



POLICY AND RESOURCES SCRUTINY COMMITTEE – FOR INFORMATION

SUBJECT: 2017/18 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 2017/18 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 2017/18 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 22nd February 2017.

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 2017/18 financial year totalled £70.04m, consisting of £16.46m for the General Fund and £53.58m for the Housing Revenue Account (HRA). Appendix 1 provides details of the 2017/18 approved budget, the 2016/17 slippage carried forward and additional in-year funding for 2017/18 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 £45.40m have been identified that are unlikely to be delivered in 2017/18. Consequently, these schemes will be carried forward as slippage into the 2018/19 financial year. Members will note from the table below that the majority of the slippage relates to Corporate Projects; Engineer's schemes; Property Services and the HRA WHQS programme.

Service Area	Scheme	£'000
Corporate Services	Corporate Projects	4,459
Corporate Services	Various Corporate Services	61
Corporate Finance	2018/19 & 2019/20 Capital Programme	494
Education	Asset Management	517
Education	Health & Safety Regulatory Works	120
Education	Various Education Schemes	137
Education	21st Century Schools	1,307
Environment - Community & Leisure Services	Cemeteries	1,160
Environment - Community & Leisure Services	Playground Reinstatement	326
Environment - Community & Leisure Services	Ty Duffryn	769
Environment - Community & Leisure Services	Various CLS Schemes	98
Environment -Economic Development & Regeneration	Cwmcarn Forest Campsite (Glamping)	124
Environment- Engineers	A472 Drainage Nelson	570
Environment- Engineers	Caerphilly Basin (Pwly Pant)	4,476
Environment- Engineers	Corporate Maintenance Tips Mines & Spoils	200
Environment- Engineers	Engineer's Former Liabilities	695
Environment- Engineers	Monmouth & Brecon Canal	140
Environment- Engineers	Various Engineers	183
Environment- Land Reclamation/ Engineers	Bedwas Colliery	238
Environment- Land Reclamation/ Engineers	Unfunded Liabilities Former Land Reclamation Sites	1,907
Environment - Urban Renewal	Bargoed Cinema Development – Under Review	411
Environment - Urban Renewal	Risca S106	474
Environment - Urban Renewal	Various Urban Renewal	354
HRA	WHQS	17,856
Private Housing	Various Private Housing	784
Property Services	Demolition of Civic Building Pontllanfraith	628
Property Services	Demolition of Pontllanfraith &Oakdale Schools	2,317
Property Services	Former Meals On Wheels Pengam	228
Property Services	Longbridge Baths Risca	999
Public Protection	CCTV Replacement	83
Public Protection	Ty Llwyd Landfill Site	200
Social Services	Children's Centre For Complex Needs	3,088
Total: -		45,403

- 4.3 The slippage of £4.46m on Corporate Projects relates to the capital earmarked reserve of £7.47m that was approved by Council on the 22nd February 2017. This is yet to be allocated to a specific scheme. A report will be presented to Members later in the year that will identify new capital schemes that require funding from this budget allocation.

- 4.4 The slippage of £0.769m held against Ty Duffryn relates to 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 of £4.48m on Pwly Pant Highways scheme will be fully utilised in 2018/19 financial year once WG grant funding has been utilised.
- 4.6 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.
- 4.7 The Children's Centre for Complex Needs is currently at design phase. The capital budget has been requested to be carried forward as slippage into 2018/19 financial year when construction works is likely to commence.
- 4.8 The table below summarises identified projected underspends totalling £1.25m: -

Service Area	Scheme	£'000
Corporate Finance	Unallocated underspends	954
Property	Penallta House Car Park Extension	200
Property	Caerphilly Leisure Centre	99
Total: -		1,253

- 4.9 The underspends identified in the table above will be monitored throughout the year and will be made available to support the Capital Programme in future years following consultation with the budget holder as part of the outturn meetings.
- 4.10 As at 31st October 2017 Education was projecting overspends against schemes to the value of £172k: -

Service Area	Scheme	£'000	Comments
Education	Islwyn High Traffic Calming	111	Proposal to fund overspend from Education reserves.
Education	School Boiler Replacement Programme	61	Overspend to be carried forward and funded from 2018/19 programme.
Total: -		172	

- 4.11 As indicated above, the projected overspends totalling £172k will be met from within existing Education capital budgets or other identified funding.

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 2017/18 Capital Programme.

12. STATUTORY POWER

12.1 Local Government Act 1972.

Authors: N. Akhtar – Group Accountant -Treasury Management & Capital
E-mail: Akhtar@caerphilly.gov.uk Tel: 01443 863313

Consultees: S. Harris, Interim Head of Corporate Finance, Deputy S151 Officer
A. Southcombe, Finance Manager, Corporate Finance
Cllr B. Jones- Deputy Leader and Cabinet Member for Finance, Performance and Governance

Appendices:
Appendix 1 Capital Monitoring 2017/18 - Period 7

Capital Monitoring 2017/18 - Period 7

Service Area	B/f Funding	B/f Funding Adjustments	Revised B/f Funding	Approved Budget 2017-18	Virement	Additional In Year Funding 2017-18	Total Available Funding 2017-18	Expenditure to 31.10.2017	Projected Expenditure to 31 March 2018	Slippage (committed & non-committed)	Projected Outturn Variance Underspend (+); Overspend (-)
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Finance- Unallocated Balances	1,148	300	1,448	0	0	0	1,448	0	0	494	954
Corporate Services	113	0	113	7,764	-3,010	0	4,867	6	347	4,520	0
Education & Lifelong Learning	2,837	0	2,837	1,445	0	10,467	14,749	7,440	12,840	2,081	-172
Environment- Community and Leisure Services	2,189	0	2,189	669	0	164	3,022	152	669	2,353	0
Environment- Economic Regeneration	42	0	42	100	0	192	334	37	210	124	0
Environment- Engineers	4,241	0	4,241	2,618	0	4,859	11,718	1,645	5,454	6,264	0
Environment- Land Reclamation	2,128	0	2,128	0	0	17	2,145	0	0	2,145	0
Environment- Urban Renewal	1,059	0	1,059	110	0	602	1,771	-27	532	1,239	0
HRA	0	0	0	53,582	0	109	53,691	16,173	35,835	17,856	0
Private Housing	1,427	0	1,427	2,200	0	169	3,796	1,378	3,012	784	0
Property Services	1,840	-300	1,540	700	3,010	723	5,973	413	1,502	4,172	299
Public Protection	332	0	332	500	0	162	994	534	711	283	0
Social Services	3,157	0	3,157	350	0	0	3,507	39	419	3,088	0
General Fund Total	20,513	0	20,513	70,038	0	17,464	108,015	27,790	61,531	45,403	1,081