

# Capital Monitoring Outturn 2018/19

**Cabinet**

**Date: 5<sup>th</sup> June 2019**

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Authors: Cabinet Member for Finance, Education and Skills  
Director of Finance

Wards: All

Parishes Affected: All

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## **1. Purpose and Reasons**

- 1.1 This report presents the capital programme position as at the end of 2018/19 and proposed changes to the programme.
- 1.2 The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.
- 1.3 Responsible budget management underpins the Council's strategic objective of consistently making the best use of all available resources as well as providing focus for its change programmes.

## **2. Recommendations**

Cabinet is recommended to:

- 2.1 Note the latest 2018/19 Capital Programme position as at financial year end as detailed in paragraphs 3.1 to 3.4.
- 2.2 Approve the changes to the programme in sections 3.5 to 3.6.

## **3. Detail**

Capital Programme – 2018/19 monitoring

- 3.1 Table 1 below provides a summary of the out-turn position ("forecast spend to completion" column) compared with the approved total scheme budgets, as at the end of March 2019. The projected out-turn position represents the expected total spend for the scheme to completion over all remaining years. Table 2 shows how the capital programme is expected to be funded.

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Table 1 - Budget Forecasts and Variances

Service	Budget Remaining 2018/19 Onwards	Forecast Scheme Spend to Completion	Projected Variances
Group	£'000	£'000	£'000
Community Works	1,035	1,035	-
Corporate Projects	69,754	70,092	338
Section 106 (S106)	9,330	9,330	-
Schools	17,687	17,687	-
Social Care	1,250	1,250	-
Transport	111,955	111,955	-
<b>Total General Fund</b>	<b>211,011</b>	<b>211,349</b>	<b>338</b>
HRA	64,056	64,056	-
<b>Total Existing Programme</b>	<b>275,067</b>	<b>275,405</b>	<b>338</b>
New Approvals	236	236	236
<b>Revised Total programme</b>	<b>275,303</b>	<b>275,641</b>	<b>574</b>

Table 2 - Capital Programme funding

	Current Funding Requirement	New Funding Required	Amended Funding Requirement
	£'000	£'000	£'000
Capital Receipts	11,312	-	11,312
Section 106 Deposits	10,493	236	10,729
Grant Funding	131,455	-	131,455
Revenue Contributions	9,568	-	9,568
HRA balances	37,516	-	37,516
Salix funding (Interest free loan)	6,000		6,000
Invest to save borrowing repaid from future revenue budgets	420	-	420
Increase in Borrowing Requirement	68,579	338	68,877
<b>Total to be financed</b>	<b>275,303</b>	<b>574</b>	<b>275,877</b>
<b>There is a revenue impact from the additional borrowing of circa £27k</b>			

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email [iburbidge@swindon.gov.uk](mailto:iburbidge@swindon.gov.uk)

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3.2 The total spend incurred in 2018/19 and how it was funded is shown below:

Table 3: Capital Expenditure Funding

	£'000s
Actual Capital Spend 2018/19	75,039
<b>Funded by:</b>	
Capital Receipts	4,045
S106 Deposits	5,224
Grant	21,800
HRA balances	18,849
CIL	1,340
Increase in Borrowing Requirement	23,781
<b>Total</b>	<b>75,039</b>

3.3 The detailed capital monitoring for 2018/19 is attached at Appendix 1.

## Projected Variances

3.4 Cabinet is asked to note the following variances to projects within the capital programme. Appendix 1 contains details of all schemes in the capital programme, together with their forecast closing position.

3.4.1 Line 56 - M4 Junction 16 – The projected outturn cost for the Junction 16 Improvements scheme has increased, above the total budget for the scheme of £12.8m. The majority of this is due to the results of the adjudication processes. While the Council benefitted most from the outcome, the impact was still significant when considering both the initial settlement and the associated technical and legal costs. Other cost increases are associated with site supervision and contract management, where the initial estimates were lower than the likely outturn.

## Variations to current approvals

3.5 Cabinet is asked to approve the following changes to the existing programme

3.5.1 Cabinet was previously advised that the Disabled Facilities Grant award for 2019/20 was expected to be £1.067m, but this has now been confirmed at £1.151m.

3.5.2 Outline plans and costing have been completed for the extension at Fessey House at an estimated cost of £3m. There will be further costs required for site preparation, fixtures and fittings etc so it is recommended to keep the overall budget for the scheme at £5m.

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Architects have now been commissioned and the overall budget requirement will be reviewed once this work is complete and planning permission is secured.

- 3.5.3 Line 49 - Stronger Together – It is proposed to merge this budget with Line 47 – Skype for Business.

## Addition to current programme

- 3.6 Cabinet is asked to approve the following changes to the existing programme

- 3.6.1 Library Management System (LMS) - £71k funded from S106 contributions. The current LMS is coming to the end of its current contract, and soft market testing has indicated an upper capital cost of £71k. It is proposed to tender jointly with Gloucestershire CC to achieve better value for money. The new solution may increase revenue costs, with any increase being met by savings from within the service.
- 3.6.2 Link Centre wet side changing rooms - £165k funded from S106 contributions. Built in 1985 the pool changing rooms are now outdated, a poor use of space, and in need of improvement. It is proposed to reconfigure, upgrade and decorate the current male and female wet side changing rooms, vanity area and family changing area.

## **4. Alternative Options**

- 4.1 Cabinet could choose not to approve the proposed additions to the capital programme.

## **5. Implications, Diversity Impact Assessment and Risk Management**

### Financial and Procurement Implications

- 5.1 The net overspend of £0.338m, against current the capital budget, will result in an additional cost pressure of £27k in the general fund capital financing budget (based on a typical 25 year repayment profile).

### Legal and Human Rights Implications

- 5.2 All legal and human rights considerations have been taken fully into account in compiling this report. It is considered that the recommendations of this report are compatible with Convention rights.

### All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 There are no such direct implications.

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## Diversity Impact Assessment

- 5.4 A Diversity Impact Assessment (DIA) has not been done as this report does not make any new recommendations that would have a detrimental impact on services.

## Risk Management

- 5.5 None other than those highlighted in the body of the report. Individual schemes will have individual Risk Assessments and DIAs.

## **6. Consultees**

- 6.1 The Director of Finance (Section 151 Officer) and Interim Director of Law (Monitoring Officer) are consulted in respect of all reports.

## **7. Background Papers**

- 7.1 None

## **8. Appendices**

- 8.1 Appendix 1 – Detailed Capital Budget Monitoring 2018/19 Schemes

## **9. Key Decision/Decision in Cabinet Work Programme**

- 9.1 This is a key decision and is included in the Cabinet Work Programme for June 2019.