

KEY DECISION: YES/NO

CAPITAL PROGRAMME OUTTURN 2019/20

SUMMARY AND RECOMMENDATIONS:

SUMMARY:

This report sets out the provisional outturn position on the General Fund Capital Programme for the 2019/20 financial year (subject to audit).

RECOMMENDATIONS:

Members are requested to:

- i) Note the draft Capital Programme outturn position for 2019/20.
- ii) Approve the slippage £4.188m from 2019/20 to 2020/21

1 INTRODUCTION

- 1.1 This report sets out the Capital Programme outturn position for the 2019/20 financial year and provide members with an overview of the performance and any material variations to budgets, highlighting key issues and actions taken if required.
- 1.2 Due to the complexity of some of the issues highlighted within the report and volume of information, it would be helpful where members have questions on matters of detail if they could be referred to the report author or the appropriate Head of Service before the meeting.

2 CAPITAL PROGRAMME OUTTURN

- 2.1 The Council approved the revised Capital Programme of £50.628m at its meeting on 20 February 2020.
- 2.2 The Capital Outturn is summarised in Table 1 below

Table 1: Capital Programme Summary

	(£'000)
Total approved budget for the year 2019/20	50,628
Plus: Additional budget approvals made for the year 2019/20	96
Final approved budget for 2019/20	50,714
Actual capital expenditure for the year	46,156
Net variance (against approved budget)	4,458
Slippage/(Pre-spend) to 2020/21	4,188

- 2.3 The 2019/20 Capital Programme included the following significant projects:
- Commercial Properties
 - Aldershot Town Centre Regeneration
 - Enhancement of Operational Assets
 - Improvement Grants (e.g. Disabled Facilities Grants)
- 2.4 A summary of the Capital Programme outturn is shown in Table 2. The main variation within the capital programme is largely due to timing differences on Commercial Properties (£1.918m), Union Street Aldershot (£0.415m), and Housing Matters (£0.713m). A number of variations were identified in the Q3 Capital Programme monitoring report to Cabinet (April 2020). This report only provides commentary on the significant year-end variations.
- 2.5 In most cases, the underspend on these significant schemes is treated as slippage from 2019/20 to 2020/21. The major variations are summarised below.
- **Commercial Properties – Voyager House:** £1.9m slippage from 2019/20 to 2020/21. As reported in the Q3 Capital Programme monitoring report, there was a delayed start to site works. The project is expected to be completed in Q2/Q3 2020.
 - **Union Street, Aldershot:** £0.415m slippage from 2019/20 to 2020/21 owing to additional time required to complete the final elements of site assembly. As reported to Cabinet in the Quarterly Performance report in August 2020, the Council continues to make good progress towards the completion of site assembly and has now secured all freehold interests following the acquisition of 51 High Street. It is anticipated that vacant possession of all remaining interests will be resolved in Q2 2020. Due diligence work has begun in relation how the Council will deliver the permitted scheme, considering viability, funding options and procurement routes and is aiming to have concluded this work in Q3 2020.
 - **Housing Matters:** £0.713m slippage from 2019/20 to 2020/21. As reported to members in the Q3 Capital Programme monitoring report, the Housing Company was not established until April 2020 following formal

incorporation. For reference, Council approved the Housing Company's Business Plan in February 2020.

- 2.6 Variations and slippage concerning the following schemes were reported to members in the Q3 Capital Monitoring report to Cabinet in April 2020. There have not been any. Further material variations on these schemes, with the narrative and commentary provided in April 2020 explaining the position on each scheme ([link](#)):
- Customer Experience & Improvement: Computer Systems: (£37k slippage)
 - Major Projects & Property: Aldershot Town Centre Projects (£57k slippage), Civic Quarter Farnborough (£128k slippage), Property Enhancements (£72k slippage)
 - Operational Services: Depots (£34k slippage), Improvement Grants (£100k slippage), Moor Road Redevelopment (£247k slippage), Parks and Open Spaces (£236k slippage)
- 2.7 The Capital Programme is a significant undertaking for the Council in terms of magnitude and complexity. The scale of the projected slippage into 2020/21 and variation in programme highlights the need for close monitoring and clear project management across the whole Council.

Table 2: Capital Programme Outturn 2019/20

Portfolio and Capital Scheme	2019/20 Revised Budget (£'000)	2019/20 Outturn (£'000)	2019/20 Outturn Variation (£'000)	2019/20 Slippage (£'000)
Corporate And Democratic Services				
Farnborough International (Service Loan)	1,100	1,100	0	0
Felxible Capital Receipts	187	102	(86)	86
Subtotal Corporate & Democratic Services	1,287	1,202	(86)	86
Customer Experience & Improvement				
Computer Systems	93	49	(44)	37
Council Offices	94	106	12	0
Subtotal Customer Experience & Improvement	186	154	(32)	37
Major Projects & Property				
Aldershot Town Centre Projects	1,941	1,884	(57)	57
Civic Quarter Farnborough	5,655	5,527	(128)	128
Commercial Properties	36,030	34,112	(1,918)	1,898
Housing Matters	730	17	(713)	713
Other	0	19	19	0
Property Enhancements	72	0	(72)	72
Union Street Aldershot	1,377	962	(415)	415
Subtotal Major Projects & Property	45,804	42,520	(3,284)	3,284
Operational Services				
Aldershot Pools Complex	40	0	(40)	0
Alpine Snowsports	75	71	(5)	0
Beaumont Community Park	16	0	(16)	0
Car Parks	272	19	(252)	0
Cemeteries	21	0	(21)	0
Crematorium	40	40	0	0
Cycleway Works	23	0	(23)	0
Depots	107	76	(31)	34
Farnborough Leisure Centre	30	0	(30)	0
Improvement Grants	1,264	1,143	(121)	101
Moor Road Redevelopment	470	223	(247)	247
Other	0	21	21	0
Parks And Open Spaces	570	334	(236)	236
Refuse/Recycling	83	100	17	0
Southwood Community Centre	20	0	(20)	20
Street Cleansing	14	11	(3)	0
Subtotal Operational Services	3,045	2,037	(1,008)	637
Planning & Economy				
Affordable Homes Grant	100	100	0	0
Princes Hall	120	115	(5)	0
Subtotal Planning & Economy	220	215	(5)	0
ICE Programme	171	27	(144)	144
Total Capital Programme	50,714	46,156	(4,558)	4,188

3 CONCLUSIONS

- 3.1 The Capital Programme Outturn for 2019/20 of £46.156m represents and underspend of £4.558m against the approved budget. Slippage of £4.188m is required to enable key capital schemes to be delivered in 2020/21.

CONTACT DETAILS:

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