

REPORT TO THE CABINET

18 July 2017

Cabinet Member: Councillor Peredur Jenkins - Finance Cabinet Member

Subject: Capital Programme 2017/18 – First Quarter Review
(30 June 2017 position)

Contact Officer: Dafydd L Edwards - Head of Finance

The decision sought / Purpose of the report

To accept the report on the first quarter review (30 June 2017 position) of the capital programme, and approve the revised financing as shown in part 4 of the report, that is an increase of:

- £3,332,000 in various sources to fund actual slippages from 2016/17
 - £3,253,000 in the use of grants and contributions
 - £55,000 in the use of revenue contributions
 - £956,000 in the use of renewal and other reserves
 - £428,000 in the use of the capital reserve
-

1. Introduction / Summary

This technical report is presented as part of the 2017/18 budget monitoring procedure. The main purpose of the report is to present the revised capital programme and to approve the relevant financing sources. There is a summary in parts 3 and 4 of the report, with the recommendation in part 5:

Part 3: Analysis by Department of the £46.725m capital programme for the 3 years 2017/18 – 2019/20.

Part 4: The sources of finance for the net increase of approximately £8.024m since the opening budget, with £3.332m of the increase due to slippages from 2016/17 (previously reported on 6th June 2017).

The Cabinet has the authority to adapt the capital programme. Approval is sought for the programme (part 3) and financing (part 4).

For information there is further details on some specific schemes (the main changes per source of finance) in the Appendix A.

2. Main Findings:

The main conclusions that arise from the revised position are:

- There are firm schemes in place to invest approximately £32.7m in 2017/18, with £5.8m of it being financed by attracting specific grants.
- There is an additional £3.3m of proposed expenditure having been re-profiled from 2016/17 to 2017/18 but no loss of funding was caused to the Council where schemes have slipped.

3. CAPITAL PROGRAMME 2017/18 to 2019/20

See below which shows the revised proposed capital programme.

DEPARTMENT	END OF JUNE REVIEW				INCREASE/ (DECREASE) SINCE THE OPENING BUDGET	SLIPPAGES ADJUSTMENT	OTHER CHANGES
	2017/18	2018/19	2019/20	TOTAL			
	£'000	£'000	£'000	£'000			
Education	13,256	256	-	13,512	2,321	1,857	464
Environment	7,123	3,176	-	10,299	2,896	1,245	1,651
Corporate Support	126	5	-	131	11	(17)	28
Finance	981	275	-	1,256	(14)	(14)	-
Economy and Community	682	10	200	892	(403)	(609)	206
Adults, Health and Wellbeing - Housing Unit	3,539	3,122	-	6,661	1,972	19	1,953
Adults, Health and Wellbeing - Other	498	-	-	498	197	197	-
Children and Families	69	-	-	69	-	-	-
Highways and Municipal	6,207	3,958	2,406	12,571	801	411	390
Consultancy	27	17	-	44	21	21	-
Corporate	222	570	-	792	222	222	-
TOTAL	32,730	11,389	2,606	46,725	8,024	3,332	4,692

4 CHANGES TO THE SOURCES OF FINANCE

The budget for the three year programme shows an increase of £8.024m since the opening budget position. The proposed sources of financing for this are noted below:

SOURCE OF FINANCE	END OF JUNE REVIEW				INCREASE/ (DECREASE) SINCE THE OPENING BUDGET	SLIPPAGES ADJUSTMENT	OTHER CHANGES
	2017/18	2018/19	2019/20	TOTAL			
	£'000	£'000	£'000	£'000			
Supported Borrowing	6,675	6,399	-	13,074	-	-	-
Other Borrowing	6,125	241	992	7,358	1,962	1,962	-
Grants and Contributions	5,830	750	200	6,780	2,524	(729)	3,253
Capital Receipts	1,178	146	-	1,324	64	64	-
Departmental & Corporate Revenue	2,167	-	-	2,167	58	3	55
Capital Fund	3,467	441	-	3,908	2,050	1,622	428
Renewals & Other Funds	7,288	3,412	1,414	12,114	1,366	410	956
TOTAL	32,730	11,389	2,606	46,725	8,024	3,332	4,692

5. RECOMMENDATION

The Cabinet is asked to:

- accept the 2017/18 to 2019/20 revised programme and
- approve the relevant sources of finance (para. 4 above).

