

Budget Committee

BU32.2	ACTION	Adopted		Ward: All
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Capital Variance Report for the Twelve Months Ended December 31, 2020

Committee Recommendations

The Budget Committee recommends that:

1. City Council receive the report (June 10, 2021) from the Chief Financial Officer and Treasurer for information.

Origin

(June 10, 2021) Report from the Chief Financial Officer and Treasurer

Summary

The purpose of this report is to provide City Council with the City of Toronto capital spending for the twelve month period ended December 31, 2020.

As illustrated in Table 1 below, City's 2020 actual capital expenditure was \$3.666 billion or 73.2 percent of the 2020 capital budget of \$5.006 billion for the period ended December 31, 2020.

- Tax Supported Programs and Agencies reported capital expenditures of \$2.503 billion representing 68.8 percent of their collective 2020 approved Capital Budget of \$3.638 billion.

- Rate Supported Programs reported capital expenditures of \$1.164 billion, representing 85.1 percent of their collective 2020 approved Capital Budget of \$1.368 billion.

Table 1 - Capital Variance Summary

Table 1			
Corporate Capital Variance Summary			
for the Period Ended December 31, 2020			
	2020 Approved Budget*	2020 Actual Expenditures	
	\$M	\$M	%
City Operations	2,278	1,483	65.1%
Agencies	1,360	1,020	75.0%
Tax Supported	3,638	2,503	68.8%

Rate Supported Programs:	1,368	1,164	85.1%
TOTAL	5,006	3,666	73.2%

* Note: Includes 2019 carry forward funding and 2020 in-year adjustments

While further efforts to improve capital spending continue, divisional and agency improvements in capital planning along with refinements in capital budgeting have resulted in improved capital spend rates in 2020.

- 2020 spending rates on Tax supported (68.8 percent) and Rate supported (85.1 percent) are both greater than the 5 year historical average spend rates of 60.2 percent and 77.5 percent respectively.

- These improvements were achieved in 2020 despite the impact that COVID-19 had on capital delivery. At the onset of COVID-19, due to the uncertainty of pandemic related financial impacts and the amount of financial assistance to be provided from other levels of government, delivery was slowed for capital projects funded by Capital from Current to enable potential funding offsets to experienced COVID-19 financial impacts.

Moving forward, the City will continue to plan annual capital projects in line with both affordability and achievability, based on the historical actual capacity. The strategy is expected to improve capital spend rate in future years; enabling funding capacity otherwise going unspent to be directed to capital priorities.

Background Information

(June 10, 2021) Revised Report from the Chief Financial Officer and Treasurer on Capital Variance Report for the Twelve Months Ended December 31, 2020

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-168071.pdf>)

(June 8, 2021) Report from the Chief Financial Officer and Treasurer on Capital Variance Report for the Twelve Months Ended December 31, 2020

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-167909.pdf>)

Appendix 1 - 2020 Capital Variance Summary for the Twelve Months Ended December 31, 2020

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-167994.pdf>)

Appendix 2A - 2020 Year End Full Project Closure

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-167995.pdf>)

Appendix 2B - 2020 Year End Partial Project Closure

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-167912.pdf>)

Appendix 3 - 2020 Year End Major Capital Projects

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-167913.pdf>)

Appendix 4 - 2020 Year End Capital Variance Dashboard by Program and Agency

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-167914.pdf>)