

ISLE OF ANGLESEY COUNTY COUNCIL		
Report to:	EXECUTIVE COMMITTEE	
Date:	30 NOVEMBER 2020	
Subject:	BUDGET MONITORING REPORT SECOND QUARTER 2020/21 - CAPITAL	
Portfolio Holder(s):	COUNCILLOR R WILLIAMS	
Head of Service / Director:	MARC JONES (EXT. 2601)	
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Local Members:	n/a	
A –Recommendation/s and reason/s		
<ul style="list-style-type: none"> It is recommended that the Executive note the progress of expenditure and receipts against the capital budget 2020/21 at quarter 2. To approve £4.449m of Unsupported Borrowing in relation to the conditions of the Waste Contract awarded to Biffa, as per paragraph 3.3.1 of this report. 		
B – What other options did you consider and why did you reject them and/or opt for this option?		
n/a		
C – Why is this a decision for the Executive?		
<ul style="list-style-type: none"> This report sets out the financial performance of the Capital budget for the second quarter of the financial year. Budget monitoring is a designated Executive function. 		
CH – Is this decision consistent with policy approved by the full Council?		
Yes		
D – Is this decision within the budget approved by the Council?		
Setting of the annual Capital Budget.		
DD – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	Report has been reviewed by the SLT and comments incorporated into the final report.
2	Finance / Section 151(mandatory)	n/a – this is the Section 151 Officer's report.
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is part of the SLT and comments made have been considered by the SLT.
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Procurement	
8	Scrutiny	
9	Local Members	

E – Impact on our Future Generations(if relevant)		
1	How does this decision impact on our long term needs as an Island	The capital budget funds investments in assets and infrastructure which are required to allow the Council to meet the long term objectives which are set out in its Corporate Plan and Capital Strategy.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-	Some of the individual investments e.g. flood prevention work, will prevent future costs whilst others e.g. ICF projects, will reduce the dependency on the Council to provide more expensive services.
3	Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:	Funding of the projects has been agreed and planned with other organisations, notably Welsh Government.
4	Have Anglesey citizens played a part in drafting this way forward? Please explain how:-	The Council's Corporate Plan and Capital Programme 2020/21 have been subject to a consultation process with Anglesey citizens.
5	Outline what impact does this decision have on the Equalities agenda and the Welsh language	Some of the projects funded by the capital programme do impact on the equalities agenda e.g. disabled access in schools, disabled facilities grants. No impact on the Welsh language agenda.
F - Appendices:		
Appendix A - Capital Budget Monitoring Report – Quarter 2 2020/21 Appendix B - Summary of the Capital Projects' Expenditure to date against the Capital Budget and the Projected Expenditure at Year-End		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • 2020/21 Capital Budget, as recommended by the full Council on 10 March 2020; • 2020/21 Treasury Management Strategy Statement, approved by the full Council on 10 March 2020; • 2019/20 Capital Outturn Report, presented to this Committee on 15 June 2020; and • 2020/21 Capital Budget Monitoring Quarter 1, presented to this Committee on 28 September 2020. 		

1. INTRODUCTION

- 1.1 This is the Capital Budget monitoring report for the second quarter of the financial year, and allows Members to note the progress of Capital Expenditure and Capital Receipts against the Capital Budget.
- 1.2 In March 2020, the Council approved a Capital Programme (which included estimated slippage) for non-housing services of £17.050m for 2020/21 and a Capital Programme of £20.255m for the HRA. In addition, in June 2020, the Executive approved Capital Slippage of £12.109m to be brought forward from 2019/20, bringing the Capital Programme for non-housing services to £22.336m and £19.032m for the HRA. Since the budget setting process, there have been additional schemes added onto the programme, most of which are grant funded, which amounted to £8.098m. This brings the total Capital budget for 2020/21 to £49.466m.

2. PROGRESS ON EXPENDITURE 2020/21

- 2.1 Below is a summary table of the Capital expenditure to 30 September 2020, the profiled budget to 30 September 2020 and the proposed funding of the Capital Programme for 2020/21:-

Service	Annual Budget £'000	Profiled Budget £'000	Actual Expenditure £'000	Committed Expenditure £'000	Total Expenditure £'000	Profiled Budget Spend %	Annual Budget Spent %
Housing General Fund	1,860	584	506	13	519	89	28
Housing HRA	19,032	4,930	3,245	435	3,680	75	19
Lifelong Learning	11,727	2,166	1,537	89	1,626	75	14
Economic and Regeneration	3,794	1,822	1,690	122	1,812	99	48
Highways	6,660	2,604	2,071	106	2,176	84	33
Property	2,673	1,203	1,220	0	1,220	101	46
Transformation	529	106	86	28	114	108	21
Planning	1,324	113	10	160	170	151	13
Adult Services	1,867	160	156	0	156	97	8
Total	49,466	13,688	10,521	951	11,471	84	23
Funded By:							
Capital Grant	20,769						
Capital Receipts	793						
Supported Borrowing	7,955						
Unsupported Borrowing	1,796						
Revenue Contribution	16,133						
Reserves	619						
Loan	1,401						
Total Funding	49,466						

