

REPORT TO THE CABINET

12 July 2016

Cabinet Member: Councillor Peredur Jenkins - Cabinet Member - Resources
Subject: Capital Programme 2016/17 – First Quarter Review
(30 June 2016 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 2016 position) of the capital programme, and approve the revised financing as shown in part 4 of the report, that is:

- an increase of £3,276,000 in various sources to fund actual slippages from 2015/16
 - an increase of £3,459,000 in the use of grants and contributions
 - an increase of £29,000 in the use of capital receipts
 - an increase of £82,000 in the use of revenue contributions
 - an increase of £441,000 in the use of renewal and other reserves
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1. Introduction / Summary

This technical report is presented as part of the 2016/17 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 £59.783m capital programme for the 3 years 2016/17 – 2018/19.

Part 4: An explanation of the sources of finance for the net increase of approximately £7.287m since the opening budget, with £3.276m of the increase due to slippages from 2015/16 (previously reported on 7th June 2016).

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 are further details on some specific schemes (the main changes per source of finance) in Appendix A.

2. Main Findings:

The main conclusions that arise from the revised position are:

- There are firm schemes in place to invest approximately £35.4m in 2016/17, with £11.1m of it being financed by attracting specific grants.
- There is an additional £3.2m of proposed expenditure having been re-profiled from 2015/16 to 2016/17 but no loss of funding was caused to the Council where schemes have slipped.

3. CAPITAL PROGRAMME 2016/17 to 2018/19

See the revised proposed capital programme below.

DEPARTMENT	END OF JUNE REVIEW				INCREASE/ (DECREASE) SINCE THE OPENING BUDGET	SLIPPAGES ADJUSTMENT	OTHER CHANGES
	2016/17	2017/18	2018/19	TOTAL			
	£'000	£'000	£'000	£'000			
Education	17,205	9,801	237	27,243	1,127	1,127	-
Finance	843	466		1,309	222	222	-
Economy and Community	1,604	931		2,535	907	(226)	1,133
Adults, Health and Wellbeing - Housing Unit	2,424	2,000		4,424	56	56	-
Adults, Health and Wellbeing - Other	302	301		603	302	220	82
Children and Families	48			48	48	-	48
Highways and Municipal	4,329	3,213	3,400	10,942	224	207	17
Corporate Support	426	255		681	88	88	-
Regulatory	7,025	2,991	52	10,068	3,328	1,582	1,746
Consultancy	1,008			1,008	985	-	985
Corporate	222	700		922	-	-	-
TOTAL	35,436	20,658	3,689	59,783	7,287	3,276	4,011

4. CHANGES TO THE SOURCES OF FINANCE

The budget for the three year programme shows an increase of £7.452m 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
	2016/17	2017/18	2018/19	TOTAL			
	£'000	£'000	£'000	£'000			
Supported Borrowing	6,652	6,352	321	13,325	-	-	-
Other Borrowing (including unsupported borrowing)	7,251	4,114	119	11,484	1,298	1,298	-
Grants and Contributions	11,103	4,153		15,256	3,355	(104)	3,459
Capital Receipts	1,013	835		1,848	102	73	29
Departmental & Corporate Revenue	2,408	1,644		4,052	82	-	82
Capital Fund	1,705	882		2,587	772	772	-
Renewals & Other Funds	5,304	2,678	3,249	11,231	1,678	1,237	441
TOTAL	35,436	20,658	3,689	59,783	7,287	3,276	4,011

5. RECOMMENDATION

The Cabinet is asked to:

- accept the 2016/17 to 2018/19 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 2016/17 – 2018/19 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

Chief Executive:

Nothing to add to the report.

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:

	2016/17 £'000	2017/18 £,000
Grants and Contributions		
<ul style="list-style-type: none"> • Caernarfon Town and Waterfront Regeneration Scheme (Economy and Community Department) – additional grant from the Government towards the Vibrant and Viable Places framework 	250	750
<ul style="list-style-type: none"> • Flood Alleviation from the A55 Scheme (Consultancy Department) - grant from the Government to divert water from the A55 to the Ogwen River in order to alleviate flooding in the Talybont Area 	985	
<ul style="list-style-type: none"> • Road Safety Grant Schemes (Regulatory Department)(see also Departmental Revenue below) - grant from the Government for road improvements in Y Ffor, Blaenau Ffestiniog and Deiniolen. 	547	
<ul style="list-style-type: none"> • Local Transport Fund (Regulatory Department), additional grant from the Government towards:- <ul style="list-style-type: none"> ○ 'Lôn Las Ogwen' Scheme (see also Other Funds below) ○ Work on the A496 access to Llanbedr airfield (Snowdonia Enterprise Zone) 	230	180
Capital Receipts		
<ul style="list-style-type: none"> • Various minor schemes 	29	
Departmental Revenue		
<ul style="list-style-type: none"> • Road Safety Grant Schemes (Regulatory Department)(see also Grants above) – match funding for road improvements in Y Ffor, Blaenau Ffestiniog and Deiniolen. 	68	
Renewals and Other Funds		
<ul style="list-style-type: none"> • 'Lôn Las Ogwen' Scheme (Regulatory Department)(see also Grants above) – match funding for this scheme from a specific reserve. 	200	
<ul style="list-style-type: none"> • Highways Provider Unit Vehicles (Highways and Municipal Department) – use of Renewal Reserve to renew a specific vehicle earlier. 	99	
