



2020/21 Quarter 3 Capital Monitoring Report as at 31 December 2020

**Cllr Hannah Golding - Cabinet Member for Finance and
Service Improvement**

Report to: Cabinet
Meeting date: 9 March 2021
Ward(s): All
Key Decision: Yes

Appendix 1: Latest Approved Capital Programme 2020/21 to 2023/24

Papers Relied On: Quarter 2 Capital Monitoring Report as at 30 September 2020

Foreword – Cabinet Member for Finance and Service Improvement

The delivery of the capital programme for 2020/21 has been affected by the Covid-19 pandemic and the associated restrictions that have been put in place. Schemes have been subject to delay because of supply chain issues, restrictions on working on site and the availability of labour resources. It is inevitable that there will be an underspend against the programme that was agreed by Council in October 2020 and that works will be slipped into the new financial year.

Slippages and delays have been taken into account in preparing the capital programme presented to Council in February 2021 for approval. Forecasts are based on the best available information about how and when the lockdown restrictions are lifted however it is not certain that all works will be able to progress as expected and this will be kept under review and dealt with in future monitoring reports.

Recommendations

Cabinet is recommended to note that:

- 1) That forecast capital expenditure for 2020/21, as at the end of quarter three is £36.952M as shown in section 3. This is £7.736M less or 17.31% below the latest agreed capital programme budget at that point;
- 2) The 2020/21 significant outturn variations and explanations for them are shown in section 4;
- 3) The addition of £0.361M to the programme since the last reported position in October 2020, under Council approval and delegated powers as shown in section 3 and Appendix 1;
- 4) The rephasing of £0.312M within the capital programme since the last reported position in October 2020, under delegated powers as detailed in section 3 and Appendix 1;
- 5) The quarter three forecasts and impact of scheme variances for 2020/21 on future year's capital expenditure was reported to Council in February 2021;
- 6) The latest forecast of capital receipts, grants and contributions for 2020/21 in section 5;
- 7) The risks associated with the capital forecasts are as detailed in section 7; and
- 8) The capital programme remains fully funded up to 2023/24 based on the latest forecast of available resources.

Background, corporate objectives and priorities

In accordance with the Council's Financial Procedure Rules, the Chief Financial Officer (CFO) has a responsibility to provide financial information and to report on the overall budget position of the council. To provide assurances that the Council's budgets are well managed and maintained, regular budget monitoring is undertaken with variances and required actions reported.

The capital programme is reviewed in a quarterly basis in accordance with the Council's Capital Strategy. The forecast position is reported to each meeting of the Capital Programme Board with a quarterly update reported to Cabinet and Council for approval if required. This is required to enable capital schemes in the programme to proceed and approve additions and changes to the programme.

This report provides the forecast 2020/21 outturn position for capital spend as at 31 December 2020. The forecasts and explanations have been discussed and agreed with Executive Directors, Heads of Services and Project Managers in accordance with

the Council's Policy and Budget Framework and supports the development of an effective and efficient council.

Main considerations

1 Executive Summary

- 1.1 The purpose of this report is to inform Cabinet of changes in the capital programme for the period 2020/21 to 2023/24, highlighting changes in the programme since the last reported outturn position to Council on 15 October 2020.
- 1.2 This report also presents the forecast capital outturn position for 2020/21 and compares it with the latest agreed budget providing explanations for the significant variances.
- 1.3 The latest approved capital programme 2020/21 to 2023/24 is £69.110M, which is an increase of £0.361M compared to the previously reported programme of £68.749M. The approved changes are discussed in section 3.
- 1.4 The forecast capital expenditure for 2020/21, as at the end of quarter three, is £36.952M. This is £7.736M or 17.31% below the latest agreed budget at that point for the year of £44.688M.
- 1.5 It should be noted that Council approved a revised capital programme in February 2021, with the amended programme for 2020/21 being reduced to £36.952M allowing for the slippage of £7.736M into 2021/22 and future years.
- 1.6 The performance of the individual Portfolio programmes in 2020/21 is summarised in Table 2 in section 3. The revised full capital programme budgets for the duration of the MTFS period 2020/21 to 2023/24 is shown in section 6 and appendix 1.
- 1.7 The quarter three capital monitoring report highlights the delays that have been and are being experienced in delivering the 2020/21 capital programme outcomes as a result of Covid-19. This position is being monitored and reported to the Capital Programme Board throughout the year in addition to these quarterly reports.

