

Report to Executive

Agenda
Item:

A.9(b)

Meeting Date: 22nd June 2020
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD.05/20
Within Policy and Budget Framework YES
Public / Private Public

Title: PROVISIONAL CAPITAL OUTTURN 2019/20 AND REVISED CAPITAL PROGRAMME 2020/21
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD.02/20

Purpose / Summary:

This report summarises the 2019/20 provisional out-turn for the capital budget and provides details of the revised capital programme for 2020/21. The out-turn shows that the net underspend for Council Services as at 31 March 2020 once committed expenditure totalling £2,568,500 is taken into account is £10,171.

It should be noted that the information contained in this report is provisional subject to the formal audit process. The draft Statement of Accounts for 2019/20 will be presented to the Audit Committee on 30 July, with final approval of the audited accounts on 27 October.

Recommendations:

The Executive is asked to:

- (i) Note the net underspend as at 31 March 2020 of £10,171 which includes committed expenditure to be met totalling £2,568,500, which is recommended by the Corporate Director of Finance and Resources for approval to Council;
- (ii) Consider the revised programme for 2020/21, together with the proposed methods of financing and proposed carry forward into 2021/22, as detailed at paragraph 5 and Appendix B, for recommendation to Council.

Tracking

Executive:	22 June 2020
Scrutiny:	BTSP 23 July 2020
Audit Committee:	30 July 2020 (for information only)
Council:	14 July 2020

1. BACKGROUND

- 1.1 This report sets out the summarised financial out-turn for the Council's Capital Programme as follows:
- (i) the out-turn for individual schemes for 2019/20, summarised in **Appendix A**
 - (ii) the revised programme for 2020/21, and the provisional programme for 2021/22 to 2024/25, summarised in **Appendix B**.
- 1.2 The report sets out the financial implications arising from the out-turn including the impact on capital resources for 2020/21. Members should note that the information contained in this report is provisional and subject to the formal audit process. Any significant changes required following the approval of the 2019/20 accounts will, if required, be reported to a future Executive meeting.
- 1.3 Please note that throughout this report the use of brackets indicates a favourable variance i.e. either an underspend or additional income received.

2. PROPOSALS

- 2.1 The original capital programme of £25,071,200 for 2019/20 was approved in February 2019. Since then, a review of the capital programme has been undertaken and the capital funding has been revised. In accordance with proper accounting practices it has been necessary to gross up the expenditure budgets to properly reflect the total cost of the schemes including those fully funded from external grant/contributions.

The revised programme for 2019/20 of £10,689,700 is a result of the following funding streams:

2019/20 Capital Budget	£
Original 2019/20 Programme (approved Feb 2019)	25,071,200
Carry forwards from 2018/19 (RD36/18 Council 05/03/19)	982,100
Reprofiling of Sands Centre Redevelopment (CS17/19 Council 25/06/19)	(5,572,200)
Carry forwards from 2018/19 (RD14/19 Council 16/07/19)	2,253,900
Additional Disabled Facilities Grant (RD14/19 Council 16/07/19)	432,500
S106 contributions towards Affordable Homes (OD.028/19)	4,000
Revenue contribution towards Digital Banner Replacement	26,200
Revenue contribution towards Customer Contact Centre (OD.067/19)	7,000
Revenue contribution towards Bitts Park Tennis Court (OD.075/19)	23,900
Release of capital funding for Emergency Works at Central Plaza (ED03/20 Council 07/01/20)	1,350,000
S106 contribution towards Play Area Improvements	23,500
S106 contribution towards Play Area Improvements (OD.101/19)	16,000
S106 contribution towards Open Space Improvements (OD.107/19)	11,600
Revenue contribution towards Vehicle Replacement	30,000
Revenue contribution towards purchase of Waste Receptacles	9,000
Increased contribution to Digital Banner from sale of equipment	8,000
Realignment of IT budget into future years (City Council budget Council 04/02/20)	(69,500)
Agreed Carry Forwards into 2020/21 (RD60/19 Council 03/03/20)	(10,952,800)
Agreed Carry Forwards into 2021/22 (RD60/19 Council 03/03/20)	(3,542,200)
Revenue contribution towards Bitts Park Electrical Work (OD.07/20)	22,900
Revenue contribution towards Bitts Park Demolition (OD.44/20)	14,700
Revenue contribution and external grant towards Play Area Improvements	31,800
External contributions towards Sands Centre Redevelopment	206,500
Ringfenced capital receipt towards repayment of grant at Durranshill	180,000
Additional contributions towards Disabled Facilities Grants	37,300
Revenue contribution towards Flood Reinstatement costs (OD.69/20)	84,300
Revised 2019/20 Capital Programme	10,689,700
Less Capital Reserves to be released by Executive	0
Revised 2019/20 Capital Programme (released)	10,689,700

