

Meeting of:	Healthy Living and Social Care Scrutiny Committee
Date of Meeting:	Tuesday, 06 September 2022
Relevant Scrutiny Committee:	Healthy Living and Social Care
Report Title:	Capital Closure of Accounts 2021/22
Purpose of Report:	The accounts are complete, and this report is to inform Committee of the provisional financial position of the Council's Capital Programme for the 2021/22 financial year.
Report Owner:	Director of Social Services
Responsible Officer:	Matt Bowmer, Head of Finance/Section 151 Officer
Elected Member and Officer Consultation:	This report does not require Ward Member consultation.
Policy Framework:	This is a matter for Executive decision by Cabinet. Slippage has been approved via the use of Managing Director's emergency powers.
Executive Summary:	The total capital expenditure during the year was £66.411M which required funding of £1.191M to be drawdown from reserves.

Recommendations

1. That Committee note the year end capital position for financial year 2021/22.

Reasons for Recommendations

1. To inform Committee of the year end capital position for financial year 2021/22.

1. Background

- 1.1 Following the end of the financial year, Cabinet is provided with provisional outturn figures for the Council. It is anticipated that the Statement of Accounts will be approved by Council during September 2022, which will follow the audit by Audit Wales.

2. Key Issues for Consideration

- 2.1 Council on the 10th February 2021 (minute no. C488) agreed the Authority's capital budget for 2021/22.
- 2.2 The COVID-19 pandemic had a varying impact on the delivery of the capital programme and a spend of £66.411M was achieved as set out in the table below. There has been a significant increase in the cost of materials and labour, this has resulted in delays to schemes where negotiations and project re-engineering has been required to bring schemes within the budget available. Sourcing materials has also been problematic with long lead times when ordering and this has also impacted on the progress of the capital programme.

Directorate	Approved Programme 2021/22 £'000	Actual Spend 2021/22 £'000	Approved Slippage 2021/22 £'000
Education & Schools	38,717	35,053	3,315
Libraries	45	56	0
Catering	0	0	0
Total Learning & Skills	38,762	35,109	3,315
Children and Youth Services	355	309	12
Adult Services	1,471	768	713
Total Social Services	1,826	1,077	725
Neighbourhood and Transport Services (Including Community Safety)	16,869	14,569	1,610
Public Sector Housing (HRA)	14,642	10,056	4,287
Total Environment and Housing Services	31,511	24,625	5,897
Resources	3,066	2,336	509
Regeneration and Planning	3,669	2,418	925
Private Sector Housing	987	846	125
Total Managing Director and Resources	7,722	5,600	1,559
City Deal	0	0	0
Total	79,821	66,411	11,496

2.3 The overall position on the revised 2021/22 Capital Programme was a variance of £13.410m against a planned programme of £79.821M . There was slippage of £11.496M against planned programmes of work during the year and this has been brought forward into the 2022/23 Capital Programme with approval via Chief Executive's Emergency Powers. The overall outturn for this Committee is a variance of £1.524M against a planned programme of £4.029M. The statement at Appendix 1 details the outturn by scheme. The slippage for this committee was £1.426M and is detailed in Appendix 2.

2.4 In 2021/22 the Council was in receipt of over 50 grant awards on the Capital Programme, many of which arrived late in the financial year. This is favourable in that it brings additional funding into the Council. However, the terms and conditions of the grants can sometimes be onerous and can involve providing quarterly claims to the awarding body along with invoices and defrayment evidence.

Large Variances within the Programme

- 2.5** ICF - 4 Carys Close Refurbishment Project– Slippage of £249K
The lowest tender received was more than double the available funding. As such, the project was delayed several months due to the need for extensive value engineering of the project. Additional funding to enable the project to proceed also had to be identified from Social Services Reserves. It has therefore been requested via emergency powers that £249K is carried forward into the 2022/23 Capital Programme.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** The underspend on the revised capital programme in 2021/22 is £13.410M against a budget of £79.821M with actual spend of £66.411M and therefore its expenditure is incurred in order to achieve its corporate priorities as set out in the Corporate Plan 2020-2025 through the 4 well-being outcomes.