- 2.2 The Profiled budget spent to the end of the first quarter for the general fund is 89%, however, only 26% of the annual budget has been spent to date. The reason for this is that a number of the capital schemes are weighted towards the latter part of the financial year. Some capital schemes are underway, with the majority of the profiled budget for quarter 2 being spent, schemes such as Beaumaris and Pentraeth Flood Alleviation schemes, Tourism Gateway scheme, Holyhead Strategic Infrastructure and Gaerwen Park and Share. Some capital schemes have yet to commence, but their budget is profiled towards the latter part of the financial year, such as School Safety, Porth y Wrach Slipway enforcement cameras, Holyhead Landscape Partnership scheme, Resilient Roads scheme, Disabled access to Education buildings, Refurbishing Existing and Education buildings and the adventure playground at Breakwater Park. These schemes and their profile can be seen in Appendix B. There are a number of Capital Grants schemes in 2020/21 and an update on these is provided in Section 3.1 of this report.

2.3 The Housing Revenue Account has spent 75% of its profiled budget and 19% of the annual budget. It is currently estimated that the budget will not be significantly underspent come the end of the financial year. The coronavirus pandemic brought all planned maintenance contracts to a halt towards the end of quarter 4 2019/20 and sites remained closed during lockdown for the majority of quarter 1 2020/21. The Housing Service worked towards recommencing works at a number of sites during the latter stage of quarter 1 2020/21, which included external planned maintenance contracts. This aim was successfully achieved, with all work undertaken in a safe manner which protects both residents and the contractor's workforce. The recommencing of works was, and will, continue to be centred on strict conditions and compliance with approved Risk Assessments, Social Distancing Guidelines and Government Guidelines in connection with construction works during the coronavirus pandemic. Inevitably, these developments had a serious impact on expected expenditure during quarter 1 and will delay capital investment on work involving internal works during the remainder of 2020/21. During quarter 2, expenditure on traditional planned maintenance recovered to a certain extent following recommencement of work on two major contracts. It is expected that expenditure profiles on these two schemes will continue to gather momentum during quarter 3.

The effects of Covid-19 are still being felt on new build and property acquisition projects. From March 2020 to September 2020, occupied properties could not be visited and, therefore, agreement to purchase any 'buy-back' properties during this time was not managed. The aim is to purchase 15 ex-Council houses per year but, at present, it is a more reasonable assumption that only a third of that figure will be acquired during 2020/21, which will have a knock on effect on the budget. Delays are still being experienced on new building sites due to Covid-19, in particular with regard to certain materials availability and deliveries. This has slowed progress and lessened expenditure. Some projects have also experienced delays attributable to utility companies. Overall, these matters are expected to have quite a significant effect on the 2020/21 budget.

3. FUNDING

3.1 Capital Grants

3.1.1 There are a number of Capital Grant schemes in the Capital Programme for 2020/21, most of which are underway and progressing, with a brief update on the schemes provided below:-

- **Llangefni Strategic Infrastructure** – The scheme involves the construction of five new industrial units on the old Môn Training site and an extension to the Business Centre for letting to the private sector. The new industrial units have now been completed, and all five have been let. Work at the Business Centre has now been completed and office space is currently being advertised. A re-profile has been submitted to the Welsh European Funding Office and a 6 month extension to end of September was approved for the project. Due to delays on site as a result of Covid, this extension was reviewed again by WEFO in August and an extension has now been granted to March 2021. The remaining spends have been allocated to upgrade the cladding and other minor works on the current Business Centre and work is currently ongoing. Any underspend will be reviewed later in the year when cladding works are coming to an end and will be considered for IT purposes to meet tenant requirements.
- **Holyhead Strategic Infrastructure** – This scheme is to construct ten new industrial units at Penrhos, Holyhead. The appointed contractor has now completed main works and is off site. Minor snagging works and commissioning works are remaining. Issues have been experienced relating to the electricity connection easements on site which has resulted in increased legal fees. The matter is still ongoing and is currently being prioritized by Property and Economic officers. European Regional Development Funding (ERDF) has been secured and a Joint Venture has been entered into with Welsh Government, which provides the match funding for the scheme. Dependant on the completion of legal matters, it is hoped that the units will be available to let from December 2020/January 2021.

