

**REPORT TO THE CABINET**  
16 JUNE 2020

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

**Subject:** Capital Programme 2019/20 –  
End of Year Review (31 March 2020 position)

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

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**The decision sought / Purpose of the report**

- To accept the report on the end of year review (31 March 2020 position) of the capital programme.
  - Note the £29,069,000 spent on the capital programme during the financial year 2019/20, which will be included in the statutory financial statements for 2019/20.
  - Approve the revised financing as shown in part 4 of the report, that is:
    - £245,000 increase in the use of borrowing
    - £2,363,000 increase in the use of grants and contributions
    - £17,000 decrease in the use of capital receipts
    - £244,000 increase in the use of revenue contributions
    - No change in the use of the capital reserve
    - £74,000 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 2019/20 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 £92.044m capital programme for the 3 years 2019/20 – 2021/22.

Part 4: The sources of finance for the net increase of approximately £2.909m 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 2019/20 to 2020/21

## 2. Main Findings

The main findings that arise from the revised position are:

- The Council succeeded in spending approximately £29.1m in 2019/20 on capital projects, with £16.2m (56%) funded from specific grants and £3.9m from the general capital grant.
- In addition to the £17.1m which was reported at the previous 2019/20 reviews a further £5.7m of proposed expenditure has been re-profiled from 2019/20 to 2020/21, but no loss of funding was caused to the Council where schemes have slipped.

## 3. Capital Programme 2019/20 to 2021/22

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

DEPARTMENT	END OF MARCH REVIEW				INCREASE / (DECREASE) SINCE THE PREVIOUS REVIEW
	2019/20	2020/21	2021/22	TOTAL	
	£'000	£'000	£'000	£'000	
Education	8,757	10,110	1,895	20,762	1,174
Environment	1,926	2,555	178	4,659	202
Corporate Support	0	119	0	119	0
Finance	926	458	1,237	2,621	190
Economy and Community	1,037	2,155	330	3,522	101
Housing and Property	5,328	10,931	4,528	20,787	240
Adults, Health and Wellbeing	1,926	2,993	2,400	7,319	41
Children and Supporting Families	303	1,652	250	2,205	(502)
Highways and Municipal	8,229	8,212	2,200	18,641	527
Consultancy	637	3,640	3,410	7,687	52
Corporate	0	3,037	685	3,722	884
<b>TOTAL</b>	<b>29,069</b>	<b>45,862</b>	<b>17,113</b>	<b>92,044</b>	<b>2,909</b>

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

The budget for the three year programme shows an increase of £2.909m since the previous review. The finalised sources of financing for 2019/20 at the end of March 2020 can be seen below, with the proposed revised position for the subsequent years:

SOURCE OF FINANCE	END OF MARCH REVIEW				INCREASE / (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2019/20	2020/21	2021/22	TOTAL	
	£'000	£'000	£'000	£'000	
Supported Borrowing	4,108	7,535	6,610	18,253	0
Other Borrowing	1,871	4,226	2,567	8,664	245
Grants and Contributions	20,083	9,976	0	30,059	2,363
Capital Receipts	423	855	0	1,278	(17)
Departmental & Corporate Revenue	1,486	2	0	1,488	244
Capital Fund	8	2,277	3,801	6,086	0
Renewals & Other Funds	1,090	20,991	4,135	26,216	74
<b>TOTAL</b>	<b>29,069</b>	<b>45,862</b>	<b>17,113</b>	<b>92,044</b>	<b>2,909</b>

#### 5. Additional Grants

Since the previous review the Council has succeeded in attracting and applying the following additional grants to the capital programme (net sum totalling £2,363k - see Appendix A for more information) :

- £1,975k Schools Capital Maintenance Grant
- £200k HWB Schools Infrastructure Grant – the capital element of the direct funding provided by Welsh Government for schools' IT equipment
- £193k Grants for Recycling and Waste Management
- £162k Local Transport Fund Grant
- £100k Land drainage and flood alleviation grants
- £97k Welsh Government Museums and Libraries Grant
- £50k New Integrated Care Fund Grant towards disability adaptations
- £36k Welsh Government and Natural Resources Wales grants towards countryside schemes
- £32k Intermediate Care Fund (ICF) – adapting establishments as well as facilitating joint working arrangements with other agencies.

