

Committee: Corporate & Performance

Date of meeting: 3 September 2024

Report Subject: Capital Budget Monitoring, Provisional Outturn 2023-2024
Financial Year (As At 31 March 2024)

Portfolio Holder: Cllr S Thomas – Leader & Cabinet Member Corporate &
Performance

Report Submitted by: Rhian Hayden – Chief Officer Resources

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance & Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
					3/9/24	4/9/24		

1. Purpose of the Report

- 1.1 To provide Members with an overview of each Portfolio's provisional capital expenditure against funding approvals for the 2023/2024 financial year, as at 31st March 2024.

2. Scope and Background

- 2.1 This report provides details on the following:

- Provisional financial position to 31st March 2024 across all portfolios (subject to External Audit)
- Details of any significant adverse and/or favourable variances

- 2.2 This report forms part of the councils financial reporting framework.

3. Options for Recommendation

3.1 Option 1 (Recommended Option)

Members accept the report and

- Provide appropriate challenge to the financial outcomes in the report.
- Continue to support appropriate financial control procedures agreed by Council.
- To note the budgetary control and monitoring procedures in place within the Capital Team, to safeguard Authority funding.

3.2 Option 2

Do not accept the report.

4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 This report supports the Forward-Looking Corporate Plan 2022/27 as it ensures effective forward financial planning arrangements are in place to support the Council's financial resilience. This is a key element to achieving "An ambitious and innovative council delivering quality services at the right time and in the right place".

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

5.1.1 The current capital programme is approximately £116m and is funded by: -

WG Grant - £79m

Other grant funding - £13m

Council Resources - £24m

Expenditure of £58.85m was incurred on capital projects / schemes during 2023/24.

The overall financial position at 31st March 2024 indicates a favourable variance of £0.166m against a total in year capital budget of £58.86m

The overall position across all Portfolios is shown below: -

Total Approvals Q4 (Mar 2024)	Future funding	In year funding	Actual Expenditure to 31/03/2024 (Month 12)	Forecast Variance underspent / (overspent)
£000	£000	£000	£000	£000
116,166	57,313	58,853	58,687	166

5.1.2 It has previously been reported that a virement request had been submitted to Welsh Government to approve a funding virement to mitigate the overspend against the Child Care Offer – Swffryd. This approval is still outstanding and Welsh Government have requested further information to support the request and this is currently in the process of being collated.

5.1.3 The provisional outturn assumes that the virement will be agreed. Should this not be the case, consideration will need to be given to identifying funding to mitigate the overspend e.g. from current slippage or the capital programme contingency. As at 31 March 2024 the overspend totals £92,475.

5.1.4 This report also highlights two significant underspends within the Capital Programme.

Childcare Offer - Small Grants Scheme - £ 37,002

- 5.1.5 This grant funding was received very late in the financial year and despite advertising the scheme to the childcare settings very quickly, not all settings applied, some were unable to supply quotes to submit with their applications, or they were unable to find Contractors to complete the work in the time period required. Welsh Government have been advised that the grant allocation has not been fully utilised.

20mph Core Allocation - £119,008

- 5.1.6 All key stages and milestones for the 2023/2024 funding approval were achieved within budget.

A further allocation has been awarded for £100,000 for financial year 2024/2025 to continue to support the implementation of the 20mph default speed limit on restricted roads across Wales, that came into force on 17th September 2023.

Risk including Mitigating Actions

5.2

- 5.2.1 Expenditure against external funding approvals needs to be maximised in order to avoid loss of funding. If significant delays in capital expenditure are anticipated or contract costs rise due to the impact of inflation and the cost of living crisis, liaison with funding bodies will be required at the earliest opportunity in order to secure approval for funding re-profile.
- 5.2.2 If funding re-profile cannot be agreed and capital schemes are not kept within budget, then capital reserves may be committed beyond affordable levels, with the consequence that projects that have not yet commenced may be deferred or not undertaken, so impacting upon future Capital Programmes.
- 5.2.3 Welsh Government's statement (17 October 2023) on the 2023/24 Financial Position advises of a reduction to the Education and Welsh Language Capital budget. Whilst this will not affect funding that has already been agreed and awarded, any applications for new and / or additional funding may be impacted.
- 5.2.4 The aforementioned risks are mitigated as far as possible through close working relationship with Budget Holders, Technical Services and external funding bodies such as Welsh Government. This ensures that where possible, funding is maximised or funding amendments are secured should the need arise
- 5.2.5 Where overall funding approvals are likely to be exceeded and additional compensatory funding sources cannot be identified, budget holders will initially report the consequences to the Corporate Leadership Team, including proposals to defer/delete other approved schemes.

- 5.3 **Legal**
N/A

- 5.4 **Human Resources**
N/A

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

6.1.2 The Capital Expenditure Report is attached at Appendix 1.

6.1.3 The Capital Programme is currently £116m. Appendix 2 provides information of funding changes during January to March 2024.

6.2 ***Expected outcome for the public***

6.2.1 The report details the financial implications for the Council in providing capital investment for the communities of Blaenau Gwent.

All forecast overspends and underspends are managed in order that secured funding approvals are not lost and to mitigate any potential adverse impact upon future Capital investment in Blaenau Gwent.

6.3 ***Involvement (consultation, engagement, participation)***

The Capital Programme is developed to support the Council's strategic priorities and is considered and agreed by full Council. Corporate & Performance Scrutiny Committee and Cabinet consider the budget monitoring reports on a quarterly basis and provide challenge as appropriate.

6.4 ***Thinking for the Long term (forward planning)***

It is essential that all forecast overspends and underspends are managed in order that secured funding approvals are not lost and to mitigate any potential adverse impact upon the future capital programme.

6.5 ***Preventative focus***

The Capital Services Team will continue their close working relationship with budget holders and external funding bodies to ensure that funding is maximised or funding amendments are secured in future financial years.

6.6 ***Collaboration / partnership working***

The Capital Services Team works closely with budget holders in producing the financial forecast and with external funding bodies to ensure that where possible funding is maximised or funding amendments are secured should the need arise.

6.7 ***Integration (across service areas)***

N/A

6.8 ***Decarbonisation and Reducing Carbon Emissions***

The Council is committed to the Decarbonisation Plan to achieve a carbon neutral public sector by 2030. The Capital Programme currently contains schemes which

promote the reduction of carbon emissions such as ReFIT, Electric Vehicle Charge Points, Innovation for Decarbonisation - WBRID and the purchase of Ultra Low Emission Vehicles. New Council buildings should be designed to the latest energy efficiency standards.

6.9 ***Integrated Impact Assessment***

N/A

7. ***Monitoring Arrangements***

The Corporate Leadership Team, Scrutiny Committee and Cabinet consider the budget monitoring reports on a quarterly basis and provide challenge as appropriate.

Background Documents /Electronic Links