



POLICY AND RESOURCES SCRUTINY COMMITTEE – 1ST OCTOBER 2019

SUBJECT: CAPITAL OUTTURN 2018/19

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

1. PURPOSE OF REPORT

- 1.1 To provide information to Members relating to the capital outturn for the 2018/19 financial year.

2. SUMMARY

- 2.1 The report provides details of actual capital expenditure for the 2018/19 financial year and slippage that has been requested to be carried forward into 2019/20.

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 2018/19 Capital Programme.

5. THE REPORT

- 5.1 The approved Capital Programme for the 2018/19 financial year totalled £69.45m, consisting of £13.65m for the General Fund and £55.80m 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 2018/19 to £120.74m. This is summarised in the table below: -

	General Fund £000s	HRA £000s	Total £000s
Approved 2018/19 Budget	13,652	55,801	69,453
Slippage Brought Forward from 2017/18	27,404	0	27,404
In Year Grants, Contributions	9,797	(170)	9,627
S106 Funding	4,139	0	4,139
Revenue Contribution to Capital Outlay (RCCO)	4,794	0	4,794
Other Funding	5,026	294	5,320
Total:-	64,812	55,925	120,737

- 5.2 The following table provides a summary of the 2018/19 outturn against each service area: -

Capital Programme	Revised Estimated Target Spend £000s	Outturn Capital Spend £000s	Variance £000s
Community & Leisure Services	3,674	1,572	2,102
Corporate Finance	3,079	-	3,079
Corporate Services	12,995	1,890	11,105
Economic Development & Regeneration	168	123	45
Education	9,768	5,568	4,200
Infrastructure	17,243	11,065	6,178
Land Reclamation	2,145	0	2,145
Private Housing	4,952	2,229	2,723
Property Services	3,612	1,802	1,810
Public Protection	877	652	225
Social Services	4,548	1,364	3,184
Urban Renewal	1,751	388	1,363
General Fund Total: -	64,812	26,653	38,159
HRA Total: -	55,925	51,972	3,953
Total Capital Programme: -	120,737	78,625	42,112

- 5.3 The 2018/19 Housing Revenue Account (HRA) underspend of £3.95m will be carried forward into the 2019/20 financial year to support the ongoing programme of works to meet the Welsh Housing Quality Standard (WHQS).
- 5.4 The General Fund variance of £38.16m can be split between schemes that are ongoing or have been delayed in 2018/19 (slippage), ring-fenced budgets and schemes that have resulted in overspends as at 31 March 2019.

- 5.5 **Slippage:** Schemes to the value of £14.56m have been slipped into 2019/20 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 2019, a number of ring-fenced budgets remained unspent to the value of £23.62m. 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 £23.62m.
- 5.7 **Overspends:** As at 31 March 2019, overspend of £17.3k were reported. Further details are provided in Appendix 3.

6. ASSUMPTIONS

- 6.1 The details set out in the report are based on actual expenditure between 1st April 2018 and 31st March 2019.

7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 The contents of this report are in accordance with the Budget Strategy agreed by Council at its meeting on the 22nd February 2018.
- 7.2 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.

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 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.

9. EQUALITIES IMPLICATIONS

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

10. FINANCIAL IMPLICATIONS

- 10.1 As detailed throughout the report.

11. PERSONNEL IMPLICATIONS

11.1 There are no personnel implications arising from this report.

12. CONSULTATIONS

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

13. STATUTORY POWER

13.1 Local Government Acts 1972 and 2003.

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Consultees: R. Edmunds - Corporate Director of Education and Corporate Services
S. Harris - Interim Head of Business Improvement Services & Acting S151 Officer
A. Southcombe – Finance Manager, Corporate Finance
Cllr B. Jones - Deputy Leader and Cabinet Member for Finance, Performance and Governance

Appendices:
Appendix 1 – 2018/19 Slippage
Appendix 2 – 2018/19 Ring-fenced Budgets
Appendix 3 – 2018/19 Overspend

Background Papers:
Budget Monitoring Reports 2018/19
Capital Outturn Report 2017/18

