

KEY DECISION: YES/NO

### CAPITAL BUDGET OUTTURN 2020/21

#### SUMMARY AND RECOMMENDATIONS:

##### SUMMARY:

This report sets out the capital outturn position for 2020/21.

##### RECOMMENDATION:

Cabinet is recommended to:

- i) Note the capital outturn position, as set out in Table 1 and Appendix A.
- ii) Approve the budget slippage/pre-spend to/from 2021/22

## 1 INTRODUCTION

- 1.1 Capital draft outturn report FIN2111 was taken to Cabinet on 6 July 2021. This report informs members of the final capital outturn position for 2020/21.

## 2 OUTTURN POSITION

- 2.1 The capital outturn is broadly in-line with previously reports issued to members in April and July 2021. As shown in the table below, the outturn on the capital programme is £22.257m, with slippage of £2.176m. This compares with £21.479m and slippage of £2.256m previously reported.

Table 1: Capital programme outturn 2020/21

Portfolio	2020/21 Total Approved Budget (£'000)	2020/21 Outturn Forecast (£'000)	2020/21 Outturn Variance (£'000)	Slippage to/(from) 2021/22 (£'000)
Corporate and Democratic Services	86	11	(74)	74
Customer Experience and Improvement	38	38	0	0
Major Projects and Property	21,131	20,572	(560)	166
Operational Services	3,376	1,481	(1,895)	1,858
Planning and Economy	0	0	0	0
ICE Programme	233	155	(78)	78
<b>TOTAL Capital Programme</b>	<b>24,864</b>	<b>22,257</b>	<b>(2,607)</b>	<b>2,176</b>

### **3 RISK AND UNCERTAINTIES**

- 3.1 The most significant financial risk facing the Council is the impact of Covid-19 on the Council's 2021/22 budget and Medium-Term Financial Strategy.

### **4 LEGAL IMPLICATIONS**

- 4.1 No legal implications

### **5 FINANCE AND RECOURSE IMPLICATIONS**

- 5.1 The capital programme is a significant undertaking. Variation in the capital programme influences interest cost of borrowing and Minimum Revenue Provision cost in the year in which budget is allocated.

### **6 CONCLUSIONS**

- 6.1 The Capital Programme Outturn for 2020/21 of £22.257m represents an underspend of £2.607m against the approved budget. Slippage of £2.176m is required to enable key capital schemes to be delivered in 2021/22.

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**CAPITAL PROGRAMME MONITORING SUMMARY 2020/21**

Expenditure	REVISED BUDGET 2020/21	ADDITIONAL BUDGET APPROVALS 2020/21	TOTAL APPROVED BUDGET 2020/21	ACTUAL AS AT 30.03.2021	COMMITMENTS AS AT 30.03.2021	ACTUALS PLUS COMMITMENTS	VARIANCE	FORECAST SPEND 2020/21	FORECAST SPEND LESS APPROVED BUDGET	SLIPPAGE TO 2021/22
PORTFOLIO	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
MAJOR PROJECTS AND PROPERTY	21,131	0	21,131	20,572	0	20,572	(559)	20,572	(560)	166
CORPORATE AND DEMOCRATIC SERVICES	86	0	86	11	0	11	(75)	11	(74)	74
CUSTOMER EXPERIENCE AND IMPROVEMENT	38	0	38	38	0	38	0	38	0	0
OPERATIONAL SERVICES	3,233	143	3,376	1,481	0	1,481	(1,895)	1,481	(1,895)	1,858
PLANNING AND ECONOMY	0	0	0	0	0	0	0	0	0	0
ICE PROGRAMME	233	0	233	155	0	155	(78)	155	(78)	78
<b>TOTAL</b>	<b>24,721</b>	<b>143</b>	<b>24,864</b>	<b>22,257</b>	<b>0</b>	<b>22,257</b>	<b>(2,607)</b>	<b>22,257</b>	<b>(2,607)</b>	<b>2,176</b>

**Variations to Programme Approved 2020/21**

	Approved By	Date	£
Revised Budget 2019/20 - Various Projects	Full Council	25.02.21	24,720,557
IMPROVEMENT GRANTS - Disabled Facilities Grants (Mandato Cabinet)		20.04.21	142800

Total Approved Budget 24,863,357

S106 and Grants & Contributions	REVISED BUDGET 2020/21	ADDITIONAL BUDGET APPROVALS 2020/21	TOTAL APPROVED BUDGET 2020/21	FORECAST S106 AND GRANTS & CONT'S AS AT 30.03.2021	VARIANCE
PORTFOLIO	£'000	£'000	£'000	£'000	£'000
MAJOR PROJECTS AND PROPERTY	(1,560)	0	(1,560)	(1,097)	463
CORPORATE AND DEMOCRATIC SERVICES	0	0	0	0	0
CUSTOMER EXPERIENCE AND IMPROVEMENT	0	0	0	0	0
OPERATIONAL SERVICES	(2,635)	(143)	(2,778)	(1,331)	1,447
PLANNING AND ECONOMY	0	0	0	0	0
ICE PROGRAMME	0	0	0	0	0
<b>TOTAL</b>	<b>(4,195)</b>	<b>(143)</b>	<b>(4,338)</b>	<b>(2,428)</b>	<b>1,910</b>



## APPENDIX B

**Over/Underspends, slippage and material variances in relation to schemes financed by grants/contributions.**

1 The significant over/(under) spend variations to date are as follows:

Scheme	Explanation	Over / (Under) Spend £000s
<b>MAJOR PROJECTS AND PROPERTY</b>		
<b>36-62 UNION STREET</b> Site assembly	Site assembly is completed within budget	<b>(44)</b>
<b>INVESTMENT PROPERTIES</b> Voyager House Fit Out	Project substantially completed within budget. Small amount of expenditure still to be incurred in 2021/22.	<b>(437)</b>
<b>CORPORATE AND DEMOCRATIC SERVICES</b>		
<b>No variances</b>		
<b>CUSTOMER EXPERIENCE AND IMPROVEMENT</b>		
<b>No variances</b>		
<b>OPERATIONAL SERVICES</b>		
<b>IMPROVEMENT GRANT</b> Housing Renewal Grant	Reduction in spend is due to COVID restrictions	<b>(37)</b>
<b>PARKS AND OPEN SPACES</b> Moor Road Recreation Ground Development	Unanticipated overspend of project.	<b>18</b>
<b>PLANNING AND ECONOMY</b>		
<b>No variances</b>		
<b>ICE PROGRAMME</b>		
<b>No variances</b>		

- 2 The major areas of slippage/(Pre-spend) identified to date which are included within the (Appendix A) net slippage of £2.176m against the approved revised Capital Programme are provided in the table that follows:

Scheme	Explanation	Slippage /(Pre-spend) to 2019/20 £000s
<b>MAJOR PROJECTS AND PROPERTY</b>		
<b>INVESTMENT PROPERTIES</b> Frimley4 Unit 4.3 Enhancement	No expenditure expected during 2020/21 as project delayed	<b>117</b>
<b>INVESTMENT PROPERTIES</b> Frimley4 Unit 4.4 Enhancement	No expenditure expected during 2020/21 as project delayed	<b>107</b>
<b>INVESTMENT PROPERTIES</b> Voyager House Fit Out	Project substantially completed within budget. Small amount of expenditure still to be incurred in 2021/22	<b>100</b>
<b>REGENERATION</b> Union Street East	Spending aligned with anticipated demolition and site remediation costs	<b>(131)</b>
<b>REGENERATION</b> Housing PRS Delivery	Spending aligned with anticipated costs	<b>(27)</b>
<b>CUSTOMER EXPERIENCE AND IMPROVEMENT</b>		
<b>No budget slippage</b>		
<b>OPERATIONAL SERVICES</b>		
<b>IMPROVEMENT GRANT</b> Disabled Facilities Grant	Slippage due to COVID and VIVID not allowing works	<b>553</b>
<b>KING GEORGE V</b> Café Conversions	Project has been delayed	<b>50</b>
<b>PARKS AND OPEN SPACES</b> Southwood Golf Course SANG initial set up	Project has been delayed and budget required to support in 2021/22	<b>129</b>
<b>PARKS AND OPEN SPACES</b> Southwood Golf Course SANG Wetland	Project has been delayed and budget required to support in 2021/22	<b>30</b>
<b>PARKS AND OPEN SPACES</b> Park Improvements	Project part completed in 2020-21 with projects ongoing and funding required in 2021/22	<b>45</b>

<b>PLAYGROUNDS</b> Blunden Road Recreational Ground	Project not completed in 20/21. Works planned for 2021/22	<b>104</b>
<b>CREMATORIUM</b> Replacement Cremators	Project not completed in 20/21. Works planned for 2021/22	<b>949</b>
<b>CORPORATE AND DEMOCRATIC SERVICES</b>		
<b>FLEXIBLE USE OF CAPITAL RECEIPTS</b>	Remaining balance slipped to 2021/22	<b>75</b>
<b>PLANNING AND ECONOMY</b>		
<b>No budget slippage</b>		
<b>ICE PROGRAMME</b>		
<b>Modernising Corporate and Service Systems</b>	There are some outstanding upgrades (regulatory services) and some more mobile working hardware	<b>38</b>
<b>CRM System</b>	Project has been delayed	<b>10</b>
<b>Flexible &amp; Mobile Working</b>	Project has been delayed	<b>30</b>

- 3 The material variances in relation to schemes financed by grants/contributions are as follows:

Scheme	Explanation	Grant funding £000s
<b>MAJOR PROJECTS AND PROPERTY</b>		
<b>INVESTMENT PROPERTIES</b> Voyager House Purchase	Purchase completed in 2019/20. Contribution linked to Voyager House Fit Out that is substantial complete in 2019/20, with small expenditure is outstanding, therefore funding is to slip accordingly.	<b>422</b>
<b>REGENERATION</b> The Games HUB	Project cost	<b>42</b>
<b>OPERATIONAL SERVICES</b>		
<b>IMPROVEMENT GRANT</b> <b>Disabled Facilities Grant</b>	Referrals equivalent to the 2020/21 budget are expected to be agreed but not necessarily paid out and therefore the funding is to slip accordingly.	<b>553</b>
<b>PARKS AND OPEN SPACES</b> <b>Moor Road Recreation Ground Development</b>	Unanticipated overspend of project funded from S106 contributions	<b>(18)</b>
<b>PARKS AND OPEN SPACES</b> Park Improvements	Project part completed in 2020-21 with projects ongoing and funding required in 2021/22	<b>45</b>
<b>PARKS AND OPEN SPACES</b> Southwood Golf Course SANG initial set up	S106 funding linked to the setup of SANG. Works are still in progress.	<b>422</b>