

# Policy and Sustainability Committee

10.00am, Thursday, 25 June 2020

## Capital Budget Update – 2019/20 Provisional Outturn and 2020/21 COVID-19 Forecast

Executive/routine Wards Council Commitments	Executive All
---	------------------

### 1. Recommendations

---

- 1.1 To note the provisional capital outturn position for the General Fund and Housing Revenue Account (HRA) at month twelve (subject to external audit);
- 1.2 To note the 2020/21 COVID-19 Forecast Assumptions and that the 2020/21 Revised Capital Budget will be reported to Committee in August 2020.

**Stephen S. Moir**

Executive Director of Resources

Contact: Liam MacDonald, Senior Accountant,  
Finance Division, Resources Directorate

E-mail: [Liam.MacDonald@edinburgh.gov.uk](mailto:Liam.MacDonald@edinburgh.gov.uk) | Tel: 0131 469 3174

## Capital Budget Update – 2019/20 Out-turn and 2020/21 COVID-19 Forecast

### 2. Executive Summary

---

- 2.1 The report provides capital expenditure and income provisional out-turns for 2019/20.
- 2.2 At month twelve, the General Fund is reporting slippage of £18.645m against the general fund capital expenditure budget of £297.207m. Capital income is reported at £207.331m, resulting in a net requirement of £71.231m in loans fund advances.
- 2.3 At month twelve, the Housing Revenue Account (HRA) is reporting capital expenditure of £111.854m, against an approved budget of £108.954m. An additional £17.574m of grant funding was secured from the Scottish Government to support delivery of new social rented homes through this programme. This resulted in a net requirement of £38.403m in loans fund advances, which is £21.108m lower than originally budgeted.
- 2.4 The extent of the impact from COVID-19 is likely to differ between programmes and projects and it is too early to understand the full cost to the Council.
- 2.5 It is difficult to estimate the full impact on the programme until market intelligence, such as tender returns, is available. The result of the modelling shows pressures of £56.207m in 2020/21, although slippage of £217.464m means that a net slippage position of £161.257m is forecast. This means that the Council may benefit from a reduced loans charge liability in the current year, but this has already been factored into corporate budgeting assumptions. In future years, however it would result in additional financing costs.

### 3. Background

---

- 3.1 The Council set its capital investment programme for the period 2019-24 at its budget meeting of 21 February 2019. This budget was subsequently revised to reflect slippage from 2018/19 and up-to-date project cashflows, as reported to Finance and Resources Committee on 15 August 2019.
- 3.2 This report sets out provisional outturn for capital expenditure and income for the 2019-20 financial year at month twelve and compares this with the revised capital budget.

- 3.3 The initial Capital Budget Strategy 2020-2030 was reported to Finance and Resources Committee on 10 October 2019 and approved on 20 February 2020 as part of budget process.
- 3.4 It was subsequently consolidated with other key strategies into the Council's Capital Strategy which was approved by Council on 12 March 2020. This strategy set out for expenditure of £2,324.800m to 2029/30. While the programme was affordable in the short to medium term, there remained £154.600m which was unfunded and will require the Council to find additional revenue savings or additional funding in future years or lead to projects having to be removed from the capital investment programme or delayed.
- 3.5 Since the setting of the budget, COVID-19 and the measures put in place to protect citizens have created significant financial and logistical challenges and it will no longer be possible to deliver projects within the timescales and budgets previously envisaged. Following guidance from Scottish Ministers, all construction sites have been closed and will be re-opened in accordance with the '[Coronavirus \(COVID-19\): framework for decision making – Scotland's route map through and out of the crisis](#)' guidance. It is likely this will require changes to working practices to protect both construction workers and the public at large.
- 3.6 This report provides an update on the approved budget from 20 February 2020 in light of estimated COVID-19 impacts and a further update will be provided to Committee in August 2020 to set the revised budget.

