

**CYNGOR SIR POWYS COUNTY COUNCIL.
CABINET EXECUTIVE**

15th January 2019

REPORT AUTHOR: County Councillor Aled Davies
Portfolio Holder for Finance

SUBJECT: Capital Programme Update for the period to 30th November
2018

REPORT FOR: Decision / Discussion / Information

1. Summary

- 1.1 The Capital Governance Framework identifies multiple points within a project's life cycle where decisions have to be made to progress. These decisions vary from approval of options for further analysis, to final investment decisions and change control.
- 1.2 This monthly Capital report on the status of all projects within the Capital strategy, is an integral part of the Governance Framework for Capital development works. It ensures that stakeholders are engaged in evaluation and decision-making and encourages a disciplined governance that includes approval gateways at which prudence, affordability and sustainability of projects are reviewed.
- 1.3 The Revised working budget for the 2018/19 Capital Programme, after accounting for approved virements, is £114.525m (The Original budget was £87.703m). The Increase in budget is largely due to virements from previous year's programme that have lapsed into 2018/19.
- 1.4 The actual spend to the end of November is £37.960m and a further £35.555m has been committed.
- 1.5 Table 1 below summarises the position for each portfolio and service.

Table 1 Capital Table as at 30th November 2018

Service	Original Budget	Virements Approved	Virements Required by Cabinet	Virements Required by Council	Revised Working Budget 2018/19 as at 30 th November 2018 (after virements approved and required)	Actuals	Commitments	Remaining Budget	
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	%
People									
Adult Services & Commissioning	819	502	0	0	1,321	141	123	1,057	80.0%
Children's Services	0	141	0	0	141	-28	215	-46	-32.6%
Housing	1,825	1,016	0	0	2,841	1,253	488	1,100	38.7%
Schools and Inclusion	39,367	5,790	0	0	45,157	13,132	22,254	9,771	21.6%
Workforce, OD and Comms	0	0	0	0	0	0	0	0	
Resources									
Business Services	0	298	0	0	298	106	25	167	56.0%
Information Services	1,610	947	0	0	2,557	557	333	1,667	65.2%
Legal Services	0	19	0	0	19	0	0	19	100.0%
Financial Services	578	-509	0	0	69	0	0	69	100.0%
Corporate Activities	0	0	0	0	0	0	0	0	
Place									
Highways, Transport & Recycling	16,380	10,167	-148	-4,035	22,364	8,608	4,004	9,752	43.6%
Leisure & Recreation	3,357	5,964	0	0	9,321	4,874	845	3,602	38.6%
Regeneration	1,125	-459	0	0	666	179	61	426	64.0%
Property, Planning And Public Protection	2,503	2,391	0	0	4,894	424	719	3,751	76.6%
Total Capital	67,564	26,267	-148	-4,035	89,648	29,246	29,063	31,339	34.7%
Housing Revenue Account	20,139	13,308	0	-8,570	24,877	8,714	6,492	9,671	38.9%
TOTAL	87,703	39,575	-148	-12,605	114,525	37,960	35,555	41,010	35.8%

1.6 The funding of the capital programme is shown in Table 2 below. It has been revised from the original budget of £87.703m to £114.525 as at 30th November 2018 to reflect virements and re-profiling of the capital programme. This matches the projected expenditure to ensure a balanced budget.

1.7 Table 2 Funding of the Capital Budget as at 30th November 2018

Revised Working Budget 2018/19 as at 31st August 2018 (after virements approved and required)						
Funding Source	Supported Borrowing £'000	Prudential Borrowing £'000	Grants £'000	Revenue Contributions To Capital £'000	Capital Receipts £'000	Total £'000
Council Fund	-16,204	-31,996	-26,274	-12,059	-3,115	-89,648
HRA	0	-15,466	-3,792	-5,085	-534	-24,877
Total	-16,204	-47,052	-30,066	-17,144	-3,649	-114,525

2. **Proposal**

- 2.1 That Cabinet will note the contents of this report and approve all virements and request for new funding herein.
- 2.2 **Fleet Facility** - A review of the Fleet service is currently ongoing and this will inform the requirements for workshops going forward. It will therefore be necessary to roll the budget of £147,513.59 forward to 19/20 when the outcomes of the review will be known.
- 2.3 **Strategic Salt Reserve** – In order to enable the new salt dome at Llangammarch Depot to be constructed out of the winter maintenance season, therefore minimising disruption to gritting, it will be necessary to commence works in Spring 2019 and it is therefore necessary to roll forward £824,512 of the budget to 2019/20.
- 2.4 **Abermule Business Park** – Following the completion of ecological surveys it was identified that ecological mitigation works were required prior to undertaking works to discharge planning conditions. The main contract works will now not commence until the new year to allow the mitigation and planning discharge works to be completed and it will therefore be necessary to roll £2,723,482.33 of the budget to 2019/20.
- 2.5 **Relocation to Cwrt-y-Plyffin** – Further design work on the redevelopment proposals has been undertaken to bring the estimated costs within the allocated budget and this has delayed the submission of the planning application. Works will now not commence on site until the new year, and it will therefore be necessary to roll £897,000 of the budget over to 2019/20.
- 2.6 **Green Waste Kerbside Collection** - members will recall a report from the Portfolio Holder with recommendations placed at the 9th October meeting. It is proposed that a green waste collection service is introduced to all households on a chargeable basis. This would be on the basis of an annual charge, (typically £35 per year) for a 240 litre wheeled bin, to be collected fortnightly. The bin would be brown to distinguish it from the grey residual bin and of a larger size than the standard 180 litre residual wheeled bin.

