



POLICY AND RESOURCES SCRUTINY COMMITTEE – FOR INFORMATION

SUBJECT: CAPITAL OUTTURN 2016/17

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

1. PURPOSE OF REPORT

- 1.1 To provide information to Members relating to the capital outturn for the 2016/17 financial year.

2. SUMMARY

- 2.1 The report provides details of actual capital expenditure for the 2016/17 financial year and slippage that has been requested to be carried forward into 2017/18.

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 the 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). During the year specific grants, slippage and contributions were received for various service areas taking the total available capital resources for 2016/17 to £94.09m. This is summarised in the table below: -

	General Fund £000s	HRA £000s	Total £000s
Approved 2016/17 Budget	17,099	38,592	55,691
Slippage Brought Forward from 2015/16	21,530	0	21,530
In Year Grants, Contributions	12,784	0	12,784
S106 Funding	218	0	218
Revenue Contribution to Capital Outlay (RCCO)	967	0	967
Other Funding	2,903	0	2,903
Total:	55,501	38,592	94,093

4.2 The following table provides a summary of the 2016/17 outturn against each service area: -

Capital Programme	Revised Estimated Target Spend £000s	Outturn Capital Spend £000s	Variance £000s
Education	22,926	20,089	2,837
Social Services	3,653	496	3,157
Private Housing	4,814	3,388	1,426
Urban Renewal & Countryside	1,532	391	1,141
Engineers	9,715	5,474	4,241
Land Reclamation	2,133	5	2,128
Property Services	3,859	1,736	2,123
Community & Leisure Services	4,669	2,583	2,086
Public Protection	702	370	332
Economic Dev & Regeneration	283	219	64
Corporate Services	352	239	113
Corporate Finance Balances	864	0	864
General Fund Total: -	55,502	34,990	20,512
HRA Total: -	38,592	32,317	6,275
Total Capital Programme: -	94,094	67,307	26,787

4.3 The 2016/17 Housing Revenue Account (HRA) underspend of £6.28m will be carried forward into the 2017/18 financial year to support the ongoing programme of works to meet the Welsh Housing Quality Standard (WHQS).

4.4 The General Fund variance of £20.51m can be split between schemes that are ongoing or have been delayed in 2016/17 (slippage), ring-fenced budgets, schemes that were underspent as at 31 March 2017 and schemes that have resulted in overspends.

4.5 **Slippage:** Schemes to the value of £13.30m have been slipped into 2017/18 as a result of an ongoing program of works and delays in contractual arrangements. Appendix 1 sets out the schemes where slippage has occurred.

4.6 **Ring-fenced budgets:** As at 31 March 2017, a number of ring-fenced budgets remained unspent to the value of £6.97m. 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 £6.97m.

4.7 **Underspends:** As at 31 March 2017, underspends totalling £307k were declared by budget holders upon the completion of capital schemes. Urban renewal have requested that £23k relating to the underspend on Town Centres and the Voluntary sector Grant Scheme to be retained to fund the ongoing ERDF liabilities at Newbridge subject to a Cabinet report to Members highlighting the change in circumstances. £284k is to be released into capital balances to fund the future capital programme. Details are provided in Appendix 3.

4.8 **Overspends:** As at 31 March 2017 Education reported overspends against capital schemes to the value of £67k. Appendix 4 details the schemes and the proposed funding correction required as agreed with budget holders.

5. WELL-BEING OF FUTURE GENERATIONS

5.1 Effective financial management is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

6. EQUALITIES IMPLICATIONS

6.1 This report is for information purposes, so 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 asked to note the contents of this report.

11. REASONS FOR THE RECOMMENDATIONS

11.1 Compliance with the CIPFA "Code of Practice for Treasury Management in the Public Services".

12. STATUTORY POWER

12.1 Local Government Acts 1972 and 2003.

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Background Papers:
Budget Monitoring Reports 2016/17
Capital Outturn Report 2015/16

Appendices:
Appendix 1 – 2016/17 Slippage
Appendix 2 – 2016/17 Ring-fenced Budgets
Appendix 3 – 2016/17 Underspends
Appendix 4 – 2016/17 Overspends