

ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	EXECUTIVE COMMITTEE
DATE:	18 FEBRUARY 2019
SUBJECT:	CAPITAL BUDGET 2019/20
PORTFOLIO HOLDER(S):	COUNCILLOR R WILLIAMS
HEAD OF SERVICE:	MARC JONES (EXT. 2601)
REPORT AUTHOR:	MARC JONES
TEL:	EXT. 2601
E-MAIL:	rmjfi@ynysmon.gov.uk
LOCAL MEMBERS:	n/a

A - Recommendation/s and reason/s

1. PURPOSE OF THE REPORT

- 1.1 The Executive is required to propose a capital budget for 2019/20, which will be presented to the full Council for approval at its meeting on 27 February 2019.

2. RECOMMENDATIONS

- To recommend to the full Council the following capital programme for 2019/20:-

	£'m	£m
Committed Schemes Brought Forward from 2018/19	6.429	
Investing in Existing Assets	2.539	
Highway Resurfacing	1.359	
New Schemes for 2019/20	2.146	
21 st Century Schools	<u>4.809</u>	
Total General Fund Capital Schemes		17.282
HRA Capital Schemes		<u>13.110</u>
Total Draft Capital Programme 2019/20		<u>30.392</u>
Funded By :		
Funding B/F from 2018/19		1.099
Supported Borrowing	2.026	
Supported Borrowing – 21 st Century Schools	1.640	
Unsupported Borrowing – 21 st Century Schools	0.402	
HRA Unsupported Borrowing	1.000	
Total New Borrowing		5.068
General Capital Grant	1.327	
External Grants	11.671	
Highways Refurbishment Grant	<u>0.580</u>	
Total Grant Funding		13.578
Funding Reallocated from other postponed projects		1.197
HRA Reserves		<u>9.450</u>
TOTAL FUNDING		<u>30.392</u>

- To agree to utilise the balance of the general capital grant £893k as part of the funding of the 2020/21 capital programme (Appendix 1 – paragraph 2.4 – 2.6).

B - What other options did you consider and why did you reject them and/or opt for this option?

A number of additional schemes are to be considered in the capital programme with the main driving factor in funding being affordability and the maximisation of external grant funding. The proposed capital programme and the additional Capital schemes, if supported, do not commit the Council to a level of borrowing which increases minimum revenue provision or interest payments to an unaffordable level.

C - Why is this decision for the Executive?

The matter is delegated to the Executive to propose the capital budget.

CH - Is this decision consistent with policy approved by the full Council?

Yes

D - Is this decision within the budget approved by the Council?

N/A

DD - Who did you consult?

What did they say?

1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	Comments incorporated in the report
2	Finance / Section 151 (mandatory)	n/a – this is the Section 151 Officer's report
3	Legal / Monitoring Officer (mandatory)	Comments incorporated in the report
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	

E - Risks and any mitigation (if relevant)

1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	

F - Appendices:

Appendix 1 – Report on the Capital Budget 2019/20
Appendix 2 – Proposed Capital Budget 2019/20

FF - Background papers (please contact the author of the Report for any further information):

Capital Strategy Report – Executive Committee 30 October 2017
Capital Budget 2018/19 – Full Council 28 February 2018
Capital Budget 2019/20 – Executive Committee 12 November 2018

1. INTRODUCTION

- 1.1. At its meeting on 12 November 2018, the Executive recommended to approve the following provisional Capital Programme for 2019/20 as shown in Table 1 below:-

Table 1
Draft Capital Programme 2019/20

	£'m	
Committed Schemes Brought Forward from 2018/19	13.429	
Investing in Existing Assets	2.539	
Highways Resurfacing	1.359	
New Schemes for 2019/20	2.146	
21 st Century Schools	7.563	
Total General Fund Capital Schemes		27.036
HRA Capital Schemes		13.110
Total Draft Capital Programme 2019/20		40.146
Funded By:		
Funding B/F from 2018/19		1.099
Supported Borrowing	2.026	
Supported Borrowing – 21 st Century Schools	1.943	
Unsupported Borrowing – 21 st Century Schools	1.847	
HRA Unsupported Borrowing	1.000	
Total New Borrowing		6.816
General Capital Grant	1.327	
External Grants	19.677	
Highways Refurbishment Grant	0.580	
Total Grant Funding		21.584
Funding Reallocated from other postponed projects		1.197
HRA Reserves		9.450
Total Funding		40.146

2. ADDITIONAL INFORMATION TO BE CONSIDERED

- 2.1.** No comments were received during the consultation, regarding the draft capital programme.
- 2.2.** The recent announcement of the suspension of the Wylfa Newydd project will result in a delay in the project to improve the A5025 from Valley to Wylfa. As it is unclear when the project will re-commence the expenditure on the road improvements project has been deleted from the final proposal. The project was to be fully funded by external grants and the necessary adjustment to the funding has also been made.
- 2.3.** The 21st Century Schools programme is regularly reviewed and any updates are agreed with the Welsh Government. The progress on the extension to Ysgol Y Graig has been delayed and the planned expenditure for 2019/20 has been revised down for £3.120m (November 18 draft programme) to £0.666m. In addition expenditure on the reorganisation of schools in the Amlwch area has been revised down from £0.400m to £0.100m. The overall capital programme for 21st Century Schools for 2019/20 has therefore been revised down to £4.809m with the funding adjusted accordingly.
- 2.4.** The provisional settlement included a General Capital Grant of £1.327m. However, the final settlement included an additional £0.738m, taking the revised grant to £2.065m.
- 2.5.** The additional general capital grant could be dealt with in 3 ways:-
 - Invite further bids from services for capital funding for new projects. These would be assessed in the normal way, with any approved schemes added to the 2019/20 capital programme.
 - Increase the sums allocated to the projects, which maintain existing assets – Buildings, Vehicles, IT Infrastructure.
 - Not to allocate the grant in 2019/20 but to use it as part of the funding for the 2020/21 capital programme.
- 2.6.** Given that the funding in 2020/21 is likely to be limited and the fact that income from capital receipts will be negligible (excluding the sale of school sites where the capital receipt has already been allocated), it would be prudent and a better use of the funding to use the funding as part of the 2020/21 capital programme. The additional general capital grant can be utilised as part of the funding for the entire programme, rather than using it in 2019/20 on projects, which may not fit the overall capital strategy.