4. Climate Change and Nature Implications

- 4.1** The Council understands the importance of decarbonisation to help protect and sustain the environment over the long term and in line with its Climate emergency declaration is working and investing in measures to reduce its CO2 emissions. All schemes progressed as part of the Capital Programme proposals set out the decarbonisation considerations that will be considered as part of progressing the bids

5. Resources and Legal Considerations

Financial

- 5.1** The underspend on the revised capital programme in 2021/22 is £13.410M against a budget of £79.821M with actual spend of £66.411M.
- 5.2** The following table shows how the capital programme has been financed in 2021/22.

Source of Funding		Outturn (£000)
General Capital Funding		6,328
General Fund Borrowing		703
Housing Borrowing		0
Capital Receipts – Housing		0
Capital Receipts – Council Fund		1,796
WG Grants		45,022
Revenue		3,373
Reserves - WG School Capital Grant	2,284	
- ICF	25	
- Neighbourhood Services & Transport	-1,147	
- Committed Capital Schemes	3	
- Energy Management	23	
- Gypsy Traveller Study	3	
		1,191
Other e.g., Section 106, other grants		7,998
TOTAL		66,411

5.3 General Capital Funding - Capital expenditure in the year was sufficient to cover the full allocation of the supported borrowing allocation from Welsh Government. £2.899M of the General Capital grant has been spent during 2021/22 and £539K has been carried forward into 2022/23 which is allowable in the terms and conditions of the grant. In some instances where schemes were originally planned to be financed from General Capital Funding have underspent, other schemes, planned to be funded from capital receipts, revenue contributions to capital or reserves, have been substituted in their place.

5.4 Capital Receipts - The Council Fund capital receipts balance as at 31st March 2022 was £16.212M which are split as follows:

Area	£000
General Use	7,333
Social Services	1,339
Education	3,173
Deferred Capital Receipts	4,368
TOTAL CAPITAL RECEIPTS	16,213

The sum of 4,603K was received in 2021/22 as a result of the sale of assets as follows:

Type of Asset	£000
Council Houses	0
Land and Buildings	210
Vehicles	37
Deferred Capital Receipts – Land Buildings	4,356
TOTAL RECEIPTS	4,603

- 5.5 As a result of the capital underspend in 2021/22, an allocation of £11.495M has been approved via Managing Director's Emergency Powers, as slippage into 2022/23. Of this figure, the sum of £520K will be funded from capital receipts and £10.975M will be provided from revenue, reserves, borrowing or external sources. The slippage for this committee was £1.426M and is detailed in Appendix 2.

Employment

- 5.6 There are no employment implications contained in this report.

Legal (Including Equalities)

- 5.7 The provisional outturn figures for the Council have been used in the preparation of the Statements of Accounts. Regulation 10(1) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires the Responsible Financial Officer to sign and date the Statement of Accounts and certify that they present a true and fair view of the financial position at the end of the year. This means that for 2021/22 the Statement of Accounts should be certified by the Section 151 Officer by 31st May 2022.
- 5.8 If it is not possible to meet this deadline the Council has to advertise that this has not happened and the reason why. Due to the pressures of the COVID-19 pandemic and a number of staff changes it was not possible to produce the Statement of Accounts by 31st May 2022 and the appropriate advert was placed. The Statement of Accounts was signed by the S151 Officer by 5th July 2022.