2.2 The provisional out-turn position for the 2019/20 capital programme is shown below:

Directorate	Revised Annual Budget	Total Expenditure	Variance	Carry Forwards (Committed)	Revised Variance
	£	£	£	£	£
Community Services	4,148,400	2,356,405	(1,791,995)	1,697,900	(94,095)
Corporate Support	54,400	24,673	(29,727)	29,700	(27)
Economic Development	1,730,400	1,649,823	(80,577)	162,300	81,723
Governance & Regulatory Services	4,678,800	4,025,205	(653,595)	656,700	3,105
Total	10,612,000	8,056,106	(2,555,894)	2,546,600	(9,294)
Capital Exceptional Items	77,700	54,923	(22,777)	21,900	(877)
Total	10,689,700	8,111,029	(2,578,671)	2,568,500	(10,171)
Reserves to be released	0	0	0	0	0
Total	10,689,700	8,111,029	(2,578,671)	2,568,500	(10,171)

- 2.3 The position for 2019/20 after committed carry forwards have been taken into account is an underspend of £10,171.
- 2.4 There main variances after carry forwards are summarised below:
- An overspend of £49,764 on the purchase of Waste Receptacles.
 - An underspend of £49,746 on vehicle replacements. The replacement plan has been managed to take account of the overspend on Waste Receptacles.
 - An underspend of £94,000 on Bitts Park/Tennis Facilities project. The budget for the Bitts Park Reinstatement project (£94,000) is to be removed from the programme and a request is made within the Revenue Outturn report (elsewhere on this agenda) to transfer the £94,000 Council's revenue contribution into the Flood Reserve.
 - An overspend of £81,744 at Durrhill Industrial Estate. Expenditure is in relation to footpath works and the repayment of a previous capital grant received. A capital receipt of £120,000 was earmarked at the end of 2018/19 which can be used to cover these additional costs.
- 2.5 Otherwise schemes are progressing within budget, although some schemes have not been completed to the original timescales which has resulted in the request for carry forwards.
- 2.6 Further details for each directorate are included in **Appendices A1-A5**.
- 2.7 The 2019/20 programme has been kept to a level that takes account of the Council's ability to deliver schemes with regard to capacity and available resources.

Work has been carried out throughout the year to monitor the profiling of budgets and these have been adjusted to reflect progress in current capital schemes. The year end position for the capital programme is improved from previous years due to the implementation of the corporate reserves procedure and the improved profiling.

