

# Public Document Pack



The following reports are Information Items for the Policy and Resources Scrutiny Committee.

- 1 Capital Outturn 2019-20.
- 2 2020-21 Capital Expenditure Monitoring Report (Period 9).



## **POLICY AND RESOURCES SCRUTINY COMMITTEE – INFORMATION ITEM**

**SUBJECT: CAPITAL OUTTURN 2019/20**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND  
CORPORATE SERVICES**

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### **1. PURPOSE OF REPORT**

- 1.1 To provide information to Members relating to the capital outturn for the 2019/20 financial year.

### **2. SUMMARY**

- 2.1 The report provides details of actual capital expenditure for the 2019/20 financial year and slippage that has been requested to be carried forward into 2020/21.

### **3. RECOMMENDATIONS**

- 3.1 Members are asked to note the contents of this report.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To advise Members of the outturn of the 2019/20 Capital Programme.

### **5. THE REPORT**

- 5.1 The approved Capital Programme for the 2019/20 financial year totalled £71.148m, consisting of £14.530m for the General Fund and £56.618m for the Housing Revenue Account (HRA). During the year specific grants, slippage and contributions were received for various service areas taking the total available capital resources for 2019/20 to £129.430m. This is summarised in the table below: -

	<b>General Fund £000s</b>	<b>HRA £000s</b>	<b>Total £000s</b>
<b>Approved 2019/20 Budget</b>	<b>14,530</b>	<b>56,618</b>	<b>71,148</b>
Slippage Brought Forward from 2018/19	38,158	3,953	42,111
In Year Grants, Contributions	13,469	135	13,604
S106 Funding	6	51	57
Revenue Contribution to Capital Outlay (RCCO)	1,085	0	1,085
Other Funding	1,425	0	1,425
<b>Total: -</b>	<b>68,673</b>	<b>60,757</b>	<b>129,430</b>

5.2 The following table provides a summary of the 2019/20 outturn against each service area: -

<b>Capital Programme</b>	<b>Revised Estimated Target Spend £000s</b>	<b>Outturn Capital Spend £000s</b>	<b>Variance £000s</b>
Community & Leisure Services	3,231	1,947	1,284
Corporate Finance	4,298	0	4,298
Corporate Services	18,620	49	18,571
Economic Development & Regeneration	1,991	1,460	531
Education	9,464	4,704	4,760
Infrastructure	13,263	9,479	3,784
Land Reclamation	238	0	238
Private Housing	5,274	1,768	3,506
Property Services	2,507	1,280	1,227
Public Protection	2,979	2,608	371
Social Services	3,856	788	3,068
Urban Renewal	2,952	1,427	1,525
<b>General Fund Total: -</b>	<b>68,673</b>	<b>25,510</b>	<b>43,163</b>
<b>HRA Total: -</b>	<b>60,757</b>	<b>50,750</b>	<b>10,007</b>
<b>Total Capital Programme: -</b>	<b>129,430</b>	<b>76,260</b>	<b>53,170</b>

5.3 The 2019/20 Housing Revenue Account (HRA) underspend of £10.007m has been carried forward into the 2020/21 financial year to support the ongoing programme of works to meet the Welsh Housing Quality Standard (WHQS).

5.4 The General Fund variance of £43.163m can be split between schemes that are ongoing or have been delayed in 2019/20 (slippage), ring-fenced budgets and schemes that have resulted in overspends or underspends as at 31 March 2020.

- 5.5 **Slippage:** Schemes to the value of £13.385m have been slipped into 2020/21 as a result of an ongoing program of works and delays in contractual arrangements. Appendix 1 sets out the schemes where slippage has occurred.
- 5.6 **Ring-fenced budgets:** As at 31 March 2020, a number of ring-fenced budgets remained unspent to the value of £30.313m. These budgets relate to specific grants, contributions and Section 106 monies or earmarked revenue funding transferred to a capital reserve. Appendix 2 provides a breakdown of the £30.313m.
- 5.7 **Overspends:** As at 31 March 2020, overspends of £544k were reported. Further details are provided in Appendix 3.
- 5.8 **Underspends:** As at 31 March 2020 an underspend of £8k was reported. Further details are provided in Appendix 3.

## 6. ASSUMPTIONS

- 6.1 The details set out in the report are based on actuals that have occurred between 1<sup>st</sup> April 2019 and 31<sup>st</sup> March 2020.

## 7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 This report is for information purposes, so the Council's Integrated Impact Assessment (IIA) process does not need to be applied.

## 8. FINANCIAL IMPLICATIONS

- 8.1 As detailed throughout the report.

## 9. PERSONNEL IMPLICATIONS

- 9.1 There are no personnel implications arising from this report.

## 10. CONSULTATIONS

- 10.1 There are no consultation responses that have not been reflected in this report.

## 11. STATUTORY POWER

- 11.1 Local Government Acts 1972 and 2003.

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Appendices:

Appendix 1 – 2019/20 Slippage  
Appendix 2 – 2019/20 Ring-fenced Budgets  
Appendix 3 – 2019/20 Overspends/Underspends

Background Papers:

Special Council (21/02/19) – Budget Proposals for 2019/20 and Medium-Term Financial Plan 2019/20 to 2023/24.

## Appendix 1: 2019/20 Slippage

Service Area	Scheme	Outturn Position 31/03/2020 £000s	Comments
Community & Leisure Services	Various Capital Schemes	194	Ongoing delivery of programme (Sports pitches and Countryside)
Corporate Services	Various Capital Schemes	259	Ongoing delivery of programme (IT Services and Customer Services)
Economic Development	Cwmcarn Forest Drive Reinstatement	400	Works to commence in 2020/21
Economic Development	Various Capital Schemes	201	Works programmed for Summer 2020
Education	Various Capital Schemes	1,998	Ongoing delivery of programme
Infrastructure	Infrastructure Retaining Walls	208	Ongoing delivery of programme
Infrastructure	Bridge Strengthening	345	Ongoing delivery of programme
Infrastructure	Various Capital Schemes	431	Ongoing delivery of programme
Infrastructure	A472 Drainage Nelson	310	Works to complete 2020/21
Infrastructure	Corporate Maintenance – Tips, Mines and Spoils	590	Works ongoing
Infrastructure	Monmouth & Brecon Canal.	503	Ongoing delivery of programme
Infrastructure	Passenger Transport Capital	227	Ongoing delivery of programme
Private Housing	Disabled Facility Grants	709	Ongoing delivery of programme
Private Housing	Home Improvement Grants/Misc.	299	Ongoing delivery of programme
Private Housing	Home Repair Grant	837	Ongoing delivery of programme
Property Services	Corporate Asset Management	68	Ongoing delivery of programme
Property Services	Demolition - Pontllanfraith and Oakdale Schools	834	Ongoing delivery of programme
Property Services	Former Meals On Wheels Pengam	215	Scheme under review
Public Protection	Various Capital Schemes	170	Ongoing delivery of programme
Public Protection	Ty Llwyd Landfill Site	200	Drainage solution at design stage. Works to commence late Spring 2021

Social Services	Children's Centre Complex Needs	3,069	Scheme at design stage
Urban Renewal	Various Capital Schemes	191	Ongoing delivery of programme
Urban Renewal	ERDF schemes	1,127	Ongoing delivery of programme (Ty Du and Lawns Industrial Estate)
<b>Gen Fund Slippage</b>		<b>13,385</b>	
<b>WHQS</b>		<b>10,007</b>	Ongoing delivery of Programme
<b>Total Slippage: -</b>		<b>23,392</b>	

## Appendix 2: 2019/20 Ring-fenced Budgets

Service Area	Scheme	Outturn Position 31/03/2020 £000s	Comments
Community & Leisure Services	Playground Reinstatement	321	S106 carried forward
Education	Asset Management (s106)	188	S106 carried forward
Infrastructure	Various s106 Schemes	363	S106 carried forward
Urban Renewal	Risca s106	9	S106 carried forward
Community & Leisure Services	Ty Duffryn	769	Under review
Corporate Finance	Earmarked capital budgets	917	Earmarked funding for future schemes
Corporate Finance	Unallocated Amounts (Underspend Given up)	1,474	Cumulative underspends.
Corporate Services	Corporate Projects	16,798	Funding to be carried forward to support the Placeshaping Agenda.
Corporate Services	Edtech	1,514	Funding to be utilised in 2020/21
Education	Asset Management	2,574	Capital maintenance Grant received in March 2020 that has been carried forward into 2020/21 to progress schemes
Infrastructure	Various Schemes	1,128	Earmarked funding for historical liabilities and grant funded schemes
Infrastructure	Various - Land Reclamation Funding for liabilities	2,145	Earmarked funding for historical liabilities at land reclamation sites
Private Housing	Home Improvement Loans	1,299	WG loan funding
Private Housing	Various Schemes	360	Various Grant Breaches funding
Property Services	Penallta House Car Park Extension	130	Use of funding under consideration
Property Services	Newbridge Leisure Centre Refurbishment	192	Works to complete in 2020/21



Urban Renewal	Various Schemes	132	Funding to progress a number of capital schemes
<b>Total Ring-Fenced Budgets 2019/20: -</b>		<b>30,313</b>	

### Appendix 3: 2019/20 Overspends/Underspends

Service Area	Scheme	Outturn Position 31/03/2020 £000s	Comments
Community & Leisure Services	Cwmcarn Subway Feeder Road	(78)	Overspend to be funded from 2020/21 budget allocations.
Property	Corporate Asset Management	(145)	Overspend to be funded from 2020/21 budget allocations.
Infrastructure	Salix Scheme	(321)	To be funded from 2020/21 loan
Economic Development	Blackwood Miners Institute	8	Scheme completed
<b>Net Position: -</b>		<b>(536)</b>	



## **POLICY AND RESOURCES SCRUTINY COMMITTEE – INFORMATION ITEM**

**SUBJECT: 2020/21 CAPITAL EXPENDITURE MONITORING REPORT  
(PERIOD 9)**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE  
SERVICES**

### **1. PURPOSE OF REPORT**

- 1.1 To inform the Scrutiny Committee of projected capital expenditure for the 2020/21 financial year.

### **2. SUMMARY**

- 2.1 The report provides details of actual and projected capital expenditure based on information available as at month 9 of the 2020/21 financial year.

### **3. RECOMMENDATIONS**

- 3.1 The Scrutiny Committee is asked to note the contents of the report.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To ensure that Members are updated on projected spend for the 2020/21 Capital Programme.

### **5. THE REPORT**

- 5.1 The approved Capital Programme for the 2020/21 financial year totalled £46.042m, consisting of £11.363m for the General Fund and £34.679m for the Housing Revenue Account (HRA). Appendix 1 provides details of the 2020/21 approved budget, the 2019/20 slippage carried forward and additional in-year funding for 2020/21 as at period 9.
- 5.2 Actual expenditure as at period 9 has been reviewed and budget holders have provided updates on anticipated spend for the remainder of the financial year. Schemes totalling £68.705m have been identified that are unlikely to be delivered in 2020/21. Consequently, these schemes will be carried forward as slippage into the 2021/22 financial year. A summary is provided in the table below: -

<b>Service Area</b>	<b>Scheme</b>	<b>£'000</b>
Corporate Services	Various Corporate Services	24
Corporate Services	Corporate Projects	18,461
Corporate Services	IT Hardware and Software	426
Corporate Services	Funding to be allocated	5,653
Education	Education Capital Maintenance Grant	3,226
Education	Asset Management	663
Education	Various Education Schemes	184
Environment - Community & Leisure Services	Ty Duffryn Waste Transfer Station	769
Environment - Community & Leisure Services	Playground Reinstatement (S106)	290
Environment - Community & Leisure Services	Various CLS Schemes	495
Environment-Business Enterprise Renewal Team	Various Business Enterprise Renewal Team Schemes	121
Environment- Infrastructure	Passenger Transport Capital	122
Environment- Infrastructure	Caerphilly Basin Strategic Highway (S106)	366
Environment- Infrastructure	General s106 Balances	752
Environment- Infrastructure	Various Highways Liabilities	671
Environment- Infrastructure	Infrastructure Retaining Walls	72
Environment- Infrastructure	Ystrad Mynach Park & Ride	170
Environment- Infrastructure	Bridge Strengthening	254
Environment-Infrastructure	Footway Resurfacing	460
Environment- Infrastructure	Various Infrastructure Schemes	1336
Environment- Infrastructure	Corporate Maintenance Tips, Mines & Spoils	816
Environment- Infrastructure	Llanbradach Park & Ride	298
Environment- Infrastructure	Monmouth & Brecon Canal	666
Environment- Public Protection	Kitchen Refurbishments	319
Environment- Public Protection	Various Public Protection Schemes	156
Private Housing	Various Private Housing Grant Breaches	54
Private Housing	Disabled Facility Grants	1,688
Private Housing	Home Improvement Loans	1,252
Private Housing	Miscellaneous & Renewal Area	595
Private Housing	Home Repair Grant	1,734
Property Services	Demolition Pontllanfraith School	833
Property Services	Penallta House Car Park Extension	130
Property Services	Former Meals On Wheels Pengam	163
Property Services	Other Property Schemes	81
Social Services	Children's Centre Complex Needs	3,069
Social Services	Other Social Services Schemes	1,944
Housing Revenue Account	HRA	20,392
<b>Total: -</b>		<b>68,705</b>

5.3 Members are asked to note the following reasons for the more significant areas that are forecast to slip into the 2021/22 financial year: -

