

Capital Outturn 2015/16**1.0 Overview**

1.1 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).

1.2 The total capital outturn was £458.001m. This is £(105.052)m below the planned expenditure of £563.053m.

| | £m Previous Quarter 3 | £m Qtr 4 Movements | £m Annual Total |
|--|--------------------------------------|-----------------------------------|--------------------------------|
| 2015/16 Original Budget | 487.498 | | 487.498 |
| Change in budget | 10.562 | 64.993 | 75.555 |
| 2015/16 Revised Budget | 498.060 | 64.993 | 563.053 |
| Less: Cumulative Slippage | (51.337) | (62.150) | (113.487) |
| Less: Forecast/actual (under) / overspends | 377 | 8.059 | 8.436 |
| Equals: Outturn | 447.100 | 10.902 | 458.001 |

Slippage of £(51.337)m and an overspend of £0.377m were reported previously at Quarters 2 & 3. Further slippage of £(62.150)m and a net overspend of £8.059m are now being reported at outturn 2015/16.

This reflects a lower level of slippage in expenditure than in recent years. 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 2015/16 by Directorate. It also shows the further variations against the final budget in addition to that reported previously.

Annex 2 describes the reasons for major variations in Quarter 4, by Directorate.

Annex 3 provides a full listing of the Capital Expenditure Programme outturn 2015/16.

3. Financing of Capital Expenditure

- 3.1 The proposed financing arrangements in respect of City Council capital expenditure in 2015/16 of £458.001m are summarised below:

| Financing method | £m |
|--|----------------|
| Borrowing (not supported by Government) | 209.050 |
| Government Grants | 138.601 |
| HRA use of Capital Receipts | 22.163 |
| Other Grants and Contributions | 13.837 |
| HRA use of Revenue Resources (incl. MRR) | 67.898 |
| Use of Revenue Resources | 6.452 |
| Total financing | 458.001 |

- 3.2 In accordance with the equal pay funding strategy included in the Budget 2016+, the availability of capital receipts and revenue resources for Equal Pay funding has been maximised by the use of prudential borrowing in 2015/16 to fund capital expenditure.
- 3.3 Actual prudential borrowing of £209.1m is less than the £279.7m originally planned in the Council Business Plan and Budget 2015+. 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 6 to the Treasury Management annual report (Appendix 3).

| | | | | | | | | |
|--|-----------|-----------|-----------|------------|-----------|------------|-----------|---------|
| Capital Monitoring as at 31st March 2016 | | | | | | | | Annex 1 |
| Capital Expenditure 2015/16 by Directorate | | | | | | | | |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | |
| | 2015/16 | New | 2015/16 | Previously | Further | Previously | Over/ | 2015/16 |
| | Quarter 3 | Schemes | Quarter 4 | Reported | Slippage | Reported | (under) | Outturn |
| | Approved | & | Revised | Slippage | Quarter 4 | Over/ | spend | |
| | Budget | Resources | Budget | | | (under) | Quarter 4 | |
| | | | (a+b) | | | spend | | (e+f+g) |
| | | | | | | | | |
| | £'000's | £'000's | £'000's | £'000's | £'000's | £'000's | £'000's | £'000's |
| People | | | | | | | | |
| Adults & Communities | 11,842 | 0 | 11,842 | (5,790) | (897) | 0 | 130 | 5,285 |
| Children, Young People & Families | 91,025 | 0 | 91,025 | (13,230) | (3,395) | 0 | 5,347 | 79,747 |
| Place | | | | | | | | |
| Non Housing Services | 44,217 | 0 | 44,217 | (11,288) | (3,448) | (2,703) | (909) | 25,869 |
| Highways | 5,438 | 0 | 5,438 | (1,335) | (465) | 0 | 127 | 3,765 |
| Housing Revenue Account | 97,457 | 0 | 97,457 | (3,346) | (1,280) | 5,394 | 2,278 | 100,503 |
| Housing Private Sector | 12,813 | 0 | 12,813 | (7,615) | (254) | (88) | (17) | 4,839 |
| Economy | | | | | | | | |
| Corporate Resources | 62,764 | 11,493 | 74,257 | (13,241) | (16,416) | (2,240) | 2,831 | 45,191 |
| Planning & Regeneration | 58,261 | 0 | 58,261 | 8,790 | (17,868) | 13 | (3,663) | 45,533 |
| Transportation | 106,961 | 53,500 | 160,461 | (4,282) | (13,834) | 0 | 1,631 | 143,976 |
| Employment Services | 0 | 0 | 0 | 0 | 0 | 0 | 172 | 172 |
| Culture & Commissioning | 7,282 | 0 | 7,282 | 0 | (4,293) | 0 | 132 | 3,121 |
| | | | | | | | | |
| | 498,060 | 64,993 | 563,053 | (51,337) | (62,150) | 376 | 8,059 | 458,001 |

