



POLICY AND RESOURCES SCRUTINY COMMITTEE – FOR INFORMATION

SUBJECT: 2016/17 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 2016/17 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 2016/17 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 24th February 2016.

3.2 Prudent financial management contributes to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015:-

- A prosperous Wales.
- A resilient Wales.
- A healthier Wales.
- A more equal Wales.
- A Wales of cohesive communities.
- A Wales of vibrant culture and thriving Welsh Language.
- A globally responsible Wales.

4. THE REPORT

4.1 The approved Capital Programme for the 2016/17 financial year totalled £55.69m, consisting of £17.10m for the General Fund and £38.59m for the Housing Revenue Account (HRA). Appendix 1 provides details of the 2016/17 approved budget, the 2015/16 slippage carried forward and additional in-year funding for 2016/17 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 £25.39m have been identified that are unlikely to be delivered in 2016/17. Consequently, these schemes will be carried forward as slippage into the 2017/18 financial year. Members will note from the table below that the majority of the slippage relates to the 21st Century Schools programme; Corporate Projects; Engineer's schemes and the HRA WHQS programme: -

| Service Area | Scheme | £'000 |
|--|--|---------------|
| Corporate Services | Corporate Projects | 6,348 |
| Corporate Services | Various Corporate Services | 63 |
| Education | Asset Management | 1,317 |
| Education | Aberbargoed Primary School | 2 |
| Education | 21st Century Schools | 5,993 |
| Environment - Community & Leisure Services | Cemeteries | 1,049 |
| Environment - Community & Leisure Services | Sport Pitches | 9 |
| Environment - Community & Leisure Services | Ty Duffryn | 769 |
| Environment - Community & Leisure Services | Playground Reinstatement | 398 |
| Environment - Urban Renewal | Various Urban Renewal schemes | 46 |
| Environment - Urban Renewal | Town Centre Loan Scheme 15/16 | 500 |
| Environment - Urban Renewal | Park Lane Development | 98 |
| Environment - Urban Renewal | Bargoed Cinema Development – Under Review | 411 |
| Environment -Economic Development & Regeneration | Heritage Lottery Fund (HLF) Llancaiach Fawr | 29 |
| Environment- Engineers | Bridge Strengthening | 279 |
| Environment- Engineers | Various Engineer's Schemes | 112 |
| Environment- Engineers | Highways Liabilities | 872 |
| Environment- Engineers | Caerphilly Basin Highway | 1,895 |
| Environment- Land Reclamation/ Engineers | Unfunded Liabilities Former Land Reclamation Schemes | 1,907 |
| HRA | WHQS | 1,507 |
| Lifelong Learning | Fochriw Youth Centre | 126 |
| Private Housing | Home Improvement Loans | 509 |
| Private Housing | Houses Into Homes Loans | 559 |
| Property Services | Risca Flood Alleviation | 548 |
| Property Services | Various Property Services Schemes | 43 |
| | | |
| Total: - | | 25,389 |

- 4.3 The slippage of £6.348m on Corporate Projects relates to the capital earmarked reserve of £7.9m that was approved by Council on the 24th February 2016. This funding is fully committed following the report that was presented to Cabinet on the 30th November 2016.
- 4.4 The slippage of £0.769m held against Ty Duffryn relates funding that was initially set aside for the potential Waste Transfer Station. The funding is to remain ring-fenced pending the outcome of the ongoing waste strategy review.
- 4.5 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.

4.6 The table below summarises identified projected underspends totalling £0.95m: -

| Service Area | Scheme | £'000 |
|--|----------------------|------------|
| Corporate Finance | Capital Balances b/f | 864 |
| Environment- Countryside | RDP | 1 |
| Environment- Land Reclamation/ Engineers | Bedwas Colliery | 87 |
| Environment- Land Reclamation/ Engineers | | |
| Total: - | | 952 |

4.7 The underspends identified in the table above will be made available to support the Capital Programme in future years.

4.8 As at 31st October 2016 Education was projecting overspends against schemes to the value of £84k: -

| Service Area | Scheme | £'000 | Comments |
|-----------------|--------------------------------------|-----------|--|
| Education | Health & Safety Regulatory Works | 3 | Overspend to be carried forward and funded from 2017/18 programme. |
| Education | Greenhill Primary Replacement School | 2 | Residual overspend relating to historical works. To be funded from underspends within the general Education capital programme. |
| Education | St James Primary Replacement School | 5 | Residual overspend relating to historical works. To be funded from underspends within the general Education capital programme. |
| Education | Cwm Ifor Primary- Replacement School | 8 | Residual overspend relating to historical works. To be funded from underspends within the general Education capital programme. |
| Education | School Boiler Replacement Programme | 66 | Overspend to be carried forward and funded from 2017/18 programme. |
| | | | |
| Total: - | | 84 | |

4.9 As indicated above, the projected overspends totalling £84k will be met from within existing Education capital budgets.

5. WELL-BEING OF FUTURE GENERATIONS

5.1 The establishment of budget monitoring is a key element of effective financial management which assists the achievement of the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015.

6. EQUALITIES IMPLICATIONS

- 6.1 This report is for information purposes only. The Council's Equalities Impact Assessment (EqIA) process does not need to be applied.

7. FINANCIAL IMPLICATIONS

- 7.1 As detailed throughout the report.

8. PERSONNEL IMPLICATIONS

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

9. CONSULTATIONS

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

10. RECOMMENDATIONS

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

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 To ensure that Members are advised of projected spend for the 2016/17 Capital Programme.

12. STATUTORY POWER

- 12.1 Local Government Act 1972.

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Appendices:

Appendix 1 Capital Monitoring 2016/17 - Period 7

Appendix 1
Capital Monitoring 2016/17 - Period 7

| Service Area | B/f Funding | B/f Funding Adjustments | Revised B/f Funding | Approved Budget 2016-17 | Additional In Year Funding 2016-17 | Total Available Funding 2016-17 | Expenditure to 31.10.2016 | Projected Expenditure to 31 March 2017 | Slippage (committed & non-committed) | Projected Outturn Variance (+); Overspend (-) |
|--|---------------|-------------------------|---------------------|-------------------------|------------------------------------|---------------------------------|---------------------------|--|--------------------------------------|---|
| | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| Community and Leisure Services | 2,404 | 0 | 2,404 | 436 | 1,683 | 4,523 | 140 | 2,298 | 2,225 | 0 |
| Corporate Finance- Unallocated Balances | 2,322 | -1,458 | 864 | 0 | 0 | 864 | 0 | 0 | 0 | 864 |
| Corporate Services | 117 | 0 | 117 | 8,135 | -1,553 | 6,699 | 18 | 288 | 6,411 | 0 |
| Environment- Countryside | 30 | 0 | 30 | 217 | 39 | 286 | 93 | 285 | 0 | 1 |
| Environment- Economic Development & Regeneration | 3 | -33 | -30 | 170 | 96 | 236 | 13 | 207 | 29 | 0 |
| Environment- Urban Renewal | 774 | 50 | 824 | 80 | 307 | 1,211 | -8 | 156 | 1,055 | 0 |
| Education | 8,778 | 0 | 8,778 | 1,445 | 9,351 | 19,574 | 7,895 | 12,346 | 7,312 | -84 |
| Engineers | 3,774 | 0 | 3,774 | 2,618 | 2,375 | 8,767 | 1,456 | 5,609 | 3,158 | 0 |
| Land Reclamation | 1,901 | 0 | 1,901 | 0 | 98 | 1,999 | 5 | 5 | 1,907 | 87 |
| Lifelong Learning | 126 | 0 | 126 | 48 | 0 | 174 | 0 | 48 | 126 | 0 |
| Private Housing | 1,218 | 0 | 1,218 | 2,200 | 1,222 | 4,640 | 1,393 | 3,572 | 1,068 | 0 |
| Property Services | 1,039 | 0 | 1,039 | 900 | 80 | 2,019 | 920 | 1,428 | 591 | 0 |
| Public Protection | 2 | 0 | 2 | 500 | 0 | 502 | 32 | 502 | 0 | 0 |
| Social Services | 203 | 0 | 203 | 350 | 0 | 553 | 181 | 553 | 0 | 0 |
| General Fund Total | 22,691 | -1,441 | 21,250 | 17,099 | 13,698 | 52,047 | 12,138 | 27,297 | 23,882 | 868 |
| HRA | 0 | 0 | 0 | 38,592 | 91 | 38,683 | 13,947 | 37,176 | 1,507 | 0 |
| Total | 22,691 | -1,441 | 21,250 | 55,691 | 13,789 | 90,730 | 26,085 | 64,473 | 25,389 | 868 |