2 Latest Approved Capital Programme 2020/21 to 2023/24

- 2.1 Table 1 shows a comparison of the overall latest capital programme for 2020/21 to 2023/24 compared to the previously reported programme to Council in October 2020 and shows an increase of £0.361M.

Table 1 – Latest Overall Capital Programme

	2020/21	2021/22	2022/23	2023/24	Total
	£M	£M	£M	£M	£M
Previous Programme October 2020	44.090	11.967	9.152	3.540	68.749
<u>Changes - Under Delegated Powers (Executive Director Corporate Services (S151 Officer):</u>					
<u>Refurbishment of Community Facilities (S106) -</u>					
Improvements to Whitchurch Town Hall	0.169	(0.069)	(0.100)	0.000	0.000
Sport & Recreation Improvements – Whitchurch *	0.017	(0.017)	0.000	0.000	0.000
Sport & Recreation Improvements – Oakley Cricket Club and Newfound Recreation Ground *	0.028	0.000	0.000	0.000	0.028
War Memorial Park Skate Park Pump Track *	0.047	0.000	0.000	0.000	0.047
Leisure Management Aquadrome and Tadley Pool	0.115	(0.115)	0.000	0.000	0.000
Green Initiatives – electric vehicle charging points	0.025	0.075	0.000	0.000	0.100
Green Initiatives - electric vehicle charging point at Wade Road Depot	0.011	(0.011)	0.000	0.000	0.000
Home Improvements Financial Assistance (Disabled Facilities Grants) *	0.186	0.000	0.000	0.000	0.186
Latest Approved Programme January 2021	44.688	11.830	9.052	3.540	69.110

* approved under delegated powers and reported to the Capital Programme Board at its meeting in January 2021. These items were included in the Capital Programme Update and Strategy Report for 2020/21 to 2024/25 as presented to Council in February 2021.

- 2.2 There have been a number of budget changes to the capital programme approved under delegated powers as set out in the table above.
- 2.3 In response to a request from Whitchurch Town Council to bring forward approved S106 money to progress improvement works to the town hall, a total of £0.169M was brought forward to 2020/21 from future years.
- 2.4 A budget provision of £0.017M was brought forward in respect of S106 funding for sport and recreation improvements in the Whitchurch area; this particular request was in respect of the provision of a power supply in advance of future works.
- 2.5 A total of £0.027M was approved for S106 funding, mainly in respect of facility improvement projects at Oakley Cricket Ground, with a minor element £0.001M towards new football goals at Newfound Recreation Ground.
- 2.6 Additional funding of £0.047M has been secured from British Cycling to match an element of the overall funding for the War Memorial Skate Park replacement, enabling an enhancement of the pump track element of the facility.
- 2.7 In respect of the lifecycle budget for the Aquadrome, £0.115M was brought forward into 2020/21 to meet certain repair and maintenance obligations.
- 2.8 A total of £0.100M was requested, using S106 funds, for the provision of electric vehicle charging points at a number of sites across the borough. £0.025M of this is required in 2020/21. These charging points will support the objectives in the Transport Strategy and will help to meet the targets in the

climate emergency declaration and the emerging Climate Change and Air Quality Strategy.

- 2.9 A sum of £0.011M was brought forward from the Green Initiatives capital budget to enable the installation of an electric vehicle charge point at the Wade Road Depot, enabling both the transition to electric vehicle and ensuring that operational availability of such vehicles is maintained
- 2.10 Additional grant allocations were awarded in respect of Disabled Facilities Grants (DFG) in December 2020, the council's share of which is £0.186M. This has been added to the Home Improvement Financial Assistance scheme budget.

3 Capital Programme Forecast 2020/21

- 3.1 The quarter three forecast for capital expenditure is summarised in Table 2 below and the capital programme spend continues to be largely funded from within the council's own resources.
- 3.2 Capital expenditure for the year is forecast to be £36.952M compared to the latest approved budget of £44.688M; this gives a variance of £7.736M or 17.31% of the capital programme. This is shown in the following table:

Table 2 – Q3 Capital Programme Summary 2020/21 as at 31 December 2020

Portfolio	2020/21 Budget Oct 2020	Approved Movement	2020/21 Latest Budget	2020/21 Forecast Outturn	2020/21 Forecast Variance
	£M	£M	£M	£M	£M
Borough Development and Improvement	4.030	0.160	4.190	3.581	(0.609)
Communities, Culture and Partnerships	2.241	0.169	2.410	1.270	(1.140)
Environment and Enforcement	1.485	0.036	1.521	0.564	(0.957)
Finance and Service Improvement	5.296	0.000	5.296	3.209	(2.087)
Homes and Families	2.142	0.186	2.328	1.306	(1.022)
Planning, Infrastructure and Natural Environment	1.253	0.047	1.300	1.148	(0.152)
Regeneration and Property	27.643	0.000	27.643	25.874	(1.769)
Total Capital Programme	44.090	0.598	44.688	36.952	(7.736)
Funded by:					
Revenue Reserves	6.711	0.126	6.837		
Usable Capital Receipts	19.522	0.000	19.522		
Section 106 Developers' Contributions	1.831	0.239	2.070		
Misc Grants and Contributions	4.926	0.233	5.159		
Internal Borrowing (Invest To Grow Fund)	8.900	0.000	8.900		
External Borrowing (M3 LEP)	2.200	0.000	2.200		
Total Financing	44.090	0.598	44.688		

- 3.3 A forecast variance of £7.736M, representing net slippage of £7.530M into 2021/22 and future years and estimated savings of £0.206M is anticipated (£2.367M forecast variance at quarter two). The portfolio and schemes to which these variances relate are shown in section 4.

- 3.4 Variances are monitored by the Capital Programme Board and a request was made to Council in February 2021 as part of the budget setting to rephase budgets into 2021/22 and future years and to report any savings on the approved programme. An explanation of the significant variances of over £0.020M by individual capital scheme is detailed in section 4.

4 Explanation for significant variances (Greater than £0.020M)

- 4.1 There is a forecast favourable variance of £7.736M largely due to scheme delays and slippage plus a saving of £0.206M. Further details of significant variations are included in the following paragraphs. Where applicable, reasons for movements from quarter two forecasts are highlighted.

Borough Development and Improvement - £0.609M favourable variance (£0.609M favourable variance since quarter two)

Athletics Track and Field Surface Refurbishment at Down Grange - £0.350M favourable (£0.350M favourable since quarter two)

- 4.2 Damage caused to the track due to excessive wear and tear and exacerbated by inappropriate use during the Covid-19 lockdowns in 2020 prompted a review of the arrangements to control and protect the improvements to the facility which would be put in place. It was determined that fencing around the track would be more appropriate and it was recognised that it could serve a dual purpose in also protecting the Stadium within the track boundaries, as opposed to expensive shutters on the stands themselves.
- 4.3 To facilitate this revised approach an amendment to the extant planning application is required which will mean a delay to the project. Additionally, the laying of tracks is weather dependent to avoid unnecessary complications further down the road. The weather must be dry to allow the surface granules to mould and seal together with the surface. The better the seal, the better the performance and durability. This usually means that spring or autumn time is the best time to complete the works outside of the Athletics season (which had been extended in 2020 to try and get some activities in).

Leisure Management Aquadrome and Tadley Pool - £0.259M favourable (£0.259M favourable since quarter two)

- 4.4 There is circa 4 weeks delay in getting the Air Handling Unit works completed on site due to the impact of the Covid-19 pandemic with the manufacturing process taking longer than anticipated when the contract was let.

Communities, Culture and Partnerships - £1.140M favourable variance (£0.710M favourable variance since quarter two)

Local Infrastructure Fund - £0.907M favourable (£0.330M favourable since quarter two)

- 4.5 Expenditure is dependent on third party delivery which has been affected by Covid-19 and as such is largely beyond BDBC control. The proposed programme follows an officer review of the progress of schemes that identified fourteen schemes are running behind previous estimates and four are progressing ahead of the budget plan.

Top of the Town Community Facilities (S106) - £0.050M adverse (£0.025M adverse since quarter two)

- 4.6 Following a boiler breakdown at Carnival Hall, the programme of works has been accelerated to help maintain the fabric of the building by replacing the boiler and associated old and deteriorating pipework and upgrading the electrics.

Replacement/refurbishment of Community Facilities – £0.288M favourable (£0.404M favourable since quarter two)

- 4.7 A number of projects initially planned to progress in the second half of 2020/21 have been delayed due to Covid-19 restrictions and delays in confirmation of funds available and in receiving quotes and tenders from contractors. Improvements at Whitchurch Town Hall are now planned to start in April 2021 once the review of tenders is concluded in January. Quotes for works at the Ridgeway Centre and Christ Church, Chineham are also being obtained following challenges in contractor availability.

