

REPORT TO THE CABINET
14 JUNE 2022

Cabinet Member: Councillor Ioan Thomas, Finance Cabinet Member

Subject: Capital Programme 2021/22 –
End of Year Review (31 March 2022 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 2022 position) of the capital programme.
 - Note the £37,054,000 spent on the capital programme during the financial year 2021/22, which will be included in the statutory financial statements for 2021/22.
 - Approve the revised financing as shown in part 4 of the report, that is:
 - £173,000 decrease in the use of borrowing
 - £11,304,000 increase in the use of grants and contributions
 - £94,000 decrease in the use of capital receipts
 - £426,000 decrease in the use of revenue contributions
 - No change in the use of the capital reserve
 - £1,003,000 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 2021/22 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 £139.289m capital programme for the 3 years 2021/22 – 2023/24.

Part 4: The sources of finance for the net increase of approximately £11.614m 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 2021/22 to 2022/23

2. Main Findings

The main findings that arise from the revised position are:

- The Council succeeded in spending approximately £37.1m in 2021/22 on capital projects, with £29.9m (81%) 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 that several of the capital schemes were delayed again this year. Additionally, because of the significant increase in building material prices, some schemes have been deliberately delayed. It is this combination of factors that has led to the picture as a whole.
- In addition to the £31.2m which was reported at the previous 2021/22 reviews a further £26.8m of proposed expenditure has been re-profiled from 2021/22 to 2022/23, 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 final capital programme for 2021/22 as at the end of March 2022, with the proposed revised position for the subsequent years.

DEPARTMENT	END OF MARCH REVIEW				INCREASE / (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2021/22	2022/23	2023/24	TOTAL	
	£'000	£'000	£'000	£'000	
Education	7,521	17,811	4,310	29,642	1,424
Environment	10,288	4,943	121	15,352	464
Corporate Support	60	-	-	60	-
Finance	598	1,828	838	3,264	200
Economy and Community	2,882	2,498	180	5,560	469
Housing and Property	4,444	27,022	6,930	38,396	1,297
Adults, Health and Wellbeing	1,378	6,372	625	8,375	1,006
Children and Supporting Families	1,468	1,486		2,954	687
Highways and Municipal	8,045	9,199	3,133	20,377	1,975
Consultancy	370	8,470	42	8,882	(7)
Corporate	-	5,927	500	6,427	4,099
TOTAL	37,054	85,556	16,679	139,289	11,614

4. Changes to the Sources of Finance

The budget for the three year programme shows an increase of £11.614m since the previous review. The finalised sources of financing for 2021/22 at the end of March 2022 can be seen below, with the proposed revised position for the subsequent years:

SOURCE OF FINANCE	END OF MARCH REVIEW				Technical Adjustment	INCREASE / (DECREASE) SINCE THE PREVIOUS REVIEW
	2021/22	2022/23	2023/24	TOTAL		
	£'000	£'000	£'000	£'000		
Supported Borrowing	2,719	7,968	6,610	17,297	(4,087)	0
Other Borrowing	266	9,498	3,289	13,053	-	(173)
Grants and Contributions	33,990	20,886	247	55,123	4,306	11,304
Capital Receipts	79	813	-	892	-	(94)
Departmental & Corporate Revenue	-	131	-	131	(2,162)	(426)
Capital Fund	-	18,248	204	18,452	8,060	0
Renewals & Other Funds	-	28,012	6,329	34,341	(6,117)	1,003
TOTAL	37,054	85,556	16,679	139,289	0	11,614

5. Additional Grants

Since the previous review at the end of November, the Council has succeeded in attracting the following additional grants totalling £11,200k. A number of additional adjustments including a reduction in schemes lower than the original forecast brings the total movement to £11,304k (see Appendix A for more information) :

- £3,213k Additional General Capital Grant
- £3,100k Grants from the Land and Buildings Development Fund
- £1,305k Intermediate Care Fund (ICF) – adapting establishments as well as facilitating joint working arrangements with other agencies
- £1,122k Free School Meals Capital Grant
- £525k Grant funding to support delivery of the North Wales Regional Economic Framework and accelerate post-Covid economic recovery
- £409k Housing Grants including Homelessness and Transforming Towns
- £398k Local Nature Partnership Challenge Fund Grant
- £283k Local Transport Fund and the Active Travel Fund Grant

- £196k Flood Alleviation schemes Grant
- £195k All Wales Play Opportunities Capital Grant
- £177k Flying Start and Child Care Grants from Welsh Government
- £159k Grants from Welsh Government, Wales Council for Voluntary Action and Natural Resources Wales towards countryside schemes and environmental developments
- £118k Transforming Towns Grant from Welsh Government – Storiel adaptations

6. Recommendations

The Cabinet is asked to:

- **accept the report on the end of year review (31 March 2022 position) of the capital programme,**
- **note the £37,054,000 spent on the capital programme during the financial year 2021/22, 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.

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:

	2021/22	2022/23- 2023/24
	£'000	£'000
Other Borrowing		
<ul style="list-style-type: none"> Correction of 2019-20 Flood Alleviation Scheme financing (<i>Consultancy Department</i>). 	(173)	
Grants and Contributions		
<ul style="list-style-type: none"> Free School Meals Capital Grant (<i>Education Department</i>). 	1,122	
<ul style="list-style-type: none"> Welsh Government grant to support delivery of the North Wales Regional Economic Framework and accelerate post-Covid economic recovery and Others (<i>Economy and Community Department</i>). 	525	
<ul style="list-style-type: none"> Transforming Towns Grant from Welsh Government – Storiol adaptations (<i>Economy and Community Department</i>). 	118	
<ul style="list-style-type: none"> Flying Start and Child Care Grants from Welsh Government (<i>Children and Families Department</i>). 	177	
<ul style="list-style-type: none"> All Wales Play Opportunities Capital Grant (<i>Children and Families Department</i>). 	195	
<ul style="list-style-type: none"> Intermediate Care Fund (ICF) – adapting establishments as well as facilitating joint working arrangements with other agencies (<i>Children and Families Department; Adults, Health and Wellbeing Department</i>). 	1,305	
<ul style="list-style-type: none"> Local Nature Partnership Challenge Fund Grant towards wild flowers project (<i>Highways and Municipal Department</i>). 	398	
<ul style="list-style-type: none"> Welsh Government Grant towards Flood Alleviation Schemes (<i>Consultancy Department</i>). 	196	

<ul style="list-style-type: none"> Local Transport Fund (LTF) and the Active Travel Fund Grant (ATF) from Welsh Government towards several different schemes (<i>Environment Department</i>). 	283	
<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>). 	159	
<ul style="list-style-type: none"> Housing Grants including Homelessness and Transforming Towns (<i>Housing and Property Department</i>). 	409	
<ul style="list-style-type: none"> Grants from the Land and Buildings Development Fund from Welsh Government (<i>Housing and Property Department</i>). 	3,100	
<ul style="list-style-type: none"> Additional General Capital Grant (<i>Corporate</i>). 	3,213	
Capital Receipts		
<ul style="list-style-type: none"> Adjustment to the match funding for the Llandygai Recycling Centre (<i>Highways and Municipal Department</i>). 	(104)	
Departmental Revenue		
<ul style="list-style-type: none"> Contributions from schools towards schemes (<i>Education Department</i>). 	356	
<ul style="list-style-type: none"> Adjustment to the match funding for the Llandygai Recycling Centre (<i>Highways and Municipal Department</i>). 	40	
<ul style="list-style-type: none"> Reduction in revenue contribution towards capitalised repairs and maintenance schemes (<i>Housing and Property Department</i>). 	(950)	
<ul style="list-style-type: none"> Contribution towards increase in computer purchases because of Covid working practices (<i>Finance Department</i>). 	198	
Renewals and Other Funds		
<ul style="list-style-type: none"> Expansion of County Highways Major Maintenance Programme by utilising the specific fund (<i>Highways and Municipal Department</i>). 	794	
<ul style="list-style-type: none"> Vehicle renewals from renewals funds (<i>Highways and Municipal Department</i>). 	686	
<ul style="list-style-type: none"> Net reduction in contributions to several schemes (<i>Consultancy Department; Housing and Property Department</i>). 	(508)	31

