

## Report of the Section 151 Officer

Cabinet - 20 July 2017

### CAPITAL OUTTURN AND FINANCING 2016/17

<b>Purpose:</b>	This report details capital outturn and financing for the year ended 31 March 2017.
<b>Policy Framework:</b>	Budget Plan 2016/17.
<b>Consultation:</b>	Cabinet Members, Executive Board, Legal Services and Access to Services
<b>Recommendation:</b>	It is recommended that the net under spending of the approved budget of £16.155m is carried forward to 2017/18.
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#### 1. Background

- 1.1 The original capital budget approved by Council in February 2016 for 2016/17 totalled £106.453m (excluding the waste provision). During 2016/17 this figure was increased by £11.438m to give a revised budget of £117.891m.

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

- a) The addition of grant funded schemes after Council approved the original programme,
- b) Delayed spending from 2015/16 carried forward into 2016/17.

#### 2. Outturn 2016/2017

- 2.1 Capital outturn in 2016/17 on the approved budget was £101.736m, an under spend of £16.155m 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 into 2017/18 in order to complete schemes in progress. 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 £51.953m spent on HRA properties during the year. A significant part of the HRA refurbishment works were for kitchen & bathroom refurbishments. The extent of work required in each individual house to improve the kitchen and bathroom up to the Welsh Housing Quality Standard varies depending on the circumstances of the property and the household. An analysis of the programme during 2016/2017 identified that average unit costs were higher than anticipated for a variety of reasons but through a combination of actions, the revised average, when projected over the longer term means that the programme is in line with key assumptions in the HRA Business Plan.

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 2016/2017 expenditure will be financed as follows:-

<b>Financing Requirement</b>	£'000
Unfinanced sundry creditors 2015/16	4,042
<b>2016/17 ledger capital spend</b>	<b>101,736</b>
To be financed sundry creditors 2017/18	-3,153
<b>Spend to be funded in 2016/17</b>	<b>102,625</b>

<b>Financing 2016/17</b>	£'000
Supported Borrowing	8,713
Unsupported Borrowing 2016-17	22,410
Grants and Contributions	32,942
Revenue contributions to capital	32,380
Capital receipts	6,180
<b>Total financing 2016/17</b>	<b>102,625</b>

### 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:** Appendix A – 2016/17 Capital Programme Outturn Summary  
Appendix B – Capital Projects with spends in excess of £0.5m  
Appendix C – Capital Projects underspends in excess of £0.25m

## 2016/17 Capital Programme Outturn Summary

## Appendix A

Directorate Comparison	Original Budget 2016/17 £'000	Revised Budget 2016/17 £'000	Outturn 2016/17 £'000	Net Over / (Under) spending £'000
Resources	595	1,966	801	(1,165)
People	21,639	15,645	14,230	(1,415)
Place	84,219	100,280	86,705	(13,575)
<b>Total</b>	<b>106,453</b>	<b>117,891</b>	<b>101,736</b>	<b>(16,155)</b>

Budget Book Comparison	Original Budget 2016/17 £'000	Revised Budget 2016/17 £'000	Outturn 2016/17 £'000	Net Over / (Under) spending £'000
21st Century Schools	21,639	12,761	12,409	(352)
General Fund Services	29,814	50,762	37,374	(13,388)
HRA	55,000	54,368	51,953	(2,415)
<b>Total</b>	<b>106,453</b>	<b>117,891</b>	<b>101,736</b>	<b>(16,155)</b>

