

REPORT TO THE CABINET
18 MAY 2021

Cabinet Member: Councillor Ioan Thomas, Finance Cabinet Member

Subject: Capital Programme 2020/21 –
End of Year Review (31 March 2021 position)

Contact Officer: Ffion Madog Evans, Senior Finance Manager

The decision sought / Purpose of the report

- To accept the report on the end of year review (31 March 2021 position) of the capital programme.
 - Note the £27,667,000 spent on the capital programme during the financial year 2020/21, which will be included in the statutory financial statements for 2020/21.
 - Approve the revised financing as shown in part 4 of the report, that is:
 - £3,000 increase in the use of borrowing
 - £10,561,000 increase in the use of grants and contributions
 - No change in the use of capital receipts
 - £234,000 increase in the use of revenue contributions
 - No change in the use of the capital reserve
 - £200,000 increase 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 end of year 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 £114.644m capital programme for the 3 years 2020/21 – 2022/23.

Part 4: The sources of finance for the net increase of approximately £10.998m 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:

- Appendix A: Main changes per source of finance
- Appendix B: Movement from 2020/21 to 2021/22

2. Main Findings

The main findings that arise from the revised position are:

- The Council succeeded in spending approximately £27.7m in 2020/21 on capital projects, with £18.2m (66%) funded from specific grants and £4.1m from the general capital grant.
- The effect of the Covid19 emergency and the lockdown period on the capital programme can be seen clearly. In addition to the £14.1m which was reported at the previous 2020/21 reviews a further £19.3m of proposed expenditure has been re-profiled from 2020/21 to 2021/22, 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 final capital programme for 2020/21 as at the end of March 2021, with the proposed revised position for the subsequent years.

DEPARTMENT	END OF MARCH REVIEW				INCREASE / (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2020/21	2021/22	2022/23	TOTAL	
	£'000	£'000	£'000	£'000	
Education	7,464	10,413	9,540	27,417	(1,107)
Environment	3,468	8,912	199	12,579	7,460
Corporate Support	161	-	-	161	42
Finance	749	1,332	768	2,849	(110)
Economy and Community	1,175	2,107	245	3,527	408
Housing and Property	4,689	17,777	5,052	27,518	1,849
Adults, Health and Wellbeing	1,914	4,635	1,450	7,999	518
Children and Supporting Families	744	1,018	250	2,012	145
Highways and Municipal	4,798	7,895	4,765	17,458	512
Consultancy	2,505	6,998	287	9,790	(19)
Corporate	-	2,834	500	3,334	1,300
TOTAL	27,667	63,921	23,056	114,644	10,998

4. Changes to the Sources of Finance

The budget for the three year programme shows an increase of £10.998m since the previous review. The finalised sources of financing for 2020/21 at the end of March 2021 can be seen below, with the proposed revised position for the subsequent years:

SOURCE OF FINANCE	END OF MARCH REVIEW				Technical Adjustment £'000	INCREASE / (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2020/21	2021/22	2022/23	TOTAL		
	£'000	£'000	£'000	£'000		
Supported Borrowing	4,053	6,610	6,610	17,273	(4,063)	0
Other Borrowing	75	6,000	12	6,087	-	3
Grants and Contributions	22,264	17,714	6,835	46,813	4,063	10,561
Capital Receipts	43	799	13	855	-	0
Departmental & Corporate Revenue	-	59	-	59	(2,526)	234
Capital Fund	-	9,228	1,145	10,373	4,876	0
Renewals & Other Funds	1,232	23,511	8,441	33,184	(2,350)	200
TOTAL	27,667	63,921	23,056	114,644	0	10,998

5. Additional Grants

Since the previous review at the end of November, the Council has succeeded in attracting the following additional grants totalling £12,030k. A number of adjustments including a reduction in schemes lower than the original forecast brings the total movement to £10,561k (see Appendix A for more information) :

- £7,190k Grant from the Local Transport Fund and Safe Routes
- £2,249k Schools Capital Maintenance Grant
- £568k Innovative Housing Grant – Housing Units (Pods)
- £505k Intermediate Care Fund (ICF) – adapting establishments as well as facilitating joint working arrangements with other agencies.
- £376k Various Regeneration grants
- £267k Grants from Welsh Government, Wales Council for Voluntary Action and Natural Resources Wales towards countryside schemes and environmental developments
- £250k Land Release Fund Grant
- £207k Circular Economy Capital Investment Fund Grant

- £125k Resilient Roads Fund Grant
- £117k All Wales Play Opportunities Capital Grant
- £83k Surge Capacity Grant (COVID) to assist with developments in residential homes and day care
- £65k Homelessness Phase II Grant from Welsh Government
- £28k Flying Start COVID Grant from Welsh Government

6. Recommendations

The Cabinet is asked to:

- accept the report on the end of year review (31 March 2021 position) of the capital programme,
- note the £27,667,000 spent on the capital programme during the financial year 2020/21, 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.

View of the Local Member

Not relevant.

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.

Appendices

Appendix A – Details of Main Changes

Appendix B – Details of Budget Re-profiling

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
Grants and Contributions		
• Schools Capital Maintenance Grant (<i>Education Department and Housing and Property Department</i>).	2,249	
• Reassessment of 21st Century Schools Grant Schemes (<i>Education Department</i>).		(1,208)
• Various Regeneration grants from Welsh Government (<i>Economy and Community Department</i>).	376	
• Flying Start COVID Grant from Welsh Government (<i>Children and Families Department</i>).	28	
• All Wales Play Opportunities Capital Grant (<i>Children and Families Department</i>).	117	
• Intermediate Care Fund (ICF) – additional grant from the Welsh Government for adapting establishments as well as facilitating joint working arrangements with other agencies (<i>Adults, Health and Wellbeing Department</i>).	505	
• Surge Capacity Grant (COVID) to assist with developments in residential homes and day care (<i>Adults, Health and Wellbeing Department</i>).	83	
• Adjustments to the financing of the Segontium Relocation Scheme (<i>Adults, Health and Wellbeing Department</i>).	(74)	
• 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>).	112	95
• Resilient Roads Fund Grant (<i>Highways and Municipal Department</i>).	39	86

<ul style="list-style-type: none"> Grant from the Local Transport Fund and Safe Routes from Welsh Government towards several different schemes (<i>Environment Department</i>). 	238	6,952
<ul style="list-style-type: none"> Grants from Welsh Government, Wales Council for Voluntary Action and Natural Resources Wales towards countryside schemes and environmental developments (<i>Environment Department</i>). 	266	1
<ul style="list-style-type: none"> Innovative Housing Grant – Housing Units (Pods) from Welsh Government (<i>Housing and Property Department</i>). 	291	277
<ul style="list-style-type: none"> Homelessness Grant from Welsh Government (<i>Housing and Property Department</i>). 	65	
<ul style="list-style-type: none"> Land Release Fund Grant from Welsh Government for housing developments (<i>Housing and Property Department</i>). 	66	184
<ul style="list-style-type: none"> Adjustment to the HWB Schools Infrastructure Grant – the capital element of the direct funding provided by Welsh Government for schools' IT equipment (<i>Finance Department</i>). 	(201)	
Departmental Revenue		
<ul style="list-style-type: none"> Contributions towards various schools related schemes (<i>Education Department</i>). 	152	
<ul style="list-style-type: none"> Match funding towards various Highways and Municipal schemes (<i>Highways and Municipal Department</i>). 	61	
<ul style="list-style-type: none"> Match funding for the Llandygai Gypsy Site and another Housing scheme (<i>Housing and Property Department</i>). 	16	
Renewals and Other Funds		
<ul style="list-style-type: none"> Vehicle renewals from renewals funds (<i>Highways and Municipal Department; Consultancy Department; Finance Department</i>). 	155	
<ul style="list-style-type: none"> Contribution towards the HWB Schools Infrastructure Information Technology Scheme (<i>Finance Department</i>). 	62	

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 Capital Maintenance Grant (displaced funding in 20/21, reprofiled to 21/22) (<i>Education Department; Housing and Property Department; Corporate</i>)	(2,249)	949
Schools Capital Maintenance Grant (displaced funding in 20/21, reprofiled to 21/22) – sum to be allocated (<i>Corporate</i>)		1,300
Schools' Schemes (21 st Century and Other) (<i>Education Department</i>)	(4,489)	4,489
Bangor and Caernarfon Regeneration (<i>Economy and Community Department</i>)	(758)	758
Maritime, Country Parks' and Leisure Schemes (<i>Economy and Community Department</i>)	(409)	409
Neuadd Dwyfor Investment Scheme (<i>Economy and Community Department</i>)	(555)	555
Child Care Grant Scheme (<i>Children and Families Department</i>)	(768)	768
Adults Residential Establishments' Schemes (<i>Adults, Health and Wellbeing Department</i>).	(924)	924
Penygroes Health and Care Hub (<i>Adults, Health and Wellbeing Department</i>)	(750)	750
Adults Day Care Establishments' Schemes (<i>Adults, Health and Wellbeing Department</i>).	(561)	561
Traffic Lights and LED Street Lighting Schemes (<i>Highways and Municipal Department</i>)	(301)	301
Highways and Bridges Schemes (<i>Highways and Municipal Department</i>)	(1,531)	1,531
Municipal Schemes (<i>Highways and Municipal Department</i>)	(340)	340
Vehicle Renewals (<i>Highways and Municipal Department; Consultancy Department; Environment Department</i>)	(3,315)	3,315
Flood Alleviation Schemes (<i>Consultancy Department</i>)	(1,639)	1,639
Aberdyfi Quay (<i>Consultancy Department</i>)	(1,748)	1,748
Transport Schemes (<i>Environment Department</i>)	(766)	766

Countryside Schemes (<i>Environment Department</i>)	(171)	171
Car Park Resurfacing (<i>Environment Department</i>)	(219)	219
Vehicle Charging Points (<i>Environment Department</i>)	(456)	456
Environment Department Specialist IT Systems (<i>Environment Department</i>)	(72)	72
Housing Grants and Other Schemes (<i>Housing and Property Department</i>)	(1,672)	1,672
Housing Strategy Schemes (<i>Housing and Property Department</i>)	(3,595)	3,595
Homelessness Schemes (<i>Housing and Property Department</i>)	(2,113)	2,113
Office Adaptation Schemes (<i>Housing and Property Department</i>)	(170)	170
Council's Carbon Management Schemes (<i>Housing and Property Department</i>)	(1,142)	1,142
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>)	(95)	95
Asset Plan Resources not allocated until 21/22 (<i>Corporate</i>)	(1,034)	1,034

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.