- **Transforming Towns Covid Grant** - All North Wales Local Authorities have been awarded £0.108m of Targeted Regeneration Investment (TRI) urban regeneration funding that has been repurposed to support town centre Covid adjustments. With Welsh Government agreement, the funding has been awarded in £10k grants to the five town councils and £5k grants to five community councils covering busy seaside villages. Items covered include adjustments to public toilets, benches, planters, picnic tables, sanitiser stations and signage. Part of the fund has also been used directly by the Council for social distancing signage and related measures. The £0.108m has now been fully committed and all claims have been requested by the end of December. A briefing on this fund was emailed to all elected Members.
- **21st Century Schools** - From the Band A Projects, new schools at Rhyd y Llan, Ysgol Cybi and Ysgol Santes Dwynwen have all been completed, together with an extension to Ysgol Parc y Bont and a refurbishment at Ysgol Brynsiencyn. The final Band A scheme, which focuses on the school provision in the Llangefni area, was consulted upon over a six week period during quarter 4 2019/20. Following this completion of the consultation, if a new school is the selected option, the costs for the selected scheme will need to be determined and included in the Final Business Case which is submitted to Welsh Government.
- **Childcare Capital Grant** – £2.718m of grant funding has been secured for the period 2019 to 2021 to adapt a number of primary schools to enable the Council to provide sufficient childcare places to meet demand generated by the childcare offer. Additional facilities will be created at Ysgol Santes Dwynwen £0.400m, Ysgol Morswyn £0.413m, Ysgol Pencarnisiog £0.340m, Ysgol Esceifiog £0.364m, Ysgol y Tywyn £0.216m and to deliver a Small Grants Scheme and Project Management £0.165m. Work has been completed at Ysgol Santes Dwynwen, Ysgol Morswyn, Ysgol Pencarnisiog, Ysgol y Tywyn and Ysgol Esceifiog. Surveys have been carried out on other school sites to determine where the remainder of the grant funding will be allocated.
- **Market Hall** - The main contractor has recommenced on site and remaining defects are being attended to. Remaining external works, including the cycle racks and bin store, await planning approval in quarter 3 prior to installation. The initial phase of internal heritage interpretation work has recommenced and Audio Visual is on order both due for installation in quarter 3, also integrating the historic Pollecoff shopfront sign kindly donated to the Council. Our Estates team continue to work on potential occupiers and recent discussions with a prospective office user remain positive and would lead to the majority of the office space being taken.
- **Holyhead Townscape Transformation (Phase II THI)** - Formal third party grant applications are due during the period of late October to mid November for two priority projects, including amongst the longest derelict property in the town centre. Both will involve the conversion of vacant space into housing units. These will be delivered over quarter 3/quarter 4 with practical completion programmed by the end of the financial year. In addition, good progress continues on proposals for the St Cybi's site and adjoining car park. Faculty consent has been received for the viewing platform for the NE Tower and it is envisaged this will be tendered and works commenced by quarter 4. The works to the lower Churchyard gate and overthrow were completed in late September. The tender brief for design services related to the public conveniences on Swift Square was issued but, unfortunately, submissions were non-compliant and this work has now been subsumed into the wider design work for the site, in tandem with other streams for detailed proposals for the remaining site, including working closely with Highways Service on the potential introduction of Electric Vehicle charging points to Swift Square.

- Funding has been approved by Welsh Government for the **Targeted Regeneration Investment Programme (TRIP)**. The purpose of the funding is to bring 108 empty properties back into use through four schemes, being First Time Buyers Support, Vacant Homes Landlord Assistance, Empty Homes Direct Intervention and Town Centre Living. These schemes will be delivered by both the Isle of Anglesey County Council, as the lead authority, and Gwynedd Council, as their joint delivery partner. A revised Offer Letter has been issued for TRIP allocating £1.001m for First Time Buyers Grants, Vacant Homes Landlord Assistance, Town Centre Living and Empty Homes Direct Intervention. These schemes will only be delivered by the Isle of Anglesey County Council in 2020/21, unless further funding can be secured to support schemes in Gwynedd. To the end of quarter 2, £335,596 has been claimed and it is envisaged that the grant will be claimed in full by the end of quarter 4. 107 empty properties have already been brought back into use against the target of 108.
- **The Holy Island Landscape Partnership** – The Landscape Partnership has secured funding of £1.146m from the National Lottery Heritage Fund (NLHF) to deliver a range of projects which focus on the natural environment of Holy Island. Permission to start from NLHF was expected in quarter 3 of 2019/20, but was delayed following a request for a 6 month extension to the European Regional Development Fund (ERDF) funding which is being used as match funding for the Landscape Partnership. The extension to the ERDF has been granted allowing expenditure up to December 2021. The adverts for the Programme Manager, Project Officer and Project Assistant went out in quarter 2 and it is hoped that appointments will be made in quarter 3, allowing delivery to formally begin in quarter 4. The funding has been reprofiled and the Programme will now run until 2024-25.
- **Hwb In-Schools Infrastructure Grant Scheme** – Some progress has been made with infrastructure installation, with 45% of Primary schools having received new equipment (as at start of November 2020). A revised schedule has been proposed which would see 80% completed by December 2020, but that would be dependent on no change in access to schools due to Covid-19. Welsh Government has been informed of a likely slippage to end of March 2021 for the remainder of schools. During the lockdown period and in consultation with schools, a decision was reached to prioritise the funding of Chromebooks to support any future requirement for distance learning and to reflect the altered landscape of education as a result of Covid-19. The entirety of Year 2 funds were used to order 2,951 Chromebooks which are to be distributed to schools based on pupil numbers. Supply of these devices has been further delayed by manufacturing issues at processor fabricators. Delivery is expected imminently for immediate distribution to schools. Further school engagement sessions are being used to inform the revised Delivery Plan for Years 3 and 4 of the programme, should funding be made available.
- **Tourism Gateway** – The Holy Island International Visitor Gateway TAD (Tourism Attractor Destination) Project is a mainly European Regional Development Fund, Welsh Government and Heritage Lottery Fund funded package of projects taking place over several years. Designs for Phase 2 are currently being finalised, with consenting process to be submitted in quarter 3. Consenting process for project adjacent to St Cybi's Church and Swift Square car park is currently being undertaken, with proposed works being presented to Planning Committee in November. Scheduled works at Holyhead Breakwater Country Park to be tendered imminently, with contractor to be appointed during quarter 4.

