

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	EXECUTIVE
Date:	02 MARCH 2023
Subject:	BUDGET MONITORING REPORT THIRD QUARTER 2022/23 - CAPITAL
Portfolio Holder(s):	COUNCILLOR R WILLIAMS – PORTFOLIO HOLDER FINANCE, CORPORATE BUSINESS & CUSTOMER EXPERIENCE
Head of Service / Director:	MARC JONES - DIRECTOR OF FUNCTION (RESOURCES) & SECTION 151 OFFICER (EXT. 2601)
Report Author: E-mail:	JEMMA ROBINSON JemmaRobinson@ynysmon.llyw.cymru
Local Members:	n/a
A –Recommendation/s and reason/s	
It is recommended that the Executive :- <ul style="list-style-type: none"> Note the progress of expenditure and receipts against the capital budget 2022/23 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 Senior Leadership Team 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 Senior Leadership Team and comments made have been considered.
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 2022/23 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:		
<p>Appendix A - Capital Budget Monitoring Report – Quarter 3 2022/23 Appendix B - Summary of the Capital Projects' Expenditure to date against the Capital Budget and the Projected Expenditure at Year-End Appendix C - Changes to budgets / additional schemes added since budget setting</p>		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • 2022/23 Capital Budget, as approved by the full Council on 10 March 2022; • 2022/23 Treasury Management Strategy Statement, approved by the full Council on 10 March 2022; • 2021/22 Capital Outturn Report, presented to this Committee on 28 June 2022; and • 2022/23 Capital Budget Monitoring Quarter 1, presented to this Committee on 27 September 2022 and 2022/23 Capital Budget Monitoring Quarter 2, presented to this Committee on 29 November 2022 		

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 2022, the Council approved a Capital Programme for non-housing services of £17.177m for 2022/23, and a Capital Programme of £18.784m for the Housing Revenue Account (HRA). In addition, in June 2022, the Executive approved Capital Slippage of £11.242m to be brought forward from 2021/22, bringing the Capital Programme for non-housing services to £28.419m, and £18.784m 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 £10.837m, along with the HRA budget being reduced by £3.750m. This brings the total Capital budget for 2022/23 to £54.290m. This is illustrated in the table below:-

Funded By:	Original 22/23 budget as approved by Full Council £'000	Slippage as approved in Q4 21/22 outturn £'000	HRA reduction £'000	Additional schemes since budget setting £'000	TOTAL £'000
Grant	7,662	4,426		9,704	21,792
Supported Borrowing	3,325	3,816		(73)	7,068
Unsupported Borrowing	11,399	200	(3,750)	(1,107)	6,742
Revenue Contribution	10,099			267	10,366
Capital Receipts	600	251		287	1,138
Reserves	2,876	2,472		1,759	7,107
Loan		77			77
TOTAL	35,961	11,242	(3,750)	10,837	54,290

Please refer to Appendix C for details of changes to budgets / additional schemes added since the budget setting process.

2. PROGRESS ON EXPENDITURE 2022/23

- 2.1 Below is a summary table of the Capital expenditure to 31 December 2022, the profiled budget to 31 December 2022 and the proposed funding of the Capital Programme for 2022/23:-

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	1,667	380	399	0	399	105	24
Housing HRA	15,034	11,283	5,926	849	6,775	60	45
Lifelong Learning	18,008	10,214	9,574	656	10,230	100	57
Economic and Regeneration	7,620	5,466	4,395	878	5,273	96	69
Highways	7,197	3,662	3,011	464	3,475	95	48
Waste Management	451	76	55	26	81	107	18
Property	1,717	370	369	0	369	100	21
Transformation	711	468	438	28	466	100	66
Adult Services	1,885	146	148	6	154	105	8
Total	54,290	32,065	24,315	2,907	27,222	85	50
Funded By:							
Capital Grant	21,792						
Capital Receipts	1,138						
Supported Borrowing	7,068						
Unsupported Borrowing	6,742						
Revenue Contribution	10,366						
Reserves	7,107						
Loan	77						
Total Funding	54,290						

- 2.2** The profiled budget spent to the end of the third quarter for the general fund is 98%, however, only 52% 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 the Canolfan Addysg y Bont roofing works, capital works to Education buildings, Leisure schemes, Penrhos Phase 2 and 3 and the Llangefni Gateway schemes. Some capital schemes have yet to commence, or the majority of their budget is profiled in the next quarter or towards the latter part of the financial year, such as the Enable Grant scheme, the Melin Llynonn scheme, small scale grants flood schemes and the social care funding. These schemes and their profiles can be seen in Appendix B. There are a number of Capital Grants schemes in 2022/23 and an update on these is provided in Section 3.1 of this report.
- 2.3** The HRA has spent 60% of its profiled budget and 45% of the annual budget. It is currently estimated that the budget will not be spent in its entirety come the end of the financial year. For further information on the HRA capital expenditure and projected spend, please refer to the HRA quarter 3 budget monitoring report, presented to this Committee on 02 March 2023.

3. FUNDING

3.1 Capital Grants

3.1.1 There are a number of Capital Grant schemes in the Capital Programme for 2022/23, most of which are underway and progressing, with a brief update on the schemes provided below:-

- **Sustainable Communities for Learning** - the new Ysgol Corn Hir building is complete, with highway works ongoing, to be completed in March 2023. . External works on site will continue until Easter. New Foundation Phase Unit at Ysgol y Graig – works have commenced on site. Experiencing a delay at present due to extremely wet ground conditions. The Structural Timber Frame is under construction off-site.
- **Welsh Medium Capital Grant** - £0.784m has been offered to complete a childcare unit at Ysgol Llanfawr. Sub-contractors are due to be appointed and the unit is to be manufactured off-site for delivery end of February. The grant funding will be drawn down in full this financial year in line with the grant conditions.
- **Holyhead Townscape Transformation (Phase II Townscape Heritage Initiative (THI))** – The UK Government has delayed the much anticipated Levelling Up Fund Round 2 decisions until the New Year. The works at the Swift Square Public Conveniences and the viewing platform for the North East Tower of Caergybi Roman Fort are progressing. Options to accelerate the works are being explored in order to ensure project completion by the end of March 2023, prior to the Easter bank holiday weekend.
- **The Holy Island Landscape Partnership** – the Landscape Partnership has secured funding from the National Lottery Heritage Fund (NLHF) to deliver a range of projects which focus on the natural environment of Holy Island. Additional funding has been secured through the Shared Prosperity Fund and the Levelling Up Fund. Further small amounts have been secured through the Sustainable Development Fund. Progress on projects which are jointly funded through the ERDF include:-
 - Conserving our Heritage – Contractors have been appointed to carry out works on Ffynnon y Wrach, Twr Ellin and the Lookout above South Stack. These works should be completed by the end of February. Consultants have also prepared outline procurement documents for the remaining structures which are part of the project.

- **Hwb In-Schools Infrastructure Grant Scheme** – Screens have been allocated to schools following an evaluation of the condition survey results and are currently being installed by the sub-contractors of the re-seller appointed to the HWB dynamic purchasing scheme.
- **Tourism Gateