

## CABINET

|                        |  |
|------------------------|--|
| <b>Date of Meeting</b> | Tuesday, 16 <sup>th</sup> June 2020            |
| <b>Report Subject</b>  | Capital Programme Monitoring 2019/20 (Outturn) |
| <b>Cabinet Member</b>  | Cabinet Member for Finance                     |
| <b>Report Author</b>   | Corporate Finance Manager                      |
| <b>Type of Report</b>  | Operational                                    |

### EXECUTIVE SUMMARY

The report summarises the final outturn position for 2019/20 together with changes made to the Capital Programme during the last quarter.

The Capital Programme has seen a net reduction in budget of £6.348m during the last quarter which comprises of:-

- Net budget reduction in the programme of £0.494m (See Table 2 - Council Fund (CF) £0.948m, Housing Revenue Account (HRA) (£0.454m));
- Net Carry Forward to 2020/21 (See Table 5 - approved at Month 9 £4.034m, additional School Maintenance Grant £2.185m partially offset by Carry Forward reversal of £0.365m) (all CF).

Actual expenditure for the year was £63.014m (See Table 3).

The final outturn funding surplus from the 2019/20 – 2021/22 Capital Programme is £1.145m.

The 2020/21 – 2022/23 Capital Programme was approved on the 28<sup>th</sup> January 2020, with a funding deficit of £2.264m. The surplus carried forward will lead to an opening funding position deficit of £1.119m, prior to the realisation of additional capital receipts and/or other funding sources.

## RECOMMENDATIONS

|   |  |
|---|--|
| 1 | Cabinet are requested to approve the overall report.   |
| 2 | Cabinet are requested to approve the carry forward adjustments set out at 1.15.                          |
| 3 | Cabinet are requested to approve the funding of schemes from the current 'headroom', as set out in 1.19. |