- **Adventure Playground, Breakwater Country Park** – Welsh Government awarded funding in relation to the Sustainable Development Fund for the Anglesey Area of Outstanding Natural Beauty. £0.100m was awarded for the design and installation of an adventure playground at Breakwater Country Park. Tender documents were sent to Sell2Wales but no applicant met the required criteria in full and therefore no appointment was made. Senior management made the decision to produce a brief to commission consultants to produce a vision for the Breakwater Country Park which would include the design and installation of an adventure playground. Producing a brief to commission consultant subsequently withdrawn and enhanced and realigned tender brief produced to go via Sell2Wales for the design and installation of an adventure playground at Breakwater Country Park. The risk of not completing by March 2021, and potential underspend, is high due to delays, the requirement to seek planning permission, weather restrictions of the winter months and any future Covid-19 restrictions during installation.
- **Resilient Roads Fund** – This is a new grant funding stream, introduced this year. The Council have been successful in obtaining funding under this grant to study what resilience measures could be implemented on the A545 and B5109 either side of Beaumaris. Both these roads have a history of closures in times of adverse weather, and increased storminess associated with climate change will only worsen the situation. Works have begun to procure external consultancy to undertake this study, however, it is anticipated that expenditure will occur in the final quarter of this year.
- **Holyhead and Amlwch Drainage schemes** - These works are currently ongoing. In Holyhead, there is progression in developing a working agreement with Welsh Water such that modelling data can be shared to allow the study to holistically investigate the flooding risks that face both our and Welsh Water's systems in the town. In Amlwch, there is a need to work closely with Natural Resources Wales, such that the main river flood risk can be considered in the study. Currently awaiting agreement from Welsh Government to allow this to proceed. Both these studies will continue well into the next financial year.
- **Small Scale Grants Work** (25 locations) - This grant is the largest grant that has ever been awarded to the Council for small scale schemes. Unfortunately, it was awarded during the Covid-19 pandemic and, as a consequence, construction works could not begin straight away. However, works are now ongoing and over half have been completed with a programme being developed for the remainder. There remains the risk that, with the reduced time now available to carry out these works (that have to be completed within the current financial year) and the difficulties of working under social distancing rules in further lockdowns, some of the 25 schemes may not be completed. We will be working closely with Welsh Government on this.
- **Beaumaris Flood Alleviation** – Site works were substantially completed in the summer with a portion of the works deferred. There will be a need to reach agreement on the deferred element of the works.
- **Pentraeth Flood Alleviation** - Welsh Government allocated funding for the Nant y Felin, Pentraeth Flood Alleviation scheme within their programme for 2019/20 financial year. This scheme was on site but then encountered unforeseen ground conditions. Additional funding was secured for the difficult ground conditions and for the Covid implications. Site works were substantially completed in the summer.
- **Red Wharf Bay** - Consultancy work on the Design and Development of the Coastal Risk scheme in Red Wharf Bay is ongoing. There are some hurdles to overcome, particularly in relation to public consultation during the current restrictions, but it is hoped that the majority of this expenditure will occur within this financial year. With a view to consider construction within the next financial year, subject to Council approval of the required grant match.

