

## CYNGOR GWYNEDD – Report to Cyngor Gwynedd Cabinet

<b>Item Title:</b>	Capital Programme 2025/26 – End of Year Review (31 March 2026 position)
<b>Cabinet Member:</b>	Councillor Huw Wyn Jones, Finance Cabinet Member
<b>Relevant Officer:</b>	Ffion Madog Evans, Assistant Head of Finance
<b>Meeting Date:</b>	19 May 2026

### 1. Decision Sought:

- To accept the report on the end of the year review (31 March 2026 position) of the capital programme.
- Approve the revision to the Capital Budget approved on 6 March 2025 and revised on 11 November 2025 and 20 January 2026 from the programme’s financing perspective (as shown in part 3.2.3 of the report), that is:
  - an increase of £35,000 in the use of borrowing
  - an increase of £14,058,000 in the use of grants and contributions
  - an increase of £485,000 in the use of capital receipts
  - an increase of £1,313,000 in the use of revenue contributions
  - a decrease of £2,493,000 in the use of the capital reserve
  - a decrease of £667,000 in the use of renewal and other reserves.

### 2. The reason why the Cabinet needs to make the decision:

It is the Cabinet’s responsibility to act, as necessary, to secure appropriate control over the Council’s budgets. It is necessary to ensure appropriate financing arrangements for the Council’s plans to spend on capital. The Cabinet has the authority to adapt the capital programme. Approval is sought for the proposed programme (part 3.2.2) and financing (part 3.2.3).

These are recommended steps to ensure definite sources of funding for the 2025/26 – 2027/28 capital schemes.

### 3. Introduction and Rationale

#### 3.1 Background/ Introduction

This technical report is presented as part of the 2025/26 end of year. 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 3.2.2 and 3.2.3 of the report (the rationale and justification for recommending the decision) is as follows:

- Part 3.2.1: Main Findings
- Part 3.2.2: Analysis by Department of the £164.866m capital programme for the 3 years 2025/26 – 2027/28.
- Part 3.2.3: The sources of finance for the net increase of approximately £12.731m since the last review.
- Part 3.2.4: Detail of additional grants since the last review.
- Part 3.2.5: Analysis of the capital prudential indicators.

Incorporating funding via grant is a point of order for the Cabinet, 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 technical issues regarding the financing of schemes and relevant implications and debates have already been addressed when the individual schemes were adopted.

## **3.2 Rationale of, and introduction to, the recommended decision**

### **3.2.1 Main Findings**

The main findings that arise from the revised position are:

- Clear plans are in place to invest approximately £83.8m in 2025/26 on capital projects, with £52.7m (63%) of it being financed by attracting specific grants.
- An additional £21.9m of proposed expenditure has been re-profiled from 2025/26 to 2026/27 and 2027/28, but no loss of funding was caused to the Council where schemes have slipped.

### 3.2.2 Capital Programme 2025/26 to 2027/28

See below the final capital programme for 2025/26 as at the end of March 2026, with the proposed revised position for the subsequent years:

DEPARTMENT	END OF MARCH REVIEW				Increase/(Decrease) since the Last Review £000
	2025/26 £000	2026/27 £000	2027/28 £000	Total £000	
Education	13,778	15,359	3,451	32,588	4,529
Environment	7,428	5,222	478	13,128	33
Corporate Support	-	-	-	-	-
Finance	734	696	1,249	2,679	(502)
Economy and Community	20,944	14,359	2,396	37,699	(101)
Housing and Property	22,836	9,014	4,103	35,953	4,926
Adults, Health and Wellbeing	3,742	4,725	-	8,467	2,998
Children and Supporting Families	2,945	1,013	700	4,658	317
Highways, Engineering and Consultancy	11,365	11,629	5,700	28,694	531
Corporate	-	500	500	1,000	-
<b>TOTAL</b>	<b>83,772</b>	<b>62,517</b>	<b>18,577</b>	<b>164,866</b>	<b>12,731</b>