## 4. Main report

---

### 2019/20 Capital Monitoring Provisional Out-turn

#### General Fund

- 4.1 The provisional outturn for the general fund was slippage of £18.645m. This compared favourably compared to a month eight forecast of £25.610m. A breakdown by directorate is provided in Appendix 1.
- 4.2 Within Communities and Families, there was slippage of £21.947m primarily due to;
- Meadowbank Sports Centre of £9.475m primarily due to the sale of land to the HRA being recognised in 2019/20. There is a similar increase in ring-fenced asset sales as a result;
  - Rising school rolls of £5.603m to reflect updated expenditure profiles for a variety of projects including Sciennes, Kirkliston, Liberton High School, Deanpark Primary School, Castleview and Echline with the pre-COVID expectation for these to be completed in the 2020/21 financial year;
  - Local Development Plan Primary School Design costs of £3.896m as the specialist design team were only appointed at 10 October 2019 Finance and Resources Committee and therefore the works programme has now been more accurately phased;

- New South Edinburgh Primary of £2.040m due to the project being significantly delayed by utility companies relating to the diversion of a combined sewer. Whilst these delays resulted in adjustments to the annual spend profile, they will have no impact on the expected and publicised opening date for the new school of August 2021;
- Boroughmuir High School Extension of £1.800m due to extension of delivery programme agreed with the school to meet operational requirements, with work to be completed by August 2021; and
- Castlebrae New Wave Four School of £1.431m in order to align expenditure to the final contract programme now that the project is on-site and work commencing.

4.3 Within Place, there was slippage of £4.311m primarily due to;

- Energy Efficiency Street Lighting Project where there is slippage of £1.995m due to changes in the sequencing of the programme, bringing forward work with less value whilst pushing higher value works towards the end of the programme. This had added two months to the overall 36-month programme due to additional project scope before COVID-19 lockdown;
- Local Development Plan Roads Obligations where there is slippage of £1.407m. Work is being undertaken to develop project management capacity to deliver this project in-line with the Finance and Resources Committee approval;
- Leith Theatre where there is slippage of £0.756m due to delays caused by relocation of an electrical substation;
- North Bridge where there is slippage of £0.694m due to delays, that for the most part, are out with the Council's control. The delays were due to the Contractor resolving scaffolding design issues and ensuring that the bridge can accommodate the scaffold and working loads. This work has had no material impact upon members of the public or adjoining stakeholders. The project management team have been active in seeking the implementation of mitigation measures to reduce the overall impact of this ongoing delaying event, however, this has been hampered by COVID-19 restrictions; and
- Dunard Centre where there is slippage of £0.500m due to uncertainty caused by the judicial review.

4.4 Within Place – Lending, there was slippage of £12.536m due to revised programming of new Edinburgh Living homes at North Sighthill and Craigmillar and the Shrubhill National Housing Trust (NHT) payment of £4.723m due in February 2020 is now forecast in 2020/21 financial year. The Council delayed borrowing to match the revised expenditure profiles.

4.5 Within Place – Trams to Newhaven, the budget was realigned in Period Six to reflect the revised expenditure profile agreed following Early Contractor Involvement and remains within the time and budget parameters agreed by Council. The out-turn

position shows acceleration of £4.381m, this includes re-alignment of the programme of work for mobilisation, traffic management and utilities. At Period Six, insurance costs were assumed to be spread across the entire project whereas they are now recognised as being paid up-front.

- 4.6 Within Resources, there was slippage of £5.513m as fewer IT projects were capitalised in year than expected and within the Asset Management Works programme, the above slippage was offset by significant acceleration of £21.508m primarily across school projects but also from ceiling work, asbestos work and Edinburgh Leisure projects.
- 4.7 This is only a provisional outturn as the Accounts are still subject to External Audit.

### **Housing Revenue Account**

- 4.8 The provisional year-end outturn for 2019/20 was £111.854m against an original approval budget of £108.954m (representing a 38% increase from the 2018/19 outturn (£80.963m). A breakdown of the detail is provided in Appendix 2.
- 4.9 In addition to accelerating the programme, this expenditure is offset by additional capital income of £24.008m primarily due to £17.574m in grant funding secured from Scottish Government to support delivery of new social rented homes. This resulted in a net requirement of £38.403m in loans fund advances, which is £21.108m lower than originally budgeted.
- 4.10 Nearly 300 affordable homes were completed in 2019/20 at Royston, Dumbryden, Greendykes G, Hailesland Place, Crewe Road Gardens and North Sighthill. At the end of the financial year, over 800 new homes were under construction, with nearly 3,400 homes in design and development stage. £40.090m was spent to secure land for affordable housing development.
- 4.11 The improvement programme invests in the modernisation of tenants' homes and estates. In 2019/20, the Improvement Programme delivered 1,250 new kitchen and bathrooms, achieving the target for the year to deliver the commitment that no kitchens and bathrooms would be over 20 years old by end of 2020. It also delivered 1,960 new modern heating systems; 615 homes with electrical upgrades; 1,200 homes with external fabric upgrades; nearly 100 major adaptations and 100 locality environmental projects. As part of this programme, 38 homes were purchased in mixed tenure blocks, helping to gain 100% ownership in 13 blocks and further consolidation of ownership in another 25 blocks. A total of 18 homes were sold in blocks in which the Council was a minority owner, giving a net increase of 20 affordable homes.

