Financing	(2.25)	(2.25)	0.00	0.00
	HRA – MRA	(24.26)	(26.06)	(1.81)	7.44
	Total Funding	154.67	154.98	0.31	0.20

	<p>*CR – Council Resources NB there may be small arithmetic variations in the table as figures have been rounded</p>
10.	The forecast spend for 2024/25 is £154.98M, giving a total adverse forecast variance of £0.31M, £1.40M favourable on GF offset by £1.71M adverse on HRA. The reasons for the major forecast surplus/deficit variances are detailed in Annex 2.2.
CAPITAL RESOURCES	
11.	<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
12.	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.
13.	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 un-ringfenced. However, in 2024/25 these grants have been passported to these areas.
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 2.4.
15.	The most significant amount of funding for the General Fund programme is provided by capital grants. There has been a drive to reduce borrowing costs, due to increasing interest rates, to avoid an unbudgeted pressure on the GF revenue account. The HRA programme is primarily funded by Major Repairs Reserve (direct revenue contribution).
<u>SUPPORTING DOCUMENTATION</u>	
Annexes	
1.	GF & HRA Programme Changes Since Last Reported Position
2.	GF & HRA Major Forecast Variances as at September 2024
3.	GF & HRA Slippage & Rephasing as at September 2024
4.	GF & HRA Revised 5 Year Programme and Use of Resources