

CABINET – 18 JUNE 2019

PROVISIONAL CAPITAL OUTTURN 2018/19

Report by Director of Finance

Recommendation

1. The Cabinet is **RECOMMENDED** to note the provisional capital outturn for 2018/19 as set out in the report.

Executive Summary

2. The total capital programme expenditure for the year 2018/19 was **£102.4m**. The variation between the original programme and the final outturn is **-£17.6m (-15%)** (Annex 1a).
3. The overall variation is adjusted to take into account the impact of changes that have arisen due to factors that do not reflect the performance of the programme (e.g. technical accounting changes and external influences outside of our control). The adjusted variation decreases to **-£6.0m (-5%)**. This represents 95% use of resources compared to the original capital programme (Annex 1b).
4. The table in Annex 1c summarises the outturn financing of the 2018/19 capital programme and compares it to the financing planned in the original and latest capital programme. The Capital Programme expenditure of **£102.4m** was funded by **£89.6m** of capital grants and other external contributions, **£11.2m** of developer contributions, **£1.4m** of revenue contributions and **£0.2m** of prudential borrowing.
5. The level of the un-ringfenced grant balance has increased from **£16.2m** to **£41.9m**. Of this, **£27.2m** relates to the 2020/21 basic need allocation received during 2018/19. As these grants are un-ringfenced and are not time limited, other funding sources are utilised before un-ringfenced grants. The grants are forecast to be spent over the capital programme period.
6. The unapplied ringfenced balance held at the start of the year has decreased by **£0.4m** to **£10.4m** (including Growing Places Fund held on behalf of the LEP of **£1.0m**). There are no issues foreseen with utilising the remaining grants by their deadlines.
7. The capital receipt and reserve balances are **£23.4m** and **£18.9m** respectively. The capital receipt and reserve balances are forecast to be spent over the ten-year capital programme period.

Introduction

8. This report presents the provisional capital outturn for the Council and identifies variations of actual outturn against budgets in 2018/19. Figures shown in the report reflect those included in the Council's Statement of Accounts for 2018/19¹.
9. The capital programme is updated three times each year to reflect the latest forecast profile of expenditure. The original budget for the year is that agreed by Council in the February preceding the start of the financial year (February 2018) as part of the Service and Resource Planning suite of reports. The latest updated programme was agreed by Council in February 2019.
10. The summary outturn position compared to both the original and latest capital programme, and also the latest position forecast at the end of January 2019 (Financial Monitoring Report to Cabinet in March 2019) is shown in Annex 1a. For completeness year end accounting adjustments are included (e.g. capitalisation of revenue expenditure on vehicles and repairs and maintenance).
11. Further comments explaining the key movements within each directorate are set out below. A detailed analysis of the variations by scheme is shown in Annex 1d.

Children's Services

12. The total capital expenditure for the year 2018/19 was **£16.2m** (excluding schools local capital expenditure). This is £14.6m lower than planned against the original capital programme and a reduction of £2.4m against the latest forecast position (January 2019).
13. Expenditure incurred during 2018/19 includes 4 completed basic need projects creating almost 500 additional pupil places across primary, secondary and SEN provision. The completed basic need expansion schemes were at Sutton Courtenay CoE Primary School, Chilton Primary School, Faringdon Community College and Fitzwaryn School. For several projects that were originally planned having completion dates for 2018/19, the pre-agreed contingency plans to accommodate the additional pupils were implemented.
14. The projects delivered as part of the 2018/19 Basic Need programme, including project development fees and work on schemes expected for completion in 2019/20 and beyond total **£10.3m**.
15. The total expenditure was **£0.6m** lower than the latest forecasts for the Basic Need Programme and **£4.7m** lower than the original in-year forecast. Several projects are awaiting Section 77 consent for building on

¹ Due to external accounting requirements the presentation of the figures may vary.

school playing fields. Work is on site for the expansion of two secondary schools, Matthew Arnold in Cumnor and Warriner School in Bloxham, which are forecasted to be completed within 2019/20 and will create 450 additional pupil places.

16. One new primary school was completed during the year; Aureus School in Didcot opened in September 2018. Work on delivering five² new schools for September 2020 continues to progress, through a combination of in-house delivery, Education & Skills Funding Agency (ESFA) and developer build deliveries.
17. A total of **£2.2m** was spent on the annual programmes; Schools Structural Maintenance, Access and Temporary Classroom Programmes (excluding temporary classrooms required to mitigate delays in delivery of basic need projects). While seven Structural Maintenance projects were completed within year, a further seven projects have been rolled forward and will be delivered in 2019/20.
18. Work to refurbish the Northfield Special School was completed within the year to enable the school to reopen in October 2018.
19. A further **£0.8m** was spent on the Early Years Capacity Programme providing additional early years places.

Adult Services

20. The total capital expenditure for the year 2018/19 was **£5.9m**. **£5.4m** of this was Disabled Facilities Grant received as part of the Better Care Fund which was distributed to the five district councils in Oxfordshire.

Communities - Transport

21. Total capital expenditure for the 2018/19 year was **£45.9m** (£40.8m during 2017/18).
22. Expenditure includes **£28.5m** spent on highways structural maintenance. This includes the additional **£10m** funding approved at Cabinet in July 2018. The service delivered double the original budget and outturn was within 1% of the budget allocation.
23. Significant investment spent in year includes **£6.2m** on projects in and around Headington to improve access and 3.8km of towpath improvements from Grandpont Nature Reserve to Hinksey Stream funded through Cycle City Ambition and Oxfordshire Growth Deal. Construction is expected to begin in the summer on the Harwell Campus Entrance.

² Secondary Provision: SW Bicester, The Swan. Primary Provision: Barton Park, Southam Rd Banbury, Crab Hill Wantage.

24. A total of **£1.8m** was spent on development budgets for initial work on the A40 Oxford Science Transit Phase 2 project and **£0.7m** on the development of Housing & Infrastructure Fund (HIF) Bids for Didcot Garden Town and the A40 Smart Corridor.
25. The Council received **£30m** of funding for the Infrastructure element of the Housing & Growth Deal in 2018/19. As some of the schemes were at an early stage of development, **£3.3m** was spent on Housing & Growth Deal schemes in revenue (an element of the grant funding was revenue) and **£14.7m** was spent on schemes in the capital programme. **£12.0m** was used to fund existing schemes in the Council's capital programme with agreement of Homes England, this funding will be recycled back into the Housing & Growth Deal over the remaining years of the programme.

Communities: Other

26. The total capital expenditure for the year 2018/19 was **£11.3m** with the majority spent on the further provision of Broadband within Oxfordshire at **£3m** and a **£5.2m** contribution towards the Oxford Flood Relief Scheme.
27. A new Salt Barn at Drayton has been completed and a new barn at Deddington is planned for 2019/20.

Resources

28. Total capital expenditure for the 2018/19 year was **£21.4m**. Actual expenditure includes **£12.2m** issued through the Local Growth Fund on behalf of the Oxfordshire Local Enterprise Partnership (OxLEP) to deliver major projects within the County and **£6.7m** on the Affordable Housing element of the Housing & Growth Deal to be distributed to District Councils.

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