



Basingstoke  
and Deane

## Capital Programme Outturn for 2020/21

### Cllr John Izett – Cabinet Member for Finance and Major Projects

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<b>Report to</b>	<b>Cabinet Council</b>
<b>Date</b>	<b>6 July 2021 15 July 2021</b>
<b>Ward(s):</b>	<b>All</b>
<b>Key Decision:</b>	<b>No</b>
<b>Appendix 1:</b>	<b>Capital Scheme Outturn Variations 2020/21 by Portfolio</b>
<b>Appendix 2:</b>	<b>Significant Outturn Variance Explanations by Portfolio</b>
<b>Appendix 3:</b>	<b>Proposed Programme Changes For Approval</b>
<b>Appendix 4:</b>	<b>Revised Capital Programme 2021/22 to 2024/25</b>
<b>Appendix 5:</b>	<b>Prudential Indicators</b>

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#### Foreword - Cabinet Member for Finance and Major Projects

The Capital Programme Strategy looks at how the council finances, allocates and manages capital investment into services that are vital to supporting the development of a successful and vibrant Basingstoke and Deane.

The economic climate over the past year has been challenging, but financing that commitment is made possible by the council's track record of strong financial resilience and management.

The outturn report for 2020/21 shows an underspend of 12.40% for the year, which is largely attributable to slippage (delayed spend) as a result of the impact of the pandemic, and demonstrates the strength of commitment of the council to invest in facilities that matter to residents. This includes, but is not limited to, the development of property which provides high quality office accommodation in the borough, sports and recreation improvements, adaptations that enable disabled people to live well at home, parking improvements and play area renovations.

**It is recommended that:**

Cabinet requests Council to note:

- 1.1 That the actual capital spending in 2020/21 was £32.391M as shown in section 3. This is £4.584M less than the latest agreed capital programme budget of £36.975M and £4.561M less than the forecast outturn of £36.952M in quarter three.
- 1.2 The 2020/21 significant outturn variations and explanations for them are shown in Appendices 1 and 2.
- 1.3 The actual capital financing in 2020/21 as shown in paragraph 3.2.
- 1.4 The addition of £0.078M to the programme and rephasing since the last reported position in February 2021, under delegated powers as shown in paragraphs 4.4 and 4.5.
- 1.5 The impact of scheme variances for 2020/21 on future year's capital expenditure has been reported to the Capital Programme Board and has been included in the revised capital programme to 2024/25 aligned to Council Plan Priorities and Outcomes.
- 1.6 The revised capital programme for 2021/22 to 2024/25, adjusted for slippage, rephasing, additions and virements contained within section 4 of this report and detailed in Appendices 3 and 4.
- 1.7 Note that the capital programme remains fully funded up to 2024/25 based on the latest forecast of available resources.
- 1.8 Note the performance of against the prudential indicators for capital finance that were set at the start of the financial year, as detailed in Appendix 5.

**Cabinet requests Council to approve:**

- 1.9 The capital programme changes as detailed in Appendix 3 including scheme virements detailed in paragraph 4.6 relating to the Aquadrome, further detailed in paragraph 4.3; Open Space Improvements; and Wade Road Washdown Facility.
- 1.10 An increase in the Aquadrome Scheme of £0.524M giving a scheme total of £1.663M in 2021/22. This will be funded from a virement of £0.383M future years funding from the Sport & Recreation (S106) scheme, with a further £0.141M to be funded from capital receipts.
- 1.11 The revised capital programme for 2021/22 to 2024/25 as shown in Appendix 4 and the programme financing as shown in paragraph 5.1.

## Background, corporate objectives and priorities

In accordance with the Council's Financial Procedures the Chief Financial Officer (S151 Officer) has a responsibility for providing financial information and reporting on the overall budget position. To provide assurances that the Council's budgets are well managed and maintained regular budget monitoring is undertaken and variances and required actions reported.

This report provides the final capital outturn for 2020/21 and includes explanations which have been discussed and agreed with budget managers and portfolio holders and accords with the Council's Policy and Budget Framework and supports the development of an effective and efficient Council. The capital outturn and financing for 2020/21 have been prepared in accordance with statutory accounting principles.

The Capital Programme Update and Strategy Report for 2020/21 to 2024/25 was approved by Council in February 2021. A third quarter monitoring report for 2020/21 was reported to Cabinet in March 2021.

### Glossary of terms

Term	Definition
CIL	Community Infrastructure Levy
CPB	Capital Programme Board
HCC	Hampshire County Council
LIF	Local Infrastructure Fund

## Main considerations

### 2 Executive summary

- 2.1 This report presents the final capital outturn position for 2020/21 and compares it with the latest approved budget providing explanations of the significant variances.
- 2.2 The capital outturn position, as at 31 March 2021, is £32.391M which is £4.584M or 12.40% lower than the latest budget of £36.975M. This variance is comprised of £0.134M of advanced (rephased) spend; £4.744M of delayed spend (slippage); scheme savings of £0.070M; and overspends of £0.096M (of which £0.81M was funded by a capital contribution from a third party).
- 2.3 The capital underspend in 2020/21 was mainly due to the following schemes, with explanations of the significant variations being shown in Appendix 2:

#### Rephased Spend:

- Local Infrastructure Fund £0.053M
- Open Space Improvements £0.044M

#### Slippage:

- Basing View 5G Living Lab £2.884M
- Digital Programme £0.748M
- ICT Replacement Programme £0.266M
- Play Area Improvements (S106) £0.135M

• Parking and Access Schemes	£0.086M
• Manydown Development	£0.085M
• Down Grange Sports Complex	£0.080M
• Wade Road Wash Down Facility	£0.064M
• Replacement of Council-owned Vehicles	£0.059M
• Green Initiatives	£0.054M

- 2.4 The 2020/21 actual outturn of £32.391M is £4.561M less than the reported quarter three forecast outturn of £36.952M which was produced when the country was just entering its third national lockdown due to the ongoing Covid-19 pandemic. Much of the rephasing is a direct result of Covid-19 which has meant further delays in supply chains, restrictions on working practices and other activities being prioritised to directly support the response to the community required in the pandemic.
- 2.5 The main changes are as per the outturn variances in paragraphs 2.2 and 2.3 with the balance of £0.023M being as a result of an increase to the capital programme budget which was approved under delegated powers during quarter four.
- 2.6 The impact of 2020/21 scheme variances and slippage on future years' capital expenditure has been reported to the Capital Programme Board and is included in the revised capital programme to 2024/25 aligned to Council Plan Priorities and Outcomes.
- 2.7 As lockdown releases, catch up is anticipated and delayed planned works due to the Covid-19 lockdowns are forecast to take place in 2021/22.
- 2.8 This report requests approval to add an additional £0.141M into the capital programme in respect of asset management plan works at the Aquadrome and to rephase and transfer £0.383M of the current Sport and Recreation (S106) scheme budgets to add to the £1.139M Leisure Management Aquadrome and Tadley Pool scheme. If approved this will give an overall budget of £1.663M for the works.

### **3 Capital Programme Outturn 2020/21**

- 3.1 Capital expenditure for the year was £32.391M compared to the latest approved budget of £36.975M, giving an underspend of £4.584M or 12.40% of the capital programme. The variance relates to £0.134M of advanced (rephased) spend, £4.744M of delayed spend (slippage) and some small variations resulting in a net overspend of £0.026M.
- 3.2 The performance of the individual Portfolio programmes in 2020/21 is summarised in Table 1 below and the capital programme spend has been fully financed from within the council's own resources and external borrowing of £2.20M in the form of a loan from the Local Enterprise Partnership (EM3).

