

Overview and Scrutiny Committee

9 July 2019



Title	2018/19 Provisional Capital Outturn Report		
Purpose of the report	To note		
Report Author	Laurence Woolven, Chief Accountant		
Cabinet Member	Councillor Tony Harman	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	The Committee is asked to: a) note the provisional capital outturn spend for 2018/19 b) note the capital carry forward of £17,474,900		
Reason for Recommendation	Not applicable		

1. Key issues

- 1.1 There will be an under spend for the 2018/19 financial year of £473.68m.
- 1.2 The majority of the under spend (£444.18m) relates to the acquisition of assets project. The remaining £29.5m primarily relates to Housing Development schemes.
- 1.3 £17.5m was agreed by Cabinet on 19 June 2019 to be carried forward to 2019/20.

Details of Variances

- 1.4 Attached as Appendix A & B is the provisional level of spend as at the 31st March of £381.1m against the revised budget.

Attached as Appendix C is the list of £17.5m worth of carry forwards that MAT have agreed, of this £16.2m relates to Ashford Hospital with the remaining £1.3m from various other capital schemes.

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 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: Successful acquisitions of Communications House, Thames Tower, Charter Building and Porter Building were completed during 2018/19. The Council is now focusing on Housing development and the underspend is therefore not being carried forward.
- 1.6 Ashford hospital: This project was agreed late in 2018/19 and the £16.2m budget has been carried forward.
- 2. Options analysis and proposal**
- 2.1 The Overview and Scrutiny Committee is 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