Environment and Enforcement - £0.957M favourable variance (£0.462M favourable variance since quarter two)

Town Centre Car Park Improvements - £0.474M favourable (£0.030M favourable since quarter two)

- 4.8 Works have been completed at central car park and 2 electric vehicles have been purchased. A further £0.010M is required for purchase of electric vehicle chargers. The balance will be required to be slipped into 2021/22 to undertake further works that had been expected to take place in a number of car parks including Vyne Meadow, however works are being delayed whilst a review of need is undertaken later in the year.

Green Initiatives - £0.051M favourable

- 4.9 This budget is in place to fund low carbon loans and to support low income/fuel poor households in the Borough through a loan scheme. The Green Initiatives Fund includes the credit checks and loan set up costs for the homeowners who access the fund to undertake their home improvements. The slippage of the funding has been designed to enable access for emerging green initiatives, so the programme can be in place and facilitate increase demand in take up across the Borough.

Future Cemetery Provision - £0.427M favourable (£0.427M favourable since quarter two)

- 4.10 Discussions are currently in progress regarding the future cemetery provision and as these have not yet been finalised it is proposed to slip the £0.427M into 2021/22 pending the outcome.

Finance and Service Improvement - £2.087M favourable variance
(£1.400M favourable variance since quarter two)

ICT Replacement Programme - £0.031M favourable (£0.084M adverse since quarter two)

- 4.11 The replacement of existing printers has been put on hold as a result of reduced print activity and the closure of the Deanes building as a result of the Covid-19 pandemic. The replacement of scanner has also been paused to enable the assessment of the requirements of the digital programme.

Smarter Ways of Working (SWOW) - £1.044M favourable (£0.964M favourable since quarter two)

- 4.12 Certain elements such as the meeting room booking system will now take place in 2021/22 as these are not required at the current time. The workspace workstream has been impacted by Covid-19 with the construction industry partially closed through lockdown, delaying progress. The workspace designs have also had to go through several iterations as social distancing as well as other Covid-19 impacts were being considered. Activities such as decluttering and building a model office became more complex with access to the building severely limited.

Replacement of Vehicles (Hart Shared Service) - £0.571M favourable (£0.071M favourable since quarter two)

- 4.13 Due to the delay in finalising the contractual agreement delay, the tender process and estimated build and delivery time, some items will not be purchased until 2021/22.

Replacement of Vehicles (BDBC) - £0.079M favourable (£0.079M favourable since quarter two)

- 4.14 The scheme included replacement tippers (£0.060M) that will not be delivered until April 2021. Therefore the expenditure will slip into 2021/22. This is a result of a slight delay in the supply chain which is due to the pandemic. In addition, the procurement of a pickup van (£0.019M) is taking longer than anticipated due to weight/spring modifications which are required to transport and operate the separate gritting unit. The current vehicle is fit for purpose and will be used during this winter period. The new ranger will be delivered early in the new financial year.

Digital Programme - £0.362M favourable (£0.362M favourable since quarter two)

- 4.15 Due to later than expected procurement of the Customer Digital Platform and the Enterprise Resource Platform, implementation was been delayed and some of the project costs planned for the 2020/21 will now occur in 2021/22.

Homes and Families - £1.022M favourable variance (£1.022M favourable variance since quarter two)

Home Improvement Financial Assistance - £0.587M favourable (£0.587M favourable since quarter two)

- 4.16 The demand for Disabled Facilities Grants has increased since the first lockdown; however, due to availability of building materials and workload of the occupational therapists actual expenditure in the current year will be lower than originally expected. The slippage into 2021/22 includes £0.186M which was added to the 2020/21 capital programme and approved under delegated powers. This increase to the capital programme is being met by an additional, external funding allocation which was received in December 2020.

Low Cost Home Ownership Scheme – £0.435M favourable (£0.435M favourable since quarter two)

- 4.17 The scheme had to be re-advertised as a result of lockdown. Programme completion depends on sufficient applicants completing rigorous financial appraisals (impacted by recession) and thereafter finding and finalising a purchase on the open market. Given inevitable slower timescales for conveyancing, this means purchases are more likely to slip into future financial years.

Planning, Infrastructure and Natural Environment – £0.152M favourable variance (£0.144M favourable variance since quarter two)

Play Area Improvements (S106) - £0.037M adverse

- 4.18 Improvements to the play area in War Memorial park were included in the programme for 2020/21 without taking the design fees element into consideration. Budget provision of £0.037M was approved under delegated powers to rephase this into 2020/21.