Table 1 – Summary Capital Outturn and Financing 2020/21

Portfolio/Funding Source	Latest Budget 2020/21 £M	Outturn 2020/21 £M	Outturn Variance 2020/21 £M	Outturn Forecast Qtr. 3 2020/21 £M	Variance Outturn to Qtr. 3 Forecast £M
Borough Development and Improvement	3.581	0.544	(3.037)	3.581	(3.037)
Communities, Culture and Partnerships	1.270	1.272	0.002	1.270	0.002
Environment and Enforcement	0.587	0.398	(0.189)	0.564	(0.166)
Finance and Service Improvement	3.209	2.106	(1.103)	3.209	(1.103)
Homes and Families	1.306	1.272	(0.034)	1.306	(0.034)
Planning, Infrastructure and Natural Environment	1.148	1.042	(0.106)	1.148	(0.106)
Regeneration and Property	25.874	25.757	(0.117)	25.874	(0.117)
<b>Total Capital Programme</b>	<b>36.975</b>	<b>32.391</b>	<b>(4.584)</b>	<b>36.952</b>	<b>(4.561)</b>
<b>Funded by:</b>					
Usable Capital Receipts	16.827	15.841	(0.986)		
Grants and Contributions	4.619	1.789	(2.830)		
Section 106 Developers' Contributions	1.440	1.402	(0.038)		
Revenue Reserves	2.989	2.259	(0.730)		
Internal Borrowing (repaid)	8.900	8.900	0.000		
External Borrowing	2.200	2.200	0.000		
<b>Total Financing</b>	<b>36.975</b>	<b>32.391</b>	<b>(4.584)</b>		

3.3 The 2020/21 latest approved capital budget compared to the actual spend by Portfolio can be seen in Appendix 1.

3.4 Table 2 below shows an analysis of the 2020/21 outturn variance by Portfolio and Appendix 2 provides a more detailed breakdown and explanation of significant variances of over £0.020M by individual capital scheme.

Table 2 – 2020/21 Outturn Variance By Portfolio

Portfolio	Rephased Spend £M	Slippage £M	Over/ (Under) Spend £M	Outturn Variance £M
Borough Development and Improvement	0.020	(3.057)	0.000	(3.037)
Communities, Culture and Partnerships	0.053	(0.051)	0.000	0.002
Environment and Enforcement	0.000	(0.189)	0.000	(0.189)
Finance and Service Improvement	0.000	(1.073)	(0.030)	(1.103)
Homes and Families	0.000	(0.034)	0.000	(0.034)
Planning, Infrastructure and Natural Environment	0.044	(0.150)	0.000	(0.106)
Regeneration and Property	0.017	(0.190)	0.056	(0.117)
<b>Total</b>	<b>0.134</b>	<b>(4.744)</b>	<b>0.026</b>	<b>(4.584)</b>

#### 4 **Revised Capital Programme 2021/22 to 2024/25 for Approval**

4.1 The current Capital Strategy was approved by Council in February 2021 (agenda item 9, appendix 4 - link to the report is shown below). This includes the process for implementing and approving changes to the current capital programme and for allocating funding to new schemes linked to the council's key strategic priorities and outcomes.

##### [Capital Programme Update and Strategy Report for 2020/21 to 2024/25](#)

4.2 Table 3 shows a summary of the overall revised capital programme compared to the previously reported programme in February 2021. Appendix 2 provides a more detailed breakdown and explanation of the 2020/21 outturn advanced (rephased) spend/delayed spend (slippage) and significant variances of over £0.020M by individual capital scheme

**Table 3 – Overall Summary Revised Capital Programme 2020/21 to 2024/25**

<b>Revised Capital Programme Changes</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Approved Capital Programme February 2021	36.952	31.580	10.030	5.450	5.627	89.639
Approved Changes to June 2021	0.023	0.059	0.000	(0.004)	0.000	0.078
<b>Latest Approved Capital Programme</b>	<b>36.975</b>	<b>31.639</b>	<b>10.030</b>	<b>5.446</b>	<b>5.627</b>	<b>89.717</b>
2020/21 Rephased Spend	0.134	0.013	(0.147)	0.000	0.000	0.000
2020/21 Slippage	(4.744)	4.377	0.163	0.000	0.204	0.000
Other Scheme Rephasings	0.000	(0.925)	0.216	0.479	0.230	0.000
Net Scheme (Underspends)/Overspends	0.066	(0.079)	0.033	0.000	0.000	0.020
Additions Funded from Capital Receipts	0.000	0.141	0.000	0.000	0.000	0.141
Scheme Transfers	(0.040)	0.040	0.000	0.000	0.000	0.000
<b>New Revised Capital Programme July 2021</b>	<b>32.391</b>	<b>35.206</b>	<b>10.295</b>	<b>5.925</b>	<b>6.061</b>	<b>89.878</b>

#### 4.3 **Asset Management Works - Aquadrome**

Detailed proposals are being considered for the short/medium term refurbishment of the Aquadrome. The works required to the Aquadrome as identified in the condition survey undertaken by AECOM are:

- Structural works to the flumes and flume tower
- Fire alarm upgrade
- Electrical works to the panels for the flumes
- A mini refresh of the lagoon area
- AHU works (air handling unit)

The structural works are due to commence in June 2021 and complete in September 2021, subject to no further additional works being found once opening up works begin, in a continuous work programme. All other works will complete before year end in March 2022.

The latest forecast of costs is £1.663M and could be met from £1.522M of budgets already approved within the capital programme and an addition to the programme of £0.141M funded from the council's unallocated capital receipts as follows.

	<b>2021/22</b>
	<b>£M</b>
<b>Latest Forecast Cost of Works</b>	<b>1.663</b>
Leisure Management Aquadrome and Tadley Pool	1.139 existing budget
Transfer from Sport and Recreation (S106)	0.383 existing budget
Addition to Programme from capital receipts	0.141 new addition
<b>Total Funding</b>	<b>1.663</b>

The updated forecasts now include ancillary costs (such as scaffolding and plant hire) for the structural works to the flume tower, which were not available in detail at an earlier stage. In addition, a routine survey of the building undertaken in March 2021 identified that some works that were due to be carried out in future years needed to be brought forward to ensure compliance with the Council's duties under health and safety.

#### 4.4 Approved Changes Since Reported to Council in February 2021

There have been a number of budget changes to the capital programme considered by the Capital Programme Board and approved by the Executive Director of Corporate Services (Section 151 Officer) under delegated powers since February 2021. These total an overall increase to the capital programme of £0.078M and are shown in Table 4 below.

Table 4 – Approved Programme Changes Since February 2021 Update

<b>Portfolio and Capital Scheme</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Total</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
<b><u>Develo</u></b>					
<b><u>opment</u></b>					
<b><u>Contributions</u></b>					
<b><u>for Replacement/</u></b>					
<b><u>Refurbishment of</u></b>					
<b><u>Community</u></b>					
<b><u>Facilities – St</u></b>					
<b><u>Luke's Hall,</u></b>					
<b><u>Overton</u></b>					
	0.000	0.053	0.000	0.000	0.053
<b><u>Planning,</u></b>					
<b><u>Infrastructure</u></b>					
<b><u>and Natural</u></b>					
<b><u>Environment</u></b>					
<b><u>Play Area</u></b>					
<b><u>Improvements –</u></b>					
<b><u>Kennet Way Play</u></b>					
<b><u>Area</u></b>					
	0.000	0.006	0.000	(0.004)	0.002
<b><u>Regeneration</u></b>					
<b><u>and Property</u></b>					
<b><u>Green Initiatives</u></b>					
<b><u>– Electric Vehicle</u></b>					
<b><u>Charge</u></b>					
<b><u>Points</u></b>					
	0.023	0.000	0.000	0.000	0.023
<b><u>Total</u></b>	<b>0.023</b>	<b>0.059</b>	<b>0.000</b>	<b>(0.004)</b>	<b>0.078</b>

#### Contributions for Replacement/ Refurbishment of Community Facilities

Section 106 developers' contributions of £0.053M were received from planning application 16/03057/OUT in Overton to support the extension project at St Luke's Hall, Overton. This was the second instalment from the development towards this project which was already approved and underway, supported by Section 106 contributions already in the capital programme.