- £18.461m has been allocated to the Council's Place Shaping Plan.
  - The majority of the £5.653m unallocated in Corporate Services will be allocated to specific projects prior to the 31<sup>st</sup> March 2021.
  - £3.226m Education capital maintenance grant that was received late in March 2020 is to be carried forward. Works have been identified but not undertaken in 2020/21 due to a lack of resources and the impact of Covid-19, and the impact of the works on school operational times.
  - £769k held against Ty Duffryn relates to funding that was initially set aside for a potential Waste Transfer Station. However, the capital scheme is no longer progressing. The funding is to remain ring-fenced pending a decision on the proposal to expand Penallta Household Waste Recycling Centre into the adjacent Parks Depot, which is deemed to be an alternative waste capital scheme and anticipated to cost circa £690k. A report will be presented to Cabinet in due course.
  - £816k held against Corporate Maintenance Tips, Mines & Spoils. This work has not been undertaken and the funding is to be carried forward.
  - The £5.232m slippage in Private Housing is due to the suspension of various grants and loan schemes as a consequence of Covid-19. These funds will be carried forward to deal with the backlog of applications in 2021/22.
  - £833k held against the demolition Pontllanfraith School – This budget is currently earmarked in the event of demolition being approved.
  - £3.069m for the Children's Centre for Complex Needs – This funding is being held pending the agreement of a final scheme.
- 5.4 The £20.392m slippage on the HRA is as a result of the WHQS completion being extended to December 2021 and the Post Asset Management Strategy (PAMS) programme facing delays as a result of Covid-19.

## **6. ASSUMPTIONS**

- 6.1 The details set out in the report are based on actual expenditure between 1<sup>st</sup> April 2020 and 31<sup>st</sup> December 2020 and projected expenditure to 31<sup>st</sup> March 2021.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 This report is for information purposes, so the Council's Integrated Impact Assessment (IIA) process does not need to be applied.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 As detailed throughout the report.

## **9. PERSONNEL IMPLICATIONS**

9.1 There are no personnel implications arising from this report.

## **10. CONSULTATIONS**

10.1 There are no consultation responses that have not been reflected in this report.

## **11. STATUTORY POWER**

11.1 Local Government Acts 1972 and 2003.

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Appendices:

Appendix 1 – Capital Monitoring 2020/21 (Period 9)

Background Papers:

Special Council (20/02/20) – Budget Proposals for 2020/21 and Medium-Term Financial Outlook

**Capital Monitoring 2020/21 (Period 9)**

Service Area	B/f Funding	B/f Funding Adjustments	Revised B/f Funding	Approved Budget 2020-21	Virements	Additional In Year Funding 2020-21	Total Available Funding 2020-21	Expenditure to 31.12.2020	Projected Expenditure to 31 March 2021	Slippage (committed & non-committed)	
Corporate Finance	4,298	0	4,298	1,356	0	0	5,654	0	0	5,654	
Corporate Services	18,570	0	18,570	1,893	0	977	21,440	2,530	2,530	18,910	
Education & Lifelong Learning	4,760	0	4,760	1,423	0	3,919	10,104	3,526	6,031	4,073	
Environment- Community and Leisure Services	1,284	0	1,284	298	0	684	2,265	612	711	1,554	
Environment- Business Enterprise Renewal Team	2,057	0	2,057	118	0	3,143	5,318	3,619	5,196	121	
Environment- Infrastructure	5,209	0	5,209	2,581	0	4,147	11,938	4,182	5,955	5,983	
Environment- Public Protection	370	0	370	493	0	1,636	2,498	1,185	2,024	475	
Private Housing	3,506	0	3,506	2,167	0	217	5,891	311	568	5,323	
Property Services	1,226	0	1,226	690	0	243	2,159	675	953	1,207	
Social Services	3,069	0	3,069	344	0	2,034	5,447	256	434	5,013	
<b>General Fund Total</b>	<b>44,349</b>	<b>0</b>	<b>44,349</b>	<b>11,363</b>	<b>0</b>	<b>17,001</b>	<b>72,714</b>	<b>0</b>	<b>16,896</b>	<b>24,401</b>	<b>48,312</b>
HRA	0	0	0	34,679	0	0	34,679	8,756	14,286	20,392	
<b>Total</b>	<b>44,349</b>	<b>0</b>	<b>44,349</b>	<b>46,042</b>	<b>0</b>	<b>17,001</b>	<b>107,393</b>	<b>0</b>	<b>25,652</b>	<b>38,688</b>	<b>68,705</b>