## REPORT DETAILS

| <b>1.00</b>                     | <b>EXPLAINING THE CAPITAL PROGRAMME MONITORING POSITION – OUTTURN 2019/20</b>   |                   |                          |                            |                             |                             |               |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
|---------------------------------|---|-------------------|--------------------------|----------------------------|-----------------------------|-----------------------------|---------------|-----------------------|------------------------|-----------------------|--------------------------|---------|--|----|----|----|----|----|----|----|--------------------|-------|-------|-------|-------|-------|---------|-------|------------|-------|-------|-------|---------|---------|-------|-------|-------------------|-------|-------|-------|---------|-------|-------|--------|-----------------|-------|-------|-------|---------|-------|-------|-------|---------------------------------|-------|-------|-------|---------|-------|-------|-------|------------------------------|-------|-------|--------|---------|-------|---------|-------|----------------------|-------|-------|-------|---------|-------|-------|-------|------------------|--------|-------|---------|---------|---------|---------|-------|---------------------------|---------------|---------------|---------------|-----------------|----------------|----------------|---------------|------------------|---------------|--------------|----------------|--------------|--------------|--------------|---------------|------------------------|---------------|---------------|--------------|-----------------|----------------|----------------|---------------|
| 1.01                            | <p><b>Background</b></p> <p>The Council approved a Council Fund (CF) Capital Programme of £27.751m and a Housing Revenue Account (HRA) Capital Programme of £34.208m for 2019/20 at its meeting of 19<sup>th</sup> February, 2019.</p>  |                   |                          |                            |                             |                             |               |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
| 1.02                            | For presentational purposes the Capital Programme is shown as a whole, with sub-totals for the Council Fund and HRA. In reality the HRA programme is 'ring fenced' and can only be used for HRA purposes.   |                   |                          |                            |                             |                             |               |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
| 1.03                            | <p><b>Changes since Budget approval</b></p> <p>Table 1 below sets out how the programme has changed during 2019/20. More detailed cumulative information relating to each Portfolio is provided in Appendix A:-</p> <p><b>Table 1</b></p> <table border="1"> <thead> <tr> <th rowspan="2">REVISED PROGRAMME</th> <th rowspan="2">Original Budget 2019/20</th> <th rowspan="2">Carry Forward from 2018/19</th> <th colspan="3">2019/20 Previously Reported</th> <th rowspan="2">Changes - This Period</th> <th rowspan="2">Revised Budget 2019/20</th> </tr> <tr> <th>Changes</th> <th>Carry Forward to 2020/21</th> <th>Savings</th> </tr> <tr> <th></th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>People &amp; Resources</td> <td>0.250</td> <td>0.203</td> <td>0.087</td> <td>0.000</td> <td>0.120</td> <td>(0.490)</td> <td>0.170</td> </tr> <tr> <td>Governance</td> <td>1.057</td> <td>0.199</td> <td>0.001</td> <td>(0.875)</td> <td>(0.120)</td> <td>1.367</td> <td>1.629</td> </tr> <tr> <td>Education &amp; Youth</td> <td>9.943</td> <td>4.336</td> <td>3.984</td> <td>(7.962)</td> <td>0.000</td> <td>2.713</td> <td>13.014</td> </tr> <tr> <td>Social Services</td> <td>1.001</td> <td>3.084</td> <td>1.214</td> <td>(0.140)</td> <td>0.000</td> <td>1.555</td> <td>6.714</td> </tr> <tr> <td>Planning, Environment &amp; Economy</td> <td>0.000</td> <td>0.661</td> <td>1.121</td> <td>(0.591)</td> <td>0.000</td> <td>0.917</td> <td>2.108</td> </tr> <tr> <td>Streetscene &amp; Transportation</td> <td>0.600</td> <td>1.403</td> <td>11.042</td> <td>(0.497)</td> <td>0.000</td> <td>(5.271)</td> <td>7.277</td> </tr> <tr> <td>Strategic Programmes</td> <td>0.700</td> <td>0.424</td> <td>1.220</td> <td>(0.176)</td> <td>0.000</td> <td>0.112</td> <td>2.280</td> </tr> <tr> <td>Housing &amp; Assets</td> <td>14.200</td> <td>1.620</td> <td>(4.055)</td> <td>(1.145)</td> <td>(0.350)</td> <td>(1.851)</td> <td>8.419</td> </tr> <tr> <td><b>Council Fund Total</b></td> <td><b>27.751</b></td> <td><b>11.930</b></td> <td><b>14.614</b></td> <td><b>(11.386)</b></td> <td><b>(0.350)</b></td> <td><b>(0.948)</b></td> <td><b>41.611</b></td> </tr> <tr> <td><b>HRA Total</b></td> <td><b>34.208</b></td> <td><b>0.000</b></td> <td><b>(4.879)</b></td> <td><b>0.000</b></td> <td><b>0.000</b></td> <td><b>0.454</b></td> <td><b>29.783</b></td> </tr> <tr> <td><b>Programme Total</b></td> <td><b>61.959</b></td> <td><b>11.930</b></td> <td><b>9.735</b></td> <td><b>(11.386)</b></td> <td><b>(0.350)</b></td> <td><b>(0.494)</b></td> <td><b>71.394</b></td> </tr> </tbody> </table> | REVISED PROGRAMME | Original Budget 2019/20  | Carry Forward from 2018/19 | 2019/20 Previously Reported |                             |               | Changes - This Period | Revised Budget 2019/20 | Changes               | Carry Forward to 2020/21 | Savings |  | £m | People & Resources | 0.250 | 0.203 | 0.087 | 0.000 | 0.120 | (0.490) | 0.170 | Governance | 1.057 | 0.199 | 0.001 | (0.875) | (0.120) | 1.367 | 1.629 | Education & Youth | 9.943 | 4.336 | 3.984 | (7.962) | 0.000 | 2.713 | 13.014 | Social Services | 1.001 | 3.084 | 1.214 | (0.140) | 0.000 | 1.555 | 6.714 | Planning, Environment & Economy | 0.000 | 0.661 | 1.121 | (0.591) | 0.000 | 0.917 | 2.108 | Streetscene & Transportation | 0.600 | 1.403 | 11.042 | (0.497) | 0.000 | (5.271) | 7.277 | Strategic Programmes | 0.700 | 0.424 | 1.220 | (0.176) | 0.000 | 0.112 | 2.280 | Housing & Assets | 14.200 | 1.620 | (4.055) | (1.145) | (0.350) | (1.851) | 8.419 | <b>Council Fund Total</b> | <b>27.751</b> | <b>11.930</b> | <b>14.614</b> | <b>(11.386)</b> | <b>(0.350)</b> | <b>(0.948)</b> | <b>41.611</b> | <b>HRA Total</b> | <b>34.208</b> | <b>0.000</b> | <b>(4.879)</b> | <b>0.000</b> | <b>0.000</b> | <b>0.454</b> | <b>29.783</b> | <b>Programme Total</b> | <b>61.959</b> | <b>11.930</b> | <b>9.735</b> | <b>(11.386)</b> | <b>(0.350)</b> | <b>(0.494)</b> | <b>71.394</b> |
| REVISED PROGRAMME               | Original Budget 2019/20   |                   |                          |                            | Carry Forward from 2018/19  | 2019/20 Previously Reported |               |                       |                        | Changes - This Period | Revised Budget 2019/20   |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
|                                 |   | Changes           | Carry Forward to 2020/21 | Savings                    |                             |                             |               |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
|                                 | £m  | £m                | £m                       | £m                         | £m                          | £m                          | £m            |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
| People & Resources              | 0.250   | 0.203             | 0.087                    | 0.000                      | 0.120                       | (0.490)                     | 0.170         |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
| Governance                      | 1.057   | 0.199             | 0.001                    | (0.875)                    | (0.120)                     | 1.367                       | 1.629         |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
| Education & Youth               | 9.943   | 4.336             | 3.984                    | (7.962)                    | 0.000                       | 2.713                       | 13.014        |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
| Social Services                 | 1.001   | 3.084             | 1.214                    | (0.140)                    | 0.000                       | 1.555                       | 6.714         |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
| Planning, Environment & Economy | 0.000   | 0.661             | 1.121                    | (0.591)                    | 0.000                       | 0.917                       | 2.108         |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
| Streetscene & Transportation    | 0.600   | 1.403             | 11.042                   | (0.497)                    | 0.000                       | (5.271)                     | 7.277         |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
| Strategic Programmes            | 0.700   | 0.424             | 1.220                    | (0.176)                    | 0.000                       | 0.112                       | 2.280         |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
| Housing & Assets                | 14.200  | 1.620             | (4.055)                  | (1.145)                    | (0.350)                     | (1.851)                     | 8.419         |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
| <b>Council Fund Total</b>       | <b>27.751</b>   | <b>11.930</b>     | <b>14.614</b>            | <b>(11.386)</b>            | <b>(0.350)</b>              | <b>(0.948)</b>              | <b>41.611</b> |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
| <b>HRA Total</b>                | <b>34.208</b>   | <b>0.000</b>      | <b>(4.879)</b>           | <b>0.000</b>               | <b>0.000</b>                | <b>0.454</b>                | <b>29.783</b> |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |
| <b>Programme Total</b>          | <b>61.959</b>   | <b>11.930</b>     | <b>9.735</b>             | <b>(11.386)</b>            | <b>(0.350)</b>              | <b>(0.494)</b>              | <b>71.394</b> |                       |                        |                       |                          |         |  |    |    |    |    |    |    |    |                    |       |       |       |       |       |         |       |            |       |       |       |         |         |       |       |                   |       |       |       |         |       |       |        |                 |       |       |       |         |       |       |       |                                 |       |       |       |         |       |       |       |                              |       |       |        |         |       |         |       |                      |       |       |       |         |       |       |       |                  |        |       |         |         |         |         |       |                           |               |               |               |                 |                |                |               |                  |               |              |                |              |              |              |               |                        |               |               |              |                 |                |                |               |