## Play Area Improvements

In June 2021 there was an additional approval under delegated powers (and considered by the Capital Programme Board) in respect of a scheme at Kennet Way Play Area, a scheme which is funded from Local Infrastructure Funding (LIF) and Play Area Improvements (S106) contributions. A community fundraising initiative raised £0.002M for this scheme and the budget for additional expenditure was approved, funded by a contribution from the Friends of Kennet Way Park. In addition, there was a rephasing of £0.004M from the approved S106 budgets in 2023/24 into 2021/22.

## Green Initiatives

Additional grant funding of £0.023M from OZEV (Office for Zero Emission Vehicles) was granted in February 2021 to complete the installation of electric vehicle charge points in both Whitchurch and Overton.

### 4.5 Other Schemes - Rephasing

There are a number of other scheme rephasing requests as shown in Table 5 and reasons to support the rephasing of greater than £0.020M to later years are provided below.

Table 5 – Other Scheme Rephasings 2021/22 to 2024/25

<b>Priority and Capital Scheme</b>	<b>2021/22 £M</b>	<b>2022/23 £M</b>	<b>2023/24 £M</b>	<b>2024/25 £M</b>	<b>Total £M</b>
<b>Fit for the Future</b>					
Digital Programme	0.016	(0.016)			0.000
Smarter Ways of Working	(0.472)	0.472			0.000
<b>Planning for the Future</b>					
Town Centre Car Park Improvements	(0.231)	0.231			0.000
<b>Strengthening Communities</b>					
Open Space Improvements (S106)	(0.455)		0.225	0.230	0.000
Play Area Improvements	(0.137)	(0.123)	0.260		0.000
Sport and Recreation (S106)	0.354	(0.348)	(0.006)		0.000
<b>Total Other Scheme Rephasings</b>	<b>(0.925)</b>	<b>0.216</b>	<b>0.479</b>	<b>0.230</b>	<b>0.000</b>

## Smarter Ways of Working

The programme has been reviewed and updated to take account of the impact of Covid-19, which has impacted on the exact requirements of the project. This has had an impact on the timing and phasing of spend with the scheme completing in 2021/22.

## Town Centre Car Park Improvements

A review of car park improvements was undertaken during 2020/21 to re-assess the programme of works to be undertaken as a result of a change in car park usage as a result of Covid-19. The programme has been rephased based on current work plans.



## Open Space Improvements

Following work already undertaken by external consultants which resulted in recommendations for delivery of works and subject to further approvals, it is currently proposed to deliver open space improvements in the Norden ward in three phases due to the complexity and size of the projects. Following this approval process, improvements to Lyford Road open space would take place in 2021/22 and it is currently planned to upgrade the Whiteditch open space in 2022/23 with improvements to Upper Sherborne Road open space taking place during 2022 to 2024. This phased approach to the delivery has required some rephasing of the existing open space programme to future years.

The further rephasing to 2024/25 at this stage reflects a review of schemes that can be delivered within available resources in earlier years and section 106 funding where schemes are still to be worked up and will be subject to future reporting.

## Play Area Improvements

Delays caused by contractor availability following the first Covid-19 related lockdown impacted on the speed at which projects have progressed during 2020/21. This is forecast to continue to be a factor in 2021/22.

## Sport and Recreation (S106)

The current capital programme includes the allocation of Section 106 swimming contributions which have been previously earmarked for potential future Aquadrome asset management plan works. £0.029M is already held in 2021/22 and it is proposed that the remaining £0.354M is rephased to 2021/22 from 2022/23 and 2023/24 before being transferred to the Leisure Management Aquadrome and Tadley Pool scheme – see paragraphs 4.5 and 4.6.

### 4.6 Budget Transfers Between Schemes

Three budget transfers between schemes are requested for approval. These are shown in Table 6 below.

Table 6 – Budget Transfers Between Schemes

<b>Priority and Capital Scheme</b>	<b>2020/21 £M</b>	<b>2021/22 £M</b>	<b>2023/24 £M</b>
<b>Strengthening Communities</b>			
Sport and Recreation (S106)		(0.383)	
Leisure Management Aquadrome and Tadley Pool		0.383	
Play Area Improvements			(0.068)
Open Space Improvements (S106)			0.068
<b>Fit For The Future</b>			
Wade Road Mess Facilities	(0.040)		
Wade Road Washdown Facility		0.040	

Sport and Recreation (S106) to Leisure Management Aquadrome and Tadley Pool - £0.383M

The budget transfer of £0.383M is requested to bring together the funding for the Aquadrome asset management works into one capital scheme – see paragraph 4.3.

Play Area Improvements to Open Space Improvement (S106) - £0.068M

Although the section 106 agreements allows for these funds to be used for Open Space and/or Play Area Improvements, all the funds were initially added to Play Area Improvements. Following consultations and schemes being built up it was identified that part of these funds could best be used for Open Space Improvements.

Wade Road Mess Facilities to Wade Road Washdown Facility - £0.040M

Works to improve the mess facilities were value engineered with a reduced scope and tendered separately to the wash down unit as they could be completed quicker. The costs came in at £0.010M and have now been completed resulting in an underspend of £0.040M.

The wash down unit tender return time was extended due to Covid-19. The costs came in over budget; as a result some additional works to the project have been removed to ensure costs do not exceed the approved budget. Notwithstanding this, it is requested that the £0.040M underspend on the Wade Road Mess Facility scheme could be transferred to this scheme to aid with the cost pressures.

4.7 Scheme Savings, Overspends and Additions

Table 3 in paragraph 4.2 shows that the overall capital programme to 2024/25 has increased by a net £0.161M compared to the latest approved programme. Savings, overspends and additions to the capital programme which require approval for funding and spend are shown in Table 7 below.

Table 7 – Revised Capital Programme Additions/Savings 2020/21 to 2022/23

<b>Capital Programme Overspend/(Underspend)</b>	<b>2020/21 £M</b>	<b>2021/22 £M</b>	<b>2022/23 £M</b>	<b>Total £M</b>
<b>Fit For The Future</b>				
Smarter Ways of Working	(0.030)	(0.079)	0.033	(0.076)
Down Grange Depot Enhancements	0.015	0.000	0.000	0.015
<b>Planning For The Future</b>				
Basing View Plot K-K1	0.081	0.000	0.000	0.081
<b>Total Net Scheme Overspend/(Underspend)</b>	<b>0.066</b>	<b>(0.079)</b>	<b>0.033</b>	<b>0.020</b>

Table 7 – Revised Capital Programme Additions/Savings 2020/21 to 2022/23  
(continued)

<b>Capital Programme Additions</b>	<b>2020/21 £M</b>	<b>2021/22 £M</b>	<b>2022/23 £M</b>	<b>Total £M</b>
<b>Strengthening Communities</b>				
Leisure Management Aquadrome and Tadley Pool	0.000	0.141	0.000	0.141
<b>Net Additions to Capital Programme</b>	<b>0.000</b>	<b>0.141</b>	<b>0.000</b>	<b>0.141</b>
<b>Overall Increase in Capital Programme</b>	<b>0.066</b>	<b>0.062</b>	<b>0.033</b>	<b>0.161</b>

Smarter Ways Of Working – £0.076M underspend

The overall saving of £0.076M in respect of the Smarter Ways of Working scheme will be returned to the Efficiency, Transformation and Digital Reserve and will be used on future revenue transformation schemes.

Basing View Plot K-K1 – £0.081M overspend

In the course of delivering the scheme, the council’s development partner requested some amendments which were added to the main contract in respect of the fit out of the property to be covered by a capital contribution received from the development partner.

Leisure Management Aquadrome and Tadley Pool - £0.141M addition

Based on the latest forecast of costs associated with asset management plan work for the Aquadrome, there is a shortfall of £0.141M over the existing capital programme. If approved and the works proceed, the £0.141M can be added to the capital programme and funded from the council’s unallocated usable capital receipts – see paragraph 4.3.

4.8 Revised Capital Programme For Approval

The impact of scheme variances for 2020/21 on future years’ capital expenditure has been reported to the Capital Programme Board and has been included in the revised capital programme to 2024/25 aligned to Council Plan Priorities and Outcomes as shown in Table 8 below.

