

REPORT TO THE CABINET

22 January 2019

Cabinet Member: Councillor Peredur Jenkins, Finance Cabinet Member

Subject: Capital Programme 2018/19 –
End of November 2018 Review (30 November 2018 position)

Contact Officer: Dafydd L Edwards - Head of Finance

The decision sought / Purpose of the report

To accept the report on the end of November review (30 November 2018 position) of the capital programme, and approve the revised financing as shown in part 4 of the report, that is:

- £9,000 increase in the use of borrowing
 - £3,502,000 increase in the use of grants and contributions
 - £30,000 increase in the use of capital receipts
 - £488,000 increase in the use of revenue contributions
 - £220,000 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 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 £51.271m capital programme for the 3 years 2018/19 – 2020/21.

Part 4: The sources of finance for the net increase of approximately £4.249m 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
- Appendix C: First 8 months expenditure in 2018/19

2. Main Findings:

The main conclusions that arise from the revised position are:

- There are firm schemes in place to invest approximately £28.5m in 2018/19, with £9.2m (32%) of it being financed by attracting specific grants.
- In addition to the £1.0m which was reported at the last review a further £3.4m 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.

DEPARTMENT	END OF NOVEMBER REVIEW				INCREASE/ (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2018/19	2019/20	2020/21	TOTAL	
	£'000	£'000	£'000	£'000	
Education	3,558	9,117	3,624	16,299	-
Environment	9,348	538	42	9,928	1,653
Corporate Support	111	13	-	124	-
Finance	952	74	-	1,026	-
Economy and Community	687	399	-	1,086	447
Adults, Health and Wellbeing - Housing Unit	4,317	584	-	4,901	250
Adults, Health and Wellbeing - Other	826	1,119	525	2,470	93
Children and Families	107	-	-	107	13
Highways and Municipal	7,281	3,924	1,893	13,098	320
Consultancy	978	907	45	1,930	1,723
Corporate	302	-	-	302	(250)
TOTAL	28,467	16,675	6,129	51,271	4,249

4. CHANGES TO THE SOURCES OF FINANCE

The budget for the three year programme shows an increase of £4.249m since the previous review position. The proposed sources of financing for this are noted below:

SOURCE OF FINANCE	END OF NOVEMBER REVIEW				INCREASE/ (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2018/19	2019/20	2020/21	TOTAL	
	£'000	£'000	£'000	£'000	
Supported Borrowing	6,666	-	-	6,666	-
Other Borrowing	1,873	1,393	777	4,043	9
Grants and Contributions	9,226	8,753	525	18,504	3,502
Capital Receipts	342	98	750	1,190	30
Departmental & Corporate Revenue	1,700	265	-	1,965	488
Capital Fund	3,166	1,435	-	4,601	0
Renewals & Other Funds	5,494	4,731	4,077	14,302	220
TOTAL	28,467	16,675	6,129	51,271	4,249

5. RECOMMENDATION

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.

View of the Local Member

Not relevant.

Views of the Statutory Officers

Monitoring Officer:

No observations in relation to propriety.

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 since the previous review :

	2018/19	2019/20- 2020/21
	£'000	£'000
Grants and Contributions		
<ul style="list-style-type: none"> • Rural Development Fund Grant (RCDF) to enable digital provision in rural areas (Economy and Community Department). 	178	39
<ul style="list-style-type: none"> • Design and develop flood alleviation scheme in Llanberis (Consultancy Department). 	603	770
<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 (Adults, Health and Wellbeing Department). 	77	
<ul style="list-style-type: none"> • Targeted Regeneration Investment (TRIP) Grant schemes – Welsh Government grant for the development of empty properties in the Arfon area (Housing Unit, Adults, Health and Wellbeing Department). 	250	
<ul style="list-style-type: none"> • Grant from the Local Transport Fund from Welsh Government (Environment Department) towards several different schemes including A496 Llanbedr; Lôn Las Peris; A499 to Trefor (Environment Department). 	1,269	
<ul style="list-style-type: none"> • Safe Routes in Communities Grant (SRIC) from Welsh Government – Caernarfon scheme (Environment Department). 	98	
<ul style="list-style-type: none"> • Upgrading Highways Depots – contributions from the North and Mid Wales Trunk Road Agency (Highways and Municipal Department). 	52	
<ul style="list-style-type: none"> • Rural Development Fund Grant (RCDF) to upgrade toilets (Highways and Municipal Department). 	51	67
Capital Receipts		
<ul style="list-style-type: none"> • Office space and café development in two leisure centres (Economy and Community Department). 	30	
Departmental Revenue		
<ul style="list-style-type: none"> • Match funding for the Rural Development Fund Grant (RCDF) to enable digital provision in rural areas (Economy and Community Department). 	45	10
<ul style="list-style-type: none"> • Design and develop flood alleviation scheme in Llanberis (Consultancy Department) – contributions from other departments to the Consultancy Department scheme. 	108	136

<ul style="list-style-type: none"> Coastal Protection Scheme - Borth y Gest (Consultancy Department). 	72	
<ul style="list-style-type: none"> Match funding for the Rural Development Fund Grant (RCDF) to upgrade toilets (Highways and Municipal Department). 		33
<ul style="list-style-type: none"> Various minor schemes. 	84	
Renewals and Other Funds		
<ul style="list-style-type: none"> Vehicles and Waste Equipment renewals (Highways and Municipal Department, Consultancy Department). 	205	
<ul style="list-style-type: none"> Purchase of boat for Porthmadog Harbour (Economy and Community Department). 	20	
<ul style="list-style-type: none"> Various minor schemes. 	(5)	

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 (Adults, Health and Wellbeing Department)	(210)	210
Housing Grant Schemes (Housing Unit, Adults, Health and Wellbeing Department)	(583)	583
Y Berwyn Lifelong Learning School (Education Department)	(361)	361
Other Schools' Schemes (21 st Century and Other) (Education Department)	(550)	550
Adults establishments' schemes (Adults, Health and Wellbeing Department)	(129)	129
Resurfacing of car parks (Environment Department)	(219)	219
Environment Department Road Schemes (Environment Department)	(218)	218
Vehicles Renewals (Highways and Municipal Department and Environment Department)	(1,906)	1,906

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.

Capital Expenditure First 8 Months 2018/19

SUMMARY	CAPITAL PROGRAMME FULL YEAR (reviewed November)	ACTUAL EXPENDITURE FOR THE 5 MONTHS TO
	2018/19 £'000	30/11/2018 £'000
Education	3,558	2,175
Environment	9,348	2,479
Corporate Support	111	-
Finance (and Information Technology)	952	246
Economy and Community	687	433
Adults, Health and Wellbeing – Housing Unit	4,317	2,348
Adults, Health and Wellbeing - Other	826	282
Children and Families	107	77
Highways and Municipal	7,281	4,857
Consultancy	978	549
Corporate	302	-
TOTAL	28,467	13,446

Note:

The percentage that has been spent this year (47%) is comparably lower than the position this time last year (amount spent in 8 months was 49% of the December review budget).
