

# Cabinet

15 July 2020



<b>Title</b>	2019/20 Provisional Capital Outturn Report		
<b>Purpose of the report</b>	To note		
<b>Report Author</b>	Laurence Woolven, Chief Accountant		
<b>Cabinet Member</b>	Councillor S. Buttar	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	The Cabinet are asked to: a) note the provisional capital outturn spend for 2019/20 b) approve the capital carry forward of £76,525,900		
<b>Reason for Recommendation</b>	Not applicable		

## 1. Key issues

- 1.1 There will be an under spend for the 2019/20 financial year of £154.4m against the revised budget.
- 1.2 The majority of the under spend (£153.7m) relates to property development schemes. The remaining underspend primarily relates to Corporate ICT projects.
- 1.3 £76.5m is requested to be carried forward to 2020/21.

### Details of Variances

- 1.4 Attached as Appendix A & B is the provisional level of spend as at the 31<sup>st</sup> March of £75.6m against the revised budget.

Attached as Appendix C is the list of £76.5m worth of carry forwards that MAT have agreed, of this £74.6m relates to the development of Oast House with the remaining £0.9m 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.

## 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**