

Report of the Cabinet Member for Finance and Resources

Cabinet – 29 July 2014

CAPITAL OUTFURN AND FINANCING 2013/14

Purpose:	This report details capital outturn and financing for the year ended 31 March 2014.
Policy Framework:	Budget Plan 2013/14.
Reason for Decision:	This report is presented to Cabinet in accordance with Financial Procedure Rules
Consultation:	Cabinet Members, Executive Board, Legal and Access to Services.
Recommendation:	It is recommended that: - 1) the net under spending of the approved budget of £17.723m be carried forward to 2014/15. Last year it was reported that the funding of the provision for Tir John will be subject to a separate report on the future options (including funding options) of Tir John. This will now be actioned prior to the budget process for 2015/16.
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1. Background

1.1 The original capital budget for 2013/14 totalled £94.801m. During 2013/14 this figure was increased by £6.95m to make a revised budget of £101.751m.

The net increase was the result of:

- a) The addition of grant funded schemes (eg.RTP Grant) after Council approved the original programme.
- b) Delayed spending from 2012/13.

2. **Outturn 2013/2014**

- 2.1 Capital outturn in 2013/14 on the approved budget was £84.028m, an under spend of £17.723m – see appendix A. Apart from a small number of exceptions, the under spends in the capital budget represent delayed spending on approved schemes. As such, the unspent budget will need to be carried forward to 2014/15. The main underspends are set out in Appendix C.
- 2.2 Appendix ‘A’ shows the breakdown of Capital Expenditure and variances in respect of individual Directorates and highlights the sum of £24.981m spent on HRA properties during the year
- 2.3 Notwithstanding the under spending mentioned above, the capital outturn represents a significant expenditure on a number of major projects. Appendix B lists projects with expenditure in excess of £0.3m.

3. **Financial Implications**

- 3.1 2013/2014 expenditure will be financed as follows:-

Financing requirement:	£000
Unfinanced in 2012/2013	3,118
2013/14 expenditure	84,028
Total financing requirement	<u>87,146</u>

Financing:	£000
Supported Borrowing - General	6,227
Supported Borrowing - Highways	2,648
Unsupported Borrowing	10,768
Grants and contributions	41,383
Capital receipts, revenue budget and reserves	24,489
To be financed 2014/15	1,631
Total financing	<u>87,146</u>

4. **Legal Implications**

- 4.1 There are no legal implications.

5. **Equalities and Engagement Implications**

- 5.1 There are no equalities implications arising from this report. A full analysis of equalities implications is carried out as part of the annual budget process and any expenditure detailed in this report is on approved schemes.

Background papers: None.

Appendices:

- Appendix A – 2013/14 Capital Programme – Outturn Summary.
Appendix B – Projects with spending in excess of £0.3m.
Appendix C - Projects underspent in excess of £0.15m.

Appendix A

2013/14 CAPITAL PROGRAMME - OUTTURN SUMMARY

DIRECTORATE COMPARISON	ORIGINAL BUDGET 2013/14	REVISED BUDGET 2013/14 £'000	OUTTURN 2013/14 £'000	NET OVER (UNDER) SPENDING £'000
RESOURCES	2,208	6,416	4,625	-1,791
PEOPLE	15,336	14,116	13,500	-616
PLACE	77,257	81,219	65,903	-15,316
TOTAL	94,801	101,751	84,028	-17,723

BUDGET BOOK COMPARISON	ORIGINAL BUDGET 2013/14	REVISED BUDGET 2013/14 £'000	OUTTURN 2013/14 £'000	NET OVER (UNDER) SPENDING £'000
21 CENTURY SCHOOLS	14,692	12,115	12,032	-83
GENERAL FUND SERVICES	50,109	65,112	47,015	-18,097
HRA	30,000	24,524	24,981	457
TOTAL	94,801	101,751	84,028	-17,723