1.04

**Carry Forward from 2018/19**

Carry forward sums from 2018/19 to 2019/20, totalling £11.930m (CF £11.930m, HRA £0.000m), were approved as a result of the quarterly monitoring reports presented to Cabinet during 2018/19.

1.05

**Changes during this period**

Funding changes during this period have resulted in a net decrease in the programme total of £0.494m (CF £0.948m, HRA (£0.454m)). A summary of the changes, detailing major items, is shown in Table 2 below:-

**Table 2**

| <b>CHANGES DURING THIS PERIOD</b>   |             |                |
|-------------------------------------|-------------|----------------|
|                                     | <b>Para</b> | <b>£m</b>      |
| <b><u>COUNCIL FUND</u></b>          |             |                |
| <b>Increases</b>                    |             |                |
| Education general                   | 1.06        | 2.185          |
| Intermediate Care Fund              | 1.07        | 1.903          |
| Investment Grant for ICT in Schools | 1.08        | 1.367          |
| Private Sector Renewal/ImprovT      | 1.11        | 0.492          |
| Other Aggregate Increases           | 1.11        | 1.417          |
|                                     |             | 7.364          |
| <b>Decreases</b>                    |             |                |
| Transportation Grants               | 1.09        | (5.452)        |
| Affordable Housing                  | 1.10        | (1.730)        |
| Childcare Offer Capital Grant       | 1.11        | (0.353)        |
| Gypsy and Traveller Capital Grant   | 1.11        | (0.136)        |
| Other Aggregate Decreases           | 1.11        | (0.641)        |
|                                     |             | (8.312)        |
| <b>Total</b>                        |             | <b>(0.948)</b> |
| <b><u>HRA</u></b>                   |             |                |
| <b>Increases</b>                    |             |                |
| Other Aggregate Increases           | 1.11        | 1.264          |
|                                     |             | 1.264          |
| <b>Decreases</b>                    |             |                |
| SHARP                               | 1.11        | (0.810)        |
|                                     |             | (0.810)        |
| <b>Total</b>                        |             | <b>0.454</b>   |

1.06

In the final quarter the Council was allocated additional Welsh Government (WG) grant funding to address maintenance backlog in schools amounting to £2.185m.

This funding was used towards expenditure on Schools and a corresponding sum carried forward into 2020/21 (See Table 5) is to be used in accordance with grant conditions.

|      |   |
|------|---|
| 1.07 | In addition to the above, the Council also received monies from WG relating to Intermediate Care Fund (ICF) funding works at Marleyfield House Care Home, Buckley. This funding was also used to fund in year works, thereby releasing resources to be carried forward into 2020/21 to meet new year expenditure.   |
| 1.08 | WG have awarded funding for equipment to be purchased to improve schools IT infrastructure, to meet the National Digital Standard for Schools.  |
| 1.09 | WG have extended the grant deadlines to cover completing works that had to be undertaken later due to the impact of Covid-19. The budget has been re-profiled to match expenditure at Outturn.  |
| 1.10 | As part of the Strategic Housing and Regeneration Programme (SHARP), the Council are building new social and affordable houses. The programme is currently developing the 3 <sup>rd</sup> batched sites which will be incurred over two financial years, re-profiling of prudential borrowing has been carried out to match actual expenditure at Outturn.  |
| 1.11 | During the final quarter of the year there are a number of adjustments made to schemes that are funded from grants, revenue contributions to fund capital expenditure (CERA) and prudential borrowing, reflecting the need to re-profile funding between financial years to align expenditure incurred with the relevant funding source. This is the case with a number of the movements above.   |
| 1.12 | <p><b>Capital Expenditure compared to Budget</b></p> <p>Outturn expenditure, across the whole of the Capital Programme was £63.014m. The breakdown of expenditure is analysed in Table 3, along with the percentage spend against budget.</p> <p>Late grant funding for works at Marleyfield House Care Home has resulted in an increased carry forward of core funding, reducing the percentage spend from 93.6% to 88.26% of the budget spent (CF 79.86%, HRA 100%). Corresponding figures for Outturn 2018/19 were 91.98% (CF 87.18%, HRA 100%).</p> <p>The Covid-19 pandemic has resulted in a number of schemes being affected, resulting in reduction in expenditure and in increase in carry forwards for rephrasing works in 2020/21.</p> |
| 1.13 | The table also shows a projected underspend (pending carry forward and other adjustments) of £8.380m on the Council Fund and a break even position on the HRA.  |

