



Report of the Section 151 Officer

Cabinet - 17 June 2021

Capital Outturn and Financing 2020/21

Purpose:	This report details capital outturn and financing for the year ended 31 March 2021.
Policy Framework:	Budget Plan 2020/21.
Consultation:	Cabinet Members, Corporate Management Team, Legal and Access to Services
Recommendation(s):	It is recommended that: 1) The increased biggest ever capital budget of £251m is noted. 2) The net under spend of the increased capital budget of £46.954m is carried forward to 2021/22
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1. Background

- 1.1 The original capital budget approved by Council in February 2020 for 2020/21 totalled £167.877m (excluding the waste provision). During 2020/21 this figure was increased by £83.231m to give a revised budget of £251.108m (excluding waste provision).

The net increase in the capital budget was the result of:

1. The addition of both grant funded and Council funded schemes after Council approved the original programme,
2. Delayed or reprofiled spending from 2019/20 carried forward into 2020/21.

2. Outturn 2020/2021

- 2.1 Capital outturn in 2020/21 on the approved budget was £204.154m, which is a significant level of spend across all service areas, and the largest ever single year capital spend. There was an under spend on the approved and reprofiled budget of £46.954m which is detailed in Appendix A. Apart from a small number of exceptions, the under spends in the capital budget represent delayed or reprofiled spend on approved schemes. As such, the unspent budget will need to be carried forward to 2021/22 in order to complete schemes in progress.
- 2.2 It should be recognised that capital schemes are complex projects which are often faced with a host of issues including legal (planning, procurement etc.) and operational (budget, ground conditions, weather), which can offer challenges to the delivery timetable. The Covid-19 pandemic had an adverse impact on the delivery of a number of capital schemes towards the end of 2019-20 and this continued to impact upon delivery during 2020-21. In addition Swansea Council was commissioned by Swansea Bay University Health Board (SBUHB) and Welsh Government to deliver a 1,000 bed Surge Hospital on the site of the previous Bay Studio. The capital outturn includes £21.589m for the delivery of this scheme which was fully funded by SBUHB and WG.
- 2.3 The main underspends are set out in Appendix C. Some schemes were overspent compared with budget but these were mainly profiling issues where spend was delivered ahead of the original profile.
- 2.4 Appendix A shows the breakdown of Capital Expenditure and variances in respect of individual Directorates and highlights the sum of £41.601m spent on HRA properties during the year.
- 2.5 Notwithstanding the under spending mentioned above, the capital outturn represents significant expenditure on a number of major projects and is the largest capital spend ever achieved which is an exceptional achievement during a very challenging year. Appendix B lists projects with expenditure in excess of £0.5m.

3. Financial Implications

- 3.1 2020/2021 capital expenditure has been financed as follows:-

Financing Requirement	£'000
Unfinanced sundry creditors 2019/20	6,493
2020/21 ledger capital spend	204,154
To be financed sundry creditors 2020/21	-12,972
Spend funded in 2020/21	197,675

Financing 2020/21	
	£'000
Supported Borrowing	6,483
Unsupported Borrowing (GF plus HRA)	61,020
Salix Energy Efficiency loan	658
Grants and Contributions	93,349
Revenue contributions to capital	33,934
Capital receipts	2,231
Total financing 2020/21	197,675

4. Legal Implications

4.1 There are no legal implications.

5. Integrated Assessment Implications

5.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

5.2 There are no 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. Individual capital schemes approved will be subject to IIA process.

Background Papers: None

Appendices:

Appendix A	Capital Programme Outturn Summary
Appendix B	Capital Projects with spend in excess of £500k
Appendix C	Capital Projects underspend in excess of £500k

2020/21 Capital Programme Outturn Summary

Appendix
A

Directorate Comparison	Original Budget 2020/21 £'000	Revised Budget 2020/21 £'000	Outturn 2020/21 £'000	Net Over / (Under) spending £'000
Resources	2,869	3,541	1,783	(1,758)
People	27,993	32,911	29,576	(3,335)
Place	137,015	214,656	172,795	(41,861)
Total	167,877	251,108	204,154	(46,954)

Budget Book Comparison	Original Budget 2020/21 £'000	Revised Budget 2020/21 £'000	Outturn 2020/21 £'000	Net Over / (Under) spending £'000
Education (including 21st Century Schools)	27,355	29,796	28,032	(1,764)
General Fund Services	87,901	177,196	134,521	(42,675)
HRA	52,621	44,116	41,601	(2,515)
Total	167,877	251,108	204,154	(46,954)