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 Capital Maintenance Grant (21/22 displaced resource reprofiled to 22/23 to be reallocated) (<i>Education Department; Corporate</i>)	(1,575)	1,575
Schools' Schemes (21 st Century and Other) (<i>Education Department</i>)	(6,462)	6,462
Free School Meals Capital Grant (21/22 displaced resource reprofiled to 22/23) (<i>Education Department</i>)	(1,122)	1,122
Regeneration Schemes (<i>Economy and Community Department</i>)	(279)	279
Maritime, Country Parks' and Leisure Schemes (a number of grants displaced resources which are reprofiled to 22/23) (<i>Economy and Community Department</i>)	(652)	652
Neuadd Dwyfor Investment Scheme (grants displaced resource which has been reprofiled) (<i>Economy and Community Department</i>)	(521)	521
Child Care Capital Grant Schemes (<i>Children and Families Department</i>)	(765)	765
Maesgeirchen Integrated Centre Scheme (<i>Children and Families Department</i>)	(221)	221
Additional Intermediate Care Fund (ICF) Grants (displaced resource reprofiled) (<i>Children and Families Department</i>)	(520)	520
Penygroes Health and Care Hub (<i>Adults, Health and Wellbeing Department</i>)	(2,500)	2,500
Residential Home Schemes, Adults Day Care Establishments' Schemes and other schemes (<i>Adults, Health and Wellbeing Department</i>)	(2,152)	2,152
Vehicle Renewals (<i>Highways and Municipal Department; Consultancy Department; Environment Department</i>)	(3,038)	3,038
Engineering, Structures, Highways and Municipal Schemes (<i>Highways and Municipal Department</i>)	(1,681)	1,681
Flood Alleviation and Land Drainage Schemes (<i>Consultancy Department</i>)	(7,240)	7,240
Transport Schemes (<i>Environment Department</i>)	(3,196)	3,196

Town Improvements and Countryside schemes (<i>Environment Department</i>)	(143)	143
Car Park Resurfacing (<i>Environment Department</i>)	(219)	219
Vehicle Charging Points (<i>Environment Department</i>)	(957)	957
Environment Department Specialist IT Systems (<i>Environment Department</i>)	(72)	72
Housing Grants and Other Schemes (<i>Housing and Property Department</i>)	(2,324)	2,324
Housing Strategy and Homelessness Schemes (<i>Housing and Property Department</i>)	(7,596)	7,596
New Welsh Government housing function grants (displaced resource reprofiled) (<i>Housing and Property Department</i>)	(3,953)	3,953
Office Adaptation Schemes (<i>Housing and Property Department</i>)	(153)	153
Capitalised Repairs and Maintenance schemes (<i>Housing and Property Department</i>)	(222)	222
Council's Carbon Management Schemes (<i>Housing and Property Department</i>)	(1,368)	1,368
Asbestos Removal Schemes (<i>Housing and Property Department</i>)	(491)	491
Economic Stimulus Schemes and Industrial Units (<i>Housing and Property Department</i>)	(2,925)	2,925
IT Equipment Renewal (<i>Finance Department</i>)	(1,045)	1,045
Asset Scheme Resources not allocated until 22/23 (<i>Corporate</i>)	(1,328)	1,328
Additional General Capital Grant 21/22 (<i>Corporate</i>)	(3,213)	3,213

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.