## **Capital Budget Strategy 2020-2030 – Impact of COVID-19**

### **General Fund**

- 4.12 The extent of the impact from COVID-19 is likely to differ between projects and it is too early to understand the full cost to the Council.
- 4.13 It is difficult to estimate the full impact on the programme until market intelligence, such as tender returns, is available. Inevitably it is likely to affect intrusive indoor

projects to a greater extent, with outdoor infrastructure projects such as roads projects likely to be less affected. However, where more specific information isn't available and to give an indication of the potential impact, a 25% cost increase has been modelled for the current financial year, together with slippage of 50%, based on advice from an independent quantity surveyor.

- 4.14 The forecast for the Tram to Newhaven project has been updated to reflect the impact of COVID-19. Costs of site closure, delay, remobilisation and inefficiency due to social distancing are expected to be in the region of £5.000m. This amount can be contained within budget and the project is still anticipated to be delivered within the £207.300m investment approved by Council. The latest cash flow profile has been factored into Appendix 4. A separate report will be presented to this committee detailing the wider impact of COVID-19 on the project, including impacts on the business case, and the mitigation measures currently being deployed.
- 4.15 The opening of the St James Centre and the associated Growth Acceleration Model (GAM) is likely to be delayed by around six months and negotiations are currently underway regarding the timing of the £61.400m payment, with this likely to slip into the 2021/22 financial year. For this report, the full payment has been slipped into 2021/22, however, borrowing has been taken out for the project from October 2020 and will be used to meet the overall borrowing requirement in the short term and will need to be funded by the Council without any GAM income in 2020/21 to offset the cost.
- 4.16 In addition, significant emerging cost pressures of £12.000m relating to North Bridge have been included in the workings. The COVID-19 assumptions have been calculated at £2.131m for this specific project and that results in a total cost pressure of £14.131m. The project comprises essential repair and refurbishment works, with the contract being let on the basis of superficial visual investigations due to very limited access, and the need to have failsafe arrangements in place above Waverley Station and Market Street below.
- 4.17 Following the introduction of crash deck protection and scaffolding, access inspections and intrusive investigations/opening up and testing have been undertaken, which has led to the discovery of serious issues with the existing concrete bridge deck constructed in 1933, together with significant corrosion and other issues with the structural steelwork. The cast iron façade is in poor condition and there are increasing concerns with the integrity of the general fixings back to the structure. The shutdown due to COVID-19, and the subsequent constraints that will exist for an indeterminate amount of time following the impending re-commencement of works are further exacerbating an increasingly complex project.
- 4.18 The project team have been working diligently to mitigate impacts upon the project, which included avoiding the construction of a new deck, which would have cost up to an additional £10.000m above the repair, protect and monitor solution that has been implemented. Value engineering resulted in reducing the scope for assessment led steelwork repairs by some £1.350m.

- 4.19 The result of the modelling shows pressures of £56.207m in 2020/21, although slippage of £217.464m means that a net slippage position of £161.257m is forecast. This means that the Council may benefit from a reduced loans charge liability in the current year, but this has already been factored into corporate budgeting assumptions. In future years, however it would result in additional financing costs. More detailed analysis is included at Appendix 3.