6. Reasons for recommending the decision

It is necessary to ensure appropriate financing arrangements for the Council's plans to spend on capital, and the Cabinet must approve the capital programme and its sources of funding.

Incorporating funding via grant is a point of order, but it is also necessary to deal with situations where there has been a change in expenditure profiles between years and the value of capital receipts and contributions.

These are recommendations to ensure definite sources of funding for the 2017/18 – 2019/20 capital schemes.

7. Relevant considerations

These are technical issues regarding the financing of schemes and relevant implications and debates have already been addressed when the individual schemes were adopted.

8. Next steps and timetable

To implement the recommendations to finance the programme.

View of the Local Member
Not relevant.

Views of the Statutory Officers

Monitoring Officer:
Nothing to add from a propriety perspective.

Head of Finance:
I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

Appendix
Appendix A.

MAIN CHANGES PER SOURCE OF FINANCING:

See below the relevant schemes that have caused the main changes to the sources of finance during the last quarter:

	2017/18 £'000	2018/19 £,000
Grants and Contributions		
<ul style="list-style-type: none"> • Llandygai Gypsy Site (Adults, Health and Wellbeing Department – Housing Unit) – grant from the Welsh Government towards the development of a new Gypsy Site opposite to the existing site. 	1,049	750
<ul style="list-style-type: none"> • Local Transport Fund (Environment Department) - grant from the Welsh Government (see also Other Funds below) towards:- <ul style="list-style-type: none"> ○ Multi User Path Ty Moelwyn, Porthmadog ○ Britannia Bridge, Porthmadog (road safety) ○ Safe routes in communities – Ffordd Coetmor, Bethesda and Ysgol yr Eifl, Trefor 	754	
<ul style="list-style-type: none"> • Enable Grant Schemes (Adults, Health and Wellbeing Department – Housing Unit) - grant from the Welsh Government to improve support to residents to live independently in their own homes. 	154	
<ul style="list-style-type: none"> • Coastal Path Scheme Phase 2 (Environment Department) - grant from Natural Resources Wales towards the second phase of this scheme. 	154	
<ul style="list-style-type: none"> • Bangor Area Schools Schemes (Education Department) – an initial allocation towards the preliminary and planning work for the 21st Century Schools schemes in the Bangor area to be financed from a contribution from a section 106 agreement with Redrow (see recommendation in the Cabinet report of 6th June 2017). 	100	
Departmental Revenue		
<ul style="list-style-type: none"> • Various minor schemes 	55	
Capital Reserve		
<ul style="list-style-type: none"> • Smallholdings Schemes (Environment Department) – to upgrade the private water supply in smallholdings to be financed temporarily from this reserve until the Council's next Asset Management Plan has been established (see Cabinet report of 7th March 2017). 	400	
Renewals and Other Funds		
<ul style="list-style-type: none"> • Purchase of Land Scheme in Llanrug (Education Department) – for the purchase of land in Llanrug for educational purposes which could enhance the options available for the provision of education in the future, to be financed temporarily from a corporate fund (approved by the Cabinet 28th March 2017). 	350	

<ul style="list-style-type: none"> • Water Supply Pipe Renewal Programme for Housing Stock (Highways and Municipal Department) – to finance essential work to manage and renew water pipes on housing estates from a specific fund (see Cabinet report 7th June 2016). 	300
<ul style="list-style-type: none"> • Local Transport Fund (Environment Department) – contribution from a specific fund (see also Grants above). 	120