6. Background Papers

None

	APPROVED PROGRAMME 2021/22	ACTUAL SPEND 2021/22	VARIANCE AT OUTTURN 2021/22	PROJECT SPONSOR	COMMENTS
	£000	£000	£000		
Adult Services					
Cartref Porthceri External Repairs Phase 2	15	3	12	A Phillips	Requested slippage of £12k via emergency powers for continuation of scheme.
Rondell House Day Centre Electrical Upgrade	30	1	29	A Phillips	Requested slippage of £29k via emergency powers for continuation of scheme.
Ty Dewi Sant - Hairdressing room and Office Refurbishment	20	0	20	A Phillips	Requested slippage of £20k via emergency powers for continuation of scheme.
Slippage					
Radon	10	0	10	A Phillips	Requested slippage of £10k via emergency powers for continuation of scheme.
Ty Dewi Sant -Electrical Upgrade	15	3	12	A Phillips	Scheme complete. Requested slippage of £11k and vired to the Residential Home Fire Doors budget via emergency powers.
WCCIS Implementation	10	0	10	A Phillips	Requested slippage of £10k via emergency powers.
IT Developments in Homes	98	14	84	A Phillips	Requested slippage of £84k via emergency powers for continuation of scheme.
Residential Home Fire Doors	20	3	17	A Phillips	Requested slippage of £17k via emergency powers for continuation of scheme.
ICF					
ICF - Southway Community Facility	5	1	4	A Phillips	Scheme complete.
ICF Ty Dewi Sant	49	0	49	A Phillips	Scheme complete. Requested slippage of £41k and vired to the Social Services Contingency budget via emergency powers.
ICF -Transition Smart House (6A Castle Ave)	130	132	-2	S Clifton	Scheme complete, overspend has been funded from a revenue contribution to capital.
ICF - Dementia friendly passenger lifts at Cartref and Southway residential homes	145	109	36	A Phillips	Requested slippage of £36k via emergency powers for continuation of scheme.
ICF - Sluice room upgrade	175	111	64	A Phillips	Requested slippage of £64k via emergency powers for continuation of scheme.
ICF - Ty Dyfan and Cartref Dementia Improvements	494	365	129	A Phillips	Requested slippage of £129k via emergency powers for continuation of scheme.
ICF - 4 Carys Close Refurbishment Project	275	26	249	A Phillips	Requested slippage of £249k via emergency powers for continuation of scheme.
	1,491	768	723		
Children's Services					
Flying Start - Family Centre Heating System	56	41	15	R Evans	Requested slippage of £8k via emergency powers.
Flying Start - Ladybirds and Butterflies outdoor play areas	40	39	1	R Evans	Welsh Government grant. Scheme complete.
Flying Start - Skomer Road new heating system, redecoration and car park	65	64	1	R Evans	Welsh Government grant. Scheme complete.
Flying Start - Pili Pala Works	15	10	5	R Evans	Welsh Government grant. Scheme complete.
Flying Start - Skomer Road Crèche	115	111	4	R Evans	Requested slippage of £4k via emergency powers.
Gibbonsdown, Skomer Road FS: Extension	44	44	0	R Evans	Welsh Government grant. Scheme complete.
	335	309	26		
Leisure & Tourism					
Barry Leisure Centre Boiler Renewal	20	8	12	D Knevett	Requested slippage of £12k via emergency powers for continuation of scheme.
Penarth Leisure Centre Water Heaters Renewal	75	18	57	D Knevett	Requested slippage of £10k via emergency powers for continuation of scheme, the remaining £47k has been requested to be slipped and vired to the Leisure Centre Works budget via emergency powers.
Penarth Leisure Centre, High Level Glazing	10	4	6	D Knevett	Requested slippage of £6k via emergency powers for continuation of scheme.
Barry Leisure Centre Flume	47	44	3	D Knevett	Scheme complete. Requested slippage of £3k and vired to the Leisure Centre Works budget via emergency powers.
Allotment Support Grant 2021/22	33	34	-1	D Knevett	Scheme complete. Overspend has been funded from a revenue contribution to capital.
Knap Skate Park	0	3	-3	D Knevett	£3k has been requested to be brought forward from the 2022/23 budget via emergency powers.
Jenner Park Pitch Renewal	0	5	-5	D Knevett	£5k has been requested to be brought forward from the 2022/23 budget via emergency powers.
Neighbourhood Services buildings for compliance issues and community centres	88	81	7	D Knevett	Requested slippage of £6k via emergency powers for continuation of scheme.
Slippage					
Barry Leisure Centre Hall Floor	6	6	0	D Knevett	Scheme complete.
Cowbridge Leisure Centre Roofing	451	356	95	D Knevett	Requested slippage of £95k via emergency powers for continuation of scheme.
Barry Leisure Centre Dry Changing Rooms	42	19	23	D Knevett	Scheme complete. Requested slippage of £23k and vired to the Leisure Centre Works budget via emergency powers.
Barry and Penarth LC Upgrade Changing Rooms	70	0	70	D Knevett	Scheme complete. Requested slippage of £70k and vired to the Leisure Centre Works budget via emergency powers.
Sports Wales Grant	87	18	69	D Knevett	Requested slippage of £69k via emergency powers for continuation of scheme.