## Capital Projects with spend in excess of £0.5m Appendix B

<b>Project</b>	<b>£'000</b>
Morfa Road	1,773
Carriageway resurfacing and footways	2,280
Highways Invest to save schemes (carriageways and footways)	994
City Centre - Vibrant & Viable Places schemes (including Oceana, land assembly, High Street Regeneration, grant schemes, Westway gyratory)	9,304
City Centre redevelopment - St David's / Civic Centre	1,807
Glynn Vivian Art Gallery refurbishment and fit-out	923
Lonlas Primary new school build	6,202
Pentre Graig remodelling	1,429
Pentrefhafod Comprehensive School remodelling	3,705
YGG Gwyr School remodelling	766
Schools building capital maintenance	4,035
Mayhill family / medical centre	575
Housing Disabled Facilities Grants	4,141
Sandfields Renewal Area	2,119
Housing other grants and loans	1,279
Buildings capital maintenance (non-schools)	1,369
HRA new builds Milford Way & Parc-y-Helig	1,297
HRA Improvements to Trusteel and WNF Properties	1,517
HRA Wind & Weatherproofing (including Hi-rise flats)	19,465
HRA Refurbishment (mainly Kitchens & Bathrooms)	19,981
HRA Landscaping & Enhancement	2,290
HRA Security Measures	925
HRA Energy Efficiency (including Boiler Replacements)	2,893
HRA Tenant Adaptations Programme	3,053
<b>Total schemes in excess of £0.5m</b>	<b>94,122</b>

**Capital Projects Underspent in excess of £0.25m**  
**Appendix C**

<b>Project</b>	<b>£'000</b>	<b>Comments</b>
<b><i>Education</i></b>		
Burlais Primary New School	379	School is complete, the underspend relates in part to retentions and any savings in overall scheme costs will remain within the C21st Schools funding envelope.
<b><i>Information &amp; Business Change</i></b>		
Digital Business Strategy Phase 1	500	Delay in scheme commencement. Scheme to be delivered in 2017/18
Telephony System replacement	451	Delay in scheme procurement Scheme to be delivered in 2017/18
<b><i>Corporate Property</i></b>		
Pipehouse Wharf Relocation	642	Delay in scheme commencement. Scheme to be delivered in 2017/19, with a total budget of £2.421m with amendments to profiling during the project
Guildhall Accommodation Strategy	299	This budget has been reallocated to the Agile Working Project and will be carried forward into 2017/18. Expected that budget will be committed with potential for minor carry forward.
Guildhall Relocations	256	This budget has been reallocated to the Agile Working Project and will be carried forward into 2017/18. Expected that budget will be committed with potential for minor carry forward.
<b><i>Child &amp; Family Services</i></b>		
Residential home for young people	310	There has been a delay in locating suitable premises but the scheme will be delivered in 2017/18
<b><i>C&amp;T</i></b>		
3G pitch at Penyreheol Comprehensive School	605	Delay in scheme commencement. Scheme to be delivered in 2017/18
<b><i>Highways &amp; Transport</i></b>		
Bascule bridge	302	The budget requires reprofiling for delivery in 2017/18

<b><i>Economic Regeneration &amp; Planning</i></b>		
City Centre redevelopment - St David's / Civic Centre	342	The budget is to achieve planning permission on the St David's site by summer 2017 and will be delivered in 2017/18
Demolition of Oceana	251	The demolition is due to complete in the summer 2017 and the remaining budget will be carried forward for delivery in 2017/18.
<b><i>Housing (GF)</i></b>		
Disability Facility Grants	272	The remaining budget is committed for expenditure in 2017/18
Emergency Repair Fund	258	The requirement on applicants to repay this funding when they sell their property has impacted on demand. Cabinet approval given to transfer budget to Homefix scheme and Sandfields Renewal Area for 2017/18.
National Home Imp scheme	885	Delay in spend pending WG confirmation of amendment to scheme parameters. Planned marketing of loans for home repairs in 2017/18. WG Funding available until 2019.
Houses into Homes loans	885	Strong demand for loans to redevelop empty properties. 500k of pending applications. Scheme will continue to be promoted. WG Funding available until 2019.
<b><i>HRA</i></b>		
HRA flats Clyne / Jeffrey Court	1,268	Contractor delays with completion now anticipated July / August 2017
Boiler replacements	369	Boiler replacements for Mathew Street flats were cancelled which reduced forecast spend
Kitchen & Bathrooms (all capital codes)	1,386	Contractor slippage and high volume of "drop outs" contributed to slippage into 2017/18
External Facilities (Gorseinon)	281	Design for External Facilities scheme behind programme due to resource issues resulting in slippage into 2017/18. Resource issues now being resolved
<b>Underspent schemes over £250k 2016/17</b>	<b>9,941</b>	