### 3.2.3 Changes to the Sources of Finance

The budget for the three year programme shows an increase of £12.731m since the last review. The finalised sources of financing for 2025/26 at the end of March 2026 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 Last Review £000
	2025/26 £000	2026/27 £000	2027/28 £000	Total £000		
Supported Borrowing	4,070	4,070	4,070	12,210	0	-
Other Borrowing	8,504	6,221	-	14,725	0	35
Grants and Contributions	60,115	22,346	4,871	87,332	3,441	14,058
Capital Receipts	487	158	-	645	0	485
Departmental & Corporate Revenue	2,581	20	-	2,601	0	1,313
Capital Fund	-	21,439	5,279	26,718	9,189	(2,493)
Renewals & Other Funds	8,015	8,263	4,357	20,635	(12,630)	(667)
<b>TOTAL</b>	<b>83,772</b>	<b>62,517</b>	<b>18,577</b>	<b>164,866</b>	<b>0</b>	<b>12,731</b>

### 3.2.4 Additional Grants

Since the previous review at the end of November, the Council succeeded in attracting the additional grants totalling £14.728m, the largest of which are listed below. Several adjustments including a reduction on schemes lower than the original forecast brings the total movement to £14.058m (see Appendix 1 for more information):

- £3.206m Transitional Accommodation Capital Funding Programme Grant (TACP) from Welsh Government
- £2.434m Additional Schools' Repairs and Maintenance Grant 2025/26
- £2.292m Additional General Capital Grant from Welsh Government
- £1.836m Welsh Government grant towards the Learning Disability Community Hub at Canolfan Dolfeurig

- £1.529m Sustainable Communities for Learning Grant – adaptation and addition to various schemes
- £0.763m Welsh Government grant towards the Council's Heating Decarbonisation scheme
- £0.652m Welsh Government grant towards the Mosaic computer system (CCSCP - Connecting Care - Social Care Programme)

### **3.2.5 Capital Prudential Indicators**

The CIPFA Prudential Code notes the need to report these Prudential Indicators (see Appendix 3 for more information).

### **3.3 Next Steps**

To implement the recommendations to finance the programme.

The latest position and information are reflected here, and in bringing the accounts closedown process to a close, there may be further changes. However, no substantial change to the general situation is anticipated.

## **4. Comments by Statutory Officers**

### **4.1 Principal Finance Officer**

I have collaborated with the Cabinet Member in the preparation of this report, and I confirm the content.

### **4.2 Monitoring Officer**

No observations to add in relation to propriety.

### **Appendices List:**

Appendix 1 – Details on Main Changes

Appendix 2 – Details of Budget Reprofileing

Appendix 3 – Capital Prudential Indicators 2025/26

### **Background Documents List:**

2025/2026 Budgets: [Annual budgets](#)

Capital Strategy 2025/26 : Full Council 06/03/25 : [Item 10 - Capital Strategy 2025-26 including Investment and Borrowing Strategies.pdf](#)

## Details of Main Changes

See below the relevant schemes that have caused the main changes to the sources of finance since the previous review:

	2025/26	2026/27- 2027/28
	£'000	£'000
<b>Other Borrowing</b>		
<ul style="list-style-type: none"> <li>Highways, waste and recycling vehicles (<i>Highways, Engineering and Consultancy; Environment Departments</i>).</li> </ul>	36	
<b>Grants and Contributions</b>		
<ul style="list-style-type: none"> <li>Additional Schools' Repairs and Maintenance Grant 2025/26 (<i>Education Department</i>).</li> </ul>	2,434	
<ul style="list-style-type: none"> <li>Sustainable Communities for Learning Grant – adaptation and addition to various schemes (<i>Education Department</i>).</li> </ul>	809	720
<ul style="list-style-type: none"> <li>Grants and Contributions from a number of agencies towards a hockey pitch and 3G pitch at schools in the south of the county (<i>Education Department</i>).</li> </ul>	235	
<ul style="list-style-type: none"> <li>Section 106 Planning legislation contributions used towards schools (<i>Education Department</i>).</li> </ul>	121	
<ul style="list-style-type: none"> <li>Transforming Towns Grant from Welsh Government (<i>Economy and Community Department</i>).</li> </ul>	79	
<ul style="list-style-type: none"> <li>Pride of Place Grant from the UK Government (<i>Economy and Community Department</i>).</li> </ul>	50	
<ul style="list-style-type: none"> <li>Adjustment to the Shared Prosperity Fund grant from the UK government – a sum is paid to Gwynedd Council to be distributed across the counties of north Wales (<i>Economy and Community Department</i>).</li> </ul>	(52)	
<ul style="list-style-type: none"> <li>Adjustment to the Welsh Government grant to reduce the Carbon Footprint (<i>Economy and Community Department</i>).</li> </ul>	(51)	
<ul style="list-style-type: none"> <li>Adjustment to the Welsh Government grant to improve access to the Archives (<i>Economy and Community Department</i>).</li> </ul>	(47)	

