



CORPORATE AND REGENERATION SCRUTINY COMMITTEE - 9TH JANUARY 2024

SUBJECT: CAPITAL OUTTURN 2022/23

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

1. PURPOSE OF REPORT

1.1 To provide information relating to the provisional capital outturn for the 2022/23 financial year.

2. SUMMARY

2.1 The report provides details of actual capital expenditure for the 2022/23 financial year and slippage that has been requested to be carried forward into 2023/24.

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 provisional outturn of the 2022/23 Capital Programme prior to completion of the annual external audit of the accounts by Audit Wales.

5. THE REPORT

5.1 The approved core Capital Programme for the 2022/23 financial year totalled £37.945m, consisting of £10.021m for the General Fund and £27.924m for the Housing Revenue Account (HRA). During the year specific grants and contributions were received for various service areas, in addition the budget has also been increased for funding allocations from revenue, reserves and core budget slippage from previous years. This takes the total capital budget for 2022/23 to £157.381m and is summarised in the table below: -

	General Fund £m	HRA £m	Total £m
Approved 2022/23 Budget	10.021	27.924	37.945
Core Budget Slippage Brought Forward from 2021/22	18.632		18.632
In Year Grants, Contributions	12.341		12.341
Revenue Contribution to Capital Outlay (RCCO)	17.411		17.411
Funding from Reserves	40.404		40.404
Welsh Government Loans	26.740		26.740
Other Funding	3.908		3.908
Total:-	129.457	27.924	157.381

5.2 The following table provides a summary of the 2022/23 outturn against each service area: -

Capital Programme	Total Capital Budget £m	Outturn Capital Spend £m	Variance £m
Community & Leisure Services	16.521	1.364	15.157
Corporate Services	4.716	1.115	3.601
Business Enterprise Renewal Team	34.479	4.873	29.606
Education	35.776	14.275	21.501
Infrastructure	17.647	12.640	5.007
Private Housing	10.197	1.599	8.598
Property Services	2.165	0.942	1.223
Public Protection	1.540	0.585	0.955
Social Services	6.416	1.082	5.334
General Fund Total:-	129.457	38.475	90.982
HRA Total:-	27.924	23.665	4.259
Total Capital Programme:-	157.381	62.140	95.241

5.3 The 2022/23 Housing Revenue Account (HRA) underspend of £4.259m will be carried forward into the 2023/24 financial year. The main cause of the underspend is delays in awarding contracts for the Post Asset Management Strategy (PAMS) programme due to resource issues.

- 5.4 The General Fund variance of £90.982m is as a result of schemes that are ongoing or have been delayed into 2023/24 (slippage), schemes that have an approved budget allocated but have not yet started, and ring-fenced schemes. Moving forward the Capital Strategy will encompass all known funding streams and profile budgets into the year works will be undertaken. This will set a more robust and deliverable capital budget by financial year and reduce slippage. Appendix 1 provides a breakdown of the total slippage figure by project. The narrative for major schemes is detailed below.
- 5.4.1 Community and Leisure Services have £13.600m allocated for the new Health and Wellbeing Centre in Caerphilly funded from reserves to match fund the Levelling Up Grant. There is also S106 funding being held for Playgrounds of £504k, and a review of these projects is currently being undertaken.
- 5.4.2 Corporate Services have £1.4m budget allocated for the New Heating System in Ty Penallta, this expenditure will take place in 2023/24. £1.809m Core Capital budget was also allocated for Corporate Projects. In year, £180k was approved from this to the Cwm lfor Solar Farm project, the remainder has not been allocated so will be slipped into 2023/24 for future projects.
- 5.4.3 The Business Enterprise Renewal Team (BERT) encompasses the Caerphilly Placemaking Scheme. The placemaking schemes have contributed to £26.881m of the variance identified in the table above at 5.2. At the end of 2019/20 we received £20m in the form of a Welsh Government loan to regenerate the Ness Tarr site in Caerphilly. Negotiations are taking place with Welsh Government and the landowners to determine the preferred course of action to move this scheme forward. Another loan of £5.125m from Welsh Government along with match funding of £575k funded by the Regeneration Board has also been allocated to begin site assemblies for a proposed Leisure Quarter within the town. Ffos Market is currently under construction and has an expected completion date of January 2024. The other key project within the BERT team is Cwm lfor Solar Farm, this is currently at Planning Stage with full business case planned to be presented to cabinet in January 2025.
- 5.4.5 Education have a number of projects which have been allocated 21st Century Band B grant, these have £10.866m of slippage. A breakdown of these projects is included in Appendix A. The slippage from Education's core capital allocations totals £2.3m. Education received a number of additional grants from Welsh Government late in the financial year for which works were programmed for the Summer of 2023 to minimise disruption to the schools.
- 5.4.6 Infrastructure were successful in securing Welsh Government Grants, which increased the available budget for 2022/23. Work has been planned into 2023/24 to ensure the slippage is spent in the relevant areas, this included the works programme on Tips.
- 5.4.7 Private Housing has £1.4m included in their variance which is ringfenced for Private Housing Loans. The remainder of the slippage has accumulated since Covid due to a backlog of applications for grants as a result of the inability to appoint contractors. A report is due to go to Cabinet in 2023/24 to provide further detail on how the Private Housing slippage is to be spent.
- 5.4.8 The key cause of the Property variance is £826k which was allocated for the demolition of Pontllanfraith Comprehensive School, this work is now being undertaken in 2023/24.
- 5.4.9 Public Protection have £538k of slippage from the Core Capital Budget for Kitchen Refurbishments in Schools as a result of Welsh Government providing a Grant to

update kitchens in relation to the Free School Meals programme. There is a rolling programme planned to ensure the school kitchens are maintained to the required standard and the slippage will be used for this.

5.4.10 Included within Social Services budgets is £4.635m for a respite facility. A site has now been identified and this project is being taken forward.

6. ASSUMPTIONS

6.1 The details set out in the report are based on actuals that have occurred between 1st April 2022 and 31st March 2023

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 This report is for information purposes, so the Council's Integrated Impact Assessment (IIA) process does not need to be applied.

8. FINANCIAL IMPLICATIONS

8.1 As detailed throughout the report.

9. PERSONNEL IMPLICATIONS

9.1 There are no personnel implications arising from this report.

10. CONSULTATIONS

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

11. STATUTORY POWER

11.1 Local Government Acts 1972 and 2003.

Author: Rhiann Williams – Group Accountant- Treasury and Capital
E-mail: willirh@caerphilly.gov.uk

Consultees:
R. Edmunds-Corporate Director for Education and Corporate Services
S. Harris – Head of Financial Services and S151 Officer
L. Sykes-Deputy Head of Financial Services and S151 Officer
A. Southcombe – Finance Manager, Corporate Finance

Appendices:

Appendix 1 – 2022/23 Variance Analysis