Table 8 – Revised Capital Programme 2021/22 to 2024/25 By Council Plan Priority

<b>Council Plan Priority</b>	<b>2021/22 £M</b>	<b>2022/23 £M</b>	<b>2023/24 £M</b>	<b>2024/25 £M</b>	<b>Total £M</b>
Fit For The Future	6.220	3.147	1.812	1.882	13.061
Improving Safety	1.658	1.564	1.565	1.460	6.247
Planning For The Future	20.466	2.416	0.914	1.015	24.811
Protecting And Enhancing Our Environment	0.297	0.152	0.138	0.152	0.739
Strengthening Communities	6.565	3.016	1.496	1.552	12.629
<b>Total</b>	<b>35.206</b>	<b>10.295</b>	<b>5.925</b>	<b>6.061</b>	<b>57.487</b>

## **5 Revised Capital Programme 2021/22 to 2024/25 Funding For Approval**

5.1 Table 9 below shows the use of resources to finance the revised Capital Programme up to and including 2024/25.

Table 9 – Use of Resources

<b>Resource</b>	<b>2021/22 £M</b>	<b>2022/23 £M</b>	<b>2023/24 £M</b>	<b>2024/25 £M</b>	<b>Total £M</b>	<b>Total %</b>
5.2 Capital Receipts	17.955	4.008	2.587	3.506	28.056	49%
Grants and Contributions	5.971	1.664	1.669	2.142	11.446	20%
Section 106 Developers' Contributions	3.203	1.769	1.016	0.354	6.342	11%
Revenue Reserves	8.077	2.854	0.653	0.059	11.643	20%
<b>Total</b>	<b>35.206</b>	<b>10.295</b>	<b>5.925</b>	<b>6.061</b>	<b>57.487</b>	<b>100%</b>

financing the revised capital programme and allowing for estimated future capital receipts, grants and contributions, the forecast balance of available resources that could fund future capital programme expenditure is £54.171M as shown in Table 10 below.

5.3 Since the capital programme update and resources were confirmed in February 2021, the council has received notification of additional capital grants and contributions which have been included in the funding of the revised capital programme and the forecast of available resources.

- Disabled Facilities Grant – the 2021/22 grant award is £1.562M which is an additional £0.232M of income,
- Green Initiatives OZEV Grant - £0.023M grant award funding installation of electric vehicle charging points.
- Basing View Plot K-K1 Contribution - £0.133M received from the development partner to pay for additional building fit out costs paid for by the council.

Table 10 – Available Resources

<b>Resource</b>	<b>Actual Balance 31/03/2021 £M</b>	<b>Estimated Receipts / Contributions 2021/22 to 2024/25 £M</b>	<b>Funding Revised Capital Programme 2021/22 to 2024/25 £M</b>	<b>Estimated Balance 31/03/2025 £M</b>
Capital Receipts	45.421	15.742	(28.056)	33.107
Grants and Contributions	1.092	10.481	(11.446)	0.127
Section 106 Developers' Contributions	9.917	4.614	(6.342)	8.189
Revenue Reserves	13.244	11.147	(11.643)	12.748
<b>Total</b>	<b>69.674</b>	<b>41.984</b>	<b>(57.487)</b>	<b>54.171</b>

- 5.4 The estimated gross new capital receipts, grants and contributions total £30.837M during 2021/22 to 2024/25 and include anticipated receipts linked to the sale of vehicles, capital loan repayments, Manydown land acquisition, government grants to fund disabled facilities grants and S106 developer contributions.
- 5.5 The actual capital receipts received during 2020/21 totalled £3.100M which compared to £3.007M forecast for the year and were mainly in respect of the disposal of an investment property, capital loan repayments and council owned vehicle sales as part of the ongoing vehicle replacement programme.
- 5.6 It should be noted that the future forecast of available resources can be subject to change, most notably with regard to the value and timing of anticipated capital receipts and S106 developers' contributions and prudent assumptions of Government grants to be received.
- 5.7 Income from the Community Infrastructure Levy (adopted July 2018), will provide a significant future income stream to the council to pay for priority community infrastructure requirements arising from new development. At this stage no allowance has been made for future estimated CIL income in the forecast available resources in Table 10 above. A review of the priority allocation of the use of CIL income will be undertaken during 2021/22 and will be reported to the Capital Programme Board in the coming months and as part of updating the Capital Programme and Capital Strategy for 2022/23 and future years. This will be consulted on through the Economic, Planning and Housing Committee.

## **6 General Capital Risk**

- 6.1 Whilst every effort is made to identify any budget savings or underspends there remain a range of factors which could lead to future final outturn positions being different to the revised capital programme provided in this report.
- 6.2 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.
- 6.3 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.
- 6.4 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.
- 6.5 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 and Covid-19 may also impact on scheme delivery, especially if facilities are closed.
- 6.6 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 Corporate Implications**

- 7.1 The proposals contained in the report are in accordance with the Council's Policy and Budget Framework.
- 7.2 Any ongoing potential savings identified from the final review of the capital programme, will be built into the budget setting process for 2022/23 and future years.

## **8 Legal Implications**

- 8.1 The council's accounts must be approved by Council in accordance with the Accounts and Audit (England) Regulations 2015 (as amended 2020).
- 8.2 The capital outturn is reported in accordance with the Local Government Act 2003 and the Local Authority (Capital Finance and Accounting) (England) Regulations 2003 and various codes.

## **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. These are further detailed in section 6.

## **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. It can be concluded that there are no differential impacts for any groups. The only exception is the delayed works in 2020/21 on disabled facilities grants which is negative for individuals with certain disabilities, but these works will be delivered in 2021/22. 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 Outturn outlined in this report has a slightly **negative** carbon impact as a result of delays.
- 12.2 A proportion of the capital funding is for proposed improvement works, usually resulting in improved energy efficiency and a reduced carbon footprint, for example, lower heating or lighting requirements. The improvement schemes will have a **positive** carbon effect but clearly in the case of slippage the achievement of these positive benefits will be delayed.
- 12.3 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 Senior Leadership Team, Heads of Services and Project Managers have been consulted in preparing the reasons for variations contained in this report.
- 13.2 The capital outturn summarises additions to the capital programme and slippage and rephasing since the last approved programme reported in February 2021. Each addition, slippage 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 Despite a challenging year dealing with the Covid-19 pandemic, the capital outturn for 2020/21 demonstrates that budgets are well managed across the council and that there is strong financial stewardship. Whilst the outturn position reports an overall underspend of £4.584M, much of the delayed works were due to Covid-19

impacts and will be progressed in 2021/22. The revised capital programme will be monitored monthly through the Capital Programme Board to mitigate any in-year pressures and reported quarterly to Cabinet and as relevant to Council.

## 16 **Options Considered and Rejected**

- 16.1 None, as the outturn and financing for 2020/21 have been prepared in accordance with statutory accounting principles.

<p><b>Date: 6 July 2021</b>  <b>Decision taken by: Cabinet</b>  <b>Date: 15 July 2021</b>  <b>Decision taken by: Council</b></p>
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<b>Status</b>	<b>Open</b>
<b>Confidentiality</b>	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.



