

Cabinet

21 June 2017



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| Title | 2016/17 Provisional Capital Outturn Report | | |
| Purpose of the report | To note | | |
| Report Author | Adrian Flynn | | |
| Cabinet Member | Councillor Howard Williams | Confidential | No |
| Corporate Priority | Financial Sustainability | | |
| Recommendations | The Cabinet are asked to note the provisional capital outturn spend for 2016/17 | | |
| Reason for Recommendation | Not applicable | | |

1. Key issues

- 1.1 Due to rescheduling of some schemes to 2017/18, there will be an under spend for the 2016/17 financial year of £95.336m. (18.4%).
- 1.2 The majority of the under spend relates to the acquisition of assets project. This project is depended on the availability of suitable properties to purchase and the length of time it can take to complete property transactions.
- 1.3 A large proportion of this underspend will be addressed in the form of carry forwards to 2017/18.

Details of Variances

- 1.4 Attached as appendix A &B is the provisional level of spend as at the 31st March of £421.615m against the revised budget.

Attached as appendix C is the list of £94.858m worth of carry forwards that MAT have agreed.

Transactions involving all the projects are reviewed on a regular basis throughout the year to ensure that they meet the definition of capital expenditure as laid down by our external auditors KPMG and accounting standards. Any transaction that fails to meet the capital expenditure definition will be transferred to revenue.

The following projects are worth noting with respect to variances from the original planned programme.

- 1.5 Acquisition of Assets: Following the successfully acquisition of the BP International Campus, the Council is continuing to pursue opportunities to acquire low risk Income generating assets. Such opportunities take time to find and complete, with the balance of £94.5m not able to be applied in 2016/17, but will be carried forward to support continuation of the programme of Acquisitions.
- 1.6 CCTV Enhancement: The project has been delayed as a result of no tenders originally being received but an agreement is now in place with at least one housing association maybe two to install the aerials, resulting in a carry forward being requested.
- 1.7 Plot 12 & 13, Towpath Car Park: This project is no longer going ahead, but a carry forward is requested to cover the cost of fencing.
- 1.8 Virtual Desk top Infrastructure (VDI): The basic set up is complete and a trial will take place and if successful will be rolled out across the organisation. A carry forward is requested.
- 2. Options analysis and proposal**
- 2.1 The Cabinet are asked to note the provisional capital outturn position.
- 3. Financial implications**
- 3.1 Any underspend on the approved Capital Programme enables the Council to invest the monies to gain additional investment income or can be used to fund additional schemes identified.
- 4. Other considerations**
- 4.1 Schemes which are currently incomplete and require a budget carry forward may have contractual obligations which could leave us liable to litigation if they are not allocated the funds to complete the works.
- 5. Timetable for implementation**
- 5.1 Monthly position statements are provided to MAT as an update on the current spends to date position.
- 5.2 All heads of service with capital schemes are provided monthly with system reports which enable them to investigate spend in order to identify any spend which doesn't relate to the scheme.
- 5.3 Quarterly reports with officer comments are provided to Cabinet and Overview and Scrutiny committee for investigation and comments.

Background papers:None

Appendices: A,B & C