3. CARRY FORWARD REQUESTS

3.1 In accordance with the Council's Constitution, any net underspending/savings on service estimates under the control of the Director may be carried forward. This is to facilitate greater flexibility of budgets between years as set out in the Medium-Term Financial Plan. Approval of carry forwards is subject to the following as contained in the Council's Constitution:

- *the authorisation of the Corporate Director of Finance and Resources where the request relates to a specific committed item of expenditure where, due to external or other factors, the Director has been unable to spend the approved budget by 31 March. The use of the resource will be restricted to the purpose for which the estimate was originally intended. The carry forward will only be approved by the Corporate Director of Finance and Resources if the expenditure is within both the Directorate's and the Authority's budget as approved for that year. Any carry forward which would result in an over-spend for the Authority will require authorisation by the Council.*
- *any overspending on service estimates in total on budgets under the control of the Director must be carried forward to the following year and will constitute the first call on service budgets in the following year, unless the Council determines otherwise by way of a supplementary estimate. The Corporate Director of Finance and Resources will report the extent of overspending carried forward to the Executive, Business and Transformation Scrutiny Panel and to the Council.*

The delegated power applies only in so far as the carry forwards do not take the Council into an overspend position.

Carry forwards at the end of the year have been analysed to assess the year of potential expenditure to enable better profiling of budgets for future years. Of the committed carry forwards shown in paragraph 2.2, it is estimated that the full £2,568,500 will be spent in 2020/21.

4. FINANCING OF CAPITAL PROGRAMME 2019/20

4.1 Utilisation of resources to fund the 2019/20 Capital Programme in light of the out-turn is provisionally estimated as follows:

	Revised Budget £	Provisional Out-turn £
Capital Programme expenditure in year	10,689,700	8,111,029
<u>Financed by:</u>		
Capital Receipts (including PRTB receipts) (note 1)	3,445,000	3,299,000
Capital Grants		
• Disabled Facilities Grant	1,899,800	1,899,764
• General (note 2)	60,200	6,970
Reserves & Balances (note 3)		
• Direct Revenue Financing	1,856,200	1,741,807
Contributions from other bodies incl S106 (note 4)	424,300	327,689
Borrowing Requirement (In Year)	3,004,200	835,799
Total Financing	10,689,700	8,111,029

Notes:

1. There were no usable capital receipts carried forward from 2018/19. Capital receipts generated during the year amount to £3,299,000 compared to the revised estimate figure of £3,445,000, a decrease of £146,000.

The total sum available, £3,299,000 has been used to fund the Capital Programme in 2019/20, with the balance of funding required (£835,799) being financed from a borrowing requirement that is significantly lower than anticipated.

2. £53,200 of funding from capital grants has been carried forward into 2020/21 to allow the schemes to complete
3. The use of capital receipts has been optimised in order to fund 2019/20 capital expenditure. Direct revenue funding, S106 receipts and earmarked reserves and provisions specifically set up to fund capital expenditure have also been used to fund capital expenditure in 2019/20. Capital receipts are the last source of funding applied to finance the capital programme; external funding is always applied first.
4. Additional contributions were received towards DFGs, Play Areas, Open Space Improvements, Affordable Homes and Sands Centre redevelopment. £96,700 has been carried forward into 2020/21 to allow the schemes to complete.

5. FIVE YEAR CAPITAL PROGRAMME

5.1 A five-year Capital Programme for 2020/21 to 2024/25 is detailed in **Appendices B1-B2**.

5.2 The programme for **2020/21** totalling £29,915,800 is based upon the programme as agreed by Council in February 2020 of £14,160,600, the commitments brought forward from 2019/20 as identified above of £2,568,500, the commitments brought forward from 2019/20 already approved of £10,952,800, an increase of £432,500 for additional Disabled Facilities Grant awarded which has recently been advised and totals £1,899,764, an increase to the capital programme of £2,581,400 as approved by Council for the Civic Centre Development project, and a reduction in the programme of £780,000 relating to identified virements and carry forwards to provide the balance of funding for the Civic Centre Development project.

5.3 The 2020/21 programme will be continually reviewed to ensure the Council has the capacity to deliver this level of programme.

