

**REPORT TO THE CABINET**  
18 JANUARY 2022

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

**Subject:** Capital Programme 2021/22 –  
End of November Review (30 November 2021 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 2021 position) of the capital programme.
  
  - Approve the revised financing as shown in part 4 of the report, that is:
    - a decrease of £15,000 in the use of borrowing,
    - an increase of £3,134,000 in the use of grants and contributions,
    - an increase of £104,000 in the use of capital receipts,
    - an increase of £75,000 in the use of revenue contributions,
    - a decrease of £1,000 in the use of the capital reserve, and
    - an increase of £363,000 in the use of renewal and other reserves.
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**1. Introduction / Summary**

This technical report is presented as part of the 2021/22 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 £127.675m capital programme for the 3 years 2021/22 – 2023/24.

Part 4: The sources of finance for the net increase of approximately £3.660m since the previous review.

Part 5: Detail on additional grants since the establishment of the original budget.

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 £52.1m in 2021/22 on capital projects, with £27.4m (53%) of it being financed by attracting specific grants.
- The effect of the Covid19 emergency on the capital programme can still be seen in the reported figures in Appendix C, with only 37% of the budget having been spent by the end of November this year, compared to 31% for the same period a year ago and 51% two years ago (2019/20, prior to the Covid19 disruption).
- An additional £22.1m of proposed expenditure has been re-profiled from 2021/22 to 2022/23 and 2023/24, but no loss of funding was caused to the Council where schemes have slipped.

## 3. Capital Programme 2021/22 to 2023/24

See below the revised proposed capital programme as at the end of November 2021.

DEPARTMENT	END OF NOVEMBER REVIEW				INCREASE / (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2021/22	2022/23	2023/24	TOTAL	
	£'000	£'000	£'000	£'000	
Education	8,999	14,909	4,310	28,218	2,664
Environment	13,748	1,019	121	14,888	(975)
Corporate Support	60	-	-	60	60
Finance	944	1,282	838	3,064	3
Economy and Community	3,245	1,666	180	5,091	701
Housing and Property	8,920	21,250	6,929	37,099	(468)
Adults, Health and Wellbeing	3,383	3,361	625	7,369	2
Children and Supporting Families	1,785	482	-	2,267	35
Highways and Municipal	9,273	5,995	3,134	18,402	167
Consultancy	1,834	7,013	42	8,889	1,471
Corporate	-	1,828	500	2,328	-
<b>TOTAL</b>	<b>52,191</b>	<b>58,805</b>	<b>16,679</b>	<b>127,675</b>	<b>3,660</b>

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

The budget for the three year programme shows an increase of £3.660m since the previous review. The proposed sources of financing for this are noted below:

SOURCE OF FINANCE	END OF NOVEMBER REVIEW				INCREASE / (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2021/22	2022/23	2023/24	TOTAL	
	£'000	£'000	£'000	£'000	
Supported Borrowing	8,164	6,610	6,610	21,384	-
Other Borrowing	2,074	7,863	3,289	13,226	(15)
Grants and Contributions	27,423	11,843	247	39,513	3,134
Capital Receipts	236	750	0	986	104
Departmental & Corporate Revenue	2,685	34	0	2,719	75
Capital Fund	843	9,345	204	10,392	(1)
Renewals & Other Funds	10,766	22,360	6,329	39,455	363
<b>TOTAL</b>	<b>52,191</b>	<b>58,805</b>	<b>16,679</b>	<b>127,675</b>	<b>3,660</b>

#### 5. Additional Grants

Since the previous review at the end of August, the Council succeeded in attracting the following additional grants totalling £4,936k. A number of adjustments including a reduction in the use of grants brings the total movement to £3,134k (see Appendix A for more information) :

- £2,331k Schools Repairs and Maintenance Grant
- £1,452k Welsh Government Grant for Flood Alleviation
- £409k Economic Stimulus Fund grant
- £308k 21st Century Schools Grant – Ysgol Trefferthyr Childcare
- £285k Welsh Government Grant towards countryside schemes
- £151k Grants from Welsh Government towards Maritime and Country Parks' schemes

## **6. Recommendations**

**The Cabinet is asked to:**

- **accept the 2021/22 to 2023/24 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 2021/22 – 2023/24 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 2021/22 to 2022/23
- Appendix C: First 8 months' expenditure in 2021/22

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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 :

	2021/22	2022/23- 2023/24
	£'000	£'000
<b>Grants and Contributions</b>		
• Schools Repairs and Maintenance Grant ( <i>Education Department</i> ).	2,331	
• 21st Century Schools Grant – Ysgol Treferyth Childcare ( <i>Education Department</i> ).	308	
• Economic Stimulus Fund grant ( <i>Economy and Community Department; Highways and Municipal Department</i> ).	409	
• Grants from Welsh Government towards Maritime and Country Parks' schemes ( <i>Economy and Community Department</i> ).	151	
• Welsh Government Grant for Flood Alleviation – additional grants and replacement for an element of the Local Borrowing Finance Initiative (LGBI) ( <i>Consultancy Department</i> ).	543	909
• Reduction in the utilisation of Local Transport Fund (LTF) Grants from Welsh Government towards several different and schemes ( <i>Environment Department</i> ).	(1,154)	
• Reduction in the utilisation of Active Travel Fund (ATF) Grants from Welsh Government towards several different schemes ( <i>Environment Department</i> ).	(106)	
• Welsh Government Grant towards countryside schemes including sustainable landscapes ( <i>Environment Department</i> ).	285	
• Adaptation to the Homelessness Grant funded scheme from Welsh Government – third party to be paid directly rather than via the Council ( <i>Housing and Property Department</i> ).	(530)	