**CAPITAL MONITORING
FOR THE PERIOD ENDED 31st March 2022**

Llantwit Major Leisure Centre - Rebuild brickwork	75	1	74	D Knevet	Requested slippage of £74k via emergency powers for continuation of scheme.
Leisure Centres Works	76	0	76	D Knevet	Requested slippage of £76k via emergency powers.
Penarth Leisure Centre, Boiler Renewal	93	84	9	D Knevet	Requested slippage of £9k via emergency powers for continuation of scheme.
Penarth Leisure Centre, Lift Renewal	63	58	5	D Knevet	Requested slippage of £5k via emergency powers for continuation of scheme.
Llantwit Major Leisure Centre, Lift Renewal	47	36	11	D Knevet	Requested slippage of £11k via emergency powers for continuation of scheme.
Electrical Renewal Barry & Penarth Leisure Centres	63	7	56	D Knevet	Scheme complete. Requested slippage of £56k and vired to the Leisure Centre Works budget via emergency powers.
Cowbridge Leisure Centre Replacement water heaters/replacement flue	4	0	4	D Knevet	Scheme complete. Requested slippage of £4k and vired to the Leisure Centre Works budget via emergency powers.
	1,350	782	568		
Parks and Grounds Maintenance					
Play Area in Stanwell	10	2	8	A Sargent	Requested slippage of £8k via emergency powers for continuation of scheme.
All Wales Play Opportunity Grant 2021/22	234	163	71	D Knevet	Requested slippage of £65k via emergency powers for continuation of scheme. £5k of this underspend has been used to fund the overspend below. £10k for the installation of Aberthaw play area was to be funded from this budget however it was funded from the All Wales Play Grant at year end, therefore £10k slippage has been vired to the All Wales Play Grant for equipment. £32k slippage has been requested for continuation of this scheme via emergency powers.
Parks	48	0	48	E Reed	
Parks and Grounds Maintenance Slippage					
Jenner Park Stadium Lighting	21	12	9	D Knevet	Requested slippage of £10k via emergency powers for continuation of scheme.
Romilly Tennis Courts	30	55	-25	D Knevet	£25k has been requested to be brought forward from the 2022/23 budget via emergency powers.
All Wales Play Opportunity Grant	15	5	10	D Knevet	Scheme complete.
Green Recovery Grant	49	49	0	E Reed	Scheme complete.
Playground Refurbishment - Treoes Play Area	2	0	2	A Sargent	Scheme complete.
Cary Cymru Grant - Keep Wales Tidy	15	15	0	A Sargent	Scheme complete.
	424	301	123		
S106 Funding					
Wick Multi Use Games Area	2	2	0	M Goldsworthy	Scheme complete.
Central Park – play area improvements	98	95	3	M Goldsworthy	Requested slippage of £3k via emergency powers.
North Penarth Open Space Improvements	102	89	13	A Sargent	Scheme complete.
Belle Vue Pavilion in Penarth	100	78	22	M Goldsworthy	Requested slippage of £22k via emergency powers for continuation of scheme.
Windmill Lane Play Area	10	5	5	M Goldsworthy	Requested slippage of £5k via emergency powers for continuation of scheme.
Clos Tyniad Glo/Clos Peiriant Play Area	59	58	1	M Goldsworthy	Scheme complete.
Public Open Space Tree Planting	31	16	15	M Goldsworthy	Requested slippage of £9k via emergency powers for continuation of scheme.
Llantwit Major Tennis Club - Flood Lighting	15	0	15	M Goldsworthy	Requested slippage of £15k via emergency powers for continuation of scheme.
Murch Community Sports Facilities	12	2	10	M Goldsworthy	Requested slippage of £10k via emergency powers for continuation of scheme.
	429	345	84		
Committee Total	4,029	2,505	1,524		

