

CYNGOR GWYNEDD – Report to Cyngor Gwynedd Cabinet

Item Title:	Capital Programme 2024/25 – End of Year Review (31 March 2025 position)
Cabinet Member:	Councillor Huw Wyn Jones, Finance Cabinet Member
Relevant Officer:	Ffion Madog Evans, Assistant Head of Finance
Meeting Date:	13 May 2025

1. Decision Sought:

- To accept the report on the end of the year review (31 March 2025 position) of the capital programme.
- Approve the revision to the Capital Budget approved on 7 March 2024 and revised on 15 October 2024 and 21 January 2025 from the programme’s financing perspective (as shown in part 3.2.3 of the report), that is:
 - an increase of £4,409,000 in the use of borrowing
 - an increase of £17,639,000 in the use of grants and contributions
 - an increase of £75,000 in the use of capital receipts
 - a decrease of £422,000 in the use of revenue contributions
 - a decrease of £3,898,000 in the use of the capital reserve
 - an increase of £1,555,000 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 2024/25 – 2026/27 capital schemes.

3. Introduction and Rationale

3.1 Background/ Introduction

This technical report is presented as part of the 2024/25 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 £194.482m capital programme for the 3 years 2024/25 – 2026/27.
- Part 3.2.3: The sources of finance for the net increase of approximately £19.358m 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 £85.2m in 2024/25 on capital projects, with £61.6m (72%) of it being financed by attracting specific grants.
- An additional £33.4m of proposed expenditure has been re-profiled from 2024/25 to 2025/26 and 2026/27, but no loss of funding was caused to the Council where schemes have slipped.

3.2.2 Capital Programme 2024/25 to 2026/27

See below the final capital programme for 2024/25 as at the end of March 2025, with the proposed revised position for the subsequent years:

DEPARTMENT	END OF MARCH REVIEW				INCREASE/ (DECREASE) SINCE THE LAST REVIEW £'000
	2024/25	2025/26	2026/27	TOTAL	
	£'000	£'000	£'000	£'000	
Education	12,086	20,568	2,795	35,449	274
Environment	7,516	3,698	1,697	12,911	1,119
Corporate Services	87	-	-	87	13
Finance	1,451	1,413	609	3,473	103
Economy and Community	40,298	15,538	1,974	57,810	12,091
Housing and Property	12,386	28,720	6,850	47,956	3,982
Adults, Health and Wellbeing	468	6,663	-	7,131	10
Children and Supporting Families	2,402	483	-	2,885	228
Highways, Engineering and Consultancy	8,489	12,445	4,551	25,485	4,633
Chief Executive	-	-	-	-	-
Corporate	-	795	500	1,295	(3,095)
CYFANSWM	85,183	90,323	18,976	194,482	19,358

3.2.3 Changes to the Sources of Finance

The budget for the three year programme shows an increase of £19.358m since the last review. The finalised sources of financing for 2024/25 at the end of March 2025 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
	2024/25	2025/26	2026/27	TOTAL		
	£'000	£'000	£'000	£'000		
Supported Borrowing	4,057	4,057	4,057	12,171	0	0
Other Borrowing	3,056	17,825	4,119	25,000	0	4,409
Grants and Contributions	66,547	29,442	6,511	102,500	714	17,639
Capital Receipts	43	161	-	204	0	75
Departmental & Corporate Revenue	1,140	20	-	1,160	0	(422)
Capital Fund	-	19,632	307	19,939	2,688	(3,898)
Renewals & Other Funds	10,340	19,186	3,982	33,508	(3,402)	1,555
TOTAL	85,183	90,323	18,976	194,482	0	19,358

**The General Capital Grant from the settlement is shown on the Grants row rather than as part of the Borrowing/Settlement as in the 2024/25 budget.*

3.2.4 Additional Grants

Since the previous review at the end of November, the Council succeeded in attracting the additional grants totalling £19.382m, the largest of which are listed below. Several adjustments including a reduction on schemes lower than the original forecast brings the total movement to £17.639m (see Appendix 1 for more information):

- £10.613m Adjustment to the Grant from the UK Government's Shared Prosperity Fund
- £1.864m Transitional Accommodation Capital Funding Programme Grant (TACP) from Welsh Government
- £1.362m ARFOR 2 grant from Welsh Government

- £0.971m Land and Buildings Development Grant and others
- £0.800m Additional General Capital Grant from Welsh Government
- £0.713m Additional Schools' Repairs and Maintenance Grant 2024/25
- £0.457m Childcare Capital Grant from the Welsh Government

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 in relation to propriety.

