

## ITEM NO:12

<b>DECISION-MAKER:</b>	COUNCIL		
<b>SUBJECT:</b>	GENERAL FUND CAPITAL OUTTURN 2009/10		
<b>DATE OF DECISION:</b>	14 JULY 2010		
<b>REPORT OF:</b>	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 outturn position for 2009/10 and seek approval for the proposed financing of the expenditure in the year. This report also highlights the major variances against the approved estimates and sets out the revised estimates for 2010/11 which take account of slippage and re-phasing.

### RECOMMENDATIONS:

That Council:

- (i) Notes the actual capital spending in 2009/10 as shown in paragraphs 4 and 5 and notes the major variances in Appendix 1.
- (ii) Approves the proposed capital financing in 2009/10 as shown in paragraph 10.
- (iii) Notes the revised estimates for 2010/11 as adjusted for slippage and re-phasing as shown in Appendix 3.
- (vi) Notes that due to the continuing impact of the recession on land disposals as outlined in paragraphs 15 and 16 that the capital programme continues to run a deficit.

### REASONS FOR REPORT RECOMMENDATIONS

1. The reporting of the outturn position for 2009/10 forms part of the approval of the statutory accounts.

### CONSULTATION

2. Not Applicable.

### ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. The outturn and financing for 2009/10 have been prepared in accordance with statutory accounting principles.

## DETAIL

### CAPITAL OUTTURN 2009/10

4. Total General Fund capital expenditure in 2009/10 was £54.5M compared to an estimate of £66.4M, giving an underspend of £12.0M or 18% of the programme.
5. Each Cabinet Member has received a capital outturn report covering the reasons for the outturn position in their Portfolio and the effect of any slippage in schemes on their forward capital programme. The performance of individual capital programmes in 2009/10 is summarised in the following table.

<b>SUMMARY OF GF CAPITAL OUTTURN 2009/10</b>				
<b>Portfolio</b>	<b>Approved £000's</b>	<b>Actual £000's</b>	<b>Variance £000's</b>	<b>Variance %</b>
Children's Services & Learning	20,121	17,865	(2,256)	(11.2)
Economic Development	8,327	5,433	(2,894)	(34.8)
Environment & Transport	20,188	16,723	(3,465)	(17.2)
Adult Social Care & Health	1,862	1,383	(479)	(25.8)
Housing & Local Services	6,824	6,565	(259)	(3.8)
Leisure, Culture & Heritage	4,136	2,827	(1,309)	(31.7)
Resources & Workforce Planning	4,965	3,677	(1,288)	(25.9)
<b>Total GF Capital Programme</b>	<b>66,423</b>	<b>54,472</b>	<b>(11,951)</b>	<b>(18.0)</b>

6. Reasons for major variances on individual schemes are given for each Portfolio in Appendix 1.
7. Appendix 2 shows the 2009/10 actual and 2009/10 approved estimate, together with the total spend for all years for each scheme, compared to the total scheme budget.
8. Slippage accounted for £14.9M of the under spend, partially offset by the rephasing of some schemes to bring expenditure forward. As part of the revised processes surrounding Sharepoint, the Council's project management system, slippage and re-phasing is automatically approved and processed at the year-end. The details of this are shown in Appendix 3. A small number of negative budgets on individual schemes resulted from this process and this will be corrected by the finance support teams within the relevant Portfolio capital programme resources.

9. Any over spends 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 over spend results in cuts being made elsewhere in the programme.
10. The table below shows the proposed basis of financing the General Fund capital programme. Council is asked to approve this financing.

<b>GENERAL FUND CAPITAL FINANCING 2009/10</b>	
	<b>£000's</b>
Total Financing Required	54,472
<b>Financed By: -</b>	
Supported Borrowing	8,920
Unsupported Borrowing	14,504
Capital Receipts	6,744
Capital Grants & Contributions	21,051
Car Parking Surplus	0
Direct Revenue Financing	3,253
<b>Total</b>	<b>54,472</b>

11. The impact of scheme variances for 2009/10 on future years' capital expenditure will be covered by the September update to the capital programme to be presented to Council on 14<sup>th</sup> September 2010.

#### **PRUDENTIAL INDICATORS**

12. 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 2010 Annual Treasury Management Strategy and Prudential Limits report.

	<b>Actual</b>	<b>Estimates</b>			
	<b>2009/10 £000's</b>	<b>2009/10 £000's</b>	<b>2010/11 £000's</b>	<b>2011/12 £000's</b>	<b>2012/13 £000's</b>
General Fund	54,472	61,765	83,172	38,817	23,652
HRA	29,595	32,426	36,631	22,287	19,219
<b>Total</b>	<b>84,067</b>	<b>94,191</b>	<b>119,803</b>	<b>61104</b>	<b>42,871</b>

13. The reason for the difference between the General Fund estimate for 2009/10 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 2010/11 to 2012/13 will be updated as part of the Capital Programme Update report to Council in September 2010. The Treasury Management Outturn Report 2009/10, elsewhere on the agenda, contains details of the other Prudential Indicators.

### **CONTINUING IMPACT OF THE RECESSION**

15. The current economic climate has continued to have an impact on the Council's financial position during 2009/10, in particular a reduction in capital receipts from the sales of land and property which continue to be less than forecast impacting on many key schemes in the City which have either been put on hold or abandoned.
16. At this stage rather than make large scale changes to the existing programme for what it is hoped is a short term problem, it is recommended that the Council 'over programme' on the basis that in future years the position will recover. It is felt that this position is still prudent as the Council has decided not to proceed with a number of major land sales due to the current economic climate, the value of which more than covers the current level of over programming.

### **FINANCIAL/RESOURCE IMPLICATIONS**

#### **Capital**

16. As set out in the report details.

#### **Revenue**

17. None.

#### **Property**

18. None.

#### **Other**

19. None.

### **LEGAL IMPLICATIONS**

#### **Statutory power to undertake proposals in the report:**

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

#### **Other Legal Implications:**

21. None.

### **POLICY FRAMEWORK IMPLICATIONS**

22. The outturn for 2009/10 forms part of the overall statutory accounts.

## SUPPORTING DOCUMENTATION

### Appendices

1.	Capital Outturn 2009/10 – Details of Significant Variances.
2.	Actual v Budget 2009/10 at Individual Scheme Level .
3.	2009/10 Slippage/Re-phasing.

### 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:** N/A

**KEY DECISION?** N/A

**WARDS/COMMUNITIES AFFECTED:** NOT APPLICABLE