

Cabinet

20 June 2018



Title	2017/18 Provisional Capital Outturn Report		
Purpose of the report	To note		
Report Author	Laurence Woolven, Chief Accountant		
Cabinet Member	Councillor Howard Williams	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	The Cabinet are asked to: a) note the provisional capital outturn spend for 2017/18 b) approve the capital carry forward of £21,564,170		
Reason for Recommendation	Not applicable		

1. Key issues

- 1.1 Due to rescheduling of some schemes to 2018/19, there will be an under spend for the 2017/18 financial year of £233.47m.
- 1.2 The majority of the under spend (£224.64m) 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 the overall underspend will be addressed in the form of carry forwards to 2018/19.

Details of Variances

- 1.4 Attached as appendix A & B is the provisional level of spend as at the 31st March of £272.45m against the revised budget.

Attached as appendix C is the list of £21.56m 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 successful acquisition of the HG12, WBC 4 and 3 Roundwood Avenue, 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 £224.64m being carried forward to support continuation of the programme of Acquisitions. £203.50m has previously been agreed to be moved to the 2018/19 capital programme, the remaining £21.14m forms part of the requested carry forward figure at appendix C.
 - 1.6 Replace Council Accommodation: This project has been stopped as the Council are no longer looking at relocating, resulting in an underspend of £7.00m. The Council is now progressing with renovating and altering the offices (Project Lima) and the 2018/19 capital programme contains £885k to fund this project.
- 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 group heads 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