Down Grange BMX Track - £0.045M favourable

- 4.19 Some signage and urgent tree works will be taking place before the year end. However, further works will be subject to further consultation with users of the site and therefore any works are unlikely to take place this financial year.

Open Space Improvements (S106) – £0.036M adverse (£0.036M adverse since quarter two)

- 4.20 Works have progressed ahead of the budget profiling for this year.

War Memorial Skate Park Replacement – £0.179M favourable (£0.179M favourable since quarter two)

- 4.21 This is due to both Skate Park and Pump Track companies being delayed on other jobs due to impacts of Covid-19 and the latest lockdown. With contractors aiming to be on site mid-February, this will mean an estimated completion date in April 2021.

Regeneration and Property - £1.769M favourable variance (£1.147M favourable variance since quarter two)

AMP Works (various sites) - £1.132M favourable (£0.562M favourable since quarter two)

- 4.22 The original programme of works, which is made up of a number of discrete schemes, has been affected by Covid-19 due to various third parties being furloughed, resulting in delays in getting works started. This has also had a knock-on effect on the supply chain, particularly with the manufacturing process where orders made earlier in the year have been delayed. Some schemes have been delayed due to the procurement process taking longer than anticipated due to workloads e.g. MUGA's. More specifically, expenditure at the Anvil has been delayed by approximately £0.350M, in the main due to an overall review of the property and negotiations being undertaken to agree the respective obligations of both parties to the lease. In addition, a review of the condition survey in respect of the Anvil is about to commence; the outcome of this work will be to identify any required work, costs and timescales.

Basing View – Plot J - £0.090M favourable (£0.090M favourable since quarter two)

- 4.23 Having not yet secured the Section 106 agreement with Hampshire County Council (HCC) for the walking and cycling improvements to the Norn Hill / Neon (Previously Norden House), it is prudent to hold back appointing consultants, and therefore the expenditure, to design the improvements until this is agreed. In addition, Government has issued new design guidance for walking and cycling routes which needs to be considered. HCC have agreed to carry out a road safety audit based on the current feasibility scheme. The expenditure is expected to be in 2021/22.

Basing View – Plot W (hotel site) - £0.048M adverse (£0.009M adverse since quarter two)

- 4.24 Final payment to the main contractors is now expected in 2020/21 requiring a rephasing of the scheme funding of £0.048M into 2020/21.

Chineham House - £0.035M saving (£0.035M saving since quarter two)

- 4.25 Final costs for the scheme at Chineham House were less than had been allowed for in the budget.

Manydown Development - £0.394M favourable (£0.324M favourable since quarter two)

- 4.26 The original proposed funding for investment into MDV LLP has been re-phased in line with the revised forecasts as provided by the Development Manager (Urban and Civic). This has deferred expenditure into 2022/23. Funding opportunities into MDV LLP will be further reviewed when the Overarching Business Plan is issued and approved. This is anticipated for summer 2021.

Manydown Garden Communities (MGC LLP) - £0.166M saving

4.27 Planned investment in MGC LLP has resulted in a saving of £0.166M. This saving follows a detailed review of the proposed support requirements of MGC LLP for 2021 and allowing for underspends in 2020 the budget has been adjusted to reflect a lower level of spend which results in a lower funding requirement from the council. The revised forecasts indicate that the previously bid for additional capital sums will not now be required and a reduction in the original planned capital budget is also now forecast.

5 Capital Resources 2020/21

5.1 Table 3 shows the current level of available resources for 2020/21 for receipts received or due together with the funding of the in-year capital programme.

Table 3 – Q3 Capital Resources and Monitoring 2020/21

Available Resource	Actual Balance 31/03/2020 £M	Actual Received to 31/12//20 £M	Estimated Receipts / Contributions Jan to March £M	Forecast Receipts / Contributions 2020/21 £M	Funding Latest Capital Programme 2020/21 £M	Estimated Balance 31/03/2021 £M
Capital Receipts	58.163	0.328	2.690	3.018	(19.522)	41.659
Capital Grants and Contributions* Section 106	1.266	1.432	3.268	4.700	(5.159)	0.807
Developers' Contributions	10.324	0.154	0.886	1.040	(2.070)	9.294
Revenue Reserves	15.809	0.392	0.000	0.392	(6.837)	9.364
Internal Borrowing (Invest To Grow Fund)	8.900	0.000	0.000	0.000	(8.900)	0.000
External Borrowing (M3 LEP)	0.000	2.200	0.000	2.200	(2.200)	0.000
Total	94.462	4.506	6.844	11.350	(44.688)	61.124

*The 31/03/20 actual balance includes £0.282M Community Infrastructure Levy income received during 2019/20.