- Adjustment to the Welsh Government Childcare Capital Grant (94)  
*(Children and Families).*
- Housing with Care Fund (HCF) Grant for children's homes from Welsh Government (Children and Supporting Families Department). 225
- Play Opportunities Wales Grant (Children and Supporting Families Department). 182
- Welsh Government grant towards the Mosaic computer system (CCSCP - Connecting Care - Social Care Programme) (Adults, Health and Wellbeing Department). 652
- Regional Integration Fund (RIF) Grant – additional grant from Welsh Government towards adapting establishments as well as facilitating joint working arrangements with other agencies (Department for Adults, Health and Wellbeing). 221
- Welsh Government grant towards Penrhos Care Home (Adults, Health and Wellbeing Department). 289
- Welsh Government grant towards the Learning Disability Community Hub at Canolfan Dolfeurig (Adults, Health and Wellbeing Department). 1,836
- Adjustments to grants from the Local Transport Fund (LTF); Active Travel Fund (ATF); Resilient Roads Fund (RRF) and the Safe Routes in Communities Grant (SRiC) from Welsh Government towards several different schemes (Environment Department). (207)
- Adjustments to grants and contributions from the Welsh Government, Natural Resources Wales, Wales Council for Voluntary Action (WCVA) and Local Nature Partnerships towards countryside schemes (Environment Department) (105)
- An adjustment to Welsh Government grant from the Very Low Emission Vehicle Transformation Fund (ULEVTF) for electric vehicle charging points and solar points (Environment Department). (30)
- Welsh Government Transforming Towns Grant towards Homelessness schemes (Housing and Property Department). 506

<ul style="list-style-type: none"> <li>• Transitional Accommodation Capital Funding Programme Grant (TACP) from Welsh Government (<i>Housing and Property Department</i>).</li> </ul>	3,206	
<ul style="list-style-type: none"> <li>• Section 106 Planning legislation contributions used towards specific houses (<i>Housing and Property Department</i>).</li> </ul>	108	
<ul style="list-style-type: none"> <li>• Adjustment to the Welsh Leasing Scheme Grant from Welsh Government (<i>Housing and Property Department</i>).</li> </ul>	(58)	
<ul style="list-style-type: none"> <li>• Welsh Government grant towards the Council's Heating Decarbonisation scheme (<i>Housing and Property Department</i>).</li> </ul>	730	33
<ul style="list-style-type: none"> <li>• Additional General Capital Grant from Welsh Government (<i>Corporate</i>).</li> </ul>	2,292	
<b>Capital Receipts</b>		
<ul style="list-style-type: none"> <li>• Correction of contributions towards electric vehicles whilst compensating departmental renewal funds (<i>Highways, Engineering and Consultancy; Environment Departments</i>).</li> </ul>	484	
<b>Departmental and Corporate Revenue</b>		
<ul style="list-style-type: none"> <li>• Individual schools' contributions towards various specific schemes (<i>Education Department</i>).</li> </ul>	215	
<ul style="list-style-type: none"> <li>• Revenue contributions towards various specific schemes (<i>Economy and Community Department</i>).</li> </ul>	166	
<ul style="list-style-type: none"> <li>• Revenue contributions towards various schemes (<i>Highways, Engineering and Consultancy; Environment Departments</i>).</li> </ul>	193	
<ul style="list-style-type: none"> <li>• Revenue contributions towards various schemes including homelessness schemes (<i>Housing and Property Department</i>).</li> </ul>	692	
<ul style="list-style-type: none"> <li>• Adjustments of departmental contributions toward additional computer equipment (<i>Finance Department</i>).</li> </ul>	50	
<b>Capital Fund</b>		
<ul style="list-style-type: none"> <li>• Correction of funding for the 24/25 VOIP telephone project - specific fund to be used (<i>Finance Department</i>).</li> </ul>	(201)	
<ul style="list-style-type: none"> <li>• Adjustment in the use of the Capital Fund due to the receipt of the additional General Capital Grant from Welsh Government (<i>Corporate</i>).</li> </ul>	(2,292)	

