

REPORT TO THE CABINET

16 January 2018

Cabinet Member: Councillor Peredur Jenkins - Finance Cabinet Member

Subject: Capital Programme 2017/18 –
Third Quarter Review (December 2017 position)

Contact Officer: Dafydd L Edwards - Head of Finance

The decision sought / Purpose of the report

To accept the report on the third quarter review (December 2017 position) of the capital programme, and approve the revised financing as shown in part 4 of the report, that is:

- (£21,000) decrease in the use of borrowing
 - £567,000 increase in the use of grants and contributions
 - £27,000 increase in the use of capital receipts
 - £71,000 increase in the use of revenue contributions
 - £132,000 increase in the use of renewal and other reserves
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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 £47.718m capital programme for the 3 years 2017/18 – 2019/20.

Part 4: The sources of finance for the net increase of approximately £0.776m since the previous review.

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

The remainder of the report is for information:

- Appendix A: Main changes per source of finance
- Appendix B: Movement from 2017/18 to 2018/19
- Appendix C: First 9 months expenditure in 2017/18

2. Main Findings:

The main conclusions that arise from the revised position are:

- There are firm schemes in place to invest approximately £30.6m in 2017/18, with £5.8m of it being financed by attracting specific grants.

3. CAPITAL PROGRAMME 2017/18 to 2019/20

See below the revised proposed capital programme.

DEPARTMENT	END OF DECEMBER REVIEW				INCREASE/ (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2017/18	2018/19	2019/20	TOTAL	
	£'000	£'000	£'000	£'000	
Education	12,837	615	-	13,452	24
Environment	5,532	4,925	-	10,457	55
Corporate Support	43	109	-	152	-
Finance (and Information Technology)	547	709	-	1,256	-
Economy and Community	910	152	200	1,262	(9)
Adults, Health and Wellbeing - Housing Unit	3,063	3,608	-	6,671	1
Adults, Health and Wellbeing - Other	947	-	-	947	-
Children and Families	207	-	-	207	50
Highways and Municipal	6,172	3,686	2,377	12,235	412
Consultancy	162	125	-	287	243
Corporate	222	570	-	792	-
TOTAL	30,642	14,499	2,577	47,718	776

4. CHANGES TO THE SOURCES OF FINANCE

The budget for the three-year programme shows an increase of £0.776m since the second quarter review position. The proposed sources of financing for this are noted below:

SOURCE OF FINANCE	END OF DECEMBER REVIEW				INCREASE/ (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2017/18	2018/19	2019/20	TOTAL	
	£'000	£'000	£'000	£'000	
Supported Borrowing	6,675	6,399	-	13,074	-
Other Borrowing	8,116	804	992	9,912	(21)
Grants and Contributions	5,831	927	200	6,958	567
Capital Receipts	1,137	292	-	1,429	27
Departmental & Corporate Revenue	2,356	-	-	2,356	71
Capital Fund	(842)	3,248	-	2,406	-
Renewals & Other Funds	7,369	2,829	1,385	11,583	132
TOTAL	30,642	14,499	2,577	47,718	776

5. RECOMMENDATION

The Cabinet is asked to:

- accept the 2017/18 to 2019/20 revised capital 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. Please note that the significant capital schemes are scrutinised at the responsible Cabinet Member's Performance Scrutiny meetings, and reference is made to these in the relevant Performance Reports.

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

Appendices A, B and C.

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
Other Borrowing		
<ul style="list-style-type: none"> Various minor schemes 	(21)	
Grants and Contributions		
<ul style="list-style-type: none"> Coastal Protection (Consultancy Department) – a grant received from the Welsh Government for coastal protection work to extend the sea wall in Borth y Gest. 	53	103
<ul style="list-style-type: none"> Improvements to Public Conveniences (Highways and Municipal department) - additional grants received from the Welsh Government via the Tourism Amenity investment Support (TAIS) Rural Development Programme for improvements to public conveniences in Bethesda, Beddgelert, Bala, Harlech and Aberdaron. 	134	
<ul style="list-style-type: none"> Improvement Scheme for Amenity Sites in Caerylchu and Llandygai (Environment Department) – a grant from the Welsh Government towards improvements to both recycling sites. 	105	
Capital Receipts		
<ul style="list-style-type: none"> Various minor schemes 	27	
Departmental Revenue		
<ul style="list-style-type: none"> Various minor schemes 	71	
Renewals and Other Funds		
<ul style="list-style-type: none"> Adaptations to Coed Ffridd Arw (Highways and Municipal Department) – an increase in the use of the renewals reserve to extend the provision of recycling bunkers, locate a weighbridge and extend the provision for separating cans from plastics. 	134	

Budget Re-profiling – Main Schemes:

See below the main schemes that have been re-profiled since the original budget:

	2017/18 £'000	2018/19 £'000
Repair and Maintenance to Council Buildings and Carbon Management Schemes (Environment Department- Property Unit)	(1,641)	1,641
Vehicles Renewals (Highways and Municipal Department)	(1,226)	1,226
Housing Grant Schemes (Adults, Health and Wellbeing Department – Housing Unit)	(758)	758
Computer Renewal Schemes (Finance and Information Technology Department)	(360)	360
21 st Century Schools (Education Department)	(269)	269
Resurfacing of Car parks (Environment Department)	(219)	219

Note:

The above re-profiling will not result in any loss in grant.

There are a variety of valid reasons behind the re-profiling in many cases, but the delay prior to implementing these schemes can mean that the services have to cope for longer with current assets which have not been improved.

APPENDIX C**Capital Expenditure First 9 Months 2017/18**

SUMMARY	CAPITAL PROGRAMME FULL YEAR (reviewed December)	ACTUAL EXPENDITURE FOR THE 9 MONTHS TO
	2017/18 £'000	13/12/2017 £'000
Education	12,837	8,746
Environment	5,532	2,156
Corporate Support	43	28
Finance (and Information Technology)	547	354
Economy and Community	910	801
Adults, Health and Wellbeing - Housing Unit	3,063	882
Adults, Health and Wellbeing - Other	947	470
Children and Families	207	48
Highways and Municipal	6,172	1,986
Consultancy	162	32
Corporate	222	-
TOTAL	30,642	15,503

Note: The percentage that has been spent this year (51%) is comparably lower than the position this time last year (59%).