



POLICY AND RESOURCES SCRUTINY COMMITTEE – FOR INFORMATION

SUBJECT: CAPITAL OUTTURN 2017/18

**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 2017/18 financial year.

2. SUMMARY

2.1 The report provides details of actual capital expenditure for the 2017/18 financial year and slippage that has been requested to be carried forward into 2018/19.

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 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). During the year specific grants, slippage and contributions were received for various service areas taking the total available capital resources for 2017/18 to £109.10m. This is summarised in the table below: -

	General Fund £000s	HRA £000s	Total £000s
Approved 2017/18 Budget	16,456	53,582	70,038
Slippage Brought Forward from 2016/17	20,512	0	20,512
In Year Grants, Contributions	2,460	(8)	2,452
S106 Funding	691	0	691
Revenue Contribution to Capital Outlay (RCCO)	3,021	0	3,021
Other Funding	12,384	0	12,384
Total:-	55,525	53,574	109,099

4.2 The following table provides a summary of the 2017/18 outturn against each service area: -

Capital Programme	Revised Estimated Target Spend £000s	Outturn Capital Spend £000s	Variance £000s
Community & Leisure Services	3,520	1,003	2,517
Corporate Finance	1,448	0	1,448
Corporate Services	6,574	3,116	3,458
Economic Development & Regeneration	241	214	26
Education	13,814	11,941	1,873
Infrastructure	11,399	6,226	5,173
Land Reclamation	2,145	0	2,145
Private Housing	3,955	2,425	1,530
Property Services	5,566	1,541	4,025
Public Protection	1,015	683	332
Social Services	3,507	281	3,226
Urban Renewal	2,341	691	1,650
General Fund Total: -	55,525	28,121	27,404
HRA Total: -	53,574	42,210	11,364
Total Capital Programme: -	109,099	70,331	38,768

4.3 The 2017/18 Housing Revenue Account (HRA) underspend of £11.36m will be carried forward into the 2018/19 financial year to support the ongoing programme of works to meet the Welsh Housing Quality Standard (WHQS).

4.4 The General Fund variance of £27.40m can be split between schemes that are ongoing or have been delayed in 2017/18 (slippage), ring-fenced budgets, schemes that were underspent as at 31 March 2018 and schemes that have resulted in overspends.

4.5 **Slippage:** Schemes to the value of £15.53m have been slipped into 2018/19 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 2018, a number of ring-fenced budgets remained unspent to the value of £11.96m. 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 £11.96m.

- 4.7 **Underspends:** As at 31 March 2018, underspends totalling £26k were identified upon completion of the respective capital project. Budget holders have been consulted and agreed to return underspends to the Centre. Underspends will be used to fund the future capital programme. Details of the underspends are provided in Appendix 3.
- 4.8 **Overspends:** As at 31 March 2018, overspends of £106k were reported. £62k relates to the schools boiler replacement programme. The overspend was incurred due to emergency boiler replacement works that were not scheduled. A further £5k of overspend relates to Infrastructure highways barriers programme. An untimely submission of a grant claim for capital expenditure incurred at the Blackwood Miner's Institute had meant £39k of grant was not realised at 31 March 2018. 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 To advise Members of the outturn of the 2017/18 Capital Programme.

12. STATUTORY POWER

- 12.1 Local Government Acts 1972 and 2003.

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A. Southcombe – Finance Manager, Corporate Finance
Cllr B. Jones- Deputy Leader and Cabinet Member for Finance, Performance and Governance

Background Papers:
Budget Monitoring Reports 2017/18
Capital Outturn Report 2016/17

Appendices:
Appendix 1 – 2017/18 Slippage
Appendix 2 – 2017/18 Ring-fenced Budgets
Appendix 3 – 2017/18 Underspends
Appendix 4 – 2017/18 Overspends