- **Llanfair, Menai and Valley Full Business Case (FBC)** - All three schemes are progressing. There are concerns regarding the challenges the preferred option for Llanfair PG poses and further work is anticipated here. It is likely that the FBC (Design and Development) of the Llanfair PG scheme will continue well into the next financial year. There are fewer perceived risks with Menai Bridge and Valley and it is anticipated that Valley may be ready for construction within the next financial year. Again, subject to Council approval of the match funding required.
- **Enable** - £0.093m of Welsh Government Grant has been secured for the delivery of adaptations to support independent living. It is expected that this grant will be fully drawn down by the end of the year.
- **Road Safety Capital** – This scheme incorporates two projects totalling £0.478m. One project involves the installation of road safety measures on the A5025, Valley to Menai Bridge, and the other project is the introduction of 20mph zones outside schools together with improved pedestrian links. There has been £0.220m expenditure in quarter 2 on the A5025. Work on the A5025 will continue in quarter 3, with the implementation of improved pedestrian facilities and road safety signage together with the commencement of the introduction of school 20mph zones across the Island.
- **Active Travel** - £0.200m of Welsh Government Grant has been secured for minor infrastructure improvements, including installation of signage, cycle parking, removal of access barriers and path widening, as well as developing the Integrated Active Travel maps. The purpose of the grant is to promote and increase levels of active travel, improve health & well-being, reduce carbon emissions and improve active travel for employment, education and key services, destinations and public transport. Limited minor improvements have been undertaken so far, with the majority of works to be undertaken in quarter 3 and quarter 4. This includes using the Grant to procure external consultancy to undertake feasibility studies on potential Active Travel improvement schemes which could be delivered in the future.
- **Local Transport Funding** - £0.376m of Welsh Government grant has been secured in relation to Local Transport Fund, Local Transport Network Fund and Ultra Low Emission Vehicle Transformation Fund. The purpose of these funds are to enable development of integrated, effective, accessible, affordable and sustainable transport systems and to enable development and deliver schemes that support the Welsh Government's zero emission taxi/PHV by 2028 ambition.
 - **Local Transport Fund** - £0.242m has been secured for the completion of construction of the Gaerwen Park and Share site. There has been an increase in costs due to unforeseen conditions on site and additional funding will be requested from Welsh Government. Circa. 95% of works have been completed, with the remaining landscaping/planting works to be undertaken in quarter 3.
 - **Local Transport Network Fund** - £0.049m has been secured for bus stop improvements and scheme development for bus passenger facilities at Pencarnisiog junction on the A4080. It is anticipated that works will be delivered in quarter 3 and quarter 4.
 - **Ultra Low Emission Vehicle Transformation Fund** - £0.085m has been secured for the provision of electric vehicle charge points at Llanfairpwll Park and Ride/Share facility as a sustainable transport hub. Works have begun to procure external consultancy to undertake the feasibility and design, however, it is anticipated that expenditure will occur in quarter 3 and quarter 4.

3.2 Capital Receipts

3.2.1 The Capital Receipts for this year to date and the budgeted Capital Receipts are:-

	Budget 2020/21 £'000	Received to 30-Sep-20 £'000	Projection to 31-Mar-21 £'000
Council Fund:			
Smallholdings	0	20	20
General	313	359	528
Industrial	0	0	0
Schools	554	370	562
Total	868	749	1,109

3.2.2 The projected Capital Receipts at 31 March 2021 is £1.109m, with £0.749m being received at 30 September 2020 (68%).

3.2.3 Although the Projected Capital Receipts is £1.109m, there is £2.439m of Capital Receipts available to fund the Capital Programme as £1.330m of Capital Receipts were brought forward from 2019/20 in the Capital Receipt Reserve. £1.877m of this can be used to fund the general capital programme, with the other £0.562m available to fund the 21st Century Schools programme as part of the Isle of Anglesey County Council's match funding.

3.3 Additional Capital Funding

3.3.1 Following the retendering process for the Waste Contract, the Isle of Anglesey County Council awarded the contract to Biffa. As part of the contract negotiations, it was agreed that the Council would fund the capital cost of the new vehicles. The majority of the new vehicles and plant will be purchased ready for the new contract start date of 1 April 2021, with the cost to the Council being £4.449m. This is proposed to be funded by Unsupported Borrowing. This will generate an annual revenue charge of between £550k and £650k (depending on the length of the loan) and this additional cost will have to be factored into the 2021/22 revenue budget.

4. PROJECTED ACTUAL EXPENDITURE 2020/21

4.1 Below is a table with projected Expenditure at 31 March 2021 and the revised funding:-

Service	Annual Budget £'000	Projected Expenditure £'000	Projected (Under) / Over Expenditure £'000	Variance %
Housing General Fund	1,860	1,860	0	0
Housing HRA	19,032	12,788	(6,244)	(33)
Lifelong Learning	11,727	4,068	(7,659)	(65)
Economic and Regeneration	3,794	3,391	(403)	(11)
Highways	6,660	5,941	(719)	(11)
Property	2,673	2,673	0	0
Transformation	529	341	(188)	(35)
Planning	1,324	826	(499)	(38)
Adult Services	1,867	1,867	0	0
Total	49,466	33,755	(15,711)	(32)
Funded By:	Annual Budget £'000	Projected Funding £'000	Variance £'000	Variance %
Capital Grant	20,769	15,070	(5,699)	(27)
Capital Receipts	793	782	(11)	(1)
Supported Borrowing	7,955	5,727	(2,228)	(28)
Unsupported Borrowing	1,796	136	(1,660)	(92)
Revenue Contribution	16,133	10,152	(5,981)	(37)
Reserves	619	487	(133)	(21)
Loan	1,401	1,401	0	0
Total Funding	49,466	33,755	(15,711)	(32)