### **Housing Revenue Account**

- 4.20 The HRA capital programme is projected to reduce by 46.1% in the 2020/21 financial year due to the anticipated gradual return to work on construction sites in line with Scottish Government guidance on the COVID-19 pandemic. The modelling for the impact on the HRA capital programme has used the same basis as the General Fund explained in paragraph 4.13. More detailed analysis is included at Appendix 4.
- 4.21 It is anticipated that 450 new homes will be handed over to the Council from contractors at North Sighthill, Craigmillar and Pennywell. A detailed review of programmes and cashflow projections will be undertaken as sites become more operational and the workforce returns to site. Although construction on sites has slowed, projects in design development are progressing well with Design teams working remotely and a number of sites are also being progressed through the Council's own Design & Build contractor framework. In addition, the procurement of a developer partner for Fountainbridge is progressing and early steps are being taken to seek a partner for Meadowbank.
- 4.22 The £12.000m land acquisition budget is projected to be spent in full. As the economic situation evolves, there may be additional land purchase opportunities as a result of private sector landowners and developers seeking disposals. Discussions are also progressing with public sector partners; including NHS Lothian regarding opportunities to develop sites; such as land at Liberton hospital, to meet joint objectives. Site acquisitions will be funded by accelerating spend from future years in the HRA capital programme and will support the Council's Sustainable Economy Recovery Plan.
- 4.23 The improvement programme for investment in tenants' homes and estates will be resumed on a phased approach, starting with external fabric improvement works and environmental improvement projects. As social distancing measures continue to ease, improvement work within the communal areas of buildings, such as installation of secure door entry systems and upgrades of emergency lighting in high rise blocks, will resume. Improvement work requiring access of tenants' homes, such as kitchens and bathrooms and heating replacement are unlikely to restart this year. Similar to the new build programme, while the improvement work on site has slowed down, projects in design development and procurement have been progressing. Opportunities to accelerate external and communal work are being explored, especially in areas with new build projects, in order to align the two strands of capital programme.

## **Exclusions from Forecast**

- 4.24 The National Housing Trust (NHT) and Edinburgh Living on-lending projects have been excluded from the forecast of pressures as borrowing is supported by income from the various Limited Liability Partnerships.
- 4.25 Whilst there is likely to be both slippage and additional costs, these will be matched by additional borrowing supported by income from the various Limited Liability Partnerships.

## **Potential Additional Priorities and Mitigation Opportunities**

- 4.26 A report will follow to a future Committee which reviews the new priorities that the Council Capital Budgets may be required to fund once lockdown restrictions are eased. In addition, there is a likely to be further pressure on project budgets to address zero carbon ambitions including accommodating Passivhaus principles and other quality initiatives.
- 4.27 The report will also look at potential mitigation opportunities for the pressures mentioned above and how any new priorities would be funded. The report will look at how the current 2020-30 Capital Budget Strategy can be re-prioritised in order to make the strategy affordable, especially when considered alongside the emerging revenue pressures which are discussed in more detail in the Revenue Budget Update 2020/21 report at item 6.2 on this agenda.

## **5. Next Steps**

---

- 5.1 As set out above, further detail will be provided to Committee in August, in line with agreed reporting timelines.
- 5.2 Finance will continue to work with budget managers to refine forecasts as COVID-19 lockdown restrictions are lifted and a better understanding is reached regarding costs and timescales.

## **6. Financial impact**

---

- 6.1 The projected 2019/20 general fund outturn outlines loans fund advances of £71.231m. The overall loan charges associated with this over a 30-year period would be a principal amount of £71.231m, interest and expenses of £60.519m, resulting in a total cost of £131.750m based on a loans fund interest rate of 4.39%. The average annual cost would be £4.392m for 30 years.
- 6.2 The projected 2019/20 HRA outturn outlines loans fund advances of £38.403m. The overall loans charges associated with this over a 30-year period would be a principal amount of £38.403m, interest of £32.628m, resulting in a total cost of £71.031m based on a loans fund rate of 4.39%. The average annual cost would be £2.368m for 30 years.

- 6.3 Borrowing required is carried out in line with the Council's approved Treasury Management Strategy.
- 6.4 The loan charge costs outlined above will be met from the general fund and HRA revenue budgets for loan charges.

## **7. Stakeholder/Community Impact**

---

- 7.1 Consultation on the capital budget was undertaken as part of the Council's budget setting process.
- 7.2 The stakeholder and community impact of individual projects within the Council's capital programme is considered as part of the business cases for those projects.

## **8. Background reading/external references**

---

- 8.1 [Capital Investment Programme 2019-20 to 2023-24](#), The City of Edinburgh Council, 21 February 2019
- 8.2 [Housing Revenue Account Budget Strategy 2019-24](#), The City of Edinburgh Council, 21 February 2019
- 8.3 [Coalition Budget Motion](#), The City of Edinburgh Council, 21 February 2019
- 8.4 [Edinburgh Tram – York Place to Newhaven Final Business Case](#), The City of Edinburgh Council, 14 March 2019
- 8.5 [Capital Monitoring 2019/20 – Month Three Position](#), Finance and Resources Committee, 15 August 2019
- 8.6 [Half Year Capital Monitoring 2019/20 Position](#), Finance and Resources Committee, 6 December 2019
- 8.7 [Capital Budget Strategy 2020-30](#), Finance and Resources Committee, 10 October 2019
- 8.8 [Capital Monitoring 2019/20 - Month Eight Position](#), Finance and Resources Committee, 23 January 2020
- 8.9 [Capital Budget Strategy 2020-30](#), The City of Edinburgh Council, 20 February 2020
- 8.10 [Housing Revenue Account Budget Strategy \(2020-2030\)](#), The City of Edinburgh Council, 20 February 2020
- 8.11 [Capital Strategy 2020-30 – Annual Report](#), The City of Edinburgh Council, 12 March 2020

