

**REPORT TO THE CABINET**  
26 JANUARY 2021

**Cabinet Member:** Councillor Ioan Thomas, Finance Cabinet Member

**Subject:** Capital Programme 2020/21 –  
End of November Review (30 November 2020 position)

**Contact Officer:** Ffion Madog Evans, Senior Finance Manager

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**The decision sought**

- To accept the report on the end of November review (30 November 2020 position) of the capital programme.
  
  - Approve the revised financing as shown in part 4 of the report, that is:
    - an increase of £2,000 in the use of borrowing,
    - an increase of £3,019,000 in the use of grants and contributions,
    - no change in the use of capital receipts,
    - an increase of £313,000 in the use of revenue contributions,
    - no change in the use of the capital reserve, and
    - a decrease of £14,000 in the use of renewal and other reserves.
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**1. Introduction / Summary**

This technical report is presented as part of the 2020/21 budget review procedure. The main purpose of the report is to present the revised capital programme and to approve the relevant financing sources. There is a summary in parts 3 and 4 of the report, with the recommendations in part 6:

Part 3: Analysis by Department of the £103.646m capital programme for the 3 years 2020/21 – 2022/23.

Part 4: The sources of finance for the net increase of approximately £3.320m since the previous review.

Part 5: Detail on additional grants since the previous review.

The Cabinet has the authority to adapt the capital programme. Approval is sought for the proposed programme (part 3) and financing (part 4).

The remainder of the report is for information.

## 2. Main Findings

The main findings that arise from the revised position are:

- There are firm schemes in place to invest approximately £42.3m in 2020/21 on capital projects, with £18.9m (45%) of it being financed by attracting specific grants.
- The effect of the Covid19 emergency and the lockdown period on the capital programme can be seen in the reported figures in Appendix C, with only 31% of the budget having been spent by the end of November this year compared to 51% for the same period last year.
- An additional £4.8m of proposed expenditure has been re-profiled from 2020/21 to 2021/22 and 2022/23, but no loss of funding was caused to the Council where schemes have slipped.

## 3. Capital Programme 2020/21 to 2022/23

See below the revised proposed capital programme as at the end of November 2020.

DEPARTMENT	END OF NOVEMBER REVIEW				INCREASE / (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2020/21	2021/22	2022/23	TOTAL	
	£'000	£'000	£'000	£'000	
Education	8,833	15,061	4,630	28,524	13
Environment	3,911	1,009	199	5,119	243
Corporate Support	13	106	-	119	-
Finance	714	1,477	768	2,959	496
Economy and Community	1,212	1,662	245	3,119	87
Housing and Property	11,600	9,017	5,052	25,669	454
Adults, Health and Wellbeing	2,768	3,263	1,450	7,481	120
Children and Supporting Families	1,367	250	250	1,867	-
Highways and Municipal	7,885	4,296	4,765	16,946	391
Consultancy	2,954	6,568	287	9,809	2,000
Corporate	1,034	500	500	2,034	(484)
<b>TOTAL</b>	<b>42,291</b>	<b>43,209</b>	<b>18,146</b>	<b>103,646</b>	<b>3,320</b>

#### 4. Changes to the Sources of Finance

The budget for the three year programme shows an increase of £3.320m since the opening budget position. The proposed sources of financing for this are noted below:

SOURCE OF FINANCE	END OF NOVEMBER REVIEW				INCREASE / (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2020/21	2021/22	2022/23	TOTAL	
	£'000	£'000	£'000	£'000	
Supported Borrowing	8,116	6,610	6,610	21,336	-
Other Borrowing	914	5,159	11	6,084	2
Grants and Contributions	18,889	10,023	3,277	32,189	3,019
Capital Receipts	615	227	13	855	-
Departmental & Corporate Revenue	1,843	508	-	2,351	313
Capital Fund	352	5,145	-	5,497	-
Renewals & Other Funds	11,562	15,537	8,235	35,334	(14)
<b>TOTAL</b>	<b>42,291</b>	<b>43,209</b>	<b>18,146</b>	<b>103,646</b>	<b>3,320</b>

