

ITEM NO: 19 (iii)

DECISION-MAKER:	COUNCIL			
SUBJECT:	GENERAL FUND CAPITAL OUTTURN 2007/08			
DATE OF DECISION:	16 JULY 2008			
REPORT OF:	CABINET MEMBER FOR RESOURCES AND WORKFORCE PLANNING PORTFOLIO			
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STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

SUMMARY

The purpose of this report is to outline the actual outturn position for 2007/08, seek approval for the proposed financing of the expenditure in the year and seek approval for revised estimates for 2008/09. This report also highlights the major variances against the approved estimates.

RECOMMENDATIONS:

- (i) Note the actual capital spending in 2007/08 as shown in paragraphs 4 and 5;
- (ii) Approve the proposed capital financing in 2007/08 as shown in paragraph 10; and
- (iii) Approve the revised scheme estimates for 2008/09, to take account of slippage and rephasing, detailed in Appendix 1 (see paragraph 6).

REASONS FOR REPORT RECOMMENDATIONS

1. The reporting of the outturn position for 2007/08 forms part of the approval of the statutory accounts.

CONSULTATION

2. Not Applicable.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. The outturn and financing for 2007/08 have been prepared in accordance with statutory accounting principles.

DETAIL

4. CAPITAL OUTTURN 2007/08

Total General Fund capital expenditure in 2007/08 was £35.4M compared to an estimate of £44.5M, giving an underspend of £9.1M or 20% of the programme.

5. Each Cabinet Member has received a capital outturn report covering the reasons for the outturn position in their area and the effect of any slippage in

schemes on their forward capital programme. The performance of individual capital programmes in 2007/08 is summarised in the following table.

SUMMARY OF GF CAPITAL OUTTURN 2007/08

	Approved	Actual	Variance	Variance
	£000	£000	£000	%
Children's Services	14,526	10,684	(3,842)	(26%)
Planning & Transportation	12,262	11,028	(1,234)	(10%)
Environment & Sustainability	431	349	(82)	(19%)
Health, Adult Social Care & Communities	2,697	2,258	(439)	(16%)
Homes & Housing	5,376	5,073	(303)	(6%)
Leader's Portfolio	1,861	1,260	(601)	(32%)
Leisure & Neighbourhoods	3,052	2,207	(845)	(28%)
Finance & Resources	4,317	2,584	(1,733)	(40%)
TOTAL GF CAPITAL PROGRAMME	44,522	35,443	(9,079)	(20%)

6. Slippage accounted for £9.9M of the underspend, partially offset by the rephasing of some schemes to bring expenditure forward. Appendix 1 details schemes that require rephasing in 2008/09 to take account of slippage and expenditure brought forward. This includes one scheme (Accommodation Strategy) where Council are asked to approve bringing forward £500,000 budget from future years. Council is asked to approve the revised estimates for 2008/09 so that these schemes can proceed. These revised estimates for 2008/09 do not result in any increase to the overall capital programme. A full review of the capital programme will be undertaken for the September 2008 Council meeting.

7. Any overspends on individual schemes are funded from identified additional funding or from savings elsewhere in the programme. Portfolios are required to balance their capital programmes within the resources available to them; this may result in reduced outputs where an overspend results in cuts being made elsewhere in the programme.

8. Appendix 3 shows the 2007/08 actual and 2007/08 approved estimate, together with the total for all years for each scheme, compared to the total scheme budget.

9. Reasons for major variances on individual schemes are given for each Portfolio in Appendix 2.

10. The table below shows the proposed basis of financing the General Fund capital programme. Council is asked to approve this financing.

GENERAL FUND CAPITAL FINANCING

2007/08

	£000
Total Financing Required	35,443
Financed By: -	
Supported Borrowing	5,606
Unsupported Borrowing	5,597
Capital Receipts	6,429
Capital Grants & Contributions	16,805
Car Parking Surplus	72
Direct Revenue Financing	<u>935</u>
Total	35,443

11. The impact of scheme variances for 2007/08 on future years' capital expenditure will be covered by the September update to the capital programme to be presented to Council on 17th September.

12. **PRUDENTIAL INDICATORS**

The Prudential Code requires the Prudential Indicator for Actual Capital Expenditure to be reported against the estimates previously reported. The estimates shown below are those reported to Council as part of the February 2008 Annual Treasury Management Strategy and Prudential Limits report.

	2007/08 Estimate £000	2007/08 Actual £000	2008/09 Estimate £000	2009/10 Estimate £000	2010/11 Estimate £000
General Fund	39,164	35,443	69,725	34,448	49,030
HRA	25,092	22,393	33,572	25,280	17,778
Total	64,256	57,836	103,297	59,728	66,818

13. The reason for the difference between the General Fund estimate for 2007/08 in the table above and the estimate shown elsewhere in this report is due to new schemes being approved between the Treasury Management

Strategy report being written and the end of March.

14. This indicator for 2008/09 to 2010/11 will be updated as part of the Capital Programme Update report to Council in September 2008. The Treasury Management Outturn Report 2007/08, elsewhere on the agenda, contains details of the other Prudential Indicators.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

15. As set out in the report details.

Revenue

16. None.

Property

17. None.

Other

18. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

19. The Capital Outturn Report is prepared in accordance with the Local Government Acts 1972 – 2003.

Other Legal Implications:

20. None.

POLICY FRAMEWORK IMPLICATIONS

21. The outturn for 2007/08 forms part of the overall statutory accounts.

SUPPORTING DOCUMENTATION

Appendices

1.	Revised Estimates 2008/09 for slippage and rephasing
2.	Details of significant variations
3.	Actual v Budget for individual schemes

Documents In Members' Rooms

1.	None
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Background Documents

Title of Background Paper(s)

Relevant Paragraph of the
Access to Information
Procedure Rules / Schedule
12A allowing document to be
Exempt/Confidential (if
applicable)

1.	None	
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Background documents available for inspection at:

E-mail:

FORWARD PLAN No:

N/A

KEY DECISION?

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WARDS/COMMUNITIES AFFECTED:

NOT APPLICABLE