Appendix 1: 2017/18 Slippage

Service Area	Scheme	Outturn Position 31/03/2018 £000s	Comments
Community & Leisure Services	Cemeteries	1,117	Delays with discharging planning conditions at the new cemetery in Nantgarw
Community & Leisure Services	Centre of Sporting Excellence Sports Pitch	180	Delay in start of works
Community & Leisure Services	Various Capital Schemes	127	Ongoing delivery of programme
Corporate Services	IT Hardware & Software	189	Delay in tender process for new telephony system
Corporate Services	One Stop Shop Development	56	Scheme under review
Education	Health & Safety Regulatory Works	111	Works programmed for summer 2018
Education	Various Capital Schemes	147	Works programmed for summer 2018
Education	Asset Management	169	Works programmed for summer 2018
Education	21st Century School-Newbridge/Cwmcarn	939	Works progressing
Infrastructure	Infrastructure Retaining Walls	59	Ongoing delivery of programme
Infrastructure	Various Capital Schemes	216	Ongoing delivery of programme
Infrastructure	A472 Drainage Nelson	569	Delay due to works situated on a strategic diversion route
Infrastructure	Land Drainage-Corporate	152	Ongoing delivery of programme
Infrastructure	Land Drainage	193	Ongoing delivery of programme
Infrastructure	Corporate Maintenance Tips Mines Spoils	251	Late contract award- works to start in 2018/19
Infrastructure	Monmouth & Brecon Canal.	141	Works on hold until Autumn/ Winter 2018
Infrastructure	Carriageway Resurfacing	1,476	Displaced WG funding (awarded March 2018)- works to begin in 2018/19
Private Housing	Disabled Facility Grants	167	Ongoing delivery of programme
Private Housing	Home Imp Grants/Misc.	195	Ongoing delivery of programme
Private Housing	Home Repair Grant	341	Ongoing delivery of programme
Property Services	Demolition P/Fraith & Oakdale Schools	2,181	Works progressing
Property Services	Corporate Asset Management	253	Ongoing delivery of programme
Property Services	Civic Building P/Fraith	253	Works progressing
Property Services	Former Meals On Wheels Pengam	227	Scheme under review
Property Services	Caerphilly Leisure Centre	96	Ongoing delivery of programme

Property Services	Longbridge Baths Risca	999	Scheme under review
Property Services	Centre of Sporting Excellence Catering Kiosk	17	Ongoing delivery of programme
Public Protection	Ty Llwyd Landfill Site	200	Ongoing site monitoring, which will determine long- term drainage solution
Public Protection	Various Capital Schemes	132	Ongoing delivery of programme
Social Services	Children's Centre Complex Needs	3,096	Scheme at design stage
Social Services	Various Capital Schemes	130	Ongoing delivery of programme
Urban Renewal	ERDF Lawns Industrial Estate Rhymney	1,099	Ongoing delivery of programme
Urban Renewal	Various Capital Schemes	49	Ongoing delivery of programme
Total General Fund Slippage		15,527	
HRA	WHQS	11,364	Ongoing delivery of programme
Total Slippage 2017/18: -		26,891	

Appendix 2: 2017/18 Ring-fenced Budgets

Service Area	Scheme	Outturn Position 31/03/2018 £000s	Comments
Community & Leisure Services	Playground Reinstatement	325	S106 carried forward
Infrastructure	Various s106 Schemes	1,394	S106 carried forward
Urban Renewal	Risca s106	6	S106 carried forward
Community & Leisure Services	Ty Duffryn	769	Under review
Corporate Services	Corporate Projects	3,209	Funding to be carried forward to support new capital projects
Corporate Services	LIDW	5	Scheme has ended, residual grant remaining and subject to WG approval to utilise
Corporate Services	Unallocated Amounts (Underspends Given Up)	1,448	Cumulative underspends. 57% earmarked to fund 2018/19 and 2019/20 capital programme
Education	Health & Safety Regulatory Works	42	Period Poverty Grant received in March 2018 that is to be carried forward into 2018/2019 to progress scheme
Education	Asset Management	528	Fire safety upgrades that will be undertaken in 2018/19
Infrastructure	Various Schemes	726	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	210	WG loan funding
Private Housing	Houses Into Homes Loans	464	WG loan funding
Private Housing	Various Schemes	152	Various Grant Breaches Funding
Urban Renewal	Various Schemes	124	Funding to progress a number of capital schemes.
Urban Renewal	Bargoed Cinema Development	410	Scheme under review
Total Ring Fenced Budgets 2017/18: -		11,957	

Appendix 3: 2017/18 Underspends

Service Area	Scheme	Outturn Position 31/03/2018 £000s	Comments
Economic Development & Regeneration	Hlf Llancaiach Fawr	26	Scheme completed.
Total Underspends 2017/18: -		26	

Appendix 4: 2017/18 Overspends

Service Area	Scheme	Outturn Position 31/03/2018 £000s	Comments
Education	School Boiler Replacement Programme	-62	Overspend was incurred due to emergency boiler replacement works that were not scheduled. Overspend to be funded from 2018/19 capital budget allocation.
Infrastructure	Vehicle Restraint System	-5	Additional works undertaken. Overspend to be funded from 2018/19 capital budget allocation.
Economic Development & Regeneration	Blackwood Miners Institute	-39	Grant claim was not submitted before 31 March 2018. As a result capital expenditure of £39k remained unfunded at 31 March 2018. Grant funding will be now be received in 2018/19 financial year
Total Overspends 2017/18: -		-106	