5.2 Table 4 below shows the latest forecast of capital receipts due in 2020/21 is £3.018M and is £0.013M favourable compared to the budgeted capital receipts of £3.005M. The land and property disposal relating to a site at Priestley Road and the sale of vehicles is scheduled to take place during quarter four.

Table 4 – Q3 Forecast Capital Receipts 2020/21

	Budgeted 2020/21 £M	Forecast 2020/21 £M	Actual Rec'd To 31/12/20 £M
Disposal Of Assets:			
Land and Property	2.350	2.350	0.000
Operational Vehicles	0.020	0.020	0.000
Capital Loan/Grant Repayment:			
Waste Vehicle Financing Loan	0.633	0.636	0.318
Active Life Centre Loan	0.002	0.002	0.000
Disabled Facilities Grant Repaid	0.000	0.010	0.010
Total Forecast Capital Receipts	3.005	3.018	0.328

5.3 The latest forecast of 2020/21 capital grants and contributions is £4.700M and is £0.309M favourable compared to the budgeted income of £4.391M. This can be seen in Table 5.

Table 5 – Q3 Forecast Capital Grants and Contributions 2020/21

	Budgeted 2020/21 £M	Forecast 2020/21 £M	Actual Rec'd To 30/12/20 £M
Disabled Facilities Grant (BCF)	1.300	1.562	1.377
Basing View - Plot K (Eli Lilly/Muse)	0.150	0.150	0.000
Stratton Park Tennis Courts (Sport England/Lawn Tennis Assoc)	0.057	0.057	0.055
War Memorial Park Skate Park (British Cycling)	0.000	0.047	0.000
Basing View 5G Living Lab (M3 LEP)	1.442	1.442	0.000
Basing View 5G Living Lab (Private)	1.442	1.442	0.000
Total Forecast Capital Grants and Contributions	4.391	4.700	1.432

6 Revised Overall Capital Programme 2020/21 to 2023/24

6.1 Tables 6 and 7 show the revised capital expenditure by portfolio and the use of resources to finance the programme up to and included 2023/24. The detailed capital programme by scheme can be seen in Appendix 1.

Table 6 – Latest Approved Capital Programme 2020/21 to 2023/24

Portfolio	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	Total £M	Total %
Borough Development and Improvement	4.190	1.757	0.971	0.242	7.160	10.36%
Communities, Culture and Partnerships	2.410	1.153	0.655	0.000	4.218	6.10%
Environment and Enforcement	1.521	0.710	0.652	0.500	3.383	4.90%
Finance and Service Improvement	5.296	2.196	1.498	0.677	9.667	13.99%
Homes and Families	2.328	1.654	1.471	1.471	6.924	10.02%
Planning, Infrastructure and Natural Environment	1.300	1.810	1.542	0.406	5.058	7.32%
Regeneration and Property	27.643	2.550	2.263	0.244	32.700	47.31%
Total Capital Programme	44.688	11.830	9.052	3.540	69.110	100.00%

6.2 Table 7 demonstrates that the most significant amount for funding the capital programme is provided for by capital receipts.

Table 7 – Resources Funding the Latest Approved Capital Programme 2020/21 to 2023/24

Resource	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	Total £M	Total %
Capital Receipts	19.522	2.961	2.328	1.185	25.996	37.61%
Grants and Contributions	5.159	2.583	1.300	1.330	10.372	15.01%
Section 106 Developers' Contributions	2.070	2.321	2.323	0.243	6.957	10.07%
Revenue Reserves	6.837	3.965	3.101	0.782	14.685	21.25%
Internal Borrowing (Invest To Grow Fund)	8.900	0.000	0.000	0.000	8.900	12.88%
External Borrowing (M3 LEP)	2.200	0.000	0.000	0.000	2.200	3.18%
Total	44.688	11.830	9.052	3.540	69.110	100.00%