Appendices List:

Appendix 1 – Details on Main Changes

Appendix 2 – Details of Budget Reprofileing

Appendix 3 – Capital Prudential Indicators 2024/25

Background Documents List:

2024-2025 Budget : [Annual budgets \(llyw.cymru\)](#)

Capital Strategy 2024-25 : Full Council 07/03/24 : [Item 12 - Capital Strategy 2024-25 including Investment and Borrowing Strategies.pdf \(llyw.cymru\)](#)

Details of Main Changes

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

	2024/25 £'000	2025/26- 2026/27 £'000
Other Borrowing		
<ul style="list-style-type: none"> Small Group Homes Schemes (<i>Children and Supporting Families Department</i>). 	21	
<ul style="list-style-type: none"> Coastal Risk Management Programme (CRMP) Viaduct Gardens, Barmouth (<i>Highways, Engineering and Consultancy Department</i>). 	876	3,489
<ul style="list-style-type: none"> Waste and Recycling vehicles; adjusting the financing of information technology Equipment (<i>Environment; Finance Departments</i>). 	23	
Grants and Contributions		
<ul style="list-style-type: none"> Additional Schools' Repairs and Maintenance Grant 2024/25 (<i>Education Department</i>). 	713	
<ul style="list-style-type: none"> Sustainable Communities for Learning Grant – adapt and add various schemes (<i>Education Department</i>). 	(129)	
<ul style="list-style-type: none"> Grants and Contributions from several agencies towards the hockey pitch at Ysgol Godre'r Berwyn, Y Bala (<i>Education Department</i>). 	220	
<ul style="list-style-type: none"> Initial part of the Sustainable Schools' Challenge Grant towards Ysgol Bontnewydd (<i>Education Department</i>). 	118	
<ul style="list-style-type: none"> Grant from Energy Services, Welsh Government towards ultra low emission Vehicles (<i>Education; Highways, Engineering and Consultancy Department; Environment; Housing and Property Departments</i>). 	120	
<ul style="list-style-type: none"> ARFOR 2 scheme grants for the development of enterprising communities from Welsh Government (<i>Economy and Community Department</i>) 	1,362	
<ul style="list-style-type: none"> Adjustments to regeneration grants from Welsh Government (<i>Economy and Community Department</i>) 	(60)	

• Circular Economy Grant from Welsh Government (<i>Economy and Community Department</i>).	157
• Adjustment to the grant from Welsh Government towards the scheme to develop the Health and Welfare Centre at Bangor (<i>Economy and Community Department</i>).	(274)
• Direct Food Assistance Grant from Welsh Government (<i>Economy and Community Department</i>).	46
• Grant from the UK Government's Shared Prosperity Fund – a sum is paid to Gwynedd Council to be distributed across the counties of north Wales (<i>Economy and Community Department</i>).	10,613
• Adjustment to the Welsh Government Grant to develop a system for managing libraries (<i>Economy and Community Department</i>).	(23)
• Childcare Capital Grant from the Welsh Government (<i>Children and Supporting Families Department</i>).	457
• Welsh Government's Housing with Care Fund Grant towards children's homes (<i>Children and Supporting Families Department</i>).	(249)
• Regional Integrated Fund (RIF) – additional grant from Welsh Government towards adapting establishments as well as facilitating joint working arrangements with other agencies (<i>Adults, Health and Wellbeing Department</i>).	(118)
• <i>Adjustment to the Welsh Government Grant towards the residential scheme at Penrhos, Pwllheli (Adults, Health and Wellbeing Department).</i>	(111)
• Brilliant Basics Grant from Welsh Government for the upgrading of public conveniences (<i>Highways, Engineering and Consultancy Department</i>).	25
• Adjustment to the design element grant from Welsh Government towards the North Prom, Barmouth scheme (<i>Highways, Engineering and Consultancy Department</i>).	(900)
• Welsh Government grant towards flood alleviation scheme at Afon Cadnant, Caernarfon (<i>Highways, Engineering and Consultancy Department</i>).	419