<b>Other Borrowing</b>			
• Highways and Municipal Vehicles ( <i>Highways and Municipal Department</i> ).	(15)		
<b>Capital Receipts</b>			
• Adjustment to the match funding for the Llandygai Recycling Centre ( <i>Highways and Municipal Department</i> ).	104		
<b>Departmental and Corporate Revenue</b>			
• Contributions from schools towards schemes ( <i>Education Department</i> ).	26		
• Adjustment to the match funding for the Llandygai Recycling Centre and other schemes ( <i>Highways and Municipal Department</i> ).	(93)		
• Match funding contributions/additional funding towards several schemes ( <i>Economy and Community Department; Adults, Health and Wellbeing Department; Housing and Property Department; Corporate Support Department</i> ).	142		
• Technical Adjustment ( <i>Corporate</i> ).	406	(406)	
<b>Capital Fund</b>			
• Technical Adjustment ( <i>Corporate</i> ).	(406)	406	
<b>Renewals and Other Funds</b>			
• Match funding towards Country Parks' schemes ( <i>Economy and Community Department</i> ).	32	50	
• Vehicles and equipment renewals ( <i>Children and Families Department; Highways and Municipal Department</i> ).	175		
• Contributions towards several schemes ( <i>Consultancy Department; Housing and Property Department; Corporate Support Department</i> ).	102		

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## Details of Budget Re-profiling

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

	2021/22 £'000	2022/23 £'000
Schools' Schemes (21 <sup>st</sup> Century and Other) ( <i>Education Department</i> )	(5,370)	5,370
Caernarfon Coast and Town Regeneration ( <i>Economy and Community Department</i> )	(140)	140
Maritime, Country Parks' and Leisure Schemes ( <i>Economy and Community Department</i> )	(366)	366
Neuadd Dwyfor Investment Scheme ( <i>Economy and Community Department</i> )	(114)	114
Maesgeirchen Integrated Centre Scheme ( <i>Children and Families Department</i> )	(232)	232
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> )	(1,161)	1,161
Vehicle Renewals ( <i>Highways and Municipal Department; Consultancy Department</i> )	(1,219)	1,219
Municipal Schemes ( <i>Highways and Municipal Department</i> )	(48)	48
Flood Alleviation Schemes ( <i>Consultancy Department</i> )	(5,816)	5,816
Transport Schemes ( <i>Environment Department</i> )	(176)	176
Town Improvements ( <i>Environment Department</i> )	(20)	20
Car Park Resurfacing ( <i>Environment Department</i> )	(219)	219
Vehicle Charging Points ( <i>Environment Department</i> )	(356)	356
Environment Department Specialist IT Systems ( <i>Environment Department</i> )	(48)	48
Housing Grants and Other Schemes ( <i>Housing and Property Department</i> )	(2,210)	2,210
Housing Strategy Schemes ( <i>Housing and Property Department</i> )	(6,187)	6,187
Office Adaptation Schemes ( <i>Housing and Property Department</i> )	(123)	123
Capitalised Repairs and Maintenance schemes ( <i>Housing and</i>	(126)	126



<i>Property Department)</i>		
Council's Carbon Management Schemes ( <i>Housing and Property Department</i> )	(1,347)	1,347
Asbestos Removal Schemes ( <i>Housing and Property Department</i> )	(400)	400
Economic Stimulus Schemes and Industrial Units ( <i>Housing and Property Department</i> )	(2,925)	2,925
Finance System Upgrade ( <i>Finance Department</i> )	(14)	14
IT Equipment Renewal ( <i>Finance Department</i> )	(500)	500
Asset Scheme Resources not allocated until 22/23 ( <i>Corporate</i> )	(1,328)	1,328

**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 2021/22

<b>SUMMARY</b>	<b>CAPITAL PROGRAMME FULL YEAR (reviewed November) 2021/22 £'000</b>	<b>ACTUAL EXPENDITURE FOR THE 8 MONTHS TO 30/11/2021 £'000</b>
Education	8,999	3,496
Environment	13,748	3,752
Corporate Support	60	59
Finance (and Information Technology)	944	300
Economy and Community	3,245	1,341
Housing and Property	8,920	4,525
Adults, Health and Wellbeing	3,383	1,014
Children and Supporting Families	1,785	448
Highways and Municipal	9,273	4,335
Consultancy	1,834	119
Corporate	-	-
<b>TOTAL</b>	<b>52,191</b>	<b>19,389</b>

**Note:**

The percentage that has been spent this year (37%) is higher than the position this time last year (amount spent in 8 months in 2020/21 was 31%), but lower than two years ago (51% in 2019/20, prior to the Covid19 disruption).