An initial Capital outlay of about £410,000 will be required for the purchase of the bins. With the introduction of a collection service and the removal of the green waste banks at bring sites, estimated savings of £280k would be achieved. It is estimated that the chargeable service itself would operate at a small loss (£18k), but the saving would be achieved through the reduction in operating cost of £298k to service the green waste banks. In order to implement the new service from April the bins need to be purchased in 2018/19. It is recommended to create a budget of £410,000 for the new bins financed from prudential borrowing.

3. Project Update

- 3.1 **21st Century Schools:** Work on the Band A phase of the 21st Century Schools programme is progressing well. The only exception is the Welshpool catchment area schools. The decision by Cadw to list the Ysgol Maesydre has had a huge impact, on both the Budget and the timelines of the project. Consequently, the Welsh Medium School has been deferred to Band B of the programme.
- 3.2 **Housing:** The council achieved the Welsh Housing Quality Standard (WHQS) at the 31st December, 2018. The WHQS Schemes are progressing well with a total spend of £3.8m to date which represents 25% of the budget for 2018/19 financial year. As reported in September, the spend profile for the WHQS has been revised, with a virement of £6.780m from 2018-19 to 2019-20, in line with projection at the end of October. The roll forwards relate to estate works and the new builds budgets and are revised in line with the current work programmes. This projection is being reviewed on a monthly basis and adjusted accordingly.
- 3.3 **Highways, Transport and Recycling (HTR):** have a working budget of £25m. Total spend at the end of August, including commitment is £9.273m, representing 36% of budget. Finance are monitoring the project performance with project officers to ensure that work is progressed in line with expectation.
- 3.4 **Salt Barns:** - The main aspect of this build works will not happen before the close of the current Financial year. A review is currently on-going with a view to transferring the bulk of the Budget to next financial year.

4. Options Considered / Available

- 4.1 N/A

5. Preferred Choice and Reasons

- 5.1 N/A

6. Impact Assessment

- 6.1 Is an impact assessment required? Yes/No

7. Corporate Improvement Plan

- 7.1 To achieve the Corporate Improvement Plan (CIP) objectives the Council undertakes forward planning with its medium term financial strategy (MTFS) - this sets out the financial requirements to deliver the

short and longer term council vision. These capital and revenue monitoring reports, are used to ensure the funding identified to deliver the council priorities is spent appropriately and remains within a cash limited budget.

8. Local Member(s)

8.1 This report relates to all service areas across the whole County.

9. Other Front Line Services

9.1 This report relates to all service areas across the whole County

10. Communications

Have Communications seen a copy of this report? Yes/No

Have they made a comment? If Yes insert here.

11. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

11.1 This report has no specific impact on support services other than reporting on those service areas with capital programmes. Financial Services work closely with all service areas in monitoring financial performance on capital programmes against budgets.

11.2 Finance

This monthly Capital report on the status of all projects within the Capital strategy is an integral part of the Governance Framework for Capital development works.

The virements proposed in section 2 of this report, are to align the actual works expected to be done in the current financial year to the funding required to finance such Capital works. This is a prudent approach to ensure that the Council only makes available what is required to finance the Capital expenditure. There are no exceptional financial implications to be reported at this time.

12. Scrutiny

12.1 Has this report been scrutinised? Yes / No?

13. Data Protection

N/A

14. Statutory Officers

The Head of Financial Services & Deputy Section 151 Officer notes the contents in the report.

The Deputy Monitoring Officer notes the content of the report and makes no specific comment upon the same.

15. Members' Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest, they should declare it at the start of the meeting and complete the relevant notification form.

16. Future Status of the Report

Members are invited to consider the future status of this report and whether it can be made available to the press and public either immediately following the meeting or at some specified point in the future.

Recommendation:		Reason for Recommendation:	
a. The contents of this report are noted by Cabinet. b. That Cabinet approves the virement proposed in section 2 of this report.		To outline the capital budget position as at 30 th November 2018. To ensure appropriate virements, are carried out to align budgets with spending plans.	
Relevant Policy (ies):			
Within Policy:	Y / N	Within Budget:	Y / N
Contact Officer: Jane Thomas Tel: 01597-826290 Email: jane.thomas@powyscc.gov.uk			

Relevant Local Member(s):	
Person(s) To Implement Decision:	
Date By When Decision To Be Implemented:	
Is a review of the impact of the decision required?	Y / N
If yes, date of review	
Person responsible for the review	
Date review to be presented to Portfolio Holder/ Cabinet for information or further action	

Background Papers used to prepare Report: