

**Capital Outturn 2019/20****1.0 Overview**

1.1 The total capital outturn was £432.324m. This is £(203.835)m below the planned expenditure of £636.159m as follows:

	<b>£m Previous Quarter 3</b>	<b>£m Qtr 4 Movements</b>	<b>£m Annual Total</b>
<b>2019/20 Original Budget</b>	<b>631.505</b>		<b>631.505</b>
Change in budget	4.654	0.000	4.654
<b>2019/20 Revised Budget</b>	<b>636.159</b>	<b>0.000</b>	<b>636.159</b>
Less: Cumulative Slippage	(134.687)	(80.389)	(215.076)
Less: Forecast/actual (under) / overspends	1.029	10.212	11.241
<b>Equals: Outturn</b>	<b>502.501</b>	<b>(70.176)</b>	<b>432.324</b>

1.2 The City Council's capital monitoring analyses budget variations between:

- (1) Changes in the timing of budgeted expenditure, where the expenditure is still required but takes place later than planned (slippage) or earlier than planned (acceleration); and
- (2) Underspends or overspends, which represent a decrease or increase in the total capital cost of a project (which may be over several years).

Slippage of £(134.687)m and an overspend of £1.029m were reported previously at Quarters 2 & 3. Further slippage of £(80.389)m and a further net overspend of £10.212m are now being reported at outturn 2019/20.

It is important to note that no resources will be lost as a result of the slippage. The resources and planned expenditure will be "rolled forward" into future years.

**2. Reasons for variations**

2.1 Annex 1 summarises actual capital expenditure for 2019/20 by Directorate. It also shows the further variations against the final budget over and above what has been reported previously.

Annex 2 provides details of the budget changes between Quarter 3 and Outturn and also describes the reasons for major variations, by Directorate.

#### 4. Financing of Capital Expenditure

- 4.1 The proposed financing arrangements in respect of City Council capital expenditure in 2018/19 of £432.324m are summarised below:

<b>Financing method</b>	<b>£m</b>
Borrowing	97.305
Government Grants	193.227
Capital Receipts	61.510
Other Grants and Contributions	10.096
HRA use of Revenue Resources (incl. MRR)	58.989
Use of Revenue Resources	11.197
<b>Total financing</b>	<b>432.324</b>

- 4.2 The Budget 2019+ included a strategy to maximise the availability of capital receipts to fund equal pay liabilities, and to use the Government's capital receipts flexibility to meet the cost of eligible projects generating revenue savings in later years. Accordingly, borrowing where possible has been used to finance the outturn capital programme in place of capital receipts, in order to make receipts available for equal pay and the capital receipts flexibility.
- 4.3 Actual prudential borrowing of £97.305m is less than the £268.251m originally planned in the Financial Plan 2019-2023. This is due largely to slippage in the capital programme described above in relation to projects funded from prudential borrowing. Monitoring of the full prudential indicators at outturn is set out in Annex 5 to the Treasury Management annual report (Appendix C)

## Capital Outturn as at 31st March 2020

## Capital Expenditure 2019/20 by Directorate

	(a) 2019/20 Quarter 3 Approved Budget	(b) New Schemes & Resources	(c) 2019/20 Quarter 4 Revised Budget (a+b)	(d) Previously Reported Variation	(e) Further Variation Quarter 4	2019/20 Outturn  (c+d+e)
	£m	£m	£m	£m	£m	£m
<b>Adult Social Care</b>	<b>12.029</b>	<b>0.000</b>	<b>12.029</b>	<b>2.308</b>	<b>2.337</b>	<b>16.674</b>
<b>Education &amp; Skills</b>	<b>74.971</b>	<b>0.000</b>	<b>74.971</b>	<b>(8.148)</b>	<b>7.709</b>	<b>74.532</b>
<b>Neighbourhoods</b>						
Neighbourhood Other	36.037	0.000	36.037	(22.000)	(1.057)	<b>12.980</b>
Housing Revenue Account	114.721	0.000	114.721	(9.289)	1.108	<b>106.540</b>
<b>Total Neighbourhoods Directorate</b>	<b>150.758</b>	<b>0.000</b>	<b>150.758</b>	<b>(31.289)</b>	<b>0.051</b>	<b>119.520</b>
<b>Inclusive Growth</b>						
Planning & Development	58.882	0.000	58.882	(14.093)	(10.467)	<b>34.322</b>
Transportation	97.294	0.000	97.294	(65.520)	(5.295)	<b>26.479</b>
Highways	3.912	0.000	3.912	(2.271)	0.468	<b>2.109</b>
Housing Development	0.085	0.000	0.085	0.000	(0.085)	<b>0.000</b>
Property Services	10.155	0.000	10.155	(1.873)	(0.128)	<b>8.154</b>
<b>Total Inclusive Growth Directorate</b>	<b>170.328</b>	<b>0.000</b>	<b>170.328</b>	<b>(83.757)</b>	<b>(15.507)</b>	<b>71.064</b>
<b>Finance &amp; Governance</b>	<b>33.761</b>	<b>0.000</b>	<b>33.761</b>	<b>(2.384)</b>	<b>(4.179)</b>	<b>27.198</b>
<b>Digital &amp; Customer Services</b>	<b>13.640</b>	<b>0.000</b>	<b>13.640</b>	<b>(6.363)</b>	<b>(2.054)</b>	<b>5.223</b>
<b>Commonwealth Games</b>	<b>179.922</b>	<b>0.000</b>	<b>179.922</b>	<b>(4.025)</b>	<b>(58.534)</b>	<b>117.363</b>
<b>Assistant Chief Executive</b>	<b>0.750</b>	<b>0.000</b>	<b>0.750</b>	<b>0.000</b>	<b>0.000</b>	<b>0.750</b>
	<b>636.159</b>	<b>0.000</b>	<b>636.159</b>	<b>(133.658)</b>	<b>(70.177)</b>	<b>432.324</b>