Schemes	Current	Change	Revised
	Approved	of	22/23
	22/23 'Budget £	Budget £	Budget £
Social Services			
Unallocated asset Renewal		41,000	41,000
Adult Services			
2022/23 Capital Bids			
Rondel House Day Service Improvements	50,000	0	50,000
Asset Renewal			
Ty Dewi Sant Plant Room Renewal	75,000	0	75,000
Ty Dyfan Boiler Replacement	40,000	0	40,000
Adults Slippage			
Social Services Radon	0	10,000	10,000
WCCIS Implementation	0	10,000	10,000
IT Developments in Homes	0	84,200	84,200
Cartref Porthceri External Repairs Phase 2	0	12,400	12,400
Rondell House Day Centre Electrical Upgrade	0	29,155	29,155
Ty Dewi Sant - Hairdressing room and Office Refurbishment	0	20,000	20,000
Residential Home Fire Doors	0	28,945	28,945
ICF Slippage			
ICF - Ty Dyfan and Cartref Dementia Improvements	0	128,662	128,662
ICF - Dementia friendly passenger lifts at Cartref and Southway residential homes	0	36,104	36,104
ICF - Sluice room upgrade	0	63,887	63,887
ICF - 4 Carys Close Refurbishment Project	179,000	248,769	427,769
Adults Services Total	344,000	672,122	1,016,122
Children's Slippage			
Flying Start - Skomer Road Creshe and Community Enterprise Building Works	0	4,181	4,181
Flying Start - Family Centre Heating System	0	7,954	7,954
Children's Services Total	0	12,135	12,135
Leisure & Tourism			
Neighbourhood Services Community and Leisure Centres	100,000	0	100,000
Wenvoe Cricket and Sports Transfers	10,000	0	10,000
Jenner Park Pitch	220,000	-4,900	215,100
Leisure & Tourism Slippage			
Sports Wales Grant	0	69,100	69,100
Penarth Leisure Centre, High Level Glazing	1,690,000	5,527	1,695,527
Cowbridge Leisure Centre - new roof	0	95,055	95,055
Llantwit Major Leisure Centre - Rebuild brickwork	0	74,000	74,000
Leisure Centres Works	0	278,058	278,058
Penarth Leisure Centre, Boiler Renewal	0	8,516	8,516
Penarth Leisure Centre, Lift Renewal	0	4,742	4,742
Llantwit Major Leisure Centre, Lift Renewal	0	10,843	10,843
Penarth Leisure Centre Water Heaters Renewal	0	10,000	10,000
Murchfield Community Sports Facilities	185,000	9,719	194,719
Leisure and Tourism Total	2,205,000	560,660	2,765,660
Parks and Grounds Maintenance			
Play Area Asset Renewal	100,000	0	100,000
Green Flag Parks	50,000		50,000
Knap Skate Park	330,000	-3,255	326,745
Parks	0	32,050	32,050
SEEL Park Adventure Trail	20,000	0	20,000
Parks and Grounds Maintenance Slippage			
Romilly Tennis Courts	119,000	-25,300	93,700
Play Area in Stanwell	110,000	7,848	117,848
Gladstone Park Interpretation Scheme	23,000	0	23,000
All Wales Play Opportunities Grant 2021-22	0	65,425	65,425
Jenner Park Stadium Lighting	0	9,584	9,584
S106			
S106 Central Park – play area improvements	0	3,327	3,327
Belle Vue Pavilion in Penarth	0	21,590	21,590
Windmill Lane Play Area	57,000	4,984	61,984
Public Open Space Tree Planting	0	9,000	9,000
Llantwit Major Tennis Club - Flood Lighting	0	15,000	15,000
Parks and Grounds Maintenance Total	809,000	140,253	949,253
Committee Total	3,358,000	1,426,170	4,784,170