



## Report of the Director of Finance and Section 151 Officer

Cabinet – 21 September 2023

### Capital Outturn and Financing 2022/23

<b>Purpose:</b>	This report details capital outturn and financing for the year ended 31 March 2023.
<b>Policy Framework:</b>	Budget Plan 2022/23.
<b>Consultation:</b>	Cabinet Members, Corporate Management Team, Legal and Access to Services
<b>Recommendation(s):</b>	It is recommended that:  1) The net underspend of the increased capital budget of £28.8m is carried forward to 2023/24
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#### 1. Background

- 1.1 The original capital budget approved by Council in February 2022 for 2022/23 totalled £144,561m (excluding the waste provision). During 2022/23 this figure was increased by £14.8m to give a revised budget of £159.4m.

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 2021/22 carried forward into 2022/23.

## 2. Outturn 2022/2023

- 2.1 Capital outturn in 2021/22 on the approved budget was £121.1m, which is a significant level of spend across all service areas. There was an under spend on the approved and reprofiled budget of £28.8m 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 2023/24 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.
- 2.3 Underspends in excess of £0.5m are set out in Appendix C with accompanying comments.
- 2.4 Appendix A shows the breakdown of Capital Expenditure and variances in respect of individual Directorates and highlights the sum of £40.2m 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. Appendix B lists projects with expenditure in excess of £0.5m.

## 3. Financial Implications

- 3.1 2022/2023 capital expenditure has been financed as follows:

<b>Financing Requirement</b>	<b>£'000</b>
Unfinanced sundry creditors 2021/22	7,626
<b>2022/23 ledger capital spend</b>	<b>122,184</b>
To be financed sundry creditors 2022/23	-6,136
<b>Spend to be funded in 2022/23</b>	<b>123,674</b>

<b>Financing 2022/23</b>	<b>£'000</b>
Supported Borrowing	6,347
Unsupported Borrowing (GF plus HRA)	14,051
Grants and Contributions	67,702
Revenue contributions to capital	28,400
Capital receipts	7,175
<b>Total financing 2022/23</b>	<b>123,674</b>

#### **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:**

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| 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 |

Directorate Comparison	Original Budget 2022/23	Revised Budget 2022/23	Outturn 2022/23	Net Over / (Under) spending
	£'000	£'000	£'000	£'000
Finance	1,750	985	0	(985)
Digital Services and Customer Services	2,418	2,315	1,641	(674)
Education	5,155	13,372	10,167	(3,205)
Social Services	1,500	851	780	(71)
Place	133,478	139,798	108,480	(31,318)
<b>Total</b>	<b>144,301</b>	<b>157,321</b>	<b>121,068</b>	<b>(36,253)</b>

Budget Book Comparison	Original Budget 2022/23	Revised Budget 2022/23	Outturn 2022/23	Net Over / (Under) spending
	£'000	£'000	£'000	£'000
Education (including 21st Century Schools)	5,155	13,372	10,167	(3,205)
General Fund Services	80,994	106,903	70,732	(36,171)
HRA	58,152	37,046	40,169	3,123
<b>Total</b>	<b>144,301</b>	<b>157,321</b>	<b>121,068</b>	<b>(36,253)</b>

<b>Capital Projects with spend in excess of £500k</b>	<b>Appendix B</b>
<b>General Fund Schemes</b>	<b>£'000</b>
20mph National Rollout Programme Total	573
Active Travel strategic and local schemes (highways) Total	6,272
Bridges and Retaining Walls Total	750
Carriageway resurfacing and footways (including Highways Invest to save schemes and Patch schemes) Total	4,208
Highways Drainage works Total Total	453
LTF schemes including South Wales Metro, Dyfatty interchange, sustainable transport improvements and Baldwins bridge Total	2,789
Seawall repairs Mumbles Total	1,502
Street Lighting Conversion to LED Total	855
Vehicle replacement programme Total Total	323
Agile and Mobile IT equipment Total	615
Cefn Hengoed Community Hub Total	3,280
71-72 Kingsway Offices Total	10,120
Castle Square regeneration Total Total	309
Community hub (former BHS) Total	2,037
Copper Powerhouse Total	3,095
Debenhams Acquisition Total	2,690
Kingsway Infrastructure Total	1,242
Palace Theatre Total	3,600
Swansea Central Phase 1 construction (Arena and associated schemes) Total	1,769
Transforming Towns Placemaking schemes Total	1,724
Wind Street reimaged scheme Total Total	146
Bishopston Comprehensive school refurbishment Total	3,661
Free School Meals Total	1,385
YG Gwyr Secondary school extension Total	1,219
YGG Tan y Lan new build primary school Total	541
YGG Tirdeunaw new build primary school Total Total	260
Buildings capital maintenance (non-schools) Total	1,699
Schools building capital maintenance Total	6,220
Community Play Schemes Total	1,009

Housing Disabled Facilities Grants and MAGs Total	4,767
<b><i>HRA: various schemes</i></b>	
HRA Chimney repairs Total	789
HRA Energy Efficiency (including Boiler Replacements) Total	1,962
HRA External facilities Total	5,833
HRA Fire and Gas Safety improvements Total	2,148
HRA More Homes programme Total	10,911
HRA Refurbishment (mainly Kitchens & Bathrooms) Total	2,441
HRA Tenant Adaptations Programme Total	2,904
HRA Wind & Weatherproofing (including Hi-rise flats) Total	9,423
<b>Total of schemes in excess of £0.5m</b>	<b>105,528</b>