4.2 As can be seen from table 4.1 (above), the forecast underspend on the Capital Programme for 2020/21 is £15.711m, with this being potential slippage into the 2021/22 Capital Programme. The funding for this slippage will also slip into 2021/22 and will be factored in when producing the Treasury Management Strategy Statement, Capital Strategy and Capital Programme for 2021/22. The main project that is forecast to be underspent is the 21st Century Schools Programme, which is currently 'on-hold' and is dependent on the outcome of the further consultation on the modernisation of the school provision in the Llangefni area. However, should this be resolved in the near future, the forecast underspend may be reduced. The HRA is also forecast to have quite a significant underspend, as explained in paragraph 2.3 above.

4.3 The Capital Finance Requirement forecasted at 31 March 2021 is £140.667m, which is the underlying need for the Authority to borrow to be able to fund its Capital Programme. The external borrowing currently stands at £135.650m, meaning the Authority essentially needs to borrow £5.017m to fund the current Capital Programme. If this borrowing is undertaken externally, the Authority will still be within its authorised borrowing limits as per the 2020/21 Treasury Management Strategy Statement (Appendix 11).

5. FUTURE YEARS

5.1 The Capital Strategy recommended that the 2020/21 Capital Programme funding will be limited to the total of the general capital grant and supported borrowing (as determined by Welsh Government) and estimated value of any capital receipts that will be received. It is expected that the 2021/22 Capital Programme will follow the same principles, with the General Capital Grant and Supported Borrowing used to fund the annual replacement of Vehicles, Investment in ICT, Refurbishing existing assets and an annual allocation to meet the cost of statutory Disabled Facilities Grants. There will also be funding available for the resurfacing of roads and capital projects that attract external grants, and these will be evaluated on a case by case basis.

Once the above projects have been funded, there may be some funding available to fund new capital schemes, with priority given to projects which contribute to the Council's objectives as set out in the Council Plan 2017 – 2022 and any schemes which can generate future revenue savings or generate additional income.

6. CONCLUSION

- 6.1** The results at the end of quarter 2 and the associated projected expenditure shows the impact that Covid-19 and related restrictions are having on the progress and completion of some schemes. The majority of projects are on target to be completed within budget. Due to the 21st Century Schools programme being on hold and being dependent on the outcome of the further consultation on the modernisation of the school provision, there is a risk of significant underspend against this project. The Council has secured many different external grants and work is progressing well on most of these schemes. The Council is also expecting to receive £1.109m of Capital Receipts in 2020/21 to contribute towards the funding of the Capital Programme.

APPENDIX B

Summary of the Capital Projects' Expenditure to date against the Capital Budget and the Projected Expenditure at Year-End