## **9. Appendices**

---

Appendix 1 – 2019/20 Capital Monitoring Provisional Outturn – General Fund

Appendix 2 – 2019/20 Capital Monitoring Provisional Outturn – HRA

Appendix 3 – 2020/21 COVID-19 Forecast Assumptions – General Fund

Appendix 4 – 2020/21 COVID-19 Forecast Assumptions – HRA

## Appendix 1 Capital Monitoring 2019/20

### General Fund Summary

#### Period 12

Expenditure	Approved Budget £000	Adjustments £000	Revised Budget £000	Provisional Outturn £000	Provisional Variance	
					£000	%
Communities and Families	116,193	-29,925	86,268	64,321	-21,947	-25.44%
Edinburgh IJB	239	-122	117	-110	-227	-194.02%
Place	141,766	-27,849	113,917	109,606	-4,311	-3.78%
Place - Tram York Place to Newhaven	0	20,806	20,806	25,187	4,381	21.06%
Place - Lending	18,118	22,556	40,674	28,138	-12,536	-30.82%
Resources - Asset Management Works	31,498	-4,459	27,039	48,547	21,508	79.54%
Resources - Other	11,706	-3,320	8,386	2,873	-5,513	-65.74%
<b>Total Gross Expenditure</b>	<b>319,520</b>	<b>-22,313</b>	<b>297,207</b>	<b>278,562</b>	<b>-18,645</b>	<b>-6.27%</b>
<b>Income</b>	<b>Approved Budget £000</b>	<b>Adjustments £000</b>	<b>Revised Budget £000</b>	<b>Provisional Outturn £000</b>	<b>Provisional Variance</b>	
					<b>£000</b>	<b>%</b>
<i>Capital Receipts</i>						
General Asset Sales	6,318	10,381	16,699	14,960	-1,739	-10.41%
Ringfenced Asset Sales	10,000	6,186	16,186	28,165	11,979	74.01%
<i>Total Capital Receipts from Asset Sales</i>	<i>16,318</i>	<i>16,567</i>	<i>32,885</i>	<i>43,125</i>	<i>10,240</i>	<i>31.14%</i>
<i>Drawdown from Capital Fund</i>	<i>6,311</i>	<i>0</i>	<i>6,311</i>	<i>6,311</i>	<i>0</i>	<i>0.00%</i>
<i>Developer and Other Contributions</i>	<i>585</i>	<i>18,936</i>	<i>19,521</i>	<i>24,564</i>	<i>5,043</i>	<i>25.83%</i>
<i>Developers Contributions Transferred to Investments</i>	<i>0</i>	<i>0</i>	<i>-15,523</i>	<i>-14,898</i>	<i>625</i>	<i>-4.03%</i>
<i>Total Developer Contributions</i>	<i>585</i>	<i>18,936</i>	<i>3,998</i>	<i>9,666</i>	<i>5,668</i>	<i>141.77%</i>
<b>Total Capital Receipts and Contributions</b>	<b>23,214</b>	<b>35,503</b>	<b>43,194</b>	<b>59,102</b>	<b>15,908</b>	<b>36.83%</b>
<i>Grants</i>						
Scottish Government General Capital Grant	58,675	571	59,246	59,246	0	0.00%
Other Grants and Contributions	0	15,192	15,192	19,703	4,511	29.69%
Cycling, Walking and Safer Streets	834	0	834	834	0	0.00%
Transfer of Management of Development Funding (TMDF)	33,877	16,651	50,528	50,528	0	0.00%
Early Years and Childcare - Expansion	14,500	0	14,500	14,500	0	0.00%
Town Centre Fund	0	2,613	2,613	2,613	0	0.00%
Capital Grants Unapplied Account Drawdown	11,297	2,310	13,607	805	-12,802	-94.08%
<b>Total Grants</b>	<b>119,183</b>	<b>37,337</b>	<b>156,520</b>	<b>148,229</b>	<b>-8,291</b>	<b>-5.30%</b>
<b>Total Income</b>	<b>142,397</b>	<b>72,840</b>	<b>199,714</b>	<b>207,331</b>	<b>7,617</b>	<b>3.81%</b>
<b>Balance to be funded through Loans Fund Advance</b>	<b>177,123</b>	<b>-95,153</b>	<b>97,493</b>	<b>71,231</b>	<b>-26,262</b>	<b>-26.94%</b>