#### 5. Additional Grants

Since setting the original budget at the end of March, the Council succeeded in attracting the following additional grants totalling £3,060k. A number of adjustments including a reduction in schemes lower than the original forecast brings the total movement to £3,019k (see Appendix A for more information) :

- £1,700k Welsh Government Grant towards a Land Drainage Scheme in Rhostryfan
- £496k HWB Schools Infrastructure Grant provided by Welsh Government for schools' IT equipment
- £477k Circular Economy Capital Investment Fund grant towards improvements in recycling and waste prevention
- £182k Sustainable Landscapes grant from Welsh Government
- £86k Heritage Lottery Fund grant towards the 'LleCHI' scheme
- £69k Surge Capacity (Covid) grant to support developments in adult care establishments
- £25k Safe Routes in Communities (SRiC) grant from Welsh Government
- £25k Wales Council for Voluntary Action grant towards environmental developments

## **6. Recommendations**

**The Cabinet is asked to:**

- **accept the 2020/21 to 2022/23 revised programme, and**
- **approve the relevant sources of finance (part 4 above).**

## **7. Reasons for Recommending the Decision**

It is necessary to ensure appropriate financing arrangements for the Council's plans to spend on capital, and the Cabinet must approve the capital programme and its sources of funding.

Incorporating funding via grant is a point of order, but it is also necessary to deal with situations where there has been a change in expenditure profiles between years and the value of capital receipts and contributions.

These are recommendations to ensure definite sources of funding for the 2020/21 – 2022/23 capital schemes.

## **8. Relevant Considerations**

These are technical issues regarding the financing of schemes and relevant implications and debates have already been addressed when the individual schemes were adopted.

## **9. Next Steps and Timetable**

To implement the recommendations to finance the programme.

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**View of the Local Member**

Not relevant.

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**Views of the Statutory Officers****Monitoring Officer:**

No observations to add from a propriety perspective.

**Head of Finance:**

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

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**Appendices**

- Appendix A: Main changes per source of finance
- Appendix B: Movement from 2020/21 to 2021/22
- Appendix C: First 8 months' expenditure in 2020/21

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## Details of Main Changes

See below the relevant schemes that have caused the main changes to the sources of finance since the previous review :

	2020/21	2021/22- 2022/23
	£'000	£'000
<b>Grants and Contributions</b>		
<ul style="list-style-type: none"> <li>Heritage Lottery Fund grant towards the 'LleCHI' scheme'- Heritage-led Regeneration in the valleys of the Slate Landscape of Wales World Heritage Nomination (<i>Economy and Community Department</i>).</li> </ul>	4	82
<ul style="list-style-type: none"> <li>Surge Capacity (Covid) Grant to support developments in residential homes and day care facilities (<i>Adults, Health and Wellbeing Department</i>).</li> </ul>	69	
<ul style="list-style-type: none"> <li>Circular Economy Capital Investment Fund grant towards improvements to the Bangor Recycling Centre, Community Food Share schemes and Cartgylchu (<i>Highways and Municipal Department</i>).</li> </ul>	477	
<ul style="list-style-type: none"> <li>Welsh Government grant towards a Land Drainage Scheme in Rhostryfan (<i>Consultancy Department</i>).</li> </ul>	1,530	170
<ul style="list-style-type: none"> <li>Safe Routes in Communities (SRiC) grant from Welsh Government - route to Ysgol Godre'r Berwyn, Bala (<i>Environment Department</i>).</li> </ul>	25	
<ul style="list-style-type: none"> <li>Sustainable Landscapes grant from Welsh Government (<i>Environment Department</i>).</li> </ul>	182	
<ul style="list-style-type: none"> <li>Wales Council for Voluntary Action grant towards environmental developments (<i>Environment Department</i>).</li> </ul>	25	
<ul style="list-style-type: none"> <li>Underspend on the Targeted Regeneration Investment Grant (TRIP) schemes from Welsh Government (<i>Housing and Property Department</i>).</li> </ul>	(31)	
<ul style="list-style-type: none"> <li>HWB Schools Infrastructure Grant – capital element of the direct funding provided by Welsh Government for schools' IT equipment (<i>Finance Department</i>).</li> </ul>	496	
<b>Departmental Revenue</b>		
<ul style="list-style-type: none"> <li>Match funding towards a Land Drainage Scheme in Rhostryfan (<i>Consultancy Department</i>).</li> </ul>	270	30