Service	Annual Budget (£)	Profiled Budget (£)	Actual Expenditure (£)	Committed Expenditure (£)	Total Expenditure (£)	Variance to profile (£)	Profiled Budget Spent (%)	Annual Budget Spent (%)	Projected Expenditure (£)	Projected Under / Over (£)	Variance (%)
Housing General Fund											
Disabled Facilities Grants	636,000	136,000	87,315	0	87,315	(48,685)	64	14	636,000	0	0
Residential Site for Gypsies and Travellers	523,506	16,275	45,161	12,835	57,996	41,721	356	11	523,506	0	0
Compulsory Purchase Scheme	135,000	134,000	134,066	115	134,181	181	100	99	135,000	0	0
Enable Grant	93,200	23,200	1,344	0	1,344	(21,856)	6	1	93,200	0	0
TRIP Landlord Grant Scheme	147,576	74,994	33,960	0	33,960	(41,034)	45	23	147,576	0	0
TRIP First Time Buyer Grant Scheme	294,000	200,000	204,033	0	204,033	4,033	102	69	294,000	0	0
Affordable Housing	30,650	0	0	0	0	0	0	0	30,650	0	0
TOTAL	1,859,932	584,469	505,880	12,950	518,830	(65,639)	89	28	1,859,932	0	0
Housing HRA											
Central Heating Contract	400,000	0	0	0	0	0	0	0	50,000	(350,000)	(88)
Planned Maintenance Contract	6,120,000	1,120,000	1,007,125	410,211	1,417,335	297,335	127	23	5,620,000	(500,000)	(8)
Energy Performance Improvement	537,000	0	0	3,797	3,797	3,797	0	1	100,000	(437,000)	(81)
Environmental Works	750,000	20,000	18,529	780	19,309	(691)	97	3	250,000	(500,000)	(67)
Acquisition of Existing Properties and Development of new properties	9,230,000	3,380,000	1,889,742	2,995	1,892,737	(1,487,263)	56	21	5,292,737	(3,937,263)	(43)
Remodelling Llawr y Dref	2,218	0	5,260	0	5,260	5,260	0	237	5,260	3,042	137
Public Sector Adaptations	350,000	50,000	23,872	16,840	40,713	(9,287)	81	12	150,000	(200,000)	(57)
Fire Risk	450,000	60,000	56,119	0	56,119	(3,881)	94	12	300,000	(150,000)	(33)
Contaminated Land	20,000	0	0	0	0	0	0	0	20,000	0	0
WHQS	1,172,875	300,000	244,286	0	244,286	(55,714)	81	21	1,000,000	(172,875)	(15)
TOTAL	19,032,093	4,930,000	3,244,933	434,623	3,679,557	(1,250,443)	75	19	12,787,997	(6,244,096)	(33)
Lifelong Learning											
Disabled Access in Education Building	500,000	25,000	12,793	13,446	26,240	1,240	105	5	500,000	0	0
Refurbish Education Building	2,034,000	1,000,000	824,221	34,275	858,497	(141,503)	86	42	2,034,000	0	0
School Safety	200,000	0	0	0	0	0	0	0	50,000	(150,000)	(75)
Demolition of schools	324,620	290,000	291,288	0	291,288	1,288	100	90	324,620	0	0
21st Century Schools - Band A Modernisation	5,409,861	45,700	20,452	24,670	45,122	(578)	99	1	184,720	(5,225,141)	(97)
21st Century Schools - Band B Modernisation	2,050,000	0	1,620	0	1,620	1,620	0	0	1,620	(2,048,380)	(100)
Flying Start Capital Grant	39,276	5,000	3,977	0	3,977	(1,023)	80	10	39,276	0	0
Increasing Capacity for Childcare Grant	1,169,197	800,000	382,568	16,242	398,809	(401,191)	50	34	933,722	(235,475)	(20)
TOTAL	11,726,954	2,165,700	1,536,919	88,633	1,625,552	(540,148)	75	14	4,067,958	(7,658,996)	(65)
Economic and Regeneration											
Plas Arthur Works to Fitness Room	102,864	102,864	116,010	356	116,366	13,502	113	113	116,366	13,502	13
Leisure Improvements	250,000	0	170	2,488	2,658	2,658	0	1	250,000	0	0
Tourism Gateway	1,076,233	50,000	0	80,944	80,944	30,944	162	8	700,000	(376,233)	(35)
Holyhead Strategic Infrastructure	1,553,764	1,248,000	1,292,102	1,502	1,293,604	45,604	104	83	1,553,764	0	0
Llangefni Strategic Infrastructure	231,360	231,360	125,964	877	126,840	(104,520)	55	55	231,360	0	0
Planning System Invest to Save	15,252	0	0	0	0	0	0	0	15,252	0	0
Economic Development & Environmental Wellbeing	95,000	0	0	0	0	0	0	0	95,000	0	0
Porth Wrach Slipway – Enforcement Cameras	30,000	0	0	0	0	0	0	0	30,000	0	0
School Site Redevelopment TRIP	7,222	0	0	0	0	0	0	0	7,222	0	0
Economic Development - To seek Match Fund	64,150	0	0	0	0	0	0	0	64,150	0	0
Gateway Units	160,000	160,000	129,355	30,623	159,978	(22)	100	100	160,000	0	0
Transforming Towns Covid Grant	108,000	30,000	26,489	5,000	31,489	1,489	105	29	108,000	0	0
AONB Grant - Breakwater Adventure Playground	100,000	0	0	0	0	0	0	0	60,000	(40,000)	(40)
TOTAL	3,793,845	1,822,224	1,690,089	121,790	1,811,879	(10,345)	99	48	3,391,114	(402,731)	(11)