5.4 It is suggested that the revised programme for 2020/21 as detailed in Appendix B1 is financed as follows:

	<u>Original Budget</u> £	<u>Revised Budget</u> £
Original Programme	14,160,600	14,160,600
Add: Carried forward from 2019/20 (in Year)	0	10,952,800
Add: Carried forward from 2019/20 (Year End)	0	2,568,500
Add: Other adjustments to programme	0	2,655,100
Less: Carry Forwards into 2021/22	0	(421,200)
Total Expenditure to be financed	14,160,600	29,915,800
<u>Financed by:</u>		
Capital Grants		
• DFG	1,467,300	1,899,800
• General	203,700	2,256,900
Capital Receipts	2,010,000	2,190,000
Receipts used to fund resources	(112,000)	(112,000)
Contributions from other bodies	0	96,700
Direct Revenue Financing	1,017,600	3,243,100
Borrowing Requirement (In Year)	9,574,000	20,341,300
Total Financing	14,160,600	29,915,800

5.5 The proposed programme for **2021/22** to **2024/25** as detailed in Appendix B2 is based on the programme agreed by Council in February 2020 and an increase approved by Council for the Civic Centre Development project.

- 5.6 The increase in the Civic Centre Reinstatement project, as agreed by full Council on 5th May 2020, of £1,379,400, can be funded as follows under delegated powers:

Virement from:

Public Realm capital works	£380,000
G44	£400,000
Other Capital projects	£200,000 (to be confirmed)
Revenue outturn/BR retention	£237,600 (to be confirmed)
Invest to save (Civic car parking)	£161,800

6. RISKS

- 6.1 Individual capital schemes have different risks involved. A risk assessment of the overall capital programme is included in **Appendix C**.

7. CONSULTATION

- 7.1 Consultation to Date.
Portfolio Holders and SMT have considered the issues raised in this report.
- 7.2 Consultation Proposed.
Business and Transformation Scrutiny Panel will consider the report on 23 July 2020.

8. CONCLUSIONS AND REASONS FOR RECOMMENDATIONS

- 8.1 The Executive is asked to:
- (i) Note the net underspend as at 31 March 2020 of £10,171 which includes committed expenditure to be met totalling £2,568,500, which is recommended by the Corporate Director of Finance and Resources for approval to Council;
 - (ii) Consider the revised programme for 2020/21, together with the proposed methods of financing and proposed carry forward into 2021/22, as detailed at paragraph 5 and Appendix B, for recommendation to Council.

9. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 9.1 The Council's capital programme supports the current priorities in the Carlisle Plan.

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Appendices attached to report: A1 to A5 and B1 to B2 and C

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL – The Council has a fiduciary duty to manage its finances properly and the proper reporting of the outturn figures is part of this process. Approval of full Council is required for the use of capital reserves to fund expenditure commitments as set out in the report.

PROPERTY SERVICES – Property asset implications are contained within the main body of the report

FINANCE – Financial implications are contained within the main body of the report.

EQUALITY – This report raises no explicit issues relating to the public sector Equality Duty. It is worth noting that the report includes the increase in funding for the Disabled Facilities Grants (DFGs).

INFORMATION GOVERNANCE – There are no information governance implications.

COMMUNITY SERVICES

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
Civic Centre Digital Banner	34,200	34,180	(20)	0	(20)	Revenue contribution to capital approved under delegated authority to provide a replacement digital banner. The previous equipment was faulty and not possible to repair due to obsolete technology and therefore needed to be replaced.
Vehicles & Plant	1,754,800	820,654	(934,146)	884,400	(49,746)	Slippage of planned vehicle replacements from 2019/20 into 2020/21. A revised replacement plan for the next 5-10 years has been provided as part of the 2020/21 budget process.
Cemetery Infrastructure	11,200	5,522	(5,678)	5,700	22	Improvements are underway and due to be completed in 2020/21 now.
Open Space Improvements	96,100	15,463	(80,637)	80,700	63	Funded by Section 106 monies. Poor weather and specific design queries have delayed projects which will now ben completed in 2020/21.
Play Area Developments	71,300	23,400	(47,900)	47,800	(100)	Approved Play Area Improvements funded from S106 monies. Working restrictions have delayed the project.
Green Gyms	32,800	32,797	(3)	0	(3)	Project complete.
Bitts Park/Tennis Reinstatement	94,000	0	(94,000)	0	(94,000)	Revenue contribution to capital towards the Bitts Park Tennis Facilities project. As part of the revenue outturn report it is requested that the funding from this project is transferred into the Flood Reserve.
Sands Centre Redevelopment	2,000,000	1,320,625	(679,375)	679,300	(75)	Budget reprofiled based on revised report approved by Council (CS.17/19 - 25/06/19). Carry forward required to realign budget to revised expenditure profile. Delays in project due to current working restrictions.
Waste Receptacles	54,000	103,764	49,764	0	49,764	Purchase of waste receptacles are overspent against the annual budget. The Council is no longer able to charge developers for the cost of new bins, bags and boxes provided for new homes. This will impact the level of revenue income generated which has previously been used to increase the capital budget.
Grand Total	4,148,400	2,356,405	(1,791,995)	1,697,900	(94,095)	

