

REPORT TO THE CABINET
13 JUNE 2023

Cabinet Member: Councillor Ioan Thomas, Finance Cabinet Member

Subject: Capital Programme 2022/23 –
End of Year Review (31 March 2023 position)

Contact Officer: Ffion Madog Evans, Assistant Head of Finance

The decision sought / Purpose of the report

- To accept the report on the end of year review (31 March 2023 position) of the capital programme.
 - Note the £37,131,000 spent on the capital programme during the financial year 2022/23, which will be included in the statutory financial statements for 2022/23.
 - Approve the revised financing as shown in part 4 of the report, that is:
 - £68,000 increase in the use of grants and contributions
 - £30,000 increase in the use of capital receipts
 - £701,000 increase in the use of revenue contributions
 - £797,000 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 2022/23 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 £142.199m capital programme for the 3 years 2022/23 – 2024/25.

Part 4: The sources of finance for the net increase of approximately £1.596m 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 2022/23 to 2023/24

2. Main Findings

The main findings that arise from the revised position are:

- The Council succeeded in spending approximately £37.1m in 2022/23 on capital projects, with £17.1m (46%) funded from specific grants and £2.8m from the general capital grant.
- The effect of the recent financial challenges on the capital programme can still be seen in the reported figures. Re-profiling has occurred because of the significant increase in building material prices, some schemes have been deliberately delayed in addition to a delay in purchasing some vehicles.
- In addition to the £40.8m which was reported at the previous 2022/23 reviews a further £17.4m of proposed expenditure has been re-profiled from 2022/23 to 2023/24, but no loss of funding was caused to the Council where schemes have slipped.

3. Capital Programme 2022/23 to 2024/25

See below the final capital programme for 2022/23 as at the end of March 2023, with the proposed revised position for the subsequent years.

DEPARTMENT	END OF MARCH REVIEW				INCREASE / (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2022/23	2023/24	2024/25	TOTAL	
	£'000	£'000	£'000	£'000	
Education	7,573	24,078	3,085	34,736	2,111
Environment	6,244	1,386	246	7,876	(1,089)
Corporate Support	7	-	-	7	7
Finance	948	1,939	618	3,505	221
Economy and Community	2,232	1,849	150	4,231	66
Housing and Property	6,798	31,246	7,007	45,051	(424)
Adults, Health and Wellbeing	428	6,865		7,293	245
Children and Supporting Families	1,213	716		1,929	258
Highways and Municipal	7,920	8,508	5,686	22,114	1,441
Consultancy	3,768	3,484		7,252	(1,363)
Corporate	-	5,142	3,063	8,205	123
TOTAL	37,131	85,213	19,855	142,199	1,596

4. Changes to the Sources of Finance

The budget for the three year programme shows an increase of £1.596m since the previous review. The finalised sources of financing for 2022/23 at the end of March 2023 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
	2022/23	2023/24	2024/25	TOTAL		
	£'000	£'000	£'000	£'000		
Supported Borrowing	5,431	9,173	9,173	23,777	(2,807)	-
Other Borrowing	2,812	10,005	3,137	15,954	-	-
Grants and Contributions	19,942	15,291	330	35,563	3,093	68
Capital Receipts	695	249	-	944	-	30
Departmental & Corporate Revenue	-	113	-	113	(3,899)	701
Capital Fund	-	23,179	-	23,179	4,726	-
Renewals & Other Funds	8,251	27,203	7,215	42,669	(1,113)	797
TOTAL	37,131	85,213	19,855	142,199	0	1,596

5. Additional Grants

Since the previous review at the end of November, the Council has succeeded in attracting the following additional grants totalling £2,925k. A number of additional adjustments including a reduction in schemes lower than the original forecast brings the total movement to £68k (see Appendix A for more information) :

- £2,243k Schools Capital Repairs and Maintenance Grant 22/23
- £254k Grants from Welsh Government and the National Trust towards a coastal protection scheme
- £177k Flying Start and Child Care Grants from Welsh Government
- £172k Regional Integrated Fund (RIF) Grant – adapting establishments as well as facilitating joint working arrangements with other agencies
- £79k A number of grants towards engineering schemes

6. Recommendations

The Cabinet is asked to:

- accept the report on the end of year review (31 March 2023 position) of the capital programme,
- note the £37,131,000 spent on the capital programme during the financial year 2022/23, 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 2022/23 – 2024/25 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 in relation to propriety.

