

Report of the Cabinet Member for Finance and Strategy

Cabinet - 16 July 2015

CAPITAL OUTTURN AND FINANCING 2014/15

Purpose:	This report details capital outturn and financing for the year ended 31 March 2015.
Policy Framework:	Budget Plan 2014/15.
Reason for Decision:	This report is presented to Cabinet in accordance with Financial Procedure Rules
Consultation:	Cabinet Members, Executive Board, Legal Services and Access to Services
Recommendation:	It is recommended that the net under spending of the approved budget of £27.413m be carried forward to 2015/16.
Report Author:	Mike Hawes
Finance Officer:	Mike Hawes
Legal Officer:	Tracey Meredith
Access to Services Officer	Sherill Hopkins

1. Background

1.1 The original capital budget for 2014/15 totalled £93.343m. During 2014/15 this figure was increased by £25.821m to make a revised budget of £119.164m.

The net increase was the result of:

- a) The addition of grant funded schemes and Equal Pay Capitalisation Directive awarded after Council approved the original programme,
- b) Delayed spending from 2013/14.

2. **Outturn 2014/2015**

- 2.1 Capital outturn in 2014/15 on the approved budget was £91.751m, an under spend of £27.413m which is detailed in 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 2015/16. 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 £24.582m 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 £0.5m.

3. **Financial Implications**

- 3.1 2014/2015 expenditure will be financed as follows:-

Financing requirement:	£000
Unfinanced in 2013/2014	1,630
2014/15 expenditure	91,751
Total financing requirement	93,381

Financing:	£000
Supported Borrowing - General	21,480
Supported Borrowing - Highways	4,489
Unsupported Borrowing	6,297
Grants and contributions	37,794
Capital receipts, revenue budget and reserves	20,207
To be financed 2014/15	3,114
Total financing	93,381

4. **Legal Implications**

- 4.1 There are no legal implications.

5. **Access to Services 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: A, B and C.

Appendix A

2014/15 CAPITAL PROGRAMME - OUTTURN SUMMARY

DIRECTORATE COMPARISON	ORIGINAL BUDGET 2014/15	REVISED BUDGET 2014/15 £'000	OUTTURN 2014/15 £'000	NET OVER (UNDER) SPENDING £'000
RESOURCES	1,767	12,487	11,209	(1,278)
PEOPLE	17,918	17,949	16,052	(1,897)
PLACE	73,658	88,728	64,490	(24,238)
TOTAL	93,343	119,164	91,751	(27,413)

BUDGET BOOK COMPARISON	ORIGINAL BUDGET 2014/15	REVISED BUDGET 2014/15 £'000	OUTTURN 2014/15 £'000	NET OVER (UNDER) SPENDING £'000
21 CENTURY SCHOOLS	17,797	14,475	13,719	(756)
GENERAL FUND SERVICES	37,046	77,782	53,450	(24,332)
HRA	38,500	26,907	24,582	(2,325)
TOTAL	93,343	119,164	91,751	(27,413)

Appendix B

PROJECTS WITH SPENDING IN EXCESS OF £0.5M

Project	£'000s
Equal/back pay capitalisation settlement	10,100
ICT schemes	1,109
Morfa Road phases 1&2	1,238
Townhill/Mayhill SRIC	515
Carriageway resurfacing	2,273
Prudential Borrowing Highways schemes	5,061
Footway Renewals	692
Boulevard Phase 1 works	3,859
Vibrant & Viable Places Project	3,000
Refurbishment of Swansea Market	1,148
Felindre infrastructure	861
Glyn Vivian improvement works	2,647
Dylan Thomas Exhibition Refurbishment	747
Burlais Primary new build	5,941
Gowerton Primary new build	2,193
Glyncollen Primary extention	584
Morrison Comprehensive refurbishment	4,271
Flying Start Projects	646
Schools building capital maintenance	3,151
Housing Renovation/Disabled Facility Grants	3,983
Housing other grants	532
Housing loans	933
Brangwyn Hall Refurbishment Works	2,374
Other buildings capital maintenance	1,401
HRA non traditional programme works	518
HRA Window & Door replacements	1,732
HRA Enveloping Works/Roofing works	7,649
HRA Refurbishment/rewiring programme	5,200
HRA Improvements/BISF Houses	2,200
HRA Security Measures	821
HRA Energy/Boiler Replacement Programme	2,645
HRA Tenant Adaptations Programme	3,007
HRA Landscaping/Area Enhancement	810
Total	83,841

Appendix C

PROJECTS UNDERSPENT IN EXCESS OF £0.25M

Project	£'000s	Comment
Pont y Lon bridge	341	Scheme to be developed as insufficient budget to complete the required works
2014-15 bridges / retaining walls	263	The majority of this underspend is likely to be allocated to the Pont y Lon bridge scheme in 2015-16.
Highways PB Light Energy scheme	496	Final year of PB schemes spend will be achieved early in 2015-16
Morfa Distributor Road	442	Scheme not fully achieved due to delays in commencing this phase. The works will be completed in 2015-16 as part of this years LTF grant bid.
ICT central storage	430	Alternative options for this project are being explored following the announcement to sell Civic Centre
Telephony System replacement	500	Technology options are being investigated
Lonlas Primary new build	292	Delay due to decisions surrounding temporary accommodation solution during building works
Gowerton Primary new build	421	Start date delayed by 1 - 2 months due to delays in contract agreement sign off
Mayhill Family / Medical Centre	543	Delay in decision regarding the building price.
Building Capital Maintenance.	761	Various underspends on CBPS schemes
Guildhall relocations	256	Rolling budget to carry forward into 2015-16
Guildhall Accommodation Strategy	299	Rolling budget to carry forward into 2015-16
Server Hardware Agile working	332	Rolling budget for agile working infrastructure to carry forward into 2015-16
Boulevard (Waterfront scheme)	1,385	The majority of this budget has been spent in Apr / May 2015 and any balance will be spent on an alternative Waterfront

BEP grants	4,033	scheme by June 2015 Linked to the Waterfront WEFO scheme and scheduled to be spent by June 2015.
North Quarter High Street Corridor	454	This budget balance will be allocated to an alternative Waterfront scheme and spent by June 2015
Gloucester Place Public Realm work	300	Project not completed within Waterfront Scheme
Swansea Vale infrastructure works	400	Scheme delayed
Felindre infrastructure works	802	Final work on this grant funded scheme will be complete by 31 July 2015
Swansea market roofing works	1,425	Work started later than anticipated. Completion due September 2015
Glyn Vivian refurbishment	1,000	The scheme has faced delays due to unforeseen difficulties. The Works are due for completion in October 2015
HRA WWP Clyne / Jeffreys Court	755	Delay in commencing project. Forecasting to catch up in 2015/16
HRA Energy Efficiency grant support	554	Delay procuring contractor. Budget committed for spend in 2015/16
Housing Renovation/Disabled Facility Grants	1298	Rolling capital programme. Budget committed for spend in 2014/15
Emergency Repair fund	259	Budget reduced for 2015/16. To be targeted as part of Sandfields Renewal Area programme
Property Appreciation Loans	386	Rolling capital programme. To be targeted as part of Sandfields Renewal Area programme
Houses to Homes Loans	682	Rolling capital programme.
National Home Improvement Scheme	380	New scheme which will commence in 2015/16
Sandfields Renewal Area	628	Delays in commencing scheme
Capital Contingency/Emergencies	233	To be retained for emergency works
Other	7,063	Various schemes
Total	27,413	