PROVISIONAL GENERAL FUND CAPITAL OUTTURN 2019/20**APPENDIX A2****CORPORATE SUPPORT**

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
ICT Infrastructure	47,400	17,646	(29,754)	29,700	(54)	Part of ICT Strategy Business Case. Implementation has been delayed and a revised plan for delivery has been considered as part of the 2020/21 budget process which incorporates a revised spend profile.
Customer Contact Centre	7,000	7,027	27	0	27	Release of Flood Reserve for the installation of Qmatic System (OD.067/19).
Grand Total	54,400	24,673	(29,727)	29,700	(27)	

ECONOMIC DEVELOPMENT

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
Central Plaza Emergency Works	1,350,000	1,337,679	(12,321)	12,300	(21)	Increase to capital programme approved by Council (ED.03/20 07/02/20) to fund emergency works at Central Plaza.
Durranhill Industrial Estate	180,000	261,744	81,744	0	81,744	Additional footpath work and repayment of capital grant. A capital receipt of £120,000 was earmarked at the end of 2018/19 which can be used to fund these works.
Planning Software	150,000	0	(150,000)	150,000	0	The project has been delayed whilst software options are being evaluated and core components of the project (for example data migration) are being further considered prior to the detail business case and tenders being prepared.
Affordable Homes	50,400	50,400	0	0	0	S106 funding towards provision of Affordable Homes. Project now complete.
Grand Total	1,730,400	1,649,823	(80,577)	162,300	81,723	

GOVERNANCE & REGULATORY SERVICES

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
Planned Enhancements to Council Property	329,600	182,443	(147,157)	146,800	(357)	Some slippage of planned projects into 2020/21.
Property Acquisition	150,000	153,429	3,429	0	3,429	Property purchase now complete. Slight overspend in relation to stamp duty land tax.
Gateway 44	1,459,200	1,437,288	(21,912)	21,900	(12)	Development and Improvement costs associated with the Junction 44 development.
Empty Properties Grants	23,200	0	(23,200)	23,200	0	Funding provided from minor works grant allocation to be used for bringing empty homes back into use.
Disabled Facilities Grants	2,716,800	2,252,045	(464,755)	464,800	45	Mandatory Grants. Increased grant allocation for 2019/20. The position is being closely monitored. An Action Plan confirms expenditure until 2021. Carry forward required into 2020/21.
Grand Total	4,678,800	4,025,205	(653,595)	656,700	3,105	

PROVISIONAL GENERAL FUND CAPITAL OUTTURN 2019/20

APPENDIX A5

EXCEPTIONAL ITEMS CAPITAL EXPENDITURE

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
IC Buildings Flood Capital	77,700	54,923	(22,777)	21,900	(877)	Funding released from the Flood Reserve in relation to expenditure incurred in 2018/19 and 2019/20 on the reinstatement of Bitts Park and Civic Centre.
Grand Total	77,700	54,923	(22,777)	21,900	(877)	

