

**ISLE OF ANGLESEY COUNTY COUNCIL**

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|--|---|
| <b>Report to:</b>                        | <b>COUNTY COUNCIL</b>   |
| <b>Date:</b>                             | <b>9 MARCH 2021</b>   |
| <b>Subject:</b>                          | <b>FINAL PROPOSED CAPITAL BUDGET 2021/22</b>                          |
| <b>Portfolio Holder(s):</b>              | <b>COUNCILLOR R WILLIAMS</b>  |
| <b>Head of Service / Director:</b>       | <b>R MARC JONES</b>   |
| <b>Report Author:</b><br>Tel:<br>E-mail: | <b>JEMMA ROBINSON</b><br>01248 752675<br>JemmaRobinson@ynysmon.gov.uk |
| <b>Local Members:</b>                    | n/a   |

**A –Recommendation/s and reason/s**

**1. PURPOSE OF THE REPORT**

1.1 The Council is required approve a capital budget for 2021/22.

**2. RECOMMENDATIONS**

2.1 To approve the following Capital Programme for 2021/22:-

|   | <b>Ref</b>             | <b>£'000</b>  |
|---|------------------------|---------------|
| 2020/21 Schemes Brought Forward                                   | Para 3.1               | 4,000         |
| Refurbishment / Replacement of Assets                             | Para 3.1               | 4,137         |
| New One Off Capital Projects (Priority Projects)                  | Para 3.3               | 0.780         |
| New One Off Capital Projects (Subject to Funding being Available) | Para 3.3               | 0.325         |
| 21 <sup>st</sup> Century Schools                                  | See report<br>18/01/21 | 6,600         |
| Housing Revenue Account   | "                      | 20,313        |
| <b>Total Recommended Capital Programme 2021/22</b>                |                        | <b>36,155</b> |
| <b>Funded By:</b>   |                        |               |
| General Capital Grant   |                        | 2,163         |
| Supported Borrowing General                                       |                        | 2,158         |
| General Balances  |                        | 291           |
| General Balances (if sufficient funding available)                |                        | 325           |
| 21 <sup>st</sup> Century Schools Supported Borrowing              |                        | 2,897         |
| 21 <sup>st</sup> Century Schools Unsupported Borrowing            |                        | 498           |
| HRA Reserve & In Year Surplus                                     |                        | 15,639        |
| HRA Unsupported Borrowing   |                        | 2,000         |
| External Grants   |                        | 6,184         |
| 2020/21 Schemes Brought Forward (External Grants)                 |                        | 4,000         |
| <b>2021/22 Total Capital Funding</b>                              |                        | <b>36,155</b> |

**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.

**C – Why is this a 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  | <b>Chief Executive / Senior Leadership Team (SLT)(mandatory)</b> | Incorporated into the report                                   |
| 2  | <b>Finance / Section 151(mandatory)</b>                          | n/a – this is the Section 151 Officer's report                 |
| 3  | <b>Legal / Monitoring Officer (mandatory)</b>                    |  |
| 4  | <b>Human Resources (HR)</b>                                      | N/A  |
| 5  | <b>Property</b>  | Budget requirements have been reflected in the proposed budget |
| 6  | <b>Information Communication Technology (ICT)</b>                | Budget requirements have been reflected in the proposed budget |
| 7  | <b>Procurement</b>   | N/A  |
| 8  | <b>Scrutiny</b>  |  |
| 9  | <b>Local Members</b>   | N/A  |
| 10 | <b>Other</b>   |  |