Capital Projects with spend in excess of £500k

Appendix B

General Fund Schemes	£'000
Carriageway resurfacing and footways (including Highways Invest to save schemes)	7,522
Bridges and retaining walls	552
Active Travel strategic and local schemes (highways)	3,542
LTF and LTNF including Broadway Interchange, South West Wales Metro and Fabian Way corridor	2,057
Road Safety and Safe routes in communities schemes	1,223
Vehicle replacement programme	1,330
Swansea Central Phase 1 construction (Arena and associated schemes)	57,162
TRI schemes (Sustainable Living Grants, Property Enhancement Development grants and Strategic scheme)	1,404
Property Enhancement Development Scheme for COVID recovery adaptations	1,226
Palace Theatre	669
Copper Powerhouse	1,404
Kingsway Infrastructure works	3,170
Kingsway Offices design and planning	851
Green Infrastructure projects	788
Wind Street reimaged scheme	591
ERP system upgrade	517
Hwb in schools IT infrastructure	738
Education other than at school new build	4,919
Gorseinon new build primary school	2,163
Tan y Lan new build primary school	4,601
YGG Tirdeunaw new build primary school	5,172
YG Gwyr Secondary school extension	3,622
Bishopston Comprehensive school refurbishment	5,835
Schemes to reduce infant class sizes (across 3 schools)	526
Early Help Family Support Hubs	690
Schools building capital maintenance	6,871
Buildings capital maintenance (non-schools)	748
Bay Studios surge hospital for SBUHB	21,589
Salix energy efficiency schemes	657
CTU workshop	953

Housing Disabled Facilities Grants and MAGs	3,099
Absorbent hygiene products waste scheme	956
Property portfolio acquisitions	7,481
<i>HRA: various schemes</i>	
HRA More Homes programme	8,258
HRA Fire and Gas Safety improvements	966
HRA Wind & Weatherproofing (including Hi-rise flats)	8,196
HRA Refurbishment (mainly Kitchens & Bathrooms)	11,657
HRA regeneration and repairs including Easiform properties	1,318
HRA External facilities	6,713
HRA Energy Efficiency (including Boiler Replacements)	809
HRA Tenant Adaptations Programme	2,046
Total of schemes in excess of £0.5m	194,591

Capital Projects Underspent in excess of £500k

Appendix C

Project	£'000	Comments
Education		
YGG Tirdeunaw new build primary school	1,683	The project has been reprofiled due to a delay to start on site; the project is on track for completion in the 3rd quarter of 2021/22
Social Services		
ICF - Relocate Integrated Community Hub	782	The funding for this scheme is 100% ICF Grant and was repurposed during 2020/21 due to Covid to respond to Health and Social Care Capital requirements.
Highways		
Local Transport Fund Baldwins Bridge Interchange	1,114	Awaiting completion of Legal checks to finalise Heads of Terms during 2021-22. Agreement in principal.
Active Travel Fund - Sketty/Mayals network	531	Project start delayed due to formal objections and delivery compromised due to covid working issues. WG advised and additional funding to be provided for 2021/22 to enable completion of phase 2 with no loss of grant
Oxford Street trip style upgrade	500	The project scope will be mapped during the summer 2021 with a view to developing a project plan during the autumn.
Corporate Property		
Salix Loan Energy Efficiency scheme	682	The Service Provider is continuing to pursue the completion of the Works as rapidly as is reasonably possible under the current circumstances. They have been delayed in either mobilisation on site or continuing construction work. Such delay in completion was due to the current COVID-19 Pandemic and associated Government lockdown rules and regulations. Martin Nicholls approved contractor extension of time from current contract completion date of 12th March 2021 to 30th September 2021. An updated programme has been published detailing the revised dates.
Public sector hub	1,452	Due to the delay in decision on the PSH from the Government Property Agency, the project has not progressed as anticipated. A decision is expected by September on a way forward with the scheme.

Pipehouse Wharf relocation	1,115	Central Transport Unit have successfully relocated their service to Viking Way. The remaining budget is for ongoing work to secure site ownership, agree designs and establish costings for a potential new depot. Significant inroads are expected to be made during the next six months.
Members Community capital scheme (Highways)	888	The team is currently developing a programme of works to ensure full delivery of the budget by year end March 2022.
Town centre regeneration schemes (commercial)	2,602	Capital budget has been retained to cover strategic asset management costs which will provide opportunity to enhance commercial and operational occupation of the assets.
Swansea Vale car park facility	500	Currently on hold until decision is made on alternative site requirement.
Economic Regeneration & Planning		
Swansea Central Phase 1 construction (Arena and associated schemes)	17,859	Contingency profiled into 2020/21 which will roll over into 2021/22. Delay in completion has meant an underspend in 2020/21. Underspend on project management fees profiled for 2020/21 due to delay in completion.
Economic Stimulus regeneration	2,267	Carry forward of budget with majority of expenditure expected to occur in 2021/22.
Powerhouse scheme at Copperworks	879	Budget carried forward to be expended in 2021/22 due to revised work programme, physical completion due by January 2022.
Kingsway renovation scheme	1,196	Extended tender process for works contractor with expenditure now anticipated from late summer 2021 pending cabinet approval
HRA		
More Homes programme - acquisitions	1,145	The underspend relates to a further 2 property acquisitions which will complete in 2021-22, together with savings against original forecast values. In addition land acquisitions were delayed and will take place during 2021-22.
More Homes programme - Hillview / Baysview	874	Construction commenced later than programmed due to delays in obtaining approvals

WWP Llwyncethin & Maesglas Flats	833	Delayed due to the effects of Covid-19
Rewiring programme	590	Delayed due to the effects of Covid-19
Total underspends greater than £500k 2020/21	37,492	