## Appendix 2 Capital Monitoring 2019/20

### Housing Revenue Account

#### Period 12

<b>Expenditure</b>	<b>Revised Budget £000</b>	<b>Provisional Outturn £000</b>	<b>Provisional Variance</b>	
			<b>£000</b>	<b>%</b>
Core Programme	35,631	35,776	145	0.4%
House Building	73,323	76,078	2,755	3.8%
<b>Total Gross Expenditure</b>	<b>108,954</b>	<b>111,854</b>	<b>2,900</b>	<b>2.7%</b>

  

<b>Income</b>	<b>Revised Budget £000</b>	<b>Provisional Outturn £000</b>	<b>Provisional Variance</b>	
			<b>£000</b>	<b>%</b>
Capital Receipts and Other Contributions	17,917	38,838	20,921	116.8%
Capital Funded from Current Revenue	23,000	23,000	0	0.0%
Specific Capital Grant	8,526	11,613	3,087	36.2%
<b>Total Income</b>	<b>49,443</b>	<b>73,451</b>	<b>24,008</b>	<b>48.6%</b>

  

<b>Balance to be funded through Loans Fund Advance</b>	<b>59,511</b>	<b>38,403</b>	<b>-21,108</b>	<b>-35.5%</b>
--	---------------	---------------	----------------	---------------

**Appendix 3 – COVID-19 Provisional Budget Assumptions 2020/21**

**General Fund**

*2020-21 COVID-19 Budget Assumptions (Incorporating provisional out-turn slippage from 2019/20)*

<b>SUMMARY</b>	<b>Revised Budget 2019-20</b>	<b>Planned Budget 2020-21</b>	<b>2019-20 Expenditure Slippage</b>	<b>2019-20 Income Slippage</b>	<b>Revised Budget 2020-21</b>	<b>Emerging Pressures</b>	<b>Coronavirus Factor</b>	<b>2020-21 Re-profiled to Later Years</b>	<b>Slippage - Undeliverable 20/21</b>	<b>Forecast Coronavirus Outturn 2020-21</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Communities and Families	86,268	99,246	21,945	10,120	131,311	-	27,214	(2,057)	(80,531)	75,937
Edinburgh Integration Joint Board	117	-	227	57	284	-	-	-	-	284
Place	113,917	192,495	4,188	3,668	200,352	12,000	14,751	(70,267)	(44,223)	112,613
Place - Lending	40,674	43,913	12,536	-	56,449	-	-	-	-	56,449
Place - Tram York Place to Newhaven	20,806	74,939	(3,634)	-	71,305	-	-	(11,528)	-	59,776
Contingency	-	4,242	-	-	4,242	-	-	-	-	4,242
Resources - Asset Management Works	27,039	30,000	(21,507)	265	8,758	-	2,242	-	-	11,000
Resources - Other	8,386	5,000	5,513	2	10,515	-	-	(8,857)	-	1,658
<b>Total Expenditure</b>	<b>297,207</b>	<b>449,835</b>	<b>19,268</b>	<b>14,113</b>	<b>483,216</b>	<b>12,000</b>	<b>44,207</b>	<b>(92,709)</b>	<b>(124,754)</b>	<b>321,959</b>

## Appendix 4 – COVID-19 Provisional Budget Assumptions 2020/21

### Housing Revenue Account

Programme Heading	2020/21 Approved Budget	2020/21 COVID-19 Budget	Variance	
	£m	£m	£m	%
New Homes Development	35.890	16.764	(19.126)	-53.3%
New Homes Land Costs	12.000	12.000	-	0.0%
Improvement to Council Homes and Estates	48.578	23.195	(25.383)	-52.3%
<b>Total Gross Expenditure</b>	<b>96.468</b>	<b>51.959</b>	<b>(44.509)</b>	<b>-46.1%</b>