

<u>CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO MARCH 2023</u>					
1.	The focus for this report is on the capital outturn position for 2022/23, the variances compared with the agreed programme, the financing of the capital spend and any changes to the programme.				
2022/23 CAPITAL OUTTURN POSITION					
2.	The total General Fund capital expenditure in 2022/23 was £62.94M compared to a revised budget of £98.63M, giving a variance of £35.69M or 36.18% of the programme. The variance is comprised of £34.94M net slippage and £0.75M 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.				
3.	The total HRA capital expenditure in 2022/23 was £35.88M compared to a budget of £38.25M, giving a variance of £2.37M or 6.22% of the programme. The variance is comprised of £1.54M net slippage and £0.83M of surplus budget.				
4.	The performance of individual capital programmes in 2022/23 is summarised in table 1 and 2.				
<u>Table 1 – Summary of the General Fund & HRA Capital Outturn 2022/23</u>					
		Approved Programme	Actual	Variance	
		£M	£M	£M	%
	Children & Learning	18.79	12.78	(6.01)	(31.99)
	Communities & Customer Engagement	0.72	0.20	(0.52)	(73.07)
	Economic Development	1.86	1.11	(0.75)	(40.56)
	Finance & Change	7.58	4.22	(3.36)	(44.26)
	Health, Adults & Leisure	2.39	1.45	(0.94)	(39.14)
	Housing & the Green Environment	10.51	6.53	(3.98)	(37.83)
	Leader	2.17	0.78	(1.39)	(63.88)
	Safer City	0.66	0.06	(0.60)	(90.77)
	Transport & District Regeneration	53.95	35.81	(18.14)	(33.62)
	Total GF Capital Programme	98.63	62.94	(35.69)	(36.18)
	Total HRA Capital Programme	38.25	35.88	(2.37)	(6.22)
	Total Capital Programme	136.88	98.82	(38.06)	(27.81)

Table 2 – 2022/23 Breakdown of Variance by Programme

Programme	(Surplus)/ Deficit £M	Slippage/ (Rephasing) £M	Variance £M
Children & Learning	(0.04)	(5.97)	(6.01)
Communities & Customer Engagement	(0.00)	(0.52)	(0.52)
Economic Development	(0.02)	(0.73)	(0.75)
Finance & Change	(0.19)	(3.17)	(3.36)
Health, Adults & Leisure	(0.00)	(0.94)	(0.94)
Housing & the Green Environment	0.17	(4.15)	(3.98)
Leader	(0.71)	(0.68)	(1.39)
Safer City	0.00	(0.60)	(0.60)
Transport & District Regeneration	0.04	(18.18)	(18.14)
Total GF Capital Programme	(0.75)	(34.94)	(35.69)
Total HRA Capital Programme	(0.83)	(1.54)	(2.37)
Total Capital Programme	(1.59)	(36.48)	(38.06)

5. Reasons for major variances on individual schemes since the last reported position are detailed for each programme in annex 2.1.

CAPITAL FINANCING

6. The resources used to finance the 2022/23 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.

Table 3 – Capital Financing 2022/23

	General Fund £M	HRA £M	Total £M
Total Financing Required	62.94	35.88	98.82
Financed By: -			
Council Resources	14.53	6.15	20.68
Capital Receipts	0.31	6.27	6.58
Direct Revenue Financing	0.00	1.79	1.79
Capital Grants	34.92	0.00	34.92
Contributions	13.18	0.90	14.08
MRA	0.00	20.76	20.76
Total	62.94	35.88	98.82

7. Any deficit spend 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 a deficit results in reductions being made elsewhere in the programme.																																
8.	The impact of scheme variances for 2022/23 on future years' capital expenditure will feed into future capital programme updates aligned to Council priorities.																																
	THE 5 YEAR CAPITAL PROGRAMME																																
9.	Table 4 shows a comparison of the latest capital estimate for the period 2022/23 to 2027/28 including any amendments noted elsewhere within this report, compared to the previously reported programme for the same period, and shows a decrease of £2.01M.																																
10.	<p><u>Table 4 – Programme Comparison</u></p> <table border="1"> <thead> <tr> <th></th> <th>2022/ 2023 £M</th> <th>2023/ 2024 £M</th> <th>2024/ 2025 £M</th> <th>2025/ 2026 £M</th> <th>2026/ 2027 £M</th> <th>2027/ 2028 £M</th> <th>Total £M</th> </tr> </thead> <tbody> <tr> <td>Actual 2022/23 /Latest Programme</td> <td>98.82</td> <td>178.76</td> <td>139.93</td> <td>106.89</td> <td>103.43</td> <td>31.42</td> <td>659.23</td> </tr> <tr> <td>Previous Programme</td> <td>150.81</td> <td>179.54</td> <td>119.13</td> <td>70.97</td> <td>109.37</td> <td>31.42</td> <td>661.24</td> </tr> <tr> <td>Variance</td> <td>(51.99)</td> <td>(0.79)</td> <td>20.80</td> <td>35.92</td> <td>(5.95)</td> <td>0.00</td> <td>(2.01)</td> </tr> </tbody> </table>		2022/ 2023 £M	2023/ 2024 £M	2024/ 2025 £M	2025/ 2026 £M	2026/ 2027 £M	2027/ 2028 £M	Total £M	Actual 2022/23 /Latest Programme	98.82	178.76	139.93	106.89	103.43	31.42	659.23	Previous Programme	150.81	179.54	119.13	70.97	109.37	31.42	661.24	Variance	(51.99)	(0.79)	20.80	35.92	(5.95)	0.00	(2.01)
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Variance	(51.99)	(0.79)	20.80	35.92	(5.95)	0.00	(2.01)																										
11.	Annex 2.2 provides details of the revised budget by individual scheme and use of resources by each programme up to 2027/28.																																
	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 in the tables in annex 2.3 are those reported to Council as part of the February 2023 Annual Treasury Management Strategy and Prudential Limits report.																																
<u>SUPPORTING DOCUMENTATION</u>																																	
Annexes																																	
1.	GF & HRA Major Variance Explanations																																
2.	GF & HRA Scheme Budgets and Use of Resources for 2022/23 to 2027/28																																
3.	Capital Prudential Indicators 2022/23																																