7 Capital Risk Areas

General Capital Risk

- 7.1 Whilst every effort is made to identify any budget savings or underspends there remain a range of factors which could lead to the final outturn position being different to the forecasts provided in this report.
- 7.2 The capital programme is monitored monthly and is subject to in-year regular reviews by the Capital Programme Board to help in mitigating in-year pressures.
- 7.3 It should be noted that historically, schemes have been delayed for several reasons including partners not delivering to agreed timescales, availability of suppliers/delivery or lead times and adverse weather conditions. There is a risk that some of these factors could impact on delivering the full capital programme in this financial year.
- 7.4 It is also possible that budgets for new schemes that are yet to commence could increase as a result of current Covid-19 market conditions due to contractor availability or shortages in materials.
- 7.5 Schemes such as the local infrastructure fund are made up of several smaller schemes and there is a reliance on community groups to deliver them. Consequently, scheme progress may differ from current expectations. Covid-19 may also impact on scheme delivery.
- 7.6 Funding the capital programme is based on the latest forecast of available resources although the forecast can be subject to change; most notably with regard to the value and timing of anticipated capital receipts and S106 developers' contributions and the use of prudent assumptions of future capital grants to be received.
- 7.7 The current forecast of £7.736M net delayed expenditure and savings equates to 17.31% of the latest approved budget.

Corporate Implications

8 Legal Implications

- 8.1 There are no direct legal implications arising from this report.

9 Financial Implications

- 9.1 This report principally deals with capital expenditure and funding and the financial implications are identified throughout this report. Any revenue consequences arising from new capital schemes are considered as part of the approval process for each individual scheme and where appropriate will be included in the revenue budget.

10 Risk Management

- 10.1 A risk assessment has been completed in accordance with the council's risk management process and has identified no significant (Red or Amber) residual risks that cannot be fully minimised by existing or planned controls or additional procedures.
- 10.2 Risk implications are included within the report.

11 Equalities Implications

- 11.1 The implications of the proposals in this report for the protected characteristics groups and the Public Sector Equality Duty have been considered. No equalities issues or differential impacts for any groups have been identified. The decision to make a contribution to The Guinness Partnership is expected to be particularly positive for people on a low income.

12 Climate Change Implications

- 12.1 The Capital Programme Forecast outlined in this report could have a slightly negative carbon impact as a result of delays, which has delayed the carbon reduction impact of these schemes, however, they are expected to have a positive carbon impact when implemented.
- 12.2 However, it is vital that individual schemes also consider how to maximise the funding available to achieve carbon reduction, where possible. This is particularly the case with any new projects receiving funding. Mitigating and adapting to climate change is being increasingly embedded within Council decision-making but we will continue to work to ensure spending decisions take account of the carbon impact.

13 Consultation and Communication

- 13.1 There is no formal consultation required however Executive Directors, Heads of Services and Project Managers have been consulted in preparing the reasons for variations contained in this report.
- 13.2 The latest capital budget and forecast spend summarises additions to the capital programme and slippage and rephasing since the last approved programme reported to Council in October 2020. Each addition and rephasing has been subject to review by the Capital Programme Board.

14 HR Implications

- 14.1 There are no HR implications arising from this report.

15 Conclusions and Summary

- 15.1 The quarter three capital monitoring demonstrates that whilst budgets can be well managed across the council and with strong financial stewardship, external factors can influence the ability to achieve the expected timelines and budget. The position will continue to be closely monitored.

15.2 Any potential savings identified from the capital monitoring process will be built into future capital programme updates.

16 Options Considered and Rejected

16.1 The update of the capital programme is undertaken within the resource constraints imposed on it. No new schemes can be added unless specific additional resources are identified. Alternative options for new capital spending are considered as part of the budget setting process in the light of the funding available and the overall financial position. No other options have been considered.

Date:	9 March 2021
Decision taken by:	Cabinet

Lead officer	Executive Director Corporate Services (S151 Officer) Sue Cuerden - Tel: 01256 845513 or e-mail Sue.Cuerden@basingstoke.gov.uk
Report author	Executive Director Corporate Services (S151 Officer) Sue Cuerden - Tel: 01256 845513 or e-mail Sue.Cuerden@basingstoke.gov.uk Head of Financial Services and Commercialisation – Suzanne Jones – Tel 01256 845730 or email Suzanne.Jones@basingstoke.gov.uk Accountancy Manager – Sarah Finch – Tel 01256 845330 or email Sarah.Finch@basingstoke.gov.uk
Version	Final Cabinet Report
Dated	February 2021
Status	Open
Confidentiality	It is considered that information contained within this report and appendices do not contain exempt information under the meaning of Schedule 12A of the Local Government Act 1972, as amended, and therefore can be made public.

