



POLICY AND RESOURCES SCRUTINY COMMITTEE – 19TH JANUARY 2016

SUBJECT: 2015/16 CAPITAL EXPENDITURE MONITORING REPORT (PERIOD 7)

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1. PURPOSE OF REPORT

1.1 To inform Members of projected capital expenditure for the 2015/16 financial year.

2. SUMMARY

2.1 The report provides details of actual and projected capital expenditure based on information available as at month 7 of the 2015/16 financial year.

3. LINKS TO STRATEGY

3.1 The contents of this report are in accordance with the Budget Strategy agreed by Council at its meeting on 25th February 2015.

4. THE REPORT

4.1 The approved Capital Programme for the 2015/16 financial year totalled £51.15m, consisting of £14.86m for the General Fund and £36.29m for the Housing Revenue Account (HRA). Appendix 1 provides details of the 2015/16 approved budget, the 2014/15 slippage carried forward and additional in-year funding for 2015/16 as at period 7.

4.2 Actual expenditure as at period 7 has been reviewed and budget holders have provided updates on anticipated spend for the remainder of the financial year. Schemes totalling £13.09m have been identified that are unlikely to be delivered in 2015/16. Consequently, these schemes will be carried forward as slippage into the 2016/17 financial year. Members will note from the table below that the majority of the slippage relates to the 21st Century Schools programme: -

Service Area	Scheme	£'000
Environment - CLS	Cemeteries	1,107
Environment - CLS	Ty Duffryn	769
Environment - CLS	Playgrounds (s106)	306
Environment - Urban Renewal	Bargoed Shops TIF	87
Environment - Urban Renewal	Bargoed Cinema	412
Environment - Urban Renewal	Park Lane Caerphilly	98
Environment- Engineers	Bridge Strengthening	340

Environment- Engineers	Corporate Maintenance of Mines & Tips	50
Environment- Engineers	Monmouth & Brecon Canal	31
Lifelong Learning	Fochriw Youth Centre	126
HRA	WHQS	410
Corporate Services	Customer First	253
Property Services *	Heolddu Leisure Centre	350
Property Services *	Risca Palace Cinema	260
Property Services	Various	52
Education	21st Century Schools	6,893
Education	School Boiler Replacement Programme	30
Education	Asset Management	830
Education	Health & Safety	260
Education	Various	43
Private Housing	Home Improvement Loans	189
Private Housing	Houses into Homes Loans	189
Social Services	Condition Surveys	6
Total: -		13,091

4.3 The projected slippage of £13.09m includes two schemes totalling £610k where there are currently no firm commitments (these are marked with an asterix in the table above). The relevant Head of Service has been asked to determine what plans are in place for the utilisation of this £610k and proposals will be incorporated into the Capital Programme for endorsement by Cabinet and approval by Council in February 2016.

4.4 The slippage on the WHQS programme could potentially be greater at the end of the financial year due to ongoing issues relating to procurement, condition surveys and asbestos. This slippage will be ring-fenced to the WHQS.

4.5 The table below summarises identified projected underspends totalling £1.152m: -

Service Area	Scheme	£'000
Corporate Finance	Capital Balances b/f	740
Various	Various	7
Education	Blackwood Youth Centre	35
Education	Ty Graddafa	67
Property Services	Civic Building Pontllanfraith	3
Property Services	Risca Flood Alleviation	300
Total: -		1,152

4.6 It is anticipated that delivering the Risca Flood Alleviation scheme in partnership with Natural Resources Wales and the Welsh Government will result in an underspend of £300k. It has been requested that £200k of the underspend be allocated to fund an overspend on the Ystrad Mynach Centre of Sporting Excellence. A firm proposal will be incorporated into the Capital Programme for endorsement by Cabinet and approval by Council in February 2016. The remaining underspends identified in the table above will be made available to support the Capital Programme in future years.

4.7 As at 31st October 2015 a number of service areas were projecting overspends against schemes to the value of £832k: -

Service Area	Scheme	£'000	Comments
Education	St James Primary School	15	£15k is the residual overspend relating to a creditor payment that has been carried forward from 2013/14.

Environment-Engineers	Highways & Drains	145	Expenditure relates to the collapse of the Penyrheol culvert and drainage issues near Crosskeys train station.
Environment-Engineers	SEW	7	Overspend being carried forward from 2014/15.
Environment-Land Reclamation	Various	6	Overspend relates to historical expenditure that has been carried forward.
Environment-Urban Renewal	Bargoed Regeneration	400	Overspend related to costs arising after the ending of the Welsh European Funding Office grant (June 2015), therefore unable to claim additional costs against the grant. Overspend also includes costs associated with a contractor dispute, minor works and road safety audit.
Environment-Urban Renewal	Newbridge Public Realm (ERDF)	56	The overspend represents the net position on the project once the final WEFO grant claim is taken into consideration as well as CCBC core budget allocations that have been set aside.
Environment-Urban Renewal	Various	3	Minor overspends being carried forward from 2014/15.
Property Services	Ystrad Mynach Centre of Sporting Excellence	200	Costs associated with final invoices and retentions.
Total: -		832	

- 4.8 It is anticipated that the £145k overspend relating to the Highways Drainage schemes will be funded by either a WG grant (subject to a successful grant claim) or through a combination of existing budgets.
- 4.9 A bid for 2016/17 core capital budget allocation has been submitted by Urban Renewal to address the £456k overspends on the Bargoed and Newbridge WEFO schemes. This will be considered by Cabinet/Council in February 2016.
- 4.10 As mentioned in paragraph 4.6 above a proposal has been put forward to fund the £200k projected overspend relating to the Ystrad Mynach Centre of Sporting Excellence from the underspend on the Risca Flood Alleviation scheme.
- 4.11 It is anticipated that the remaining projected overspends in the above table totalling £31k will be met from within existing budgets.

5. EQUALITIES IMPLICATIONS

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

6. FINANCIAL IMPLICATIONS

- 6.1 As detailed throughout the report.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no direct personnel implications arising from this report.

8. CONSULTATIONS

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

9. RECOMMENDATIONS

- 9.1 Members are requested to note the contents of the report.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that Members are advised of projected spend for the 2015/16 Capital Programme.

11. STATUTORY POWER

- 11.1 Local Government Act 1972.

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Appendices

Appendix 1 Capital Monitoring 2015/16 - Period 7