## CAPITAL PROGRAMME OUTTURN 2020/21

## CAPITAL SCHEME OUTTURN VARIATIONS BY PORTFOLIO

<b>Borough Development and Improvement</b>	<b>Budget 2020/21 £M</b>	<b>Outturn 2020/21 £M</b>	<b>Outturn Variance £M</b>	<b>Portfolio Spend %</b>
Athletics Track and Field Surface Refurbishment at Down Grange	0.000	0.003	0.003	
Basing View 5G Living Lab	2.884	0.000	(2.884)	
Communication Improvement and Technology Infrastructure	0.050	0.000	(0.050)	
Down Grange Sports Complex	0.095	0.015	(0.080)	
Leisure Management Aquadrome and Tadley Pool	0.182	0.199	0.017	
Sport & Rec Improvements (S106)	0.370	0.327	(0.043)	
<b>Total</b>	<b>3.581</b>	<b>0.544</b>	<b>(3.037)</b>	<b>15.19%</b>

<b>Communities, Culture and Partnerships</b>	<b>Budget 2020/21 £M</b>	<b>Outturn 2020/21 £M</b>	<b>Outturn Variance £M</b>	<b>Portfolio Spend %</b>
Developers Contributions for Replacement/Refurbishment of Community Facilities	0.160	0.149	(0.011)	
Local Infrastructure Fund	0.971	1.024	0.053	
Local Infrastructure Fund (S106)	0.024	0.015	(0.009)	
Norden Community Project	0.040	0.027	(0.013)	
Top of Town Community Facilities	0.075	0.057	(0.018)	
<b>Total</b>	<b>1.270</b>	<b>1.272</b>	<b>0.002</b>	<b>100.16%</b>

<b>Environment and Enforcement</b>	<b>Budget 2020/21 £M</b>	<b>Outturn 2020/21 £M</b>	<b>Outturn Variance £M</b>	<b>Portfolio Spend %</b>
Eastlands Car Park Lighting Scheme	0.100	0.100	0.000	
Green Initiatives	0.061	0.007	(0.054)	
Kempshott Public Conveniences	0.020	0.000	(0.020)	
Parking And Access Schemes	0.244	0.158	(0.086)	
Tadley Public Conveniences	0.016	0.000	(0.016)	
Town Centre Car Park Improvements	0.146	0.133	(0.013)	
<b>Total</b>	<b>0.587</b>	<b>0.398</b>	<b>(0.189)</b>	<b>67.86%</b>

<b>Finance and Service Improvement</b>	<b>Budget 2020/21 £M</b>	<b>Outturn 2020/21 £M</b>	<b>Outturn Variance £M</b>	<b>Portfolio Spend %</b>
Digital Programme	1.288	0.540	(0.748)	
ICT Replacement Programme	0.808	0.542	(0.266)	
Replacement of Council Owned Vehicles	0.560	0.501	(0.059)	
Replacement of Vehicles (Hart shared service)	0.076	0.076	0.000	
Smarter Ways of Working	0.477	0.447	(0.030)	
<b>Total</b>	<b>3.209</b>	<b>2.106</b>	<b>(1.103)</b>	<b>65.63%</b>

APPENDIX 1 (continued)

**CAPITAL PROGRAMME OUTTURN 2020/21**

**CAPITAL SCHEME OUTTURN VARIATIONS BY PORTFOLIO**

<b>Homes and Families</b>	<b>Budget 2020/21 £M</b>	<b>Outturn 2020/21 £M</b>	<b>Outturn Variance £M</b>	<b>Portfolio Spend %</b>
Environmental Renewal Schemes	0.110	0.096	(0.014)	
Home Improvement Financial Assistance	1.000	0.980	(0.020)	
Park Heights, Wella Road	0.196	0.196	0.000	
<b>Total</b>	<b>1.306</b>	<b>1.272</b>	<b>(0.034)</b>	<b>97.40%</b>

<b>Planning, Infrastructure and Natural Environment</b>	<b>Budget 2020/21 £M</b>	<b>Outturn 2020/21 £M</b>	<b>Outturn Variance £M</b>	<b>Portfolio Spend %</b>
Allotment Improvements	0.047	0.043	(0.004)	
Down Grange BMX Track	0.005	0.004	(0.001)	
Infrastructure / Asset Renewals	0.097	0.087	(0.010)	
Open Space Improvements (S106)	0.200	0.244	0.044	
Play Area Improvements	0.599	0.464	(0.135)	
Street Lighting	0.100	0.100	0.000	
War Memorial Park Skate Park Replacement	0.100	0.100	0.000	
<b>Total</b>	<b>1.148</b>	<b>1.042</b>	<b>(0.106)</b>	<b>90.77%</b>

<b>Regeneration and Property</b>	<b>Budget 2020/21 £M</b>	<b>Outturn 2020/21 £M</b>	<b>Outturn Variance £M</b>	<b>Portfolio Spend %</b>
AMP Works (various sites)	0.261	0.262	0.001	
Basing View - Plot J - Norden House	0.172	0.143	(0.029)	
Basing View Hotel (Plot W)	0.078	0.094	0.016	
Basing View Plot K - K1	14.404	14.485	0.081	
Down Grange Depot Enhancements	0.277	0.292	0.015	
Manydown Development	1.566	1.481	(0.085)	
Property Investment Strategy	8.900	8.900	(0.000)	
Re-Letting Works	0.100	0.088	(0.012)	
Wade Road Mess Facilities	0.050	0.010	(0.040)	
Wade Road Wash Down Facility	0.066	0.002	(0.064)	
<b>Total</b>	<b>25.874</b>	<b>25.757</b>	<b>(0.117)</b>	<b>99.54%</b>

<b>Grand Total</b>	<b>36.975</b>	<b>32.391</b>	<b>(4.584)</b>	<b>87.60%</b>
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## CAPITAL PROGRAMME OUTTURN 2020/21

## SIGNIFICANT OUTTURN VARIANCE EXPLANATIONS OVER £0.020M BY PORTFOLIO

Portfolio/Capital Scheme	Latest Budget 2020/21 £M	Outturn 2020/21 £M	Outturn Variance 2020/21 £M	Outturn Forecast Qtr 3 2020/21 £M	Variance Outturn to Qtr 3 Forecast £M
<b><u>Rephased Spend</u></b>					
<u>Communities, Culture and Partnerships</u> Local Infrastructure Fund	0.971	1.024	0.053	0.995	0.029
<u>Planning, Infrastructure and Natural Environment</u> Open Space Improvements (S106)	0.200	0.244	0.044	0.200	0.044
<b>Sub Total</b>	<b>1.171</b>	<b>1.268</b>	<b>0.097</b>	<b>1.195</b>	<b>0.073</b>
<b><u>Slippage (to be rephased)</u></b>					
<u>Borough Development and Improvement</u> Basing View 5G Living Lab	2.884	0.000	(2.884)	2.884	(2.884)
Communication Improvement and Technology Infrastructure	0.050	0.000	(0.050)	0.050	(0.050)
Down Grange Sports Complex Sport & Rec Improvements (S106)	0.095 0.370	0.015 0.327	(0.080) (0.043)	0.095 0.276	(0.080) 0.051
<u>Environment and Enforcement</u> Green Initiatives	0.061	0.007	(0.054)	0.038	(0.031)
Kempshott Public Conveniences Parking and Access Schemes	0.020 0.244	0.000 0.158	(0.020) (0.086)	0.020 0.244	(0.020) (0.086)
<u>Finance and Service Improvement</u> Digital Programme	1.288	0.540	(0.748)	1.288	(0.748)
ICT Replacement Programme Replacement of Council Owned Vehicles	0.808 0.560	0.542 0.501	(0.266) (0.059)	0.808 0.560	(0.266) (0.059)
<u>Homes and Families</u> Home Improvement Financial Assistance	1.000	0.980	(0.020)	1.000	(0.020)
<u>Planning, Infrastructure and Natural Environment</u> Play Area Improvements	0.599	0.464	(0.135)	0.599	(0.135)
<u>Regeneration and Property</u> Basing View - Plot J - Norden House	0.172	0.143	(0.029)	0.172	(0.029)
Manydown Development Wade Road Wash Down Facility	1.566 0.066	1.481 0.002	(0.085) (0.064)	1.566 0.066	(0.085) (0.064)
<b>Sub Total</b>	<b>9.783</b>	<b>5.160</b>	<b>(4.623)</b>	<b>9.666</b>	<b>(4.506)</b>

APPENDIX 2 (continued)

CAPITAL PROGRAMME OUTTURN 2020/21

SIGNIFICANT OUTTURN VARIANCE EXPLANATIONS OVER £0.020M BY PORTFOLIO

Portfolio/Capital Scheme	Latest Budget 2020/21 £M	Outturn 2020/21 £M	Outturn Variance 2020/21 £M	Outturn Forecast Qtr 3 2020/21 £M	Variance Outturn to Qtr 3 Forecast £M
<b><u>Scheme Overspend/(Underspend)</u></b>					
<u>Finance and Service Improvement</u> Smarter Ways of Working	0.477	0.447	(0.030)	0.477	(0.030)
<u>Regeneration and Property</u> Basing View Plot K - K1	14.404	14.485	0.081	14.404	0.081
Wade Road Mess Facility	0.050	0.010	(0.040)	0.050	(0.040)
<b>Sub Total</b>	<b>14.931</b>	<b>14.942</b>	<b>0.011</b>	<b>14.931</b>	<b>0.011</b>
Other Minor Net Outturn Variations (<£0.020M)	11.090	11.021	(0.069)	11.160	(0.139)
<b>Total Capital Variances</b>	<b>36.975</b>	<b>32.391</b>	<b>(4.584)</b>	<b>36.952</b>	<b>(4.561)</b>

**CAPITAL PROGRAMME OUTTURN 2020/21**

**SIGNIFICANT OUTTURN VARIANCE EXPLANATIONS OVER £0.020M BY PORTFOLIO**

Reasons for significant variances of over £0.020M on individual schemes are given for each Portfolio below.

**Borough Development and Improvement Portfolio - £3.037M Net Underspend**  
**(£3.037M reduced spend since quarter three forecast)**

**Basing View 5G Living Lab - £2.884M slippage**

Due to reprioritisation of resources and capacity to support the community and business emergency response to pandemic, the 5G Living Lab project has been delayed. Work has now resumed and industry partners are being procured for delivery in 2021/22. The funding is linked to a grant from the Local Enterprise Partnership (EM3) and approval to rephase the project into 2021/22 has been granted by the Partnership.

**Communication Improvement and Technology Infrastructure - £0.050M slippage**

The original intended spend for this allocation to support the delivery of the Basing View 5G Living Lab has been affected by Covid-19 which has created delays in the development and implementation of the Basing View 5G Living Lab due to reprioritisation of resources and capacity to support the emergency response. Work on the 5G Living Lab has resumed and industry partners are being procured for delivery in 2021/22.

**Down Grange Sports Complex - £0.080M slippage**

The underspend is due to the impact of Covid-19 on contractors and relevant supply chains, notably with delays in the manufacturing of the stand. The project is now due to commence in July 2021 and to run alongside the proposed track improvement proposals.

**Sports and Recreation Improvements (S106) - £0.043M slippage**

All projects were completed as expected this financial year except the £0.050M originally identified for the Bramley FC Pavilion project. Unfortunately this was due to a delay in partnership funding as members of the Hampshire Football Association (HFA) were put on furlough leave intermittently throughout the financial year. The club explored the opportunity for Local Infrastructure Funding (LIF) and Sport England funding, however were unsuccessful. Staff have now returned to the HFA on a part time basis and the application was been pushed back until the 2021/22 financial year.

**CAPITAL PROGRAMME OUTTURN 2020/21**

**SIGNIFICANT OUTTURN VARIANCE EXPLANATIONS OVER £0.020M BY PORTFOLIO**

**Communities, Culture and Partnerships Portfolio - £0.002M Net Overspend**  
**(£0.002M increased spend since quarter three forecast)**

**Local Infrastructure Fund Schemes - £0.053M rephasing**

The LIF programme is mainly delivered by external partners and the council has limited control over the timing of delivery and budget plans that are produced after consultation with partners. The final account for 2020/21 shows that eleven schemes progressed ahead of the latest budget plan and fourteen schemes progressed behind the budget plan.

**Environment and Enforcement Portfolio - £0.189M Net Underspend**  
**(£0.166M reduced spend since quarter three forecast)**

**Green Initiatives - £0.054M slippage**

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. There has been lower than anticipated spend in the year due to lower take up and it is requested to re-phase the underspend to enable access for emerging green initiatives, so the programme can be in place and facilitate increase demand in take up across the Borough.

Subsequent to the recent adoption of the Climate Change and Air Quality Strategy, detailed work planning is underway with teams across the council, including areas of future spend which will be drawn together to outline most effective way of implementing the strategy and achieving the climate emergency targets.

**Kempshott Public Conveniences - £0.020M slippage**

Whilst the is potential to redevelop the site is considered it is proposed to keep the public conveniences in place until confirmation of the development.

**Parking and Access Schemes - £0.086M slippage**

The majority of the underspend relates to schemes that were delayed due to a number of factors caused by Covid-19, including the shutdown of the construction industry during March-May 2020, which affected contractor availability later in the financial year, as well as affecting the materials supply chain. Covid-19 has also resulted in additional approvals being required from Hampshire County Council's Highway Maintenance, Transport and Safety Audit teams and larger schemes on highway land are required to be tendered through HCC's 'Gen-4' Civils contract delaying the speed with which projects could be processed.

**CAPITAL PROGRAMME OUTTURN 2020/21**

**SIGNIFICANT OUTTURN VARIANCE EXPLANATIONS OVER £0.020M BY PORTFOLIO**

**Finance and Service Improvement Portfolio - £1.103M Net Underspend**

**(£1.103M reduced spend since quarter three forecast)**

**Digital Programme - £0.748M slippage**

There have been prolonged contract negotiations relating to the Enterprise Resource Planning (ERP) project which resulted in the project start timeframe being delayed, resulting in some of the implementation consultancy originally anticipated to have taken place in late 2020/21 now taking place in early 2021/22. Certain modules relating to the customer and digital platform were not required as quickly as originally anticipated due to the set order in which implementation has to take place and therefore the recruitment of the implementation team was delayed in line with this.

**ICT Replacement Programme - £0.266M slippage**

The largest part of the variance relates to the purchase of desktops and laptops where delays with the supplier has resulted in a number of laptops being delivered in early May rather than late March 2021. The majority of the remaining underspend relates to the replacement of servers which was pushed back to late 2020/21 as a result of IT services having to delay planned projects to focus on the response to the pandemic in building out the council's homeworking capacity, video conferencing for staff and council meetings, as well as providing systems to allow support to the councils support of the community. Demands on IT services has remained high throughout the year resulting in the replacement of servers now being pushed back further into 2021/22 to allow capacity to prioritise with more urgent activities.

**Replacement of Council Owned Vehicles - £0.059M slippage**

An agreed service reduction for grass cutting across the borough in 2020/21 due to Covid-19 resulted in the overall number of purchased mowers being reduced from 22 to 20. As this has simply delayed the replacement of other mowers, it is requested that the remaining budget be carried forward to 2021/22.

**CAPITAL PROGRAMME OUTTURN 2020/21**

**SIGNIFICANT OUTTURN VARIANCE EXPLANATIONS OVER £0.020M BY PORTFOLIO**

**Homes and Families Portfolio - £0.034M Net Underspend**  
**(£0.034M reduced spend since quarter three forecast)**

**Home Improvement Financial Assistance - £0.020M slippage**

This relates to Disabled Facilities Grants. The budget is set based on the previous year's level of expenditure, however the actual amount of grants paid is demand led. The demand for Disabled Facilities Grants increased after the first lockdown and there remains a high level of referrals and a waiting list. There have, however, been problems with the availability of contractors, sourcing materials and access to homes being minimised, all of which has come about as a result of the latest lockdown and resulted in work anticipated to be carried out in 2020/21 now being delivered in 2021/22.

**Planning, Infrastructure and Natural Environment Portfolio - £0.106M Net Underspend**  
**(£0.106M reduced spend since quarter three forecast)**

**Open Space Improvements (S106) - £0.044M rephasing**

Projects have progressed at a quicker rate than originally anticipated with some Parish Council projects, such as Sherfield on Loddon Village Green drainage (£0.017M rephased spend), coming forward ahead of the budgeted timeframe and were therefore able to be progressed during 2020/21. Delivery of the Popley Community Park project also progressed at a faster pace than anticipated once works commenced on site, resulting in 2020/21 spend being greater than budgeted (£0.027M rephased spend). This rephased spend is covered by the rephasing of the approved and available budgets from future years.