**E – Impact on our Future Generations(if relevant)**

|   |   |  |
|---|---|--|
| 1 | <b>How does this decision impact on our long term needs as an Island</b>  | The capital budget ensures funding to maintain the Council's assets and forms part of the strategy to meet the objectives set out in the Council's corporate plan. |
| 2 | <b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>   | Continued maintenance of the Council's assets will prevent higher costs in the future.   |
| 3 | <b>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</b> | Capital projects in respect of 21 <sup>st</sup> Century Schools and the HRA are aligned to priorities set out by the Welsh Government.                             |

|  |  |   |
|--|--|---|
| 4  | <b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>     | The capital budget will be subject to a formal budget consultation prior to final approval by the Council in March 2021.  |
| 5  | <b>Outline what impact does this decision have on the Equalities agenda and the Welsh language</b> | Elements of the capital programme contribute to the Equalities agenda e.g. Disabled Facilities Grants, Disabled Access in Schools, purchase of Chromebooks for school pupils. |
| <b>F - Appendices:</b>   |  |   |
| <p>Appendix 1 – Report on the Capital Budget 2021/22<br/> Appendix 2 – Proposed Capital Budget 2021/22</p>   |  |   |
| <b>FF - Background papers (please contact the author of the Report for any further information):</b>   |  |   |
| <p>Capital Strategy Report – full Council 10 March 2020<br/> Capital Budget 2020/21 – full Council 10 March 2020<br/> Draft Capital Budget – Executive Committee – 18 January 2021</p> |  |   |

## 1. INTRODUCTION

- 1.1. At its meeting on 18 January 2021, the Executive recommended to approve the following provisional Capital Programme for 2021/22, as shown in Table 1 below. The draft Capital Budget for 2021/22, set out below in Table 1, takes into account the principles set out in the Capital Strategy, which was approved by the Executive in March 2020 and the full Council in March 2020. It also meets the principles of the Draft Capital Strategy 2021/22, which will be considered alongside this Capital Programme and will be presented to full Council on 9 March 2021.

**Table 1**

**Summary Recommended Capital Programme 2021/22  
Recommended at the Executive 18 January 2021**

|   | <b>Ref<br/>(within draft<br/>Capital Budget<br/>Report 2021/22,<br/>Executive 18<br/>January 2021)</b> | <b>£'000</b>  |
|---|--|---------------|
| 2020/21 Schemes Brought Forward                                   | Para 4.1 & Table 2   | 3,970         |
| Refurbishment / Replacement of Assets                             | Para 4.2.2 & Table 3   | 4,167         |
| New One Off Capital Projects (Priority Projects)                  | Para 5.2 – 5.6 & Table 4   | 780           |
| New One Off Capital Projects (Subject to Funding being Available) | Para 5.6   | 325           |
| 21 <sup>st</sup> Century Schools                                  | Para 6   | 6,600         |
| Housing Revenue Account   | Para 7   | 20,313        |
| <b>Total Recommended Capital Programme 2021/22</b>                |  | <b>36,155</b> |
| <b>Funded By:</b>   |  |               |
| General Capital Grant   |  | 2,163         |
| Supported Borrowing General                                       |  | 2,158         |
| General Balances  |  | 596           |
| General Balances (if sufficient funding available)                |  | 325           |
| 21 <sup>st</sup> Century Schools Supported Borrowing              |  | 2,897         |
| 21 <sup>st</sup> Century Schools Unsupported Borrowing            |  | 498           |
| HRA Reserve & In Year Surplus                                     |  | 15,639        |
| HRA Unsupported Borrowing   |  | 2,000         |
| External Grants   |  | 5,909         |
| 2020/21 Funding Brought Forward                                   |  | 3,970         |
| <b>2021/22 Total Capital Funding</b>                              |  | <b>36,155</b> |

## 2. OUTCOME OF PUBLIC CONSULTATION PROCESS

- 2.1. A number of comments relating to the Draft Capital Programme 2021/22 were received during the budget consultation 2021/22, which closed on 2 February 2021.