## 6. Recommendations

The Cabinet is asked to:

- accept the report on the end of year review (31 March 2020 position) of the capital programme,
- note the £29,069,000 spent on the capital programme during the financial year 2019/20, 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 2019/20 – 2021/22 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 – Details of Main Changes

Appendix B – Details of Budget Re-profiling

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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 :

	2019/20	2020/21- 2021/22
	£'000	£'000
<b>Grants and Contributions</b>		
<ul style="list-style-type: none"> <li>Expansion of 21<sup>st</sup> Century Schools Grant and the correction of an element of Child Care Grants which was included twice (<i>Education Department and Children and Families Department</i>).</li> </ul>	(479)	
<ul style="list-style-type: none"> <li>Schools Capital Maintenance Grant (<i>Education Department and Housing and Property Department</i>).</li> </ul>	1,975	
<ul style="list-style-type: none"> <li>New Integrated Care Fund Grant towards disability adaptations (<i>Housing and Property Department</i>).</li> </ul>	50	
<ul style="list-style-type: none"> <li>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>).</li> </ul>	32	
<ul style="list-style-type: none"> <li>HWB Schools Infrastructure Grant – the capital element of the direct funding provided by Welsh Government for schools' IT equipment (<i>Finance Department</i>).</li> </ul>	200	
<ul style="list-style-type: none"> <li>Land drainage and flood alleviation grants from the Welsh Government (<i>Consultancy Department</i>).</li> </ul>	100	
<ul style="list-style-type: none"> <li>Local Transport Fund Grant from Welsh Government towards several different schemes (<i>Environment Department</i>).</li> </ul>	162	
<ul style="list-style-type: none"> <li>Welsh Government and Natural Resources Wales grants towards countryside schemes (<i>Environment Department</i>).</li> </ul>	36	
<ul style="list-style-type: none"> <li>Grant for Recycling and Waste Management from the Welsh Government (<i>Highways and Municipal Department</i>).</li> </ul>	193	
<ul style="list-style-type: none"> <li>Welsh Government Museums and Libraries Grant (<i>Economy and Community Department</i>).</li> </ul>	97	

**Other Borrowing**

- Recycling and Municipal Vehicles (*Highways and Municipal Department*). 245

**Capital Receipts**

- Changes to Municipal Schemes due to receipt of grants (*Highways and Municipal Department*). (14)

**Departmental Revenue**

- Various schools' vehicles including Bro Idris and Godre'r Berwyn (*Education Department*). 72
- Match funding for Bangor Access Scheme (*Economy and Community Department*). 20
- Contributions towards various Highways schemes (*Highways and Municipal Department*). 33
- Match funding for various Housing schemes including the Gypsy Site and Enable Schemes (*Housing and Property Department*). 120

**Renewals and Other Funds**

- Correction of match funding for Bangor Access Scheme (*Economy and Community Department*). (20)
- Adjustment to the match funding for flood alleviation schemes (*Consultancy Department*). (56)
- Funding adjustment for financing vehicles and fuel tanks from renewals funds (*Highways and Municipal Department and Housing and Property Department*). 63
- Waste Management schemes including skips and recycling carts (*Highways and Municipal Department*). 75

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### Details of Budget Re-profiling

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

	2019/20 £'000	2020/21 £'000
Asset Plan Resources not allocated until 2020/21 ( <i>Corporate</i> )	(1,123)	1,123
Schools' Schemes (21 <sup>st</sup> Century and Other) ( <i>Education Department</i> )	(5,244)	5,244
Health and Safety Schemes ( <i>Corporate Support Department</i> )	(106)	106
Adults establishments' schemes ( <i>Adults, Health and Wellbeing Department</i> )	(1,137)	1,137
Penygroes Health and Care Hub ( <i>Adults, Health and Wellbeing Department</i> )	(250)	250
Segontium Day Service Relocation Scheme ( <i>Adults, Health and Wellbeing Department</i> )	(157)	157
Flood Alleviation Schemes ( <i>Consultancy Department</i> )	(281)	281
Vehicles Renewals ( <i>Highways and Municipal Department and Environment Department</i> )	(2,695)	2,695
Transport Schemes ( <i>Environment Department</i> )	(1,898)	1,898
Car Park Resurfacing ( <i>Environment Department</i> )	(230)	230
Countryside Schemes ( <i>Environment Department</i> )	(134)	134
Adaptation Schemes, Repairs and Maintenance etc on Council Buildings ( <i>Housing and Property Department</i> )	(2,833)	2,833
Council's Carbon Management Schemes ( <i>Housing and Property Department</i> )	(1,192)	1,192
Housing Strategy Schemes ( <i>Housing and Property Department</i> )	(2,056)	2,056
TRIP Grant Schemes ( <i>Housing and Property Department</i> )	352	(352)
Other Housing Schemes ( <i>Housing and Property Department</i> )	(141)	141
Caernarfon and Bangor Regeneration and Renewal Schemes ( <i>Economy and Community Department</i> )	(718)	718
Maritime, Leisure and Library Schemes ( <i>Economy and Community Department</i> )	(558)	558

Child Care Grant Schemes ( <i>Children and Families Department</i> )	(509)	509
Highways Schemes ( <i>Highways and Municipal Department</i> )	(518)	518
Municipal Schemes ( <i>Highways and Municipal Department</i> )	(319)	319
Schools Repairs and Maintenance Grant ( <i>replaced funding in 19/20, which is carried over to 20/21</i> )	(884)	884

**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.

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