**Play Area Improvements (S106) - £0.135M slippage**

The Covid-19 pandemic has had a significant impact on the ability to deliver Play Area Improvements with play companies and their installers experiencing exceptionally heavy demands on their time since the end of the first lockdown. The impact of which has been agreed timeframes for delivery have not been met, with significant delays to projects, the main elements of which were the Whitchurch Town Council Alliston Way project (£0.044M slippage) and the Oakley Kennet Way project (£0.035M slippage).

**Regeneration and Property Portfolio - £0.117M Net Underspend**  
**(£0.117M reduced spend since quarter three forecast)**

**Basing View - Plot J - £0.029M slippage**

Having not yet secured the Section 106 agreement with Hampshire County Council for the walking and cycling improvements to the Norn Hill / Neon site (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, the 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.



**CAPITAL PROGRAMME OUTTURN 2020/21**

**SIGNIFICANT OUTTURN VARIANCE EXPLANATIONS OVER £0.020M BY PORTFOLIO**

**Basing View Plot K – K1 - £0.081M overspend**

The council's development partner requested some additional works as part of the fit out of the property. This additional work was added to the main contract and the development partner has made an additional contribution to cover the cost of these works.

**Manydown Development - £0.085M slippage**

This capital project consists of two elements:-

- MGC LLP – as a consequence of the delay in signing the contract to appoint Urban and Civic/Wellcome Trust as the Private Sector Partner for Manydown North, the Manydown Garden Communities (MGC) LLP required less capital funding to fund operational activity. The underspend has been deferred into future years to support the funding requirements for MGC LLP;
- MDV LLP – The budget also included investment into MDV LLP for the full year. Again, as contracts were not completed until July 2020 the MDV LLP has not incurred the level of costs it forecast, as a result the council has not needed to fund MDV LLP to the level anticipated. The underspend is retained for future utilisation in the capital programme as this is slippage JJon the project.

**Wade Road Mess Facility - £0.040M underspend**

The works were value engineered with a reduced scope and tendered separately to the wash down unit as they could be completed quicker. The costs came in at circa £10k and have now been completed. It is requested that the balance of funds (£0.040M) is transferred to the wash down unit scheme budget, where there are cost pressures (see below).

**Wade Road Wash Down Facility - £0.064M slippage**

The wash down unit tender return time was extended due to Covid-19. The costs came in over budget; as a result some additional works to the project have been removed to ensure costs do not exceed the approved budget. Notwithstanding this, it is requested that the £0.040M underspend on the Wade Road Mess Facility scheme is transferred to this scheme to aid with the cost pressures.

**CAPITAL PROGRAMME OUTTURN 2020/21  
PROPOSED PROGRAMME CHANGES FOR APPROVAL**

Revised Capital Programme Changes	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	2024/25 £M	Total £M
<b>Latest Approved Programme June 2021</b>	<b>36.975</b>	<b>31.639</b>	<b>10.030</b>	<b>5.446</b>	<b>5.627</b>	<b>89.717</b>
<b>2020/21 Rephasing</b>						
AMP Works (various sites)	0.001	(0.001)				0.000
Athletics Track and Field Surface Refurbishment at Down Grange	0.003	(0.003)				0.000
Basing View Hotel (Plot W)	0.016	(0.016)				0.000
Leisure Management Aquadrome and Tadley Pool	0.017	(0.017)				0.000
Local Infrastructure Fund	0.053	0.094	(0.147)			0.000
Open Space Improvements (S106)	0.044	(0.044)				0.000
<b>Total 2020/21 Rephasing</b>	<b>0.134</b>	<b>0.013</b>	<b>(0.147)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>2020/21 Slippage</b>						
Allotment Improvements	(0.004)	0.004				0.000
Basing View - Plot J - Norden House	(0.029)	0.029				0.000
Basing View 5G Living Lab	(2.884)	2.884				0.000
Communication Improvement and Technology Infrastructure	(0.050)	0.050				0.000
Developers Contributions for Replacement/Refurbishment of Community Facilities	(0.011)	0.011				0.000
Digital Programme	(0.748)	0.685	0.063			0.000
Down Grange BMX Track	(0.001)	0.001				0.000
Down Grange Sports Complex	(0.080)	0.080				0.000
Environmental Renewal Schemes	(0.014)		0.014			0.000
Green Initiatives	(0.054)	0.054				0.000
Home Improvement Financial Assistance	(0.020)	0.020				0.000
ICT Replacement Programme	(0.266)	0.266				0.000
Infrastructure / Asset Renewals	(0.010)	0.010				0.000
Kempshott Public Conveniences	(0.020)	0.020				0.000
Local Infrastructure Fund (S106)	(0.009)	0.009				0.000
Manydown Development	(0.085)		0.061		0.024	0.000
Norden Community Project	(0.013)	0.013				0.000
Parking and Access Schemes	(0.086)	0.086				0.000
Play Area Improvements	(0.135)	(0.048)	0.003		0.180	0.000
Re-Letting Works	(0.012)	0.012				0.000
Replacement of Council Owned Vehicles	(0.059)	0.037	0.022			0.000
Replacement of Vehicles (Hart shared service)	(0.001)	0.001				0.000
Sport & Rec Improvements (S106)	(0.043)	0.043				0.000
Tadley Public Conveniences	(0.016)	0.016				0.000
Top of Town Community Facilities	(0.018)	0.018				0.000
Town Centre Car Park Improvements	(0.013)	0.013				0.000
Wade Road Wash Down Facility	(0.064)	0.064				0.000
Minor Roundings	0.001	(0.001)				0.000
<b>Total 2020/21 Slippage</b>	<b>(4.744)</b>	<b>4.377</b>	<b>0.163</b>	<b>0.000</b>	<b>0.204</b>	<b>0.000</b>

APPENDIX 3 (continued)

**CAPITAL PROGRAMME OUTTURN 2020/21  
PROPOSED PROGRAMME CHANGES FOR APPROVAL**

Revised Capital Programme Changes	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	2024/25 £M	Total £M
<b>Net Scheme Overspend/(Underspend)</b>						
Basing View Plot K - K1	0.081					0.081
Leisure Management Aquadrome and Tadley Pool						
Down Grange Depot Enhancements	0.015					0.015
Smarter Ways of Working	(0.030)	(0.079)	0.033			(0.076)
<b>Total Net Scheme (Underspends)/Overspends</b>	<b>0.066</b>	<b>(0.079)</b>	<b>0.033</b>	<b>0.000</b>	<b>0.000</b>	<b>0.020</b>
<b>Scheme Additions</b>						
Leisure Management Aquadrome and Tadley Pool		0.141				0.141
<b>Total Scheme Additions</b>	<b>0.000</b>	<b>0.141</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.141</b>
<b>Other Scheme Rephasing</b>						
Digital Programme		0.016	(0.016)			0.000
Open Space Improvements (S106)		(0.455)		0.225	0.230	0.000
Play Area Improvements		(0.137)	(0.123)	0.260		0.000
Smarter Ways of Working		(0.472)	0.472			0.000
Sport and Recreation (S106)		0.354	(0.348)	(0.006)		0.000
Town Centre Car Park Improvements		(0.231)	0.231			0.000
<b>Total Other Scheme - Rephasing</b>	<b>0.000</b>	<b>(0.925)</b>	<b>0.216</b>	<b>0.479</b>	<b>0.230</b>	<b>0.000</b>
<b>Scheme Virements</b>						
Sport and Recreation (S106)		(0.383)				0.000
Leisure Management Aquadrome and Tadley Pool		0.383				0.000
Play Area Improvements				(0.068)		0.000
Open Space Improvements (S106)				0.068		0.000
Wade Road Mess Facilities	(0.040)					0.000
Wade Road Washdown Facility		0.040				0.000
<b>Total Scheme Virements</b>	<b>(0.040)</b>	<b>0.040</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>New Revised Capital Programme July 2021</b>	<b>32,391</b>	<b>35.206</b>	<b>10.295</b>	<b>5.925</b>	<b>6.061</b>	<b>89.878</b>