Appendix B

PROJECTS WITH SPENDING IN EXCESS OF £0.3M

Project	£'000s
Equal/back pay capitalisation settlement	2,500
LIDW schools broadband	1,270
ICT schemes	811
Morfa Road phases 1&2	713
Carriageway resurfacing	2,056
Prudential Borrowing Highways schemes	2,648
Footway Renewals	434
Road safety schemes	338
Morrison SRIC	484
Marina Barrage	384
Baling Plant	320
Boulevard Phase 1 works	4,713
Pontardulais Public Realm works	455
Hafod Copperworks	413
Felindre infrastructure	2,855
Glyn Vivian improvement works	443
Burlais Primary new build	453
Gowerton Primary new build	446
Morrison Comprehensive refurbishment	10,675
Schools building capital maintenance	5,730
Housing Renovation/Disabled Facility Grants	4,316
Housing other grants	489
Housing loans	757
Hafod Renewal Area	638
Guildhall Refurbishment Works	1,873
Brangwyn Hall Refurbishment Works	3,068
Other buildings capital maintenance	1,788
HRA non traditional programme works	2318
HRA window&door replacements	3,033
HRA Enveloping Works/Roofing works	7,321
HRA Refurbishment/rewiring programme	1,228
HRA Improvements/BISF Houses	761
HRA Security Measures	1,101
HRA Energy/Boiler Replacement Programme	3,793
HRATenant Adaptations Programme	4,829
Total	75,454

Appendix C

PROJECTS UNDERSPENT IN EXCESS OF £0.15M

Project	£'000s	Comment
Provision food waste hall	200	Works delayed whilst prioritised improvements to comply with environmental permit requirements are completed
Sorting station/bag splitter	448	Works delayed whilst prioritised improvements to comply with environmental permit requirements are completed. All works will be completed within the next two months.
Tir John improvement works	889	Revised programme of works to be reported to Cabinet shortly
High Street /Strand Highways Imps	241	Relates to footway/cycle route works
Highways PB schemes	2,208	Schemes were programmed over 3 year period – final year 2014/15
Drainage works	171	The works have been delayed due to legal process and potential action against the Authority – progressed once resolved
Aggregate recycling centre	199	The budget was set aside to develop a new site for recycling aggregates linked to the wider review of depots and assets and the resolution of an existing legal arrangement for one of the affected sites
Langland Bay seawall	232	This scheme is partly completed but work was suspended until the weather was better thus slippage into 14/15
Building Capital Maintenance.	629	This is an aggregated amount across a number of small schemes including the planned fire alarm works to the Civic

		Centre, completion of Guildhall phase 5 and deferring works to the Heol Y Gors depot until clarity of proposed depot review plus retentions held on a number of smaller schemes
Heol y Gors waste transfer station Upgrade	190	Delayed until clarity of proposed depot to avoid abortive works
Server hardware agile working	225	Scheme delayed – spend in 2014/15
Accommodation Strategy/Relocations	362	Programme now back on track
Cefn Hengoed refurbishment	334	Agreeing final invoice with contractor
Schools capital building maintenance	453	Some delays on small schemes
Main Boulevard scheme phase 1 and Main Boulevard scheme phase 2	515 300	Amalgamated Phase 1 and Phase 2 into single contract. Works to be completed Nov 2014. Budget increased to cover contingencies.
BEP grants	864	Rolling programme of grants – full spend anticipated.
Waterfront Connections	168	Civil works substantially complete. Public Art element procured. Full scheme will be completed by March 2015 in accord with Waterfront City European funding..
North Quarter High Street Corridor	1,413	Delay in progressing scheme
North Quarter Alexandra Rd Corridor	1,155	Postponed because of delay in completing Glyn Vivian.
Swansea Vale infrastructure works	267	Scheme delayed
Felindre infrastructure works	1,330	Delay in issuing payments. Underspend identified because of competitive tendering. With the agreement of the Cabinet Member for Regeneration WEFO have been requested to reallocate this underspend to the Waterfront City programme as an existing European funded scheme . Allocation of any additional funds for Waterfront City will be subject to the review of the programme with Members.
Swansea market roofing works	168	Commencement delayed due

		to need to ensure robust appraisal of scheme had been carried out. Contract now awarded
Glyn Vivian refurbishment	1,119	The project has been delayed through the liquidation of the original contractor hence a new tender process had to be carried out. The project is now back on site and is scheduled for completion in May 2015. The full allocation of budget will be required.
HRA WWP Jeffreys Court Penlan	300	Spend has been delayed due to extended contract award period for high rise works and to ensure proper consideration of project..
HRA Energy Efficiency grant support	249	Delay procuring contractor. Budget committed for spend in 2014/15
Housing Renovation/Disabled Facility Grants	781	Rolling capital programme. Budget committed for spend in 2014/15
Emergency Repair fund	280	Budget reduced for 2014/15. To be targeted as part of Sandfields Renewal Area programme
Property Appreciation Loans	559	Rolling capital programme. To be targeted as part of Sandfields Renewal Area programme
Houses to Homes Loans	510	Loans being processed for full spend in 2014/15.
Capital Contingency/Emergencies	638	To be retained for emergency works
Other	326	
Total	17,723	