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| • Welsh Government's Road Safety Capital Grant towards various schemes (<i>Environment Department</i>). | 79 | |
| • Local Transport Fund (LTF) and Active Travel Fund (ATF) grants from Welsh Government towards several different schemes (<i>Environment Department</i>). | 281 | |
| • Grants and contributions from Welsh Government, Natural Resources Wales and the Wales Council for Voluntary Action (CGGC(WCVA)) towards countryside schemes (<i>Environment Department</i>). | 209 | |
| • Contribution towards grass cutting equipment from the Gwynedd Nature Partnership (<i>Environment Department</i>). | 27 | |
| • Land and Buildings Development Grant from Welsh Government and other contributions towards scheme feasibility studies (<i>Housing and Property Department</i>). | 971 | |
| • Transitional Accommodation Capital Funding Programme Grant (TACP) from Welsh Government (<i>Housing and Property Department</i>). | 1,864 | |
| • Leasing Scheme Wales Grant from the Welsh Government (<i>Housing and Property Department</i>). | 57 | |
| • Adjustment to the Welsh Government Land Release Fund (LRF) grant (<i>Housing and Property Department</i>). | 213 | |
| • Welsh Government Disabled Facilities Grant (<i>Housing and Property Department</i>). | 105 | |
| • Grant towards the Council's Heating Decarbonisation scheme (<i>Housing and Property Department</i>). | 109 | |
| • Welsh Energy Grant towards electrical batteries (<i>Housing and Property Department</i>). | 299 | |
| • Additional General Capital Grant from Welsh Government (<i>Corporate</i>). | 800 | |

Capital Receipts

Improvements to the site at Glyn Rhonwy, Llanberis (<i>Economy and Community Department</i>).	3	53
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- Funding of various costs relating to the Housing Management Grants scheme (*Housing and Property Department*). 19

Departmental and Corporate Revenue

- Adjustment to the use of revenue due to the receipt of the Schools' Repairs and Maintenance Grant 2024/25 (*Education Department*). (1,005)
- Individual schools' contributions towards several specific schemes (*Education Department*). 215
- Revenue contributions towards toilet scheme (*Highways, Engineering and Consultancy Department*). 29
- Revenue contributions towards several environmental schemes (*Environment Department*). 67
- Revenue contributions towards several property schemes (*Housing and Property Department*). 201
- Several departmental contributions towards the purchase of computer equipment (*Finance Department*). 70

Capital Fund

- Adjustment in the use of the Capital Fund because of the receipt of the additional General Capital Grant from Welsh Government (*Corporate*). (800)
- Adjustment in the use of the Capital Fund because the Asset Management Scheme has already been reprofiled in the 25/26 Budget and thus no need for the slippage of funds (*Corporate*). (3,095)

Renewals and Other Funds

- Adjustment to match funding contributions towards various schemes (*Economy and Community Department*). 153
- Vehicle and Equipment Renewals from departmental reserves (*Highways, Engineering and Consultancy; Housing and Property Departments*). 772
- Climate fund contribution towards renewals of vehicles with electrical ones (*Education; Highways, Engineering and Consultancy ; Environment; (Housing and Property Departments)*). 143

• Transformation fund contribution towards Electrical Waste collection vehicles (<i>Highways, Engineering and Consultancy Department</i>).	48
• Match funding towards flood alleviation scheme at Afon Cadnant, Caernarfon (<i>Highways, Engineering and Consultancy Department</i>).	74
• Match funding towards countryside schemes (<i>Environment Department</i>).	165
• Contribution towards office adaptation works and other schemes (<i>Housing and Property Department</i>).	145
• Purchase of interactive screens on behalf of schools – to be recharged (<i>Finance Department</i>).	44