3. RECOMMENDATIONS

- 3.1.** The Executive is requested to recommend the following capital budget to the Full Council at its meeting on 27 February 2019, as shown in Table 2 below. (A more detailed breakdown is attached as Appendix 2).

Table 2
Final Proposed Capital Programme 2019/20

	£'m	
Committed Schemes Brought Forward from 2018/19	6.429	
Investing in Existing Assets	2.539	
Highway Resurfacing	1.359	
New Schemes for 2019/20	2.146	
21 st Century Schools	4.809	
Total General Fund Capital Schemes		17.282
HRA Capital Schemes		13.110
Total Draft Capital Programme 2019/20		30.392
Funded By:		
Funding B/F from 2018/19		1.099
Supported Borrowing	2.026	
Supported Borrowing – 21 st Century Schools	1.640	
Unsupported Borrowing – 21 st Century Schools	0.402	
HRA Unsupported Borrowing	1.000	
Total New Borrowing		5.068
General Capital Grant	1.327	
External Grants	11.671	
Highways Refurbishment Grant	0.580	
Total Grant Funding		13.578
Funding Reallocated from other postponed projects		1.197
HRA Reserves		9.450
Total Funding		30.392

- 3.2.** That the unallocated balance of the General Capital Grant is not used in 2019/20 but held until 2020/21 and used as part of the funding for that project.

Scheme	Category	2019/20 Budget £'000	Funded By										
			External Grants	Funding B/F from 2018/19	General Capital Grant	Supported Borrowing	Highways Refurbishment Grant	Re- allocated Funding	Un- supported Borrowing 21 st Century Schools	Supported Borrowing 21 st Century Schools	Un- supported Borrowing HRA	HRA Revenue / Reserves	
			£'000	£	£	£	£	£	£	£	£	£	
Planned Refurbishment & WHQS Improvements	HRA	4,496	2,660	-	-	-	-	-	-	-	-	1,000	836
New Developments / Repurchase of former Right to Buy properties	HRA	1,723	-	-	-	-	-	-	-	-	-	-	1,723
TOTAL HRA		13,110	2,660	-	-	-	-	-	-	-	-	1,000	9,450
Upgrade Pay & Display Machines in Car Parks	New Capital projects	0,030	-	-	-	-	-	0,030	-	-	-	-	-
Plas Mona Refurbishment	New Capital projects	0,035	-	-	-	-	-	0,035	-	-	-	-	-
Plas Crigyll Refurbishment	New Capital projects	0,085	-	-	-	-	-	0,085	-	-	-	-	-
Upgrade Meeting Rooms Equipment	New Capital projects	0,025	-	-	-	-	-	0,025	-	-	-	-	-
School Safety	New Capital projects	0,200	-	-	-	-	-	0,200	-	-	-	-	-

Scheme	Category	2019/20 Budget £'000	Funded By										
			External Grants £'000	Funding B/F from 2018/19 £	General Capital Grant £	Supported Borrowing £	Highways Refurbishment Grant £	Re-allocated Funding £	Un-supported Borrowing 21 st Century Schools £	Supported Borrowing 21 st Century Schools £	Un-supported Borrowing HRA £	HRA Revenue / Reserves £	
Funding in the event of late offer from WG regarding Drainage Works	New Capital projects	0,200	0,170	-	-	-	-	-	0,030	-	-	-	-
Anglesey Connected (AC) to PSBA transition	New Capital projects	0,060	-	-	-	-	-	-	0,060	-	-	-	-
Drainage Studies and Design Work	New Capital projects	0,166	0,141	-	-	-	-	-	0,025	-	-	-	-
Flood defence Traeth Coch	New Capital projects	0,850	0,638	-	-	-	-	-	0,212	-	-	-	-
Economic Development – To seek Match Funding	New Capital projects	0,095	-	-	-	-	-	-	0,095	-	-	-	-
Invest To Save - Energy Efficiency in Corporate Buildings	New Capital projects	0,250	-	-	-	-	-	-	0,250	-	-	-	-
Invest To Save - Purchase new vehicles	New Capital projects	0,150	-	-	-	-	-	-	0,150	-	-	-	-
TOTAL NEW CAPITAL PROJECTS		2,146	0,949	-	-	-	-	-	1,197	-	-	-	-

Scheme	Category	2019/20 Budget £'000	Funded By									
			External Grants £'000	Funding B/F from 2018/19 £	General Capital Grant £	Supported Borrowing £	Highways Refurbishment Grant £	Re- allocated Funding £	Un- supported Borrowing 21 st Century Schools £	Supported Borrowing 21 st Century Schools £	Un- supported Borrowing HRA £	HRA Revenue / Reserves £
TOTAL CAPITAL PROGRAMME 2019/20		30,392	11,671	1,099	1,327	2,026	580	1,197	402	1,640	1,000	9,450