

Report of the Cabinet Member for Finance & Strategy

Cabinet - 21 July 2016

CAPITAL OUTTURN AND FINANCING 2015/16

Purpose:	This report details capital outturn and financing for the year ended 31 March 2016.
Policy Framework:	Capital Budget 2015/16.
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 Cabinet note the overall outturn position and that the net under spending of the approved budget of £30.555m be carried forward to 2016/17.
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1. Background

1.1 The original capital budget approved by Council in February 2015 for 2015/16 totalled £93.195m. During 2015/16 this figure was increased by £26.456m to make a revised budget of £119.651m.

The net increase was the result of:

- a) The addition of grant funded schemes after Council approved the original programme,
- b) Delayed spending from 2014/15.

2. **Outturn 2015/2016**

- 2.1 Capital outturn in 2015/16 on the approved budget was £89.096m, an in-year under spend (slippage) of £30.555m 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, which are anticipated to be spent in future years. As such, the unspent budget will need to be carried forward to 2016/17. 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 £41.417m spent on Housing Revenue Account 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.
- 2.4 In addition to the normal Capital programme, during the year 2015/16 the Authority paid a settlement of £73.58m to Welsh Government for the Housing Revenue Account Subsidy System buyout, in line with all other Welsh local authorities who still directly have their own housing stock, and therefore maintain a Housing Revenue Account. This capital spending was funded by access to special rate borrowing facilities from the Public Works Loan Board for this express purpose.

3. **Financial Implications**

- 3.1 2015/2016 expenditure will be financed as follows:-

Financing Requirement	£'000
Unfinanced sundry creditors 2014/15	3,114
2015/16 Spend per ledger	89,096
Sundry creditors to be financed in 2016/17	-4,042
Spend to be funded in 2015/16	88,168

Financing 2015/16	£'000
Supported Borrowing	6,356
Unsupported Borrowing 2015-16	2,813
Grants and Contributions	39,761
Revenue contributions	26,787
Capital receipts	12,451
Total financing 2015/16	88,168

4. **Legal Implications**

- 4.1 There are no legal implications contained within this report

5. Equality 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.

Appendix: Appendix A - 2015/16 Capital Programme Outturn Summary
Appendix B - Capital Projects with spending in excess of £0.5m
Appendix C - Capital Projects Underspent in excess of £0.25m

2015/16 Capital Programme Outturn Summary

Appendix A

Directorate Comparison	Original Budget 2015/16 £'000	Revised Budget 2015/16 £'000	Outturn 2015/16 £'000	Net Over / (Under) spending £'000
Resources	2,388	2,321	209	(2,112)
People	15,453	12,951	10,351	(2,600)
Place	75,354	104,379	78,536	(25,843)
Total	93,195	119,651	89,096	(30,555)

Budget Book Comparison	Original Budget 2015/16 £'000	Revised Budget 2015/16 £'000	Outturn 2015/16 £'000	Net Over / (Under) spending £'000
21st Century Schools	15,173	11,014	9,509	(1,505)
General Fund Services	28,729	60,989	38,170	(22,819)
Housing Revenue Account	49,293	47,648	41,417	(6,231)
Total	93,195	119,651	89,096	(30,555)