**Table 3**

| EXPENDITURE                          | Revised Budget | Outturn Expenditure | Percentage Spend v Budget | Variance Budget v Outturn (Under)/Over |
|--------------------------------------|----------------|---------------------|---------------------------|--|
|                                      | £m             | £m                  | %                         | £m                                     |
| People & Resources                   | 0.170          | 0.000               | 0.00                      | (0.170)                                |
| Governance                           | 1.629          | 1.529               | 93.86                     | (0.100)                                |
| Education & Youth                    | 13.014         | 12.457              | 95.72                     | (0.557)                                |
| Social Services                      | 6.714          | 2.666               | 39.71                     | (4.048)                                |
| Planning, Environment & Economy      | 2.108          | 1.730               | 82.07                     | (0.378)                                |
| Streetscene & Transportation         | 7.277          | 6.472               | 88.94                     | (0.805)                                |
| Strategic Programmes                 | 2.280          | 1.820               | 79.82                     | (0.460)                                |
| Housing & Assets                     | 8.419          | 6.557               | 77.88                     | (1.862)                                |
| <b>Council Fund Total</b>            | <b>41.611</b>  | <b>33.231</b>       | <b>79.86</b>              | <b>(8.380)</b>                         |
| Disabled Adaptations                 | 0.932          | 0.932               | 100.00                    | 0.000                                  |
| Energy Schemes                       | 0.698          | 0.698               | 100.00                    | 0.000                                  |
| Major Works                          | 2.750          | 2.750               | 100.00                    | 0.000                                  |
| Accelerated Programmes               | 0.502          | 0.502               | 100.00                    | 0.000                                  |
| WHQS Improvements                    | 19.326         | 19.326              | 100.00                    | 0.000                                  |
| SHARP Programme                      | 5.575          | 5.575               | 100.00                    | 0.000                                  |
| <b>Housing Revenue Account Total</b> | <b>29.783</b>  | <b>29.783</b>       | <b>100.00</b>             | <b>0.000</b>                           |
| <b>Programme Total</b>               | <b>71.394</b>  | <b>63.014</b>       | <b>88.26</b>              | <b>(8.380)</b>                         |

1.14 Details of the variances for individual programme areas are listed in Appendix B, which includes the reasons, and remedial actions which may be required, where those variances exceed +/- 10% of the revised budget. In addition, where carry forward into 2020/21 has been identified, this is also included in the narrative.

1.15 **Carry Forward into 2020/21**  
 During the quarter carry forward of £8.380m (all CF) has been identified which reflects reviewed spending plans across all programme areas; these amounts can be split into 2 areas, those required to meet the cost of programme works and/or retention payments in 2020/21 and Corporate provisions that are allocated as requested and approved.

1.16 The Corporate provisions are as follows:-

- 'Headroom' - A sum set aside for urgent works for which no other funding is available; and
- Community Asset Transfers - Community groups have a number of years to draw down their funding once approved. These sums are set aside to ensure that funds are available when called upon.

1.17

Information relating to each programme area is contained in Appendix B and summarised in Table 4 below:

**Table 4**

| <b>OUTTURN CARRY FORWARD - ANALYSIS</b> |           |              |
|---|-----------|--------------|
|   | <b>£m</b> | <b>£m</b>    |
| <b>Contractually Committed</b>          |           |              |
| Governance                              | 0.100     |              |
| Education - General                     | 0.324     |              |
| Primary Schools                         | 0.064     |              |
| Secondary Schools                       | 0.039     |              |
| Special Education                       | 0.130     |              |
| Services to Older People                | 4.048     |              |
| Engineering                             | 0.009     |              |
| Energy Services                         | 0.300     |              |
| Ranger Services                         | 0.005     |              |
| Private Sector Renewal/Improvement      | 0.064     |              |
| Highways                                | 0.704     |              |
| Transportation                          | 0.055     |              |
| Solar Farms                             | 0.046     |              |
| Leisure Centres                         | 0.006     |              |
| Play Areas                              | 0.118     |              |
| Libraries                               | 0.012     |              |
| Theatr Clwyd                            | 0.324     |              |
| Administrative Buildings                | 0.060     |              |
| Food Poverty                            | 0.042     |              |
| Disabled Facilities Grants              | 0.924     | 7.374        |
|   |           | <b>7.374</b> |
| <b>Corporate Allocations</b>            |           |              |
| Headroom                                | 0.170     |              |
| Community Asset Transfers               | 0.836     | 1.006        |
| <b>Total</b>                            |           | <b>8.380</b> |

1.18

In some circumstances amounts which have previously been identified as carry forward are reversed as it becomes clear that the expenditure is going to be incurred in the current financial year, this is shown below. Information relating to each programme area is contained in Appendix B and summarised in Table 5 below:-