- 2.1.1 Respondents were generally very supportive of the idea to bring in Chromebooks for schools. This can be seen in the number of people that supported an improvement in education. However, the £300,000 play area in Holyhead was seen as an absurd amount of money to spend.
- 2.1.2 People were very supportive of additional methods being done for flood relief schemes. Many people cited the recent floods as their reasoning behind wanting additional funding for flood defence schemes.
- 2.1.3 Many people were keen to see an improvement in the number of cycle routes and walking routes for the island - in particular roads around the Llangefni area. People also cited how they would like to see an increase, or refurbishment, of several playgrounds – pointing that there isn't enough spots for children to play in many areas.
- 2.1.4 People were keen to see either more Council houses being bought, or an improvement in the state of several Council houses that already exist.
- 2.1.5 There was a huge response to the number of people who wanted to see an improvement to their roads. Furthermore, this wasn't just based to a few areas, it was universal for the whole Island. People often pointed out that the number of pot holes in poor road surfaces had caused damage to their cars.
- 2.1.6 A few people mentioned that they would like to see funding being made in order to ensure that Anglesey is more eco-friendly. Responses varied from wanting to see more electric car charging stations, to wanting to see more trees etc. being planted.

### **3. UPDATING THE CAPITAL PROGRAMME SINCE DRAFT CAPITAL BUDGET WAS PRESENTED IN JANUARY 2021**

- 3.1 Included in the Refurbishment/Replacement of Assets figure of £4,167k, is a figure of £30k that should be included in 2020/21 Schemes Brought Forward figure. This has now been reflected in the updated Table 2 below and has no impact on the funding.
- 3.2 In order to maximise grant funding and to use the cheapest method of funding for the capital programme, flexibility in funding is needed. Therefore, the sources of funding per scheme identified in the Capital Budget 2021/22 (as shown in Appendix 2) may change during 2021/22. This is common practice and allows the Council to ensure that the use of grants are maximized and external borrowing is minimized.
- 3.3 Included in the draft budget was a figure of £300k for the resurfacing of two play areas at Holyhead secondary school. It was suggested that if sufficient reserves were not available, then this scheme can be scaled back with only one area completed in 2021/22, with an estimated cost included in the draft budget of £200k for the large area and £100k for the smaller area. It must be noted that the cost of £300k for the two areas was for completing both areas simultaneously. A revised estimate has now been received for completing the two areas separately if required, which confirms the estimated split cost of £200k and £100k.
- 3.4 The draft budget included a figure of £305k for Chromebooks for schools, which was funded by general reserves. Following an announcement that Welsh Government are allocating an amount to Local authorities across Wales to fund Digital Transformation, the Executive have now proposed that the Chromebooks are funded by this external grant. This change has been reflected in Table 2 below.

3.5 These changes have been incorporated into the revised Proposed Capital Programme for 2021/22, which is summarised in Table 2 below.

#### 4. 2020/21 SLIPPAGE

4.1 There is a forecast underspend of £22.186m on the current Capital Programme for 2020/21 schemes (£8.022m HRA and £14.164m General Fund). This figure is based on the projected outturn position at the end of quarter 3. The actual outturn position at the end of quarter 4 will be presented to this Committee in a separate capital outturn report and any slippage amounts requested to be carried forward to 2021/22 will be subject to this Committee's approval at that stage. Committed schemes that are due to run for a number of years from the current year and beyond have been factored in to this programme due to new budgets being required.

**Table 2**

**Final Proposed Capital Programme 2021/22**

|   | <b>Ref</b>          | <b>£'000</b>  |
|---|---------------------|---------------|
| 2020/21 Schemes Brought Forward                                   | Para 3.1            | 4,000         |
| Refurbishment / Replacement of Assets                             | Para 3.1            | 4,137         |
| New One Off Capital Projects (Priority Projects)                  | Para 3.3 & Para 3.4 | 780           |
| New One Off Capital Projects (Subject to Funding being Available) | Para 3.3            | 325           |
| 21 <sup>st</sup> Century Schools                                  | See report 18/01/21 | 6,600         |
| Housing Revenue Account   | "                   | 20,313        |
| <b>Total Recommended Capital Programme 2021/22</b>                |                     | <b>36,155</b> |
| <b>Funded By:</b>   |                     |               |
| General Capital Grant   |                     | 2,163         |
| Supported Borrowing General                                       |                     | 2,158         |
| General Balances  |                     | 291           |
| General Balances (if sufficient funding available)                |                     | 325           |
| 21 <sup>st</sup> Century Schools Supported Borrowing              |                     | 2,897         |
| 21 <sup>st</sup> Century Schools Unsupported Borrowing            |                     | 498           |
| HRA Reserve & In Year Surplus                                     |                     | 15,639        |
| HRA Unsupported Borrowing   |                     | 2,000         |
| External Grants   |                     | 6,184         |
| 2020/21 Schemes Brought Forward (External Grants)                 |                     | 4,000         |
| <b>2021/22 Total Capital Funding</b>                              |                     | <b>36,155</b> |