Appendix 1: 2018/19 Slippage

Service Area	Scheme	Outturn Position 31/03/2018 £000s	Comments
Community & Leisure Services	Cemeteries	952	Ongoing works at Caerphilly cemetery
Community & Leisure Services	Various Capital Schemes	65	Ongoing delivery of programme (Sports pitches and Countryside)
Corporate Services	Various Capital Schemes	60	Ongoing delivery of programme (IT Services and Customer Services)
Economic Development	Cwmcarn Subway Feeder Rd	13	Works programmed for summer 2019
Education	Health & Safety Regulatory Works	206	Works programmed for summer 2019
Education	Basic Needs Accommodation	235	Works programmed for summer 2019
Education	Asset Management	923	Works programmed for summer 2019
Education	Various Capital Schemes	142	Ongoing delivery of programme
Infrastructure	Infrastructure Retaining Walls	392	Ongoing delivery of programme
Infrastructure	Highways reconstruction	1,475	Ongoing delivery of programme
Infrastructure	Various Capital Schemes	24	Ongoing delivery of programme
Infrastructure	A472 Drainage Nelson	563	Works to commence 2019/20
Infrastructure	Land Drainage- Corporate	292	Ongoing delivery of programme
Infrastructure	Land Drainage	116	Ongoing delivery of programme
Infrastructure	Corporate Maintenance Tips Mines Spoils	403	Works to commence in 2019/20
Infrastructure	Monmouth & Brecon Canal.	334	Ongoing delivery of programme
Infrastructure	Salix Street lighting Programme	1,000	Ongoing delivery of programme
Infrastructure	Passenger Transport Capital	382	Ongoing delivery of programme
Private Housing	Disabled Facility Grants	411	Ongoing delivery of programme
Private Housing	Home Imp Grants/Misc.	97	Ongoing delivery of programme
Private Housing	Home Repair Grant	484	Ongoing delivery of programme

Property Services	Corporate Asset Management	68	Ongoing delivery of programme
Property Services	Demolition Pontllanfraith School	1,035	Ongoing delivery of programme
Property Services	Former Meals On Wheels Pengam	221	Scheme under review
Public Protection	Various Capital Schemes	25	Ongoing delivery of programme
Public Protection	Ty Llwyd Landfill Site	200	Drainage solution at design stage. Works to commence in Autumn 2019
Social Services	Children's Centre Complex Needs	3,069	Scheme at design stage
Social Services	Various Capital Schemes	115	Ongoing delivery of programme
Urban Renewal	Various Capital Schemes	241	Ongoing delivery of programme
Urban Renewal	ERDF schemes	1,016	Ongoing delivery of programme (Ty Du and Lawns Industrial Estate)
Total General Fund Slippage 2018/19: -		14,559	
HRA	WHQS	3,953	Ongoing delivery of programme
Total Slippage 2018/19: -		18,513	

Appendix 2: 2018/19 Ring-fenced Budgets

Service Area	Scheme	Outturn Position 31/03/2018 £000s	Comments
Community & Leisure Services	Playground Reinstatement	321	S106 carried forward
Education	Asset Management (s106)	188	S106 carried forward
Infrastructure	Various s106 Schemes	481	S106 carried forward
Urban Renewal	Risca s106	9	S106 carried forward
Community & Leisure Services	Ty Duffryn	769	Under review
Community & Leisure Services	RCDF Grant	2	Funding to be carried forward to support project
Corporate Finance	Earmarked capital budgets	1,604	Earmarked funding for future schemes as per January 2019 Reserves Report
Corporate Services	Corporate Projects	11,045	Funding to be carried forward to support new capital projects as per January 2019 Reserves Report
Corporate Finance	Unallocated Amounts (Underspends Given up)	1,474	Cumulative underspends. 54% earmarked to fund 2018/19 (slippage); 2019/20 and 2020/21 capital programmes
Economic Development	Cwmcarn Forest Campsite Drainage	35	Works to commence April 2019
Education	Asset Management Schools	2,425	Capital maintenance Grant received in March 2019 that is to be carried forward into 2019/20 to progress scheme
Education	Various Funding for Education Schemes	80	Works ongoing
Infrastructure	Various Schemes	724	Earmarked funding for historical liabilities & 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	1,461	WG loan funding
Private Housing	Various Schemes	270	Various Grant Breaches funding
Property Services	Penallta House Car Park Extension	142	Use of funding under consideration
Property Services	Newbridge Leisure Centre Refurbishment	344	Works to commence April 2019
Urban Renewal	Various Schemes	97	Funding to progress a number of capital schemes
Total Ring Fenced Budgets 2018/19:-		23,616	

Appendix 3: 2018/19 Overspend

Service Area	Scheme	Outturn Position 31/03/2018 £000s	Comments
Community & Leisure Services	RCDF- Peoples Landscape	(6)	Late submission of grant return. Overspend to be claimed in 2019/20
Economic Development	Cwmcarn Forrest TAIS (Tourism Amenity Investment Support)	(3)	Costs to be funded from revenue in 2019/20 along with additional expenditure due to project overrun
Infrastructure	Various Schemes	(8)	Overspend to be funded from 2019/20 capital budget allocations
Total Overspend 2018/19:-		(17)	