**Table 5**

| CARRY FORWARD INTO<br>2020/21   |              |              |              |                |              |               |              | Total         |
|---------------------------------|--------------|--------------|--------------|----------------|--------------|---------------|--------------|---------------|
|                                 | Month 4      | Month 6      | Month 9      | Reversed       | WG Grant     | Sub Total     | Outturn      |               |
|                                 | £m           | £m           | £m           | £m             | £m           | £m            | £m           | £m            |
| People & Resources              | 0.000        | 0.000        | 0.000        | 0.000          | 0.000        | 0.000         | 0.170        | 0.170         |
| Governance                      | 0.000        | 0.100        | 0.775        | 0.000          | 0.000        | 0.875         | 0.100        | 0.975         |
| Education & Youth               | (0.200)      | 5.000        | 0.977        | 0.000          | 2.185        | 7.962         | 0.557        | 8.519         |
| Social Services                 | 0.000        | 0.000        | 0.150        | (0.010)        | 0.000        | 0.140         | 4.048        | 4.188         |
| Planning, Environment & Economy | 0.000        | 0.000        | 0.591        | 0.000          | 0.000        | 0.591         | 0.378        | 0.969         |
| Streetscene & Transportation    | 0.497        | 0.000        | 0.000        | 0.000          | 0.000        | 0.497         | 0.805        | 1.302         |
| Strategic Programmes            | 0.120        | 0.015        | 0.041        | 0.000          | 0.000        | 0.176         | 0.460        | 0.636         |
| Housing & Assets                | 0.000        | 0.000        | 1.500        | (0.355)        | 0.000        | 1.145         | 1.862        | 3.007         |
| <b>Council Fund</b>             | <b>0.417</b> | <b>5.115</b> | <b>4.034</b> | <b>(0.365)</b> | <b>2.185</b> | <b>11.386</b> | <b>8.380</b> | <b>19.766</b> |
| <b>TOTAL</b>                    | <b>0.417</b> | <b>5.115</b> | <b>4.034</b> | <b>(0.365)</b> | <b>2.185</b> | <b>11.386</b> | <b>8.380</b> | <b>19.766</b> |

1.19

**Additional Allocations**

Additional allocations have been identified in the programme in this quarter as follows:

- Cemetery Provision - £0.093m. To purchase land and extend a cemetery within Flintshire due to the site having 12 months capacity left.
- Bailey Hill Project - £0.100m. Sensitive archaeological findings have been made on site adding significantly to the cost of the project.

Both of these can be funded from within the current 'headroom' provision.

1.20

**Savings**

No savings have been identified in the programme in this quarter.

1.21

**Funding of 2019/20 Approved Schemes**

The position at Outturn is summarised in Table 6 below for the three year Capital Programme between 2019/20 – 2021/22:-

**Table 6**

| <b>FUNDING OF APPROVED SCHEMES 2019/20 - 2021/22</b> |           |                |
|--|-----------|----------------|
|  | <b>£m</b> | <b>£m</b>      |
| Balance carried forward from 2018/19                 |           | 0.859          |
| <b>Increases</b>                                     |           |                |
| Shortfall in 2019/20 to 2021/22 Budget               | 0.374     |                |
|  |           | <u>0.374</u>   |
| <b>Decreases</b>                                     |           |                |
| Actual In year receipts                              | (2.028)   |                |
| Savings from Disabled Facilities Grant               | (0.350)   | <u>(2.378)</u> |
| <b>Funding - (Available)/Shortfall</b>               |           | <b>(1.145)</b> |

- 1.22 The final outturn funding surplus from the 2019/20 – 2021/22 Capital Programme was £1.145m.
- The 2020/21 – 2022/23 Capital Programme was approved on the 28<sup>th</sup> January 2020, with a funding deficit of £2.264m. The surplus carried forward will lead to an opening funding position deficit of £1.119m, prior to the realisation of additional capital receipts and/or other funding sources.
- 1.23 **Investment in County Towns**
- At its meeting on 12<sup>th</sup> December 2017, the Council approved a Notice of Motion relating to the reporting of investment in county towns. The extent and format of the reporting was agreed at the Corporate Resources Overview and Scrutiny Committee on 14<sup>th</sup> June 2018.
- 1.24 Table 7 below shows a summary of the 2018/19 and 2019/20 actual expenditure, and budgets for future years as approved by Council at its meeting of 28<sup>th</sup> January, 2020. Further detail can be found in Appendix C, including details of the 2019/20 revised budget.