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:

	2022/23	2023/24- 2024/25
	£'000	£'000
Grants and Contributions		
• Schools Repairs and Maintenance Grant 22/23 (<i>Education Department</i>).	2,243	
• Flying Start and Child Care Grants from Welsh Government (<i>Children and Families Department</i>).	177	
• Regional Integrated Fund (RIF) – adapting establishments as well as facilitating joint working arrangements with other agencies (<i>Adults, Health and Wellbeing Department</i>).	172	
• Grants towards general engineering schemes including Caru Cymru; Safe Streets (<i>Highways and Municipal Department</i>).	79	
• Adjustment to Welsh Government Grant towards Flood Alleviation and Coastal Protection Schemes – subsequently supported borrowing is provided (<i>Consultancy Department</i>).	(1,616)	
• Welsh Government Grant and National Trust contribution towards Coastal Protection Scheme at Porthdinllaen (<i>Consultancy Department</i>).	254	
• Adjustment to the Road Safety Capital Grant from Welsh Government (<i>Environment Department</i>).	(693)	
• Net adjustment to the Local Transport Fund (LTF) and the Active Travel Fund Grant (ATF) from Welsh Government towards several different schemes (<i>Environment Department</i>).	(156)	
• Adjustment to grants from Welsh Government, Wales Council for Voluntary Action and Natural Resources Wales towards countryside schemes and environmental developments (<i>Environment Department</i>).	(406)	

- Transfer additional General Capital Grant received in 21-22 to finance the additional costs of the Pont Bodfel Scheme (to *Highways and Municipal Department from Corporate*). 32
(32)

Capital Receipts

- Contribution towards a car park scheme (*Economy and Community Department*). 30

Departmental Revenue

- Contributions from schools towards various schemes including laboratories; outside areas (*Education Department*). 764
- Contributions towards several schemes (*Economy and Community Department*). 30
- Adjustment to the contributions towards residential and day care establishments (*Adults, Health and Wellbeing Department*). (63)
- Contributions towards several schemes including roads and traffic lighting (*Highways and Municipal Department*). 77
- Additional funding towards a number of transportation schemes where the grant is insufficient (*Environment Department*). 183
- Reduction in the Housing and Property Department's revenue contribution towards capitalised repairs and maintenance schemes for a number of reasons e.g. capitalisation not required; overestimation (*Housing and Property Department*). (498)
- Contribution towards increase in computer purchases (*Finance Department*). 201

Capital Fund

- Transfer unallocated capital funds to finance the additional costs of the Pont Bodfel Scheme (to *Highways and Municipal Department from Corporate*). 845
(845)

Renewals and Other Funds

- Use of Funds to finance additional information technology equipment for schools (*Education Department*). 107
- Vehicle renewals (*Adults, Health and Wellbeing Department*). 130
- Vehicle and equipment renewals from renewals funds (*Highways and Municipal Department*). 571

Details of Budget Re-profiling

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

	2022/23 £'000	2023/24 £'000
Schools Capital Maintenance Grant (22/23 displaced resource reprofiled to 23/24 to be reallocated) (<i>Education Department; Corporate</i>)	(1,865)	1,865
Free School Meals Capital Grant (22/23 displaced resource reprofiled to 23/24) (<i>Education Department</i>)	(1,449)	1,449
Special Educational Needs Capital Grant (22/23 displaced resource reprofiled to 23/24) (<i>Education Department</i>)	(426)	426
Community use of Schools Capital Grant (22/23 displaced resource reprofiled to 23/24) (<i>Education Department</i>)	(650)	650
Schools' Schemes (Sustainable Communities for Learning and Others) (<i>Education Department</i>)	(9,310)	9,310
Regeneration Schemes (<i>Economy and Community Department</i>)	(402)	402
Maritime, Country Parks' and Leisure Schemes (<i>Economy and Community Department</i>)	(811)	811
Neuadd Dwyfor Investment Scheme (<i>Economy and Community Department</i>)	(411)	411
Children and Families Centres Schemes (<i>Children and Families Department</i>)	(716)	716
Penygroes Health and Care Hub (<i>Adults, Health and Wellbeing Department</i>)	(3,500)	3,500
Residential Homes, Adults Day Care Establishments' and other Schemes (<i>Adults, Health and Wellbeing Department</i>)	(2,740)	2,740
Vehicle Renewals (<i>Highways and Municipal; Consultancy; Environment; Housing and Property Departments</i>)	(5,315)	5,315
Engineering, Structures, Highways and Municipal Schemes (<i>Highways and Municipal Department</i>)	(224)	224
Flood Alleviation Schemes (<i>Consultancy Department</i>)	(3,395)	3,395
Transport Schemes, Town Improvements and Countryside Schemes (<i>Environment Department</i>)	(352)	352
Car Parks - Resurfacing, Charging Points etc (<i>Environment Department</i>)	(439)	439

Environment Department Specialist IT Systems <i>(Environment Department)</i>	(72)	72
Housing Grants and Other Schemes <i>(Housing and Property Department)</i>	(5,225)	5,225
Housing Strategy and Homelessness Schemes <i>(Housing and Property Department)</i>	(11,845)	11,845
Office Adaptation Schemes <i>(Housing and Property Department)</i>	(181)	181
Capitalised Repairs and Maintenance schemes <i>(Housing and Property Department)</i>	(206)	206
Council's Carbon Management Schemes <i>(Housing and Property Department)</i>	(3,382)	3,382
Asbestos Removal Schemes <i>(Housing and Property Department)</i>	(418)	418
Economic Stimulus Schemes and Industrial Units <i>(Housing and Property Department)</i>	(2,924)	2,924
IT Equipment Renewal <i>(Finance Department)</i>	(1,101)	1,101
Asset Scheme Resources not allocated until 23/24 <i>(Corporate)</i>	(871)	871

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.