2020/21 CAPITAL PROGRAMME

APPENDIX B1

Scheme	Original Capital Programme 2020/21 £	Carry Forwards from 2019/20 £	Carry Forwards from 2019/20 £	Other Adjustments £	Carry Forwards to 2021/22 £	Revised Capital Programme 2020/21 £
<u>Current non-recurring commitments</u>						
Sands Centre Redevelopment	10,962,200	5,037,800	679,300	0		16,679,300
On Street Charging Points Infrastructure	203,700	0	0	0		203,700
Gateway 44	0	5,000,000	21,900	(400,000)		4,621,900
Civic Centre Development	0	0	0	2,581,400		2,581,400
Funding carry forward to 2021/22 for Civic project	0	0	0	421,200	(421,200)	0
Play Area Improvements	0	0	47,800	0		47,800
Open Space Improvements	0	0	80,700	0		80,700
Cemetery Infrastructure	0	0	5,700	0		5,700
Central Plaza	0	0	12,300	0		12,300
Planning Software	0	0	150,000	0		150,000
Bitts Park Flood Reinstatement	0	0	21,900	0		21,900
	11,165,900	10,037,800	1,019,600	2,602,600	(421,200)	24,404,700
<u>Recurring commitments</u>						
Planned Enhancements to Council Property	250,000	0	146,800	0		396,800
Vehicles, Plant & Equipment	648,000	0	884,400	0		1,532,400
Recycling Containers	45,000	0	0	0		45,000
ICT Infrastructure	281,300	0	29,700	0		311,000
	1,224,300	0	1,060,900	0	0	2,285,200
<u>Housing Related Grants</u>						
Private Sector Grants	1,467,300	500,000	464,800	432,500		2,864,600
Minor Works Grants	0	0	23,200	0		23,200
	1,467,300	500,000	488,000	432,500	0	2,887,800
TOTAL	13,857,500	10,537,800	2,568,500	3,035,100	(421,200)	29,577,700
<u>Capital Reserves to be released</u>						
Cemetery Infrastructure	30,000	0	0	0		30,000
LED Footway Lighting Installation	203,100	0	0	0		203,100
Skew Bridge Deck	70,000	0	0	0		70,000
Play Area Improvements	0	35,000	0	0		35,000
Public Realm Improvements	0	380,000	0	(380,000)		0
	303,100	415,000	0	(380,000)	0	338,100
REVISED TOTAL	14,160,600	10,952,800	2,568,500	2,655,100	(421,200)	29,915,800

2021/22 to 2024/25 PROPOSED CAPITAL PROGRAMME**APPENDIX B2**

Scheme	Proposed Capital Programme 2021/22 £	Original Capital Programme 2022/23 £	Original Capital Programme 2023/24 £	Original Capital Programme 2024/25 £
Private Sector Grants	1,467,300	1,467,300	1,467,300	1,467,300
Planned Enhancements to Council Property	250,000	250,000	250,000	250,000
Vehicles, Plant & Equipment	1,215,000	1,158,500	976,500	1,851,000
ICT Infrastructure	101,300	76,300	131,400	101,400
Recycling Containers	45,000	45,000	45,000	45,000
Sands Centre Redevelopment	6,487,900	0	0	0
Civic Centre Development	1,020,600	0	0	0
Savings to be achieved to fund Civic Centre Project	(200,000)	0	0	0
Carlisle Southern Link Road	0	5,000,000	0	0
TOTAL	10,387,100	7,997,100	2,870,200	3,714,700