**Table 7**

| <b>INVESTMENT IN COUNTY TOWNS</b> |                      |                      |                      |
|-----------------------------------|----------------------|----------------------|----------------------|
|                                   | <b>2018/19</b>       | <b>2019/20</b>       | <b>2020 - 2022</b>   |
|                                   | <b>Actual<br/>£m</b> | <b>Actual<br/>£m</b> | <b>Budget<br/>£m</b> |
| Buckley / Penyffordd              | 3.485                | 7.729                | 4.463                |
| Connah's Quay / Shotton           | 10.903               | 3.844                | 2.694                |
| Flint / Bagillt                   | 2.209                | 3.048                | 1.623                |
| Holywell / Caerwys / Mostyn       | 3.905                | 3.291                | 1.540                |
| Mold / Treuddyn / Cilcain         | 1.897                | 3.406                | 9.622                |
| Queensferry / Hawarden / Sealand  | 5.661                | 5.925                | 8.000                |
| Saltney / Broughton / Hope        | 0.548                | 0.748                | 5.953                |
| Unallocated / To Be Confirmed     | 3.202                | 0.728                | 55.524               |
| <b>Total</b>                      | <b>31.810</b>        | <b>28.719</b>        | <b>89.419</b>        |

1.25 The inclusion of actuals for 2018/19 and approved schemes for future years allows a slightly fuller picture of investment plans. However, expenditure which has occurred in years' prior to 2018/19 has not be included, and the expenditure and budgets reported should be considered in that context.

1.26 There are two significant factors which increase allocations to particular areas, which are homes developed under SHARP, and new or remodelled schools. The impact of these can be seen in the detail shown in Appendix C.

1.27 Some expenditure cannot yet be allocated to specific towns as schemes are not yet fully developed or are generic in nature and not easily identifiable to one of the seven areas. As such schemes are identified the expenditure will be allocated to the relevant area.

1.28 Information on the split between internal and external funding can be found in Appendix C.

1.29 In addition to the information contained in Appendix C, there is also considerable capital expenditure on the HRA Welsh Housing Quality Standard (WHQS), which was originally outside the scope of this analysis. A summary is provided in Table 8 below, albeit using a slightly different catchment area basis.

**Table 8**

| <b>WHQS Programme</b>   |                                  |                                  |                                  |
|-------------------------|----------------------------------|----------------------------------|----------------------------------|
|                         | <b>2018/19<br/>Actual<br/>£m</b> | <b>2019/20<br/>Budget<br/>£m</b> | <b>2019/20<br/>Actual<br/>£m</b> |
| Holywell                | 0.800                            | 2.950                            | 2.950                            |
| Flint                   | 3.040                            | 2.110                            | 2.110                            |
| Deeside & Saltney       | 4.400                            | 0.420                            | 0.420                            |
| Buckley                 | 2.400                            | 0.600                            | 0.600                            |
| Mold                    | 1.230                            | 7.130                            | 7.130                            |
| Connah's Quay & Shotton | 1.740                            | 0.480                            | 0.480                            |
| <b>Total</b>            | <b>13.610</b>                    | <b>13.690</b>                    | <b>13.690</b>                    |

**2.00 RESOURCE IMPLICATIONS**

2.01 Financial implications - As set out in the body of the report.

2.02 Personnel implications - None directly as a result of this report.

**3.00 IMPACT ASSESSMENT AND RISK MANAGEMENT**

3.01 There are no risks associated with the information contained herein relating to capital outturn.

The Covid-19 pandemic is likely to have a significant impact on the levels of expenditure in the 2020/21 capital programme. This will result in a high level of carry forward requests to re-phased budget into the 2021/22 programme, following delays on scheduled works across the Council. This pandemic could also lead to inflationary costs to construction, where cost certainty may have already been established on approved schemes resulting in pressures to the programme. This will be closely monitored and considered throughout the year.

Covid-19 could potentially impact the award of grant funding to the Council in 2020/21. If so, this may have an effect on the programme, where consideration may have to be given around alternative funding such as prudential borrowing or the re-phasing / withdrawal of schemes. This will be reviewed and monitored throughout the year.

The Council has a prudent policy of allocating its own capital receipts to fund capital projects only when receipts are actually received rather than when it is anticipated the receipt will be received, and this position continues to be the case. Due to the pandemic there may be a delay in obtaining capital receipts as the timing of these receipts are also subject to market forces outside of the Council's control. In line with current policy no

|  |   |
|--|---|
|  | allowance has been made for these receipts in reporting the Council's capital funding position. |
|--|---|

|             |  |
|-------------|--|
| <b>4.00</b> | <b>CONSULTATIONS REQUIRED/CARRIED OUT</b>                      |
| 4.01        | No consultation is required as a direct result of this report. |

|             |  |
|-------------|--|
| <b>5.00</b> | <b>APPENDICES</b>                                      |
| 5.01        | Appendix A: Capital Programme - Changes during 2019/20 |
| 5.02        | Appendix B: Variances                                  |
| 5.03        | Appendix C: Investment in Towns                        |

|             |  |
|-------------|--|
| <b>6.00</b> | <b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b> |
| 6.01        | Capital Programme monitoring papers 2019/20.   |

|             |   |
|-------------|---|
| <b>7.00</b> | <b>CONTACT OFFICER DETAILS</b>  |
| 7.01        | <b>Contact Officer:</b> Chris Taylor, Principal Accountant<br><b>Telephone:</b> 01352 703309<br><b>E-mail:</b> <a href="mailto:christopher.taylor@flintshire.gov.uk">christopher.taylor@flintshire.gov.uk</a> |

|             |   |
|-------------|---|
| <b>8.00</b> | <b>GLOSSARY OF TERMS</b>  |
|             | <p><b>Budget Re-profiling:</b> Capital schemes are very dynamic and a number of factors can influence their timing and funding. Budget re-profiling assures that the correct resources are available in the correct accounting period to finance the actual level of expenditure.</p> <p><b>Capital Expenditure:</b> Expenditure on the acquisition of <b>non-current assets</b> or expenditure which extends the useful life of an existing asset</p> <p><b>Capital Programme:</b> The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.</p> <p><b>Capital Receipts:</b> Receipts (in excess of £10,000) realised from the disposal of assets.</p> <p><b>Carry Forward:</b> Carry forward occurs when schemes due to be completed in a given financial year are delayed until a subsequent year. In this case</p> |

the relevant funding is carried forward to meet the delayed, contractually committed expenditure.

**CERA: Capital Expenditure charged to Revenue Account.** The Council is allowed to use its revenue resources to fund capital expenditure. However the opposite is not permissible.

**Council Fund (CF):** The fund to which all the Council's revenue and capital expenditure is charged.

**Housing Revenue Account (HRA):** The fund to which all the Council's revenue and capital expenditure relating to its housing stock is charged.

**MRA: Major Repairs Allowance.** A general capital grant from WG for HRA purposes.

**Non-current Asset:** A resource controlled (but not necessarily owned) by the Council, from which economic benefits or service potential are expected to flow to the Council for more than 12 months.

**Section 106:** Monies are received from developers/contractors pursuant to Section 106 of the Town & Country Planning Act 1990. These sums are available for use once the relevant terms of the individual agreement have been met. The monies are most commonly used for educational enhancement, play areas, highways and affordable housing.

**Target Hardening:** Measures taken to prevent unauthorised access to Council sites.

**Unhypothecated Supported Borrowing (USB), commonly referred to as Supported Borrowing** - Each year Welsh Government provide Councils with a Supported Borrowing allocation. Councils borrow to fund capital expenditure equivalent to that annual allocation, Welsh Government then include funding to cover the revenue costs associated with the borrowing for future years within the Revenue Support Grant. The Council decides how this funding is spent.

**Unsupported (Prudential) Borrowing:** Borrowing administered under the Prudential Code, whereby Authorities can set their own policies on acceptable levels and types of borrowing. The Prudential Framework allows Authorities to take out loans in response to overall cash flow forecasts and other factors provided they can show that the borrowing is to meet planned capital expenditure in the current year or the next three years.