

ISLE OF ANGLESEY COUNTY COUNCIL		
Report to:	EXECUTIVE COMMITTEE	
Date:	1 MARCH 2021	
Subject:	BUDGET MONITORING REPORT THIRD 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 3. 		
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 third 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 3 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, and 2020/21 Capital Budget Monitoring Quarter 2, presented to this Committee on 30 November 2020. 		

1. INTRODUCTION

- 1.1** This is the Capital Budget monitoring report for the third 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 £14.616m. This brings the total Capital budget for 2020/21 to £55.984m.

2. PROGRESS ON EXPENDITURE 2020/21

- 2.1** Below is a summary table of the Capital expenditure to 31 December 2020, the profiled budget to 31 December 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	1,928	872	885	0	885	102	46
Housing HRA	19,032	7,715	7,125	230	7,355	95	39
Lifelong Learning	11,849	2,813	2,494	61	2,555	91	22
Economic and Regeneration	3,844	2,001	1,895	44	1,939	97	50
Highways	7,539	3,462	3,070	168	3,237	94	43
Waste Management	5,399	420	14	408	422	100	8
Property	2,673	1,750	1,607	1	1,609	92	60
Transformation	529	264	93	94	188	71	35
Planning	1,324	145	26	51	77	53	6
Adult Services	1,867	355	282	72	354	100	19
Total	55,984	19,797	17,491	1,130	18,622	94	33
Funded By:							
Capital Grant	22,775						
Capital Receipts	793						
Supported Borrowing	7,955						
Unsupported Borrowing	6,278						
Revenue Contribution	16,163						
Reserves	619						
Loan	1,401						
Total Funding	55,984						

- 2.2** The profiled budget spent to the end of the third quarter for the general fund is 93%, however, only 30% 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 3 being spent, schemes such as Beaumaris and Pentraeth Flood Alleviation schemes, 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, Resilient Roads scheme, Electric Vehicle charge points, the Circular Economy grant 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 95% of its profiled budget and 39% 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 protected 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 quarters 1-3 and led to the cancellation of capital investment programmes involving internal works during the remainder of 2020/21. During quarter 3, expenditure on traditional planned maintenance recovered 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 4.

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 and delays were also caused to the renovation of buy-backs. The aim is to purchase 15 ex-Council houses per year but, at present, it is a more reasonable assumption that only half 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. Also, the commencement of one project was delayed by three months awaiting confirmation of a Welsh Government grant, which has reduced the actual spend achieved during the year.

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, the lower ground floor office has been let and the remaining office space is currently being advertised. Due to delays on site as a result of Covid, an extension has now been granted to March 2021 by the Welsh European Funding Office. 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 was finally completed 22 January 2021 and remaining works are now being progressed with urgency. 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. All the units have been successfully let.
- **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 January 2021.
- **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. The Council's Executive Committee decided to proceed with a new build school to replace Ysgol Corn Hir in December. The Final Business Case has been submitted to Welsh Government and a decision should be received in mid-February, with a view to commencing construction works in April.
- **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. An additional £122k for small capital grants has been received – from which £86,280 has been awarded in grants. Currently in discussions with WG regarding a possible £35,720 underspend.
- **Market Hall** - Outstanding snagging work has largely been completed, with final elements due to be completed by mid-January 2021. Planning approval for the cycle racks and bins was delayed as internal applications have to go to Committee and are due to be considered at the 13 January 2021 meeting. Orders will be placed for this element of work once consent secured. The Audio Visual and launch related heritage interpretation have now been installed. A potential occupier has confirmed take up of 60% of the first floor office space, with heads of terms being drawn up by the Legal team. Further details will become available in the next quarter as to the occupation timetable.