Q3 CAPITAL PROGRAMME MONITORING 2020/21

LATEST APPROVED CAPITAL PROGRAMME 2020/21 TO 2023/24

Borough Development and Improvement	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
Athletics Track and Field Surface Refurbishment at Down Grange	0.350				0.350
Basing View 5G Living Lab	2.884	0.961			3.845
Communication Improvement and Technology Infrastructure	0.050	0.049			0.099
Down Grange Sports Complex	0.095				0.095
Leisure Management Aquadrome and Tadley Pool	0.441	0.485	0.412		1.338
Sport & Rec Improvements (S106)	0.370	0.255	0.559	0.242	1.426
Town Centre Improvements		0.007			0.007
Total	4.190	1.757	0.971	0.242	7.160

Communities, Culture and Partnerships	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
CSPO vehicles		0.035			0.035
Developers Contributions for Replacement/Refurbishment of Community Facilities	0.449	0.170	0.279		0.898
Local Infrastructure Fund	1.878	0.475			2.353
Local Infrastructure Fund (S106)	0.018	0.006			0.024
Norden Community Project	0.040	0.220	0.200		0.460
Play Council Site		0.026			0.026
Top of Town Community Facilities	0.025	0.221	0.176		0.422
Total	2.410	1.153	0.655	0.000	4.218

Environment and Enforcement	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
Eastlands Car Park Lighting Scheme	0.105				0.105
Future Cemetery Provision	0.427				0.427
Green Initiatives	0.089	0.144	0.112		0.345
Kempshott Public Conveniences	0.020				0.020
Parking And Access Schemes	0.244	0.537	0.500	0.500	1.781
Tadley Public Conveniences	0.016				0.016
Town Centre Car Park Improvements	0.620				0.620
Town Centre Litter Bins		0.010	0.040		0.050
Waste Contract Vehicle Financing		0.019			0.019
Total	1.521	0.710	0.652	0.500	3.383

Q3 CAPITAL PROGRAMME MONITORING 2020/21

LATEST APPROVED CAPITAL PROGRAMME 2020/21 TO 2023/24

Finance and Service Improvement	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
Digital Programme	1.650	1.060	1.000		3.710
ICT Replacement Programme	0.839	0.379	0.255	0.271	1.744
Replacement of Council Owned Vehicles	0.639	0.227	0.243	0.360	1.469
Replacement of Vehicles (Hart shared service)	0.647	0.030		0.046	0.723
Smarter Ways of Working	1.521	0.500			2.021
Total	5.296	2.196	1.498	0.677	9.667

Homes and Families	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
Environmental Renewal Schemes	0.110	0.108	0.078	0.078	0.374
Home Improvement Financial Assistance	1.587	1.401	1.393	1.393	5.774
Low Cost Home Ownership Scheme	0.435	0.145			0.580
Park Heights, Wella Road, Basingstoke	0.196				0.196
Total	2.328	1.654	1.471	1.471	6.924

Planning, Infrastructure and Natural Environment	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
Allotment Improvements	0.047	0.109			0.156
Down Grange BMX Track	0.050		0.025		0.075
Eastrop Park Loddon Bridge Replacement		0.065			0.065
Infrastructure / Asset Renewals	0.097	0.100	0.100	0.100	0.397
Open Space Improvements (S106)	0.164	0.943	0.594		1.701
Play Area Improvements	0.562	0.593	0.823	0.306	2.284
Street Lighting	0.100				0.100
War Memorial Park Skate Park Replacement	0.280				0.280
Total	1.300	1.810	1.542	0.406	5.058

Q3 CAPITAL PROGRAMME MONITORING 2020/21
LATEST APPROVED CAPITAL PROGRAMME 2020/21 TO 2023/24

Regeneration and Property	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
AMP Works (various sites)	1.394	1.123	1.543	0.127	4.187
Basing View - Plot J - Norden House	0.262	0.055			0.317
Basing View Hotel (Plot W)	0.030	0.357			0.387
Basing View Plot K - K1	14.404				14.404
Chineham House	0.035				0.035
Down Grange Depot Enhancements	0.277				0.277
Manydown Development	2.125	0.915	0.620	0.074	3.734
Property Investments Strategy	8.900				8.900
Re-Letting Works	0.100	0.100	0.100	0.043	0.343
Wade Road Mess Facilities	0.050				0.050
Wade Road Wash Down Facility	0.066				0.066
Total	27.643	2.550	2.263	0.244	32.700
Total Latest Approved Capital Programme	44.688	11.830	9.052	3.540	69.110