APPENDIX C

Capital Programme – Risk Assessment

Risk	Likelihood	Impact	Mitigation
Capital projects are approved without a full appraisal of the project and associated business case.	Remote	High	Strengthen the role of Transformation Sub-Group when considering capital project appraisals, to include consideration of business cases
Full capital and revenue costs of a project not identified.	Remote	High	Capital spending must meet statutory definitions. Financial Services to regularly review spending charged to capital. Appraisals to identify revenue costs, including whole life costs to improve financial planning.
VAT partial exemption rules are not considered.	Remote	High	Reduced impact following the decision to elect to tax land and property. To be considered as part of Project Appraisals and assessed by Financial Services.
Capital projects are not monitored nor reviewed (post contract) to ensure that the original business case assumptions have been achieved	Reasonably probable	Marginal	Better project management skills (including contract monitoring) have been introduced through PRINCE 2. Project managers to take more ownership and responsibility for the delivery of projects, including post contract reviews.
Capital projects are not delivered to time	Reasonably Probable	High	Significant slippage in the current capital programme. Better project management skills to be introduced through PRINCE 2. Project managers to take more ownership and responsibility for the delivery of projects. The review of the capital programme currently underway will address some of these issues.
Capital projects are not delivered to budget. Major variations in spending impact on the resources of the Council.	Reasonably Probable	High	Improved capital programme monitoring through PRINCE 2 and monthly financial monitoring. Corrective action to be put in place where necessary.
Assumptions on external funding for capital projects are unrealistic	Remote	High	Potential shortfalls arising from changes to external funding have to be met from other Council resources, so assumptions need to be backed by firm offers of funding before projects are submitted for appraisal. Risk increased due to uncertainty around funding, e.g. MHCLG grants
Spending subject to specific grant approvals e.g. housing improvement grants, disabled persons adaptations varies from budget	Remote	Marginal	Specific grants are generally cash limited so variations in projects supported by funding of this nature will be monitored closely to ensure target spend is achieved to avoid loss of grant or restrictions on subsequent years grant funding.
Shortfall in level of capital resources generated from Capital Receipts	Probable	High	Economic downturn will impact - early warning so as not to over commit capital resources.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 22 JUNE 2020

**EX.55/20 **PROVISIONAL CAPITAL OUTTURN 2019/20 AND REVISED
CAPITAL PROGRAMME 2020/21**
(Key Decision – KD.05/20)

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, The Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted report RD.02/20 summarising the 2019/20 provisional outturn for the Council's Capital Budget; and providing details of the revised Capital Programme for 2020/21. The outturn showed that the net underspend for Council services as at 31 March 2020 once committed expenditure totalling £2,568,500 was taken into account was £10,171.

Details of the resources which had been utilised to fund the 2019/20 Capital Programme, together with the 5 year Capital Programme for the period 2020/21 to 2024/25 were also provided.

The programme for 2020/21 totalling £29,915,800 was based upon the programme as agreed by Council in February 2020 of £14,160,600, the commitments brought forward from 2019/20 as identified of £2,568,500, the commitments brought forward from 2019/20 already approved of £10,952,800, an increase of £432,500 for additional Disabled Facilities Grant awarded which had recently been advised and totalled £1,899,764, an increase to the capital programme of £2,581,400 as approved by Council for the Civic Centre Development project, and a reduction in the programme of £780,000 relating to identified virements and carry forwards to provide the balance of funding for the Civic Centre Development project.

The 2020/21 programme would be continually reviewed to ensure the Council had the capacity to deliver that level of programme. The information contained within the report was provisional and subject to the formal audit process.

The Deputy Leader concluded by moving the recommendations, which were duly seconded by the Leader.

Summary of options rejected that the net underspend and the revised programme for 2020/21 should not be recommended to Council

DECISION

That the Executive:

- (i) Note the net underspend as at 31 March 2020 of £10,171 which includes committed expenditure to be met totalling £2,568,500, which is recommended by the Corporate Director of Finance and Resources for approval to Council;
- (ii) Had considered the revised programme for 2020/21, together with the proposed methods of financing and proposed carry forward into 2021/22, as detailed at paragraph 5 and Appendix B, for recommendation to Council.

Reasons for Decision

To receive the report on the Provisional Capital Outturn for 2019/20 and make recommendations to the City Council on the 2020/21 Capital Programme