

Capital Outturn 2018/19**1.0 Overview**

- 1.1 The total capital outturn was £344.679m. This is £(179.608)m below the planned expenditure of £524.287m as follows:

	£m Previous Quarter 3	£m Qtr 4 Movements	£m Annual Total
2018/19 Original Budget	476.882		476.882
Change in budget	28.923	18.482	47.405
2018/19 Revised Budget	505.805	18.482	524.287
Less: Cumulative Slippage	(116.510)	(101.039)	(217.549)
Less: Forecast/actual (under) / overspends	27.481	10.460	37.941
Equals: Outturn	416.776	(72.097)	344.679

- 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 £(116.510)m and an overspend of £27.481m were reported previously at Quarters 2 & 3. Further slippage of £(101.039)m and a net overspend of £10.460m are now being reported at outturn 2018/19.

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 2018/19 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 £344.679m are summarised below:

Financing method	£m
Borrowing	76.473
Government Grants	139.166
Capital Receipts	57.835
Other Grants and Contributions	3.291
HRA use of Revenue Resources (incl. MRR)	55.614
Use of Revenue Resources	12.300
Total financing	344.679

- 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 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 £76.473m is less than the £115.133m originally planned in the City Council Business Plan and Budget 2018+. 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 Monitoring as at 31st March 2019						
Capital Expenditure 2018/19 by Directorate						
	(a)	(b)	(c)	(d)	(e)	
	2018/19	New	2018/19	Previously	Further	2018/19
	Quarter 3	Schemes	Quarter 4	Reported	Variation	Outturn
	Approved	&	Revised	Variation	Quarter 4	
	Budget	Resources	Budget			
			(a+b)			(e+f+g)
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Adult Social Care & Health	7,514	0	7,514	(170)	2,282	9,626
Children, Young People & Families	40,596	2,500	43,096	8,700	13,196	64,992
Place Directorate						
Non Housing Services	30,719	3,792	34,511	(4,218)	(4,990)	25,303
Housing Revenue Account	137,749	0	137,749	(29,208)	10	108,551
Total Place Directorate	168,468	3,792	172,260	(33,426)	(4,980)	133,854
Economy Directorate						
Planning & Regeneration	57,195	11,660	68,855	(20,914)	(23,184)	24,757
Transportation	54,875	(48)	54,827	(21,092)	188	33,923
Highways	4,067	78	4,145	(2,485)	604	2,264
Employment & Skills	5,653	0	5,653	0	2,033	7,686
Birmingham Property Services	1,592	500	2,092	0	(1,441)	651
Total Economy Directorate	123,382	12,190	135,572	(44,491)	(21,800)	69,281
Finance & Governance Directorate	157,112	0	157,112	(14,013)	(78,380)	64,719
Strategic Services Directorate	8,733	0	8,733	(5,625)	(901)	2,207
	505,805	18,482	524,287	(89,025)	(90,583)	344,679