APPENDIX 2

| SCHEME   | BUDGET<br>2021/22<br>£'000 | FUNDED BY                   |                                   |                                 |                                   |                         |                              |  |
|--|----------------------------|-----------------------------|-----------------------------------|---------------------------------|-----------------------------------|-------------------------|------------------------------|--|
|  |                            | External<br>Grants<br>£'000 | General Capital<br>Grant<br>£'000 | Supported<br>Borrowing<br>£'000 | Unsupported<br>Borrowing<br>£'000 | HRA<br>Reserve<br>£'000 | General<br>Reserves<br>£'000 | General<br>Reserves (if<br>sufficient<br>funding)<br>£'000 |
| <b>2020/21 Committed schemes b/f</b>                   |                            |                             |                                   |                                 |                                   |                         |                              |  |
| Gateway Units (ERDF)                                   | 2,032                      | 2,032                       |                                   |                                 |                                   |                         |                              |  |
| Tourism Gateway  | 1,290                      | 1,290                       |                                   |                                 |                                   |                         |                              |  |
| Holyhead Landscape<br>Partnership                      | 210                        | 210                         |                                   |                                 |                                   |                         |                              |  |
| Holyhead Regeneration (THI<br>Phase II)                | 438                        | 438                         |                                   |                                 |                                   |                         |                              |  |
| IT Assets Schools                                      | 30                         | 30                          |                                   |                                 |                                   |                         |                              |  |
| <b>TOTAL 2020/21 Committed<br/>schemes b/f</b>         | <b>4,000</b>               | <b>4,000</b>                | -                                 | -                               | -                                 | -                       | -                            | -  |
| <b>Refurbishment / Replacement of Assets</b>           |                            |                             |                                   |                                 |                                   |                         |                              |  |
| Disabled Facilities Grants                             | 500                        |                             | 500                               |                                 |                                   |                         |                              |  |
| Disabled Access in Education<br>Buildings              | 300                        |                             |                                   | 300                             |                                   |                         |                              |  |
| Refurbishment of Schools                               | 1,000                      |                             |                                   | 1,000                           |                                   |                         |                              |  |
| Refurbishment of Non School<br>Buildings               | 600                        |                             |                                   | 600                             |                                   |                         |                              |  |
| Highways   | 1,250                      |                             | 1,250                             |                                 |                                   |                         |                              |  |
| Vehicles   | 195                        |                             | 195                               |                                 |                                   |                         |                              |  |
| I.T Assets   | 292                        |                             | 218                               | 74                              |                                   |                         |                              |  |
| <b>TOTAL Refurbishment /<br/>Replacement of Assets</b> | <b>4,137</b>               | -                           | <b>2,163</b>                      | <b>1,974</b>                    | -                                 | -                       | -                            | -  |

APPENDIX 2

| SCHEME   | BUDGET<br>2021/22<br>£'000 | FUNDED BY                   |                                   |                                 |                                   |                         |                              |  |
|--|----------------------------|-----------------------------|-----------------------------------|---------------------------------|-----------------------------------|-------------------------|------------------------------|--|
|  |                            | External<br>Grants<br>£'000 | General Capital<br>Grant<br>£'000 | Supported<br>Borrowing<br>£'000 | Unsupported<br>Borrowing<br>£'000 | HRA<br>Reserve<br>£'000 | General<br>Reserves<br>£'000 | General<br>Reserves (if<br>sufficient<br>funding)<br>£'000 |
| <b>New One Off Capital Projects (Priority)</b>                     |                            |                             |                                   |                                 |                                   |                         |                              |  |
| Flood Relief Schemes   | 180                        |                             |                                   | 89                              |                                   |                         | 91                           |  |
| Econ Dev - Match Funding pot                                       | 95                         |                             |                                   | 95                              |                                   |                         |                              |  |
| Chromebooks for schools  | 305                        | 305                         |                                   |                                 |                                   |                         |                              |  |
| Resurfacing play areas (large area)                                | 200                        |                             |                                   |                                 |                                   |                         | 200                          |  |
| <b>TOTAL New One Off Capital<br/>Projects (Priority)</b>           | <b>780</b>                 | <b>305</b>                  | <b>-</b>                          | <b>184</b>                      | <b>-</b>                          | <b>-</b>                | <b>291</b>                   | <b>-</b>   |
| <b>New One Off Capital Projects (Subject to funding)</b>           |                            |                             |                                   |                                 |                                   |                         |                              |  |
| Traeth Coch Flood Scheme   | 225                        |                             |                                   |                                 |                                   |                         |                              | 225  |
| Resurfacing play areas (small area)                                | 100                        |                             |                                   |                                 |                                   |                         |                              | 100  |
| <b>TOTAL New One Off Capital<br/>Projects (Subject to funding)</b> | <b>325</b>                 | <b>-</b>                    | <b>-</b>                          | <b>-</b>                        | <b>-</b>                          | <b>-</b>                | <b>-</b>                     | <b>325</b>   |
| <b>21<sup>st</sup> Century Schools</b>                             |                            |                             |                                   |                                 |                                   |                         |                              |  |
| Band A   | 5,077                      | 2,539                       |                                   | 2,538                           |                                   |                         |                              |  |
| Band B   | 1,523                      | 666                         |                                   | 359                             | 498                               |                         |                              |  |
| <b>TOTAL 21st Century Schools</b>                                  | <b>6,600</b>               | <b>3,205</b>                | <b>-</b>                          | <b>2,897</b>                    | <b>498</b>                        | <b>-</b>                | <b>-</b>                     | <b>-</b>   |
| <b>TOTAL GENERAL FUND</b>  | <b>15,842</b>              | <b>7,510</b>                | <b>2,163</b>                      | <b>5,055</b>                    | <b>498</b>                        | <b>-</b>                | <b>291</b>                   | <b>325</b>   |

APPENDIX 2

| SCHEME   | BUDGET<br>2021/22<br>£'000 | FUNDED BY                   |                                   |                                 |                                   |                         |                              |  |
|--|----------------------------|-----------------------------|-----------------------------------|---------------------------------|-----------------------------------|-------------------------|------------------------------|--|
|  |                            | External<br>Grants<br>£'000 | General Capital<br>Grant<br>£'000 | Supported<br>Borrowing<br>£'000 | Unsupported<br>Borrowing<br>£'000 | HRA<br>Reserve<br>£'000 | General<br>Reserves<br>£'000 | General<br>Reserves (if<br>sufficient<br>funding)<br>£'000 |
| <b>Housing Revenue Account</b>                         |                            |                             |                                   |                                 |                                   |                         |                              |  |
| WHQS Traditional Planned<br>Maintenance Programme      | 9,555                      | 2,674                       |                                   |                                 |                                   | 6,881                   |                              |  |
| New Developments and re-<br>purchase of RTB properties | 10,758                     |                             |                                   |                                 | 2,000                             | 8,758                   |                              |  |
| <b>TOTAL HOUSING REVENUE<br/>ACCOUNT</b>               | <b>20,313</b>              | <b>2,674</b>                | <b>-</b>                          | <b>-</b>                        | <b>2,000</b>                      | <b>15,639</b>           | <b>-</b>                     | <b>-</b>   |
| <b>TOTAL CAPITAL PROGRAMME<br/>2021/22</b>             | <b>36,155</b>              | <b>10,184</b>               | <b>2,163</b>                      | <b>5,055</b>                    | <b>2,498</b>                      | <b>15,639</b>           | <b>291</b>                   | <b>325</b>   |