**Renewals and Other Funds**

- |  |       |   |
|--|-------|---|
| • Adjustment to the match funding/additional contributions towards various schemes ( <i>Economy and Community Department</i> ).  | (257) |   |
| • Correction of capital receipt contributions towards electric vehicles whilst compensating departmental renewal funds ( <i>Highways, Engineering and Consultancy; Environment Departments</i> ).  | (484) |   |
| • Contribution/ adjustment towards various schemes including the upgrade of the Incinerator at Bangor Crematorium ( <i>Highways, Engineering and Consultancy Department</i> ).   | 356   |   |
| • Vehicle and Equipment Renewals from departmental reserves ( <i>Highways, Engineering and Consultancy; Environment Departments</i> ).   | 329   |   |
| • Adjustment to the contribution from the Council Tax Premium Fund towards the Housing Strategy schemes ( <i>Housing and Property Department</i> ).  | (570) |   |
| • Contributions towards climate and decarbonisation schemes ( <i>Housing and Property Department</i> ).  | 297   | 4 |
| • Adjustment to the funding of the scheme to strengthen the infrastructure and other IT schemes through revenue over a number of years whilst using the same funds originally earmarked to fund the capital ( <i>Finance Department</i> ). | (552) |   |
| • Correction of funding for the 24/25 VOIP telephone project - specific fund to be used ( <i>Finance Department</i> ).   | 201   |   |

-----

**Details of Budget Re-profiling**

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

	2025/26	2026/27 - 2027/28
	£'000	£'000
Schools' Schemes (Sustainable Communities for Learning and Others) ( <i>Education Department</i> )	(10,928)	10,928
Economic Stimulus Schemes and Industrial Units ( <i>Economy and Community Department</i> )	(1,881)	1,881
Levelling Up Fund ( <i>Economy and Community Department</i> )	(6,078)	6,078
Shared Prosperity Fund ( <i>Economy and Community Department</i> )	(1,987)	1,987
Maritime, Country Parks, Culture and Leisure schemes ( <i>Economy and Community Department</i> )	(1,592)	1,592
Children's Establishments ( <i>Children and Supporting Families Department</i> )	(1,013)	1,013
Provision to Joint-fund Care Projects ( <i>Adults, Health and Wellbeing Department</i> )	(1,500)	1,500
Residential Establishments, Day Care and other schemes in the Adults' area ( <i>Adults, Health and Wellbeing Department</i> )	(1,726)	1,726
Road and Municipal schemes ( <i>Highways, Engineering and Consultancy Department</i> )	(1,197)	1,197
Vehicle and Equipment Renewals ( <i>Highways, Engineering and Consultancy; Environment; Housing and Property Departments</i> )	(3,172)	3,172
Coastal Risk and Flood Prevention Plans ( <i>Highways, Engineering and Consultancy Department</i> )	(1,880)	1,880
Transport, Urban Improvements and Countryside management schemes ( <i>Environment Department</i> )	(291)	291
Car Parks ( <i>Environment Department</i> )	(221)	221
Specialist Environment Department IT Systems ( <i>Environment Department</i> )	(48)	48

Waste and Recycling Schemes ( <i>Environment Department</i> )	(2,156)	2,156
Housing Strategy schemes ( <i>Housing and Property Department</i> )	(164)	164
Housing Grants and Other Schemes ( <i>Housing and Property Department</i> )	(1,151)	1,151
Disabled Adaptation, Offices; Smallholdings' Schemes ( <i>Housing and Property Department</i> )	(105)	105
Council's Carbon Management and Solar Panel Schemes ( <i>Housing and Property Department</i> )	(3,175)	3,175
Asbestos Disposal Schemes ( <i>Housing and Property Department</i> )	(164)	164
IT equipment renewals ( <i>Finance Department</i> )	26	(26)

**Note:**

The above re-profiling will not result in any loss in grant.

There are 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 must cope for longer with current assets which have not been improved.

### Capital Prudential Indicators 2025/26 - Outturn

The Council measures and manages its capital expenditure and borrowing with references to the following indicators.

It is now a requirement of the CIPFA Prudential Code that these are reported on a regular basis.

The latest position and information are reflected here, and in bringing the accounts closedown process to a close, there may be further changes. However, no substantial change to the general situation is anticipated.

### Capital Expenditure

The Council has undertaken and is planning capital expenditure as summarised below.

	<b>2024/25 Actual £m</b>	<b>2025/26 Actual £m</b>	<b>2026/27 Budget £m</b>	<b>2027/28 Budget £m</b>
General Fund Services	85.0	84.6	62.9	18.9
Leasing General Fund	5.3	0.0	0.0	0.0
<b>TOTAL</b>	<b>90.3</b>	<b>84.6</b>	<b>62.9</b>	<b>18.9</b>

The main General Fund capital projects in 2025/26 y include (see the review reports for reprofiling details as applicable):

- Sustainable Communities for Learning Schemes - £12.4m
- Levelling Up Fund Schemes - £11.0m
- Housing Schemes/Strategy - £7.5m
- Departmental Vehicles - £6.9m
- Adults' Homes/ Centres - £4.5m
- Property Schemes - £3.9m

### Capital Financing Requirement

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with Minimum Revenue Provision (MRP) and capital receipts used to replace debt.

	<b>31.3.2025</b>	<b>31.3.2026</b>	<b>31.3.2027</b>	<b>31.3.2028</b>
	<b>Actual</b>	<b>Actual</b>	<b>Forecast</b>	<b>Forecast</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
General Fund Services	179.9	186.4	190.3	187.7

### Gross Debt and the Capital Financing Requirement

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. The Council has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	<b>31.3.2025</b>	<b>31.3.2026</b>	<b>31.3.2027</b>	<b>31.3.2028</b>
	<b>Actual</b>	<b>Actual</b>	<b>Forecast</b>	<b>Forecast</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Debt (including Private Finance Initiative (PFI) and leases)	100.1	79.0	73.6	71.6
Capital Financing Requirement	179.9	186.4	190.3	187.7

### Debt and the Authorised Limit and Operational Boundary

The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	Maximum Debt 2025/26 £m	Debt at 31.03.2026 £m	2025/26 Authorised Limit £m	2025/26 Operational Boundary £m	Complied ?
Borrowing	94.1	73.9			
Private Finance Initiative (PFI) and Finance Leases	6.0	5.1			
<b>Total Debt</b>	<b>100.1</b>	<b>79.0</b>	200	190	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

### Proportion of Financing Costs to Net Revenue Stream

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and Minimum Revenue Provision (MRP) are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, National Non-Domestic Rates and general government grants.

	2024/25 Actual	2025/26 Actual	2026/27 Budget	2027/28 Budget
Financing Costs (£m)	8.5	10.1	10.0	10.3
Proportion of Net Revenue Stream (%)	2.5%	2.8%	2.6%	2.7%

### Treasury Management Indicators

These indicators (Liability Benchmark, Maturity Structure of Borrowing, Long-Term Treasury Management Investments) are reported separately as part of the Treasury Management Report for the period under review.