**Renewals and Other Funds**

- Vehicles Renewals (*Highways and Municipal Department; Environment Department*) 74
- Waste Management Schemes including skips and recycling carts (*Highways and Municipal Department*) (100)

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### Details of Budget Re-profiling

See below the main schemes that have been re-profiled since the original budget:

	2020/21 £'000	2021/22 £'000
Schools' Schemes (21 <sup>st</sup> Century and Other) ( <i>Education Department</i> )	(3,007)	3,007
Caernarfon Town and Coast Regeneration ( <i>Economy and Community Department</i> )	(174)	174
Maritime and Country Parks' Schemes ( <i>Economy and Community Department</i> )	(382)	382
Neuadd Dwyfor Investment Scheme ( <i>Economy and Community Department</i> )	(729)	729
Adults Residential Establishments' Schemes ( <i>Adults, Health and Wellbeing Department</i> ).	(294)	294
Adults Day Care Establishments' Schemes ( <i>Adults, Health and Wellbeing Department</i> ).	(569)	569
LED Street Lighting Scheme ( <i>Highways and Municipal Department</i> )	(258)	258
Bridge Schemes ( <i>Highways and Municipal Department</i> )	(1,102)	1,102
Vehicles Renewals ( <i>Highways and Municipal Department; Consultancy Department</i> )	(599)	599
Flood Alleviation Schemes ( <i>Consultancy Department</i> )	(1,178)	1,178
Aberdyfi Quay ( <i>Consultancy Department</i> )	(1,748)	1,748
Transport Schemes ( <i>Environment Department</i> )	(353)	353
Car Park Resurfacing ( <i>Environment Department</i> )	(219)	219
Vehicle Charging Points ( <i>Environment Department</i> )	(198)	198
Environment Department Specialist IT Systems ( <i>Environment Department</i> )	(72)	72
Office Adaptation Schemes ( <i>Housing and Property Department</i> )	(153)	153
Council's Carbon Management Schemes ( <i>Housing and Property Department</i> )	(1,167)	1,167
Asbestos Removal Schemes ( <i>Housing and Property Department</i> )	(580)	580



Economic Stimulus Schemes ( <i>Housing and Property Department</i> )	(925)	925
IT Equipment Renewals ( <i>Finance Department</i> )	(240)	240
Health and Safety Schemes ( <i>Corporate Support Department</i> )	(106)	106

**Note:**

The above re-profiling will not result in any loss in grant.

There is a variety of valid reasons behind the re-profiling in many cases, but the delay prior to implementing these schemes can mean that the services have to cope for longer with current assets which have not been improved.

## Capital Expenditure First 8 Months 2020/21

<b>SUMMARY</b>	<b>CAPITAL PROGRAMME FULL YEAR (reviewed November) 2020/21 £'000</b>	<b>ACTUAL EXPENDITURE FOR THE 8 MONTHS TO 30/11/2020 £'000</b>
Education	8,833	3,961
Environment	3,911	726
Corporate Support	13	5
Finance (and Information Technology)	714	341
Economy and Community	1,212	447
Housing and Property	11,600	3,243
Adults, Health and Wellbeing	2,768	921
Children and Supporting Families	1,367	355
Highways and Municipal	7,885	2,471
Consultancy	2,954	550
Corporate	1,034	-
<b>TOTAL</b>	<b>42,291</b>	<b>13,020</b>

**Note:**

The percentage that has been spent this year is 31%, which is lower than the position this time last year (amount spent in 8 months in 2019/20 was 51%).