Service	Annual Budget (£)	Profiled Budget (£)	Actual Expenditure (£)	Committed Expenditure (£)	Total Expenditure (£)	Variance to profile (£)	Profiled Budget Spent (%)	Annual Budget Spent (%)	Projected Expenditure (£)	Projected Under / Over (£)	Variance (%)
Highways											
Upgrade Pay and Display Machines in Car Parks	30,000	30,000	0	30,307	30,307	307	101	101	30,307	307	1
Vehicles	593,367	105,000	33,766	71,490	105,256	256	100	18	593,367	0	0
Highways Resurfacing	1,363,582	873,581	600,655	0	600,655	(272,926)	69	44	1,363,582	0	0
Highways Refurbishment Grant	599,414	360,414	213,326	0	213,326	(147,088)	59	36	599,414	0	0
Beaumaris Flood Alleviation Works (WG)	683,371	90,000	85,621	0	85,621	(4,379)	95	13	463,371	(220,000)	(32)
Pentraeth Flood Alleviation Works (WG)	325,581	250,000	255,027	0	255,027	5,027	102	78	320,027	(5,554)	(2)
Llansadwrn Flood Alleviation	34,922	7,695	7,695	0	7,695	(0)	100	22	12,695	(22,227)	(64)
Holyhead & Amlwch Drainage Studies	69,845	2,500	2,349	0	2,349	(151)	94	3	42,349	(27,496)	(39)
Red Wharf Bay Flood Scheme	104,952	500	419	0	419	(81)	84	0	60,419	(44,533)	(42)
Llanfair Flood Scheme	406,034	5,500	5,419	0	5,419	(81)	99	1	55,419	(350,615)	(86)
FBC Menai Flood Scheme	161,801	500	419	0	419	(81)	84	0	80,419	(81,382)	(50)
FBC Valley Flood Scheme	150,913	500	419	0	419	(81)	84	0	75,419	(75,494)	(50)
Invest to Save - Vehicles	72,980	41,000	40,993	0	40,993	(7)	100	56	72,980	0	0
Small scale grants work	739,921	150,000	143,031	0	143,031	(6,969)	95	19	669,031	(70,890)	(10)
Active Travel	200,000	30,000	30,184	3,776	33,960	3,960	113	17	200,000	0	0
A545 Beaumaris	24,727	10,132	5,635	0	5,635	(4,497)	56	23	24,727	0	0
Road Safety Capital	478,000	220,000	220,004	0	220,004	4	100	46	478,000	0	0
Resilient Roads Fund	105,000	0	0	0	0	0	0	0	105,000	0	0
Local Transport Fund - Gaerwen Park and Share	242,000	300,000	296,222	0	296,222	(3,778)	99	122	335,000	93,000	38
Local Transport Network Fund - Bus Stop improvement works	49,000	0	2,547	0	2,547	2,547	0	5	49,000	0	0
Vehicle Transformation Fund - Electric Vehicle Charge Points	85,000	0	0	0	0	0	0	0	85,000	0	0
Holyhead Gateway Hub	139,443	127,000	126,952	0	126,952	(48)	100	91	225,443	86,000	62
TOTAL	6,659,853	2,604,322	2,070,683	105,572	2,176,255	(428,067)	84	33	5,940,969	(718,884)	(11)
Property											
Refurbish Existing Assets	918,773	150,000	167,371	0	167,371	17,371	112	18	918,773	0	0
Invest To Save Property	1,650,921	1,053,000	1,052,477	0	1,052,477	(523)	100	64	1,650,921	0	0
Smallholding Refurbishments	100,000	0	0	0	0	0	0	0	100,000	0	0
Cromlech Farm	3,172	0	0	0	0	0	0	0	3,172	0	0
TOTAL	2,672,866	1,203,000	1,219,848	0	1,219,848	16,848	101	46	2,672,866	0	0
Transformation											
ICT- Core Infrastructure	292,662	40,000	23,000	0	23,000	(17,000)	57	8	104,935	(187,727)	(64)
ICT - Desktop Refresh	121,000	50,000	59,314	0	59,314	9,314	119	49	121,000	0	0
ICT - Anglesey Connected (AC) to PSBA transition	32,405	15,619	3,748	12,455	16,203	584	104	50	32,405	0	0
ICT - Kit out the meeting rooms	19,964	0	0	0	0	0	0	0	19,964	0	0
Hwb IT Infrastructure	63,124	0	0	15,236	15,236	15,236	0	24	63,124	0	0
TOTAL	529,155	105,619	86,062	27,691	113,753	8,134	108	21	341,428	(187,727)	(35)
Planning											
Holyhead Market Hall Hub Project	281,000	95,000	0	126,122	126,122	31,122	133	45	267,122	(13,878)	(5)
Holyhead Landscape Partnership	143,300	0	0	0	0	0	0	0	65,000	(78,300)	(55)
Holyhead Regeneration (THI Phase II)	900,000	17,500	10,244	33,433	43,677	26,177	250	5	493,677	(406,323)	(45)
TOTAL	1,324,300	112,500	10,244	159,555	169,799	57,299	151	13	825,799	(498,501)	(38)
Adult Services											
ICF	1,732,800	160,000	155,854	0	155,854	(4,146)	97	9	1,732,800	0	0
Bryn Hwfa Community Hub	13,155	0	0	0	0	0	0	0	13,155	0	0
Plas Criqyll Refurbishment	37,978	0	1	0	1	1	0	0	37,978	0	0
Plas Mona Refurbishment	83,371	0	0	0	0	0	0	0	83,371	0	0
TOTAL	1,867,304	160,000	155,854	0	155,854	(4,146)	97	8	1,867,304	0	0
TOTAL	49,466,302	13,687,834	10,520,512	950,815	11,471,326	(2,216,508)	84	23	33,755,367	(15,710,935)	(32)