

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

6th November 2018

REPORT AUTHOR: County Councillor Aled Davies
Portfolio Holder for Finance

SUBJECT: Capital Programme Update for the period to 30th
September 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.

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.

- 1.2 The Revised working budget for the 2018/19 Capital Programme, after accounting for approved virements, is £119.424m (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.
- 1.3 The actual spend to the end of September is £24.034m and a further £35.082m has been committed.
- 1.4 Table 1 below summarises the position for each portfolio and service.

Table 1 Capital Table as at 30th September 2018

Service	Original Budget	Virements Approved	Virements Required by Cabinet	Virements Required by Council	Revised Working Budget 2018/19 as at 30 th September 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	82	181	1,058	80.1%
Childrens Services	0	61	0	0	61	-196	216	41	67.2%
Housing	1,825	1,016	0	0	2,841	949	680	1,212	42.7%
Schools and Inclusion	39,367	5,780	0	0	45,147	7,008	20,877	17,262	38.2%
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	274	424	1,859	72.7%
Legal Services	0	19	0	0	19	0	0	19	100.0%
Financial Services	578	-378	0	0	200	0	0	200	100.0%
Corporate Activities	0	0	0	0	0	0	0	0	
Place									
Highways, Transport & Recycling	16,380	9,259	0	0	25,639	5,935	3,338	16,366	63.8%
Leisure & Recreation	3,357	5,779	0	0	9,136	3,912	898	4,326	47.4%
Regeneration	1,125	-459	0	0	666	108	65	493	74.0%
Property, Planning And Public Protection	2,503	2,544	-175	0	4,872	238	802	3,832	78.7%
Total Capital	67,564	25,368	-175	0	92,757	18,416	27,506	46,835	50.5%
Housing Revenue Account	20,139	13,308	0	-6,780	26,667	5,618	7,576	13,473	50.5%
TOTAL	87,703	38,676	-175	-6,780	119,424	24,034	35,082	60,308	50.5%

1.5 The funding of the capital programme is shown in Table 2 below. It has been revised from the original budget of £87.703m to £119.424m as at 30th September 2018 to reflect virements and re-profiling of the capital programme. This matches the projected expenditure to ensure a balanced budget.

1.6 Table 2 Funding of the Capital Budget as at 31st August 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	-16,731	-34,051	-25,231	-12,037	-4,706	-92,756
HRA	0	-17,256	-3,792	-5,085	-534	-26,667
Total	-16,731	-51,307	-29,023	-17,122	-5,240	-119,423

2. Proposal

- 2.1 A number of virements are proposed for approval:-
- 2.2 **Office Accommodation** – Works at County Hall are progressing but a virement is now requested to roll £175,000 into 2019-20 in line with the intended works schedule.
- 2.3 **Housing - WHQS** – £1.78m of WHQS Capital relating to Estate Works is requested to be rolled forward into 2019-20 in line with the intended works schedule. There are no implications for achieving the WHQS.

A total of £4.8m has been spent against WHQS Schemes to date. This represents 28% of the budget in this financial year. The quarter 2 claim for the Major Repairs Allowance from Welsh Government has been submitted, which will ensure that the authority has claimed the full £3.68m allocated.

- 2.4 **HRA New-builds** – Works are progressing on various sites, however, it is expected that site works will commence around the end of the financial year. It is requested that a virement to roll £5m forward into 2019-20 to match the intended works schedule is approved.

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 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. The Welsh Government has made available for 2018/19, a grant of £14.529m. This will be released through Capital Grant (£10.0m) and Local Government Borrowing Initiative (£4.529m). How much of the grant we claim will depend on how much work has been done at year end. As at the end of September, only £3m of eligible claim could be made.

- 3.2 **Housing:** 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 August, the spend profile for the WHQS is being reviewed on a monthly basis. A virement of £6.780m from 2018-19 to 2019-20, in line with projection at the end of September is therefore requested. Further adjustment may be required going forward as a result of the monthly review.
- 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 project will not happen before the close of the current Financial year. A review is currently on-going with a view to transferring a significant part 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

10.1 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.

12. Finance

12.1 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.

12.2 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.

13. Scrutiny

13.1 Has this report been scrutinised? Yes / No?

14. Data Protection

14.1 N/A

15. Statutory Officers

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

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

16. Members' Interests

16.1 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.

Recommendation:	Reason for Recommendation:
<p>a. The contents of this report are noted by Cabinet.</p> <p>b. The Capital virements set out in Section 2 are approved, and those over £500k be submitted to full council for approval.</p>	<p>To outline the capital budget position as at 30th September 2018.</p> <p>To ensure appropriate virements, are carried out.to align budgets with spending plans.</p>

Relevant Policy(ies):			
Within Policy:	Y / N	Within Budget:	Y / N

Relevant Local Member(s):	
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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	

<p>Contact Officer: Jane Thomas Tel: 01597-826290 Email: jane.thomas@powyscc.gov.uk</p>
