

REPORT TO THE CABINET

21 Mai 2019

Cabinet Member: Councillor Ioan Thomas, Finance Cabinet Member

Subject: Capital Programme 2018/19 –
End of Year Review (31 March 2019 position)

Contact Officer: Ffion Madog Evans, Senior finance Manager

The decision sought / Purpose of the report

To accept the report on the end of year review (31 March 2019 position) of the capital programme, and approve the revised financing as shown in part 4 of the report, that is:

- £7,000 increase in the use of borrowing
 - £1,739,000 increase in the use of grants and contributions
 - £71,000 increase in the use of capital receipts
 - £158,000 increase in the use of revenue contributions
 - No change in the use of the capital reserve
 - £184,000 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 2018/19 end of year 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 £53.430m capital programme for the 3 years 2018/19 – 2020/21.

Part 4: The sources of finance for the net increase of approximately £2.159m 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 2018/19 to 2019/20

2. Main Findings

The main findings that arise from the revised position are:

- The Council succeeded in spending over £22.8m in 2018/19 on capital projects, with £12.5m (55%) of it being financed by attracting specific grants.
- In addition to the £4.4m which was reported at the previous 2018/19 reviews a further £8.3m of proposed expenditure has been re-profiled from 2018/19 to

2019/20, but no loss of funding was caused to the Council where schemes have slipped.

3. Capital Programme 2018/19 to 2020/21

See below the revised proposed capital programme as at the end of March 2019.

DEPARTMENT	END OF MARCH REVIEW				INCREASE/ (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2018/19	2019/20	2020/21	TOTAL	
	£'000	£'000	£'000	£'000	
Education	3,481	9,201	3,624	16,306	7
Environment	4,340	4,839	43	9,222	(706)
Corporate Support	6	118	-	124	-
Finance	1,049	285	-	1,334	308
Economy and Community	656	477	-	1,133	47
Adults, Health and Wellbeing - Housing Unit	4,052	1,285	-	5,337	436
Adults, Health and Wellbeing - Other	780	1,177	524	2,481	11
Children and Families	93	-	-	93	(14)
Highways and Municipal	6,971	4,515	1,893	13,379	281
Consultancy	1,380	452	45	1,877	(53)
Corporate	-	2,144	-	2,144	1,842
TOTAL	22,808	24,493	6,129	53,430	2,159

4. Changes to the Sources of Finance

The budget for the three year programme shows an increase of £2.159m since the previous review position. The proposed sources of financing for this are noted below:

SOURCE OF FINANCE	END OF MARCH REVIEW				INCREASE/ (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2018/19	2019/20	2020/21	TOTAL	
	£'000	£'000	£'000	£'000	
Supported Borrowing	4,144	-	-	4,144	-
Other Borrowing	3,774	1,747	777	6,298	7
Grants and Contributions	10,538	9,714	525	20,777	1,739
Capital Receipts	162	349	750	1,261	71
Departmental & Corporate Revenue	1,947	176	-	2,123	158
Capital Fund	-	2,353	-	2,353	-
Renewals & Other Funds	2,243	10,154	4,077	16,474	184
TOTAL	22,808	24,493	6,129	53,430	2,159

Since the previous review the Council succeeded in attracting the following additional grants, with other adjustments (see Appendix A for more information) :

- £1,842k Schools Capital Maintenance Grant
- £347k Grant to Design and Develop the Flood Alleviation Scheme in Llanberis
- £47k Coastal Protection Grant, Borth y Gest
- £40k Targeted Regeneration Investment (TRI) Grant to fund the Bangor Regeneration and Access Schemes
- £327k Intermediate Care Fund (ICF) Grant. Adults area
- £98k Targeted Regeneration Investment Programme (TRIP) Grant for the development of empty properties
- £50k Innovative Housing Programme Grant – flexible passive pods

5. Recommendations

The Cabinet is asked to:

- **accept the 2018/19 to 2020/21 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 2018/19 – 2020/21 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 in order that the Finance Department can move forward to close the Council's financial accounts for 2018/19, and publish the statutory statement before the end of May.

View of the Local Member

Not relevant.

Views of the Statutory Officers**Monitoring Officer:**

No observations 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 and B.

Main Changes Per Source of Financing

See below the relevant schemes that have caused the main changes to the sources of finance since the previous review :

	2018/19 £'000	2019/20- 2020/21 £'000
Grants and Contributions		
<ul style="list-style-type: none"> Design and develop flood alleviation scheme in Llanberis (<i>Consultancy Department</i>). 	347	(387)
<ul style="list-style-type: none"> Coastal Protection Grant, Borth y Gest (<i>Consultancy Department</i>). 	47	
<ul style="list-style-type: none"> Sure Start Grant – underspend (<i>Children and Families Department</i>). 	(22)	
<ul style="list-style-type: none"> Intermediate Care Fund (ICF) – additional Welsh Government grant for adapting establishments to admit dementia and specialised care beds as well as facilitating joint working arrangements with other agencies (<i>Adults, Health and Wellbeing Department</i>). 	327	
<ul style="list-style-type: none"> Targeted Regeneration Investment Programme (TRIP) Grant schemes – Welsh Government grant for the development of empty properties in the Arfon area (<i>Housing Unit, Adults, Health and Wellbeing Department</i>). 	98	
<ul style="list-style-type: none"> Innovative Housing Programme Grant – flexible passive pods (<i>Housing Unit, Adults, Health and Wellbeing Department</i>). 	50	
<ul style="list-style-type: none"> Reduction in the Grant from the Local Transport Fund from Welsh Government (<i>Environment Department</i>) towards several different schemes including A496 Llanbedr; Lôn Las Peris; A499 to Trefor (<i>Environment Department</i>). 	(703)	
<ul style="list-style-type: none"> Grant towards Countryside Schemes including Access to the Llŷn Area of Outstanding Natural Beauty (AONB) (<i>Environment Department</i>). 	30	
<ul style="list-style-type: none"> Grant to fund the Llŷn Land and Sea Project (<i>Environment Department</i>). 	53	
<ul style="list-style-type: none"> Targeted Regeneration Investment (TRI) Grant to fund the Bangor Regeneration and Access Schemes (<i>Economy and Community Department</i>). 	40	

<ul style="list-style-type: none"> Schools Capital Maintenance Grant (<i>Education Department and Environment Department</i>). 	1,842	
Capital Receipts		
<ul style="list-style-type: none"> Upgrading Highways and Municipal Depots (<i>Highways and Municipal Department</i>). 	76	
Departmental Revenue		
<ul style="list-style-type: none"> Design and develop flood alleviation scheme in Llanberis (<i>Consultancy Department</i>) – contributions from other departments to the Consultancy Department scheme. 	47	(68)
<ul style="list-style-type: none"> Information Technology Servers (<i>Finance Department</i>). 	250	
<ul style="list-style-type: none"> Various minor schemes. 	(71)	
Renewals and Other Funds		
<ul style="list-style-type: none"> Vehicles and Waste Equipment renewals (<i>Highways and Municipal Department</i>). 	225	
<ul style="list-style-type: none"> VOIP project - telephony via the internet (<i>Finance Department</i>). 	57	
<ul style="list-style-type: none"> Various minor schemes. 	(98)	

Budget Re-profiling – Main Schemes

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

	2018/19 £'000	2019/20 £'000
Segontium Day Service Relocation (<i>Adults, Health and Wellbeing Department</i>)	(253)	253
Housing Grant Schemes (<i>Housing Unit, Adults, Health and Wellbeing Department</i>)	(975)	975
Y Berwyn Lifelong Learning School (<i>Education Department</i>)	(382)	382
Other Schools' Schemes (21 st Century and Other) (<i>Education Department</i>)	(582)	582
Adults establishments' schemes (<i>Adults, Health and Wellbeing Department</i>)	(180)	180
Resurfacing of car parks (<i>Environment Department</i>)	(261)	261
Environment Department Road Schemes (<i>Environment Department</i>)	(1,286)	1,286
Vehicles Renewals (<i>Highways and Municipal Department and Environment Department</i>)	(2,313)	2,313
Adaptation Schemes, Repairs and Maintenance etc on Council Buildings (<i>Property Unit, Environment Department</i>)	(2,990)	2,990
Various schemes such as Renewal of Safety Fences, Surface Water on Roads, Water Pipes, Toilets (<i>Highways and Municipal Department</i>)	(297)	297
Llandygai Gypsy Site Scheme (<i>Housing Unit, Adults, Health and Wellbeing Department</i>)	(310)	310
Council's Computer Replacement Scheme (<i>Finance Department</i>)	(200)	200
Various Schemes such as Digitisation of sites, Parc Padarn Safety Measures (<i>Economy and Community Department</i>)	(229)	229
Various Schemes such as AONB Access, Urban Improvements, Street Works IT Systems (<i>Environment Department</i>)	(192)	192
Schools Repairs and Maintenance Grant (replaced funding in 18/19 which is carried over to 19/20)	(1,842)	1,842

Note:

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

There is 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.
