**CAPITAL PROGRAMME AND PRUDENTIAL INDICATORS
2020/21 – THIRD QUARTER REVIEW**

Sheena Ramsey, Chief Executive

EXECUTIVE SUMMARY

1.   The purpose of this report is to set out the latest position on the 2020/21 Capital Programme and Prudential Indicators at the end of the third quarter to 31 December 2020. The report assesses reasons for the variances from the approved programme and details the proposed financing of the capital programme. In addition, the report considers the impact of CIPFA's Prudential Code on the capital programme and the monitoring of performance against the statutory Prudential Indicators.

2.   The original budget for the capital programme for 2020/21, as agreed by Council on 25 February 2020, totalled £110.475m, which was reduced to £96.792m at the first quarter review and £94.452m at the second quarter to accommodate re-profiling into future years and reductions linked to Covid. The third quarter review of progress has resulted in a revised estimate for total capital expenditure of £77.411m.

3.   CIPFA's Prudential Code advises the regular monitoring of performance against the prudential indicators which regulate borrowing and investment. Targets and limits for the prudential indicators for 2020/21 were agreed at Council on 25 February 2020 and borrowing and investment levels have remained within these limits.

4.   The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

RECOMMENDATION

5.   It is recommended that Council:

   (i)   approves all variations to the 2020/21 Capital Programme, as detailed in Appendix 2 of the attached report, as the revised programme;

   (ii)   approves the financing of the revised programme; and

   (iii)   notes that Cabinet confirms that the capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and that none of the approved Prudential Indicators set for 2020/21 have been breached.