- **Holyhead Townscape Transformation (Phase II THI)** - The first third party grant application was received in late November 2020 and, after a thorough assessment, a grant award made prior to Christmas, facilitating a commencement on site in the New Year, with anticipated completion in quarter 1 2021/22. The investment will support the conversion of former vacant storage area on two upper floors, last utilised in 2010, into four market rent flats in the town centre, supporting town centre vibrancy and vitality and increasing housing supply. Other projects in the town are under development, with prospective applicants for the reuse of other redundant space. The proposals at St Cybi's for the North East tower in the Upper Churchyard have been progressed, with final consents secured in quarter 3, with detailed draft contract documents under review prior to tender in quarter 4.
- 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. During quarter 3, underspend across the Region was identified and a bid for further funding to be utilised on Anglesey and Gwynedd was made. The additional funding requested of £284k is to support the creation of two Community Hubs in Amlwch and Penygroes and provide additional funding for the First Time Buyer Grants. To the end of quarter 3, £566,805 has been claimed and it is envisaged that the grant will be claimed in full by the end of quarter 4.
- **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 Permission to Start was received from the NLHF in quarter 3 2020/21, and the Programme Manager and Project Officer were appointed with a view to taking up their new roles in January 2021. The funding has been reprofiled and the Programme will now run until 2024-25.
- **Hwb In-Schools Infrastructure Grant Scheme** – Despite Covid-19 pressures and additional work on Digitally Excluded Pupils, work has continued on the HWB Project. The goal of 80% by the end of calendar year was achieved for the primary schools as well as the partial installation in two secondary schools. The completion prior to the end of the financial year is still on schedule. The 2,941 Chromebooks have now been delivered to schools utilising the White Glove service provided as part of the Dynamic Purchasing Scheme established by the Welsh Government and administered by Caerphilly Council. These devices have, therefore, been available for schools to use as required straight from the box with no configuration required.

- **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. Holyhead Wayfinding signage designs have been finalised and are expected to be installed during quarter 4. Procurement for detailed designs for the scheduled works at Holyhead Breakwater Country Park were undertaken during quarter 3. Due to no submissions received, works are to be re-tendered in quarter 4 in addition to finalising the tender process for the construction.
- **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. An appointment has been made for a company to design and build the adventure play area. Welsh Government have agreed to extend the project completion to quarter 1 2021/22.
- **Electric Vehicle** – Welsh Government awarded funding in relation to the Sustainable Landscapes & Sustainable Places Programme for the Anglesey Area of Outstanding Natural Beauty. £0.05m was awarded for the purchase of a tourist information electric vehicle, and it is anticipated this will be achieved by year end.
- **Resilient Roads Fund** – This is a new grant funding stream, introduced this year. The Council has 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. The Authority is in the process of procuring external consultancy to undertake this study, with the intention that the majority of 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 and modelling data has now been 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 have continued and most have been completed. 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, two of the 25 schemes may not be completed. We continue to work closely with Welsh Government on this.
- **Beaumaris Flood Alleviation** – Site works were substantially completed in the summer, with a portion of the works deferred. Work is beginning on developing the deferred portion of the works. Construction work will not begin until late 2021 at the earliest.

- **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. Consideration of construction is related 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 and Menai Bridge 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 £0.254m expenditure to quarter 3 on the A5025. Work on the A5025 will continue in quarter 4, with the implementation of improved pedestrian facilities and road safety signage. Site visits and works orders for the introduction of school 20mph zones across the Island were undertaken in quarter 3. The work will be released to the contractor early in quarter 4.
- **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, however, the Authority has procured external consultancy whom have commenced feasibility studies on potential Active Travel improvement schemes which could be delivered in the future. Further minor improvements are to be undertaken in quarter 4 in accordance with the remaining budget.
- **Circular Economy Funding** – Waste Management have been successful in bidding for a share of the circular economy grant and have been awarded two capital grants (£0.439m and £0.478m). The purpose of this funding is to enable the Council to deliver a capital project to support the move to a circular economy in Wales - where waste is avoided and materials are kept in use for as long as possible. This is an important part of the action needed on climate change. It also brings many new opportunities as part of the transition to a low carbon economy. The public sector has a key role to play in supporting Wales' move to a circular economy and delivering an enhanced service to the people of Wales. The grants have been committed in full and it is expected that the grants will be fully drawn down by the end of the year.

- **Local Transport Funding** - £0.509m 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** - £0.375m 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 4.
- **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. Some minor works were undertaken in quarter 3, with expenditure of the remaining budget to be made in quarter 4 with the procurement of shelters and works at the various locations together with the feasibility study for the Pencarnisiog junction.
- **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. External consultants have been commissioned in quarter 3 to undertake a feasibility study and detailed design for the site. Accommodation works and procurement of Electric Vehicle chargers will be undertaken in 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 31-Dec-20 £'000	Projection to 31-Mar-21 £'000
Council Fund:			
Smallholdings	0	20	20
General	314	459	629
Industrial	0	0	0
Schools	554	370	562
Total	868	849	1,211

3.2.2 The projected Capital Receipts at 31 March 2021 is £1.211m, with £0.849m being received at 31 December 2020 (70%).

3.2.3 Although the Projected Capital Receipts is £1.211m, there is £2.541m 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. £1.808m of this can be used to fund the general capital programme, with the other £0.733m available to fund the 21st Century Schools programme as part of the Isle of Anglesey County Council's match funding.

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	1,928	1,462	(466)	(24)
Housing HRA	19,032	11,010	(8,022)	(42)
Lifelong Learning	11,849	4,133	(7,716)	(65)
Economic and Regeneration	3,844	2,831	(1,013)	(26)
Highways	7,539	5,253	(2,286)	(30)
Waste Management	5,399	4,007	(1,392)	(26)
Property	2,673	2,673	0	0
Transformation	529	341	(188)	(35)
Planning	1,324	220	(1,104)	(83)
Adult Services	1,867	1,867	0	0
Total	55,984	33,798	(22,186)	(40)
Funded By:	Annual Budget £'000	Projected Funding £'000	Variance £'000	Variance %
Capital Grant	22,775	14,976	(7,799)	(34)
Capital Receipts	793	665	(128)	(16)
Supported Borrowing	7,955	4,652	(3,303)	(42)
Unsupported Borrowing	6,278	3,226	(3,052)	(49)
Revenue Contribution	16,163	8,391	(7,772)	(48)
Reserves	619	487	(133)	(21)
Loan	1,401	1,401	0	0
Total Funding	55,984	33,798	(22,186)	(40)

4.2 As can be seen from Table 4.1 (above), the forecast underspend on the Capital Programme for 2020/21 is £22.186m, 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 was delayed due to further consultation on the modernisation of the school provision in the Llangefni area. However, progress has now been made and construction expected to start in quarter 1 of 2021/22. There is currently a delay in the purchase of nine Waste vehicles and these will now be funded in quarter 1 of 2021/22. The funding for these will also slip into 2021/22, currently estimated at £1.392m. This has no impact on the transfer to the new contract as the contract allows for the continued use of the existing fleet of vehicles.

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 £142.685m, which is the underlying need for the Authority to borrow to be able to fund its Capital Programme. The external borrowing currently stands at £135.526m, meaning the Authority essentially needs to borrow £7.159m 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, any surplus funding available will be 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.

The draft Capital Budget was presented to this Committee on 18 January 2021 and will be presented to full Council for approval in the near future. The Capital Strategy for 2021/22 will also be presented to this Committee on 1 March 2021.

6. CONCLUSION

- 6.1** The results at the end of quarter 3 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 delayed, 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 £1.211m 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	185,000	184,999	0	184,999	(1)	100	29	636,000	0	0
Residential Site for Gypsies and Travellers	523,506	60,000	57,911	85	57,996	(2,004)	97	11	57,996	(465,510)	(89)
Compulsory Purchase Scheme	135,000	135,000	150,114	0	150,114	15,114	111	111	135,000	0	0
Enable Grant	93,200	25,000	24,344	0	24,344	(656)	97	26	93,200	0	0
TRIP Landlord Grant Scheme	147,576	105,000	105,986	0	105,986	986	101	72	147,576	0	0
TRIP First Time Buyer Grant Scheme	362,000	362,000	361,646	0	361,646	(354)	100	100	362,000	0	0
Affordable Housing	30,650	0	0	0	0	0	0	0	30,650	0	0
TOTAL	1,927,932	872,000	884,999	85	885,084	13,084	102	46	1,462,422	(465,510)	(24)
Housing HRA											
Central Heating Contract	400,000	0	0	0	0	0	0	0	0	(400,000)	(100)
Planned Maintenance Contract	6,120,000	3,500,000	2,932,129	140,428	3,072,558	(427,442)	88	50	4,500,000	(1,620,000)	(26)
Energy Performance Improvement	537,000	0	0	3,978	3,978	3,978	0	1	150,000	(387,000)	(72)
Environmental Works	750,000	65,000	63,813	96	63,909	(1,091)	98	9	100,000	(650,000)	(87)
Acquisition of Existing Properties and Development of new properties	9,230,000	3,500,000	3,496,439	63,371	3,559,810	59,810	102	39	5,250,000	(3,980,000)	(43)
Remodelling Llaur y Dref	2,218	0	50,485	0	50,485	50,485	0	2,276	50,485	48,267	2,176
Public Sector Adaptations	350,000	90,000	61,428	22,254	83,682	(6,318)	93	24	150,000	(200,000)	(57)
Fire Risk	450,000	60,000	38,619	0	38,619	(21,381)	64	9	100,000	(350,000)	(78)
Contaminated Land	20,000	0	0	0	0	0	0	0	9,573	(10,427)	(52)
WHQS	1,172,875	500,000	482,305	0	482,305	(17,695)	96	41	700,000	(472,875)	(40)
TOTAL	19,032,093	7,715,000	7,125,220	230,127	7,355,346	(359,654)	95	39	11,010,058	(8,022,035)	(42)
Lifelong Learning											
Disabled Access in Education Building	500,000	400,000	101,786	5,104	106,890	(293,110)	27	21	500,000	0	0
Refurbish Education Building	2,034,000	1,500,000	1,460,265	37,003	1,497,268	(2,732)	100	74	2,034,000	0	0
School Safety	200,000	0	0	0	0	0	0	0	20,000	(180,000)	(90)
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	43,700	72,424	1,115	73,539	29,839	168	1	515,065	(4,894,796)	(90)
21st Century Schools - Band B Modernisation	2,050,000	0	1,620	0	1,620	1,620	0	0	0	(2,050,000)	(100)
Flying Start Capital Grant	39,276	29,457	30,224	0	30,224	767	103	77	39,276	0	0
Increasing Capacity for Childcare Grant	1,291,197	550,000	536,607	17,468	554,075	4,075	101	43	700,000	(591,197)	(46)
TOTAL	11,848,954	2,813,157	2,494,214	60,690	2,554,904	(258,253)	91	22	4,132,961	(7,715,993)	(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	10,000	2,658	4,200	6,858	(3,142)	0	3	250,000	0	0
Tourism Gateway	1,076,233	100,000	54,168	27,758	81,926	(18,074)	82	8	110,000	(966,233)	(90)
Holyhead Strategic Infrastructure	1,553,764	1,350,000	1,335,911	0	1,335,911	(14,089)	99	86	1,553,764	0	0
Llangefni Strategic Infrastructure	231,360	200,000	160,691	9,798	170,489	(29,511)	85	74	231,360	0	0
Planning System Invest to Save	15,252	8,000	5,077	2,250	7,327	(673)	92	48	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	0	(30,000)	(100)
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	200,000	197,179	0	197,179	(2,821)	99	123	200,000	40,000	25
Transforming Towns Covid Grant	108,000	30,000	23,289	0	23,289	(6,711)	78	22	108,000	0	0
AONB Grant - Electric Vehicle	50,000	0	0	0	0	0	0	0	50,000	0	0
AONB Grant - Breakwater Adventure Playground	100,000	0	0	0	0	0	0	0	30,000	(70,000)	(70)
TOTAL	3,843,845	2,000,864	1,894,983	44,362	1,939,345	(61,519)	97	50	2,831,114	(1,012,731)	(26)

APPENDIX B

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	9,932	20,375	30,307	307	101	101	30,307	307	1
Vehicles	593,367	300,000	217,662	99,471	317,133	17,133	106	53	417,133	(176,234)	(30)
Highways Resurfacing	1,363,582	1,138,581	932,740	0	932,740	(205,841)	82	68	1,263,582	(100,000)	(7)
Highways Refurbishment Grant	599,414	400,000	385,327	0	385,327	(14,673)	96	64	599,414	0	0
Beaumaris Flood Alleviation Works (WG)	683,371	90,000	87,061	0	87,061	(2,939)	97	13	107,061	(576,310)	(84)
Pentraeth Flood Alleviation Works (WG)	325,581	250,000	255,467	0	255,467	5,467	102	78	305,467	(20,114)	(6)
Llansadwrn Flood Alleviation	34,922	7,695	7,695	0	7,695	(0)	100	22	7,695	(27,227)	(78)
Holyhead & Amlwch Drainage Studies	69,845	2,500	2,349	0	2,349	(151)	94	3	9,349	(60,496)	(87)
Red Wharf Bay Flood Scheme	104,952	1,000	908	0	908	(92)	91	1	20,908	(84,044)	(80)
Llanfair Flood Scheme	406,034	6,000	6,387	0	6,387	387	106	2	55,419	(350,615)	(86)
FBC Menai Flood Scheme	161,801	1,000	624	0	624	(376)	62	0	10,624	(151,177)	(93)
FBC Valley Flood Scheme	150,913	1,000	2,010	0	2,010	1,010	201	1	9,010	(141,903)	(94)
Mill Lane Structure	201,250	45,000	43,472	0	43,472	(1,528)	97	22	113,472	(87,778)	(44)
Dwyran Ordinary Watercourse NFM	213,192	10,000	9,140	0	9,140	(860)	91	4	19,140	(194,052)	(91)
Mill Lane - NFM	245,525	1,000	978	0	978	(22)	98	0	978	(244,547)	(100)
Invest to Save - Vehicles	72,980	41,000	40,993	24,179	65,172	24,172	159	89	65,172	(7,808)	(11)
Small scale grants work	739,921	369,961	308,210	0	308,210	(61,750)	83	42	680,000	(59,921)	(8)
Active Travel	200,000	50,000	35,318	23,813	59,131	9,131	118	30	200,000	0	0
A545 Beaumaris	24,727	10,132	5,635	0	5,635	(4,497)	56	23	20,635	(4,092)	(17)
Road Safety Capital	478,000	250,000	255,696	0	255,696	5,696	102	53	478,000	0	0
Resilient Roads Fund	105,000	0	2,227	0	2,227	2,227	0	2	105,000	0	0
Local Transport Fund - Gaerwen Park and Share	375,000	300,000	296,222	0	296,222	(3,778)	99	79	375,000	0	0
Local Transport Network Fund - Bus Stop improvement works	49,000	5,000	6,930	0	6,930	1,930	139	14	49,000	0	0
Vehicle Transformation Fund - Electric Vehicle Charge Points	85,000	2,000	1,472	0	1,472	(528)	74	2	85,000	0	0
Holyhead Gateway Hub	225,443	150,000	155,053	0	155,053	5,053	103	69	225,443	0	0
TOTAL	7,538,820	3,461,869	3,069,508	167,837	3,237,345	(224,523)	94	43	5,252,809	(2,286,011)	(30)
Waste Management											
Waste Contract	4,482,000	0	0	0	0	0	0	0	3,090,186	(1,391,814)	(31)
Circular Economy Funding (266)	439,100	420,000	13,995	408,009	422,004	2,004	100	96	439,100	0	0
Circular Economy Funding (265)	477,830	0	0	0	0	0	0	0	477,830	0	0
TOTAL	5,398,930	420,000	13,995	408,009	422,004	2,004	100	8	4,007,116	(1,391,814)	(26)
Property											
Refurbish Existing Assets	918,773	500,000	352,427	0	352,427	(147,573)	70	38	918,773	0	0
Invest To Save Property	1,650,921	1,250,000	1,254,754	0	1,254,754	4,754	100	76	1,650,921	0	0
Smallholding Refurbishments	100,000	0	0	1,488	1,488	1,488	0	1	100,000	0	0
Cromlech Farm	3,172	0	0	0	0	0	0	0	3,172	0	0
TOTAL	2,672,866	1,750,000	1,607,181	1,488	1,608,668	(141,332)	92	60	2,672,866	0	0
Transformation											
ICT - Core Infrastructure	292,662	89,000	23,000	0	23,000	(66,000)	26	8	104,935	(187,727)	(64)
ICT - Desktop Refresh	121,000	121,000	59,990	61,504	121,494	494	100	100	121,000	0	0
ICT - Anglesey Connected (AC) to PSBA transition	32,405	24,304	10,345	12,455	22,800	(1,504)	94	70	32,405	0	0
ICT - Kit out the meeting rooms	19,964	10,000	0	0	0	(10,000)	0	0	19,964	0	0
Hwb IT Infrastructure	63,124	20,000	0	20,450	20,450	450	102	32	63,124	0	0
TOTAL	529,155	264,304	93,335	94,409	187,744	(76,560)	71	35	341,428	(187,727)	(35)

APPENDIX B

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 (%)
Planning											
Holyhead Market Hall Hub Project	281,000	95,000	0	35,000	35,000	(60,000)	37	12	35,000	(246,000)	(88)
Holyhead Landscape Partnership	143,300	0	0	0	0	0	0	0	0	(143,300)	(100)
Holyhead Regeneration (THI Phase II)	900,000	50,000	25,943	15,955	41,898	(8,102)	84	5	185,000	(715,000)	(79)
TOTAL	1,324,300	145,000	25,943	50,955	76,898	(68,102)	53	6	220,000	(1,104,300)	(83)
Adult Services											
ICF	1,732,800	350,000	278,430	72,388	350,818	818	100	20	1,732,800	0	0
Bryn Hwfa Community Hub	13,155	5,000	3,484	0	3,484	(1,516)	70	26	13,155	0	0
Plas Crigyll 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	355,000	281,915	72,388	354,303	(697)	100	19	1,867,304	0	0
TOTAL	55,984,199	19,797,194	17,491,292	1,130,349	18,621,641	(1,175,552)	94	33	33,798,078	(22,186,121)	(40)