**CAPITAL PROGRAMME OUTTURN 2020/21  
REVISED CAPITAL PROGRAMME 2021/22 TO 2024/25 FOR APPROVAL**

<b>Fit For The Future</b>	<b>2021/22 £M</b>	<b>2022/23 £M</b>	<b>2023/24 £M</b>	<b>2024/25 £M</b>	<b>Total £M</b>
AMP Works (various sites)	1.882	0.949	1.093	0.600	4.524
Digital Programme	1.700	1.271			2.971
ICT Replacement Programme	0.596	0.157	0.313	0.582	1.648
Replacement of Council Owned Vehicles	0.343	0.265	0.360	0.700	1.668
Replacement of Vehicles (Hart shared service)	0.602		0.046		0.648
Smarter Ways of Working	0.993	0.505			1.498
Wade Road Wash Down Facility	0.104				0.104
<b>Total</b>	<b>6.220</b>	<b>3.147</b>	<b>1.812</b>	<b>1.882</b>	<b>13.061</b>

<b>Improving Safety</b>	<b>2021/22 £M</b>	<b>2022/23 £M</b>	<b>2023/24 £M</b>	<b>2024/25 £M</b>	<b>Total £M</b>
CSPO vehicles	0.052				0.052
Home Improvement Financial Assistance	1.606	1.564	1.565	1.460	6.195
<b>Total</b>	<b>1.658</b>	<b>1.564</b>	<b>1.565</b>	<b>1.460</b>	<b>6.247</b>

<b>Planning For The Future</b>	<b>2021/22 £M</b>	<b>2022/23 £M</b>	<b>2023/24 £M</b>	<b>2024/25 £M</b>	<b>Total £M</b>
2 & 3 Viabes Cottages	0.090				0.090
Basing View - Plot J - Norden House	0.174				0.174
Basing View 5G Living Lab	3.845				3.845
Basing View Hotel (Plot W)	0.293				0.293
Communication Improvement and Technology Infrastructure	0.098				0.098
Homelessness Initiatives and Affordable Housing Delivery	0.075				0.075
Low Cost Home Ownership Scheme	0.580				0.580
Manydown Development	1.808	1.535	0.371	0.415	4.129
Manydown Land and Infrastructure Funding	12.500				12.500
Parking and Access Schemes	0.623	0.500	0.500	0.500	2.123
Re-Letting Works	0.112	0.100	0.043	0.100	0.355
The Beresford Centre - First floor office suite refurbishment	0.005	0.050			0.055
Town Centre Car Park Improvements	0.256	0.231			0.487
Town Centre Improvements	0.007				0.007
<b>Total</b>	<b>20.466</b>	<b>2.416</b>	<b>0.914</b>	<b>1.015</b>	<b>24.811</b>

**APPENDIX 4 (continued)**

**CAPITAL PROGRAMME OUTTURN 2020/21  
REVISED CAPITAL PROGRAMME 2021/22 TO 2024/25 FOR APPROVAL**

<b>Protecting and Enhancing Our Environment</b>	<b>2021/22 £M</b>	<b>2022/23 £M</b>	<b>2023/24 £M</b>	<b>2024/25 £M</b>	<b>Total £M</b>
Environmental Renewal Schemes	0.108	0.092	0.078	0.100	0.378
Green Initiatives	0.189	0.060	0.060	0.052	0.361
<b>Total</b>	<b>0.297</b>	<b>0.152</b>	<b>0.138</b>	<b>0.152</b>	<b>0.739</b>

<b>Strengthening Communities</b>	<b>2021/22 £M</b>	<b>2022/23 £M</b>	<b>2023/24 £M</b>	<b>2024/25 £M</b>	<b>Total £M</b>
Allotment Improvements	0.113		0.075	0.075	0.263
Athletics Track and Field Surface Refurbishment at Down Grange	0.347				0.347
CCTV cameras for fly-tipping surveillance	0.013				0.013
Developers Contributions for Replacement/Refurbishment of Community Facilities	0.702	0.279			0.981
Down Grange - Artificial grass surface replacement		0.350			0.350
Down Grange BMX Track	0.046	0.025			0.071
Down Grange Sports Complex	0.080				0.080
Eastrop Park Loddon Bridge Replacement	0.065				0.065
Future Cemetery Provision	0.427				0.427
Infrastructure / Asset Renewals	0.110	0.100	0.100	0.100	0.410
Kempshott Public Conveniences	0.020				0.020
Leisure Management Aquadrome and Tadley Pool	1.663				1.663
Leisure Recreation Needs Assessment - Improvements to pavilion and sports facilities at Stratton Park		0.250			0.250
Local Infrastructure Fund	1.247	0.082			1.329
Local Infrastructure Fund (S106)	0.008				0.008
Norden Community Project	0.233	0.200			0.433
Open Space Improvements (S106)	0.220	0.734	0.577	0.354	1.885
Play Area Improvements	0.392	0.703	0.507	0.423	2.025
Play Council Site	0.026				0.026
Sport & Rec Improvements (S106)	0.269	0.077	0.237		0.583
Tadley Pool Health Facility	0.170				0.170
Tadley Public Conveniences	0.016				0.016
Tennis Clubhouse - War Memorial Ground				0.600	0.600
Top of Town Community Facilities	0.189	0.176			0.365
Town Centre Litter Bins	0.010	0.040			0.050
War Memorial Park Skate Park Replacement	0.180				0.180
Waste Contract Vehicle Financing	0.019				0.019
<b>Total</b>	<b>6.565</b>	<b>3.016</b>	<b>1.496</b>	<b>1.552</b>	<b>12.629</b>
<b>Total Revised Capital Programme</b>	<b>35.206</b>	<b>10.295</b>	<b>5.925</b>	<b>6.061</b>	<b>57.487</b>

## Prudential Indicators

Under the prudential capital finance system the council determines, at a local level, its capital expenditure and borrowing provided that it can demonstrate that its plans are affordable, prudent and sustainable. Under the Prudential Code of Practice there is a statutory requirement to set, monitor and report Prudential Indicators and limits.

The Prudential Indicator limits and the compliance with those limits are set out in Table 1.

**Table 1 – Prudential Indicators for 2020/21**

	<b>Prudential Indicator 2020/21</b>	<b>Actual as at 31/03/21</b>
Actual Capital Expenditure	£39.76M	£32.39M
Actual Capital Financing Requirement	£2.20M	£2.20M
Authorised Limit for External Debt	£50.00M	£2.27M
Operational Boundary for External Debt	£25.00M	£2.27M
Actual Proportion of Financing Costs to Net Revenue Stream	-21%	-8%

The Executive Director of Corporate Services as the Section 151 Officer is required under the Prudential Code to report to Council the 2020/21 actuals for the following non-treasury management prudential indicators.

- Actual capital expenditure for 2020/2021 was £32.391M.
- Actual capital financing requirement as at 31/03/21 was £2.200M.
- Actual external debt as at 31/03/21 was £2.265M.
- Actual proportion of financing costs to net revenue stream was -8%.

The capital financing requirement is the council's underlying need to borrow to finance capital expenditure that has not been financed by its own resources. As most of the council's capital expenditure has been financed by the use of capital receipts and contributions or by revenue reserves the capital financing requirement is £2.200M. The council's Minimum Revenue Provision (MRP) requirement (i.e. the council's need to set aside amounts to repay borrowing) for 2020/21 is nil.

External debt is made up of borrowing and other long term liabilities. The council has long term borrowing of £2.200M from the Local Enterprise Partnership in relation to a commercial office development at Basing View. Parish council deposits with this council were £0.065M and are deemed to be temporary borrowing.

The purpose of the proportion of financing costs to net revenue stream is to identify what percentage of net revenue costs relate to the financing of debt. As the council has investments which far exceed the amount of long term debt the percentage is usually expected to be negative and shows interest income as a proportion of the council's net revenue expenditure.

The Prudential Indicators were set as part of the council's Capital Strategy for 2020/21 and were approved by Council on 27th February 2020. The council is required by the Prudential Code of Practice to report annually on prudential indicators and limits relating to capital expenditure, affordability, external debt and investments.