Details of Budget Re-profiling

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

	2024/25	2025/26 - 2026/27
	£'000	£'000
Schools' Schemes (Sustainable Communities for Learning and Others) (<i>Education Department</i>)	(15,987)	15,987
Economic Stimulus Schemes and Industrial Units; Regeneration (<i>Economy and Community Department</i>)	(2,971)	2,971
Levelling Up Fund (<i>Economy and Community Department</i>)	(10,756)	10,756
Maritime, Country Parks and Leisure schemes (<i>Economy and Community Department</i>)	(530)	530
Children's establishments including the Maesgeirchen Integrated Centre scheme (<i>Children and Supporting Families Department</i>)	(483)	483
Penygroes Health and Care Hub (<i>Adults, Health and Wellbeing Department</i>)	(3,500)	3,500
Residential Establishments, Day Care and other schemes in the Adults' area (<i>Adults, Health and Wellbeing Department</i>)	(3,163)	3,163
Highway schemes; structures; purchase of burial land; Crematorium (<i>Highways, Engineering and Consultancy</i>)	(1,176)	1,176
Vehicle and Equipment Renewals (<i>Highways, Engineering and Consultancy; Environment; Housing and Property Departments</i>)	(5,912)	5,912
Coastal Risks and Flood Prevention schemes (<i>Highways, Engineering and Consultancy</i>)	(2,432)	2,432
Transport schemes, Urban Improvements and Countryside schemes (<i>Environment Department</i>)	(324)	324
Car Parks – Resurfacing, pay and display machines (<i>Environment Department</i>)	(99)	99
Environment Department Specialist IT systems (<i>Environment Department</i>)	(48)	48
Waste and Recycling Schemes (<i>Environment Department</i>)	(162)	162

Housing Strategy Schemes (<i>Housing and Property Department</i>)	(16,828)	16,828
Housing Grants and Other Schemes (<i>Housing and Property Department</i>)	(1,113)	1,113
Disabled Adaptation, Offices; Smallholdings Schemes (<i>Housing and Property Department</i>)	(254)	254
Council's Carbon Management and Solar Panel Schemes (<i>Housing and Property Department</i>)	(2,822)	2,822
Asbestos Disposal Schemes (<i>Housing and Property department</i>)	(271)	271
Heating Decarbonisation Schemes (<i>Housing and Property Department</i>)	(158)	158
IT Equipment Renewal (<i>Finance Department</i>)	(915)	915
Unallocated Asset Scheme Resources (<i>Corporate</i>)	(295)	295

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.

APPENDIX 3

Capital Prudential Indicators 2024/25 - 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.

	2023/24 Actual £m	2024/25 Actual £m	2025/26 Budget £m	2026/27 Budget £m
General Fund Services	56.9	85.0	90.7	19.3
Leasing General Fund *	0.0	5.0	0.0	0.0
TOTAL	56.9	90.0	90.7	19.3

** Capital Expenditure for 2024/25 includes £5m due to a change in the accounting for leases and does not represent cash expenditure.*

The main General Fund capital projects in 2024/25 include (see the review reports for reprofiling details as applicable) :

- Housing Schemes/Strategy - £17.9m
- Shared Prosperity Fund Schemes - £16.4m
- Sustainable Communities for Learning Schemes - £16.1m
- Levelling Up Fund Schemes - £10.1m
- Coastal Flood Protection - £3.9m
- Property Schemes - £3.7m

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.

	31.3.2024 Actual £m	31.3.2025 Actual £m	31.3.2026 Forecast £m	31.3.2027 Forecast £m
General Fund Services *	173.5	179.6	195.6	197.4

** The Capital Financing Requirement for 2024/25 and subsequent years includes a £5m increase due to a change in the accounting for leases.*

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.

	31.3.2024 Actual £m	31.3.2025 Actual £m	31.3.2026 Forecast £m	31.3.2027 Forecast £m
Debt (including Private Finance Initiative (PFI) and leases)	101.3	98.7	94.0	88.6
Capital Financing Requirement	173.5	179.6	195.6	197.4

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 2024/25 £m	Debt at 31.03.2025 £m	2024/25 Authorised Limit £m	2024/25 Operational Boundary £m	Complied ?
Borrowing	98.3	93.0			
Private Finance Initiative (PFI) and Finance Leases	5.7	5.7			
Total Debt	104.0	98.7	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.

	2023/24 Actual	2024/25 Actual	2025/26 Budget	2026/27 Budget
Financing Costs * (£m)	£7.1m	£9.1m	£10.6m	£11.2m
Proportion of Net Revenue Stream (%)	2.2%	2.7%	3.0%	3.1%

** Financing costs for 2024/25 and subsequent years includes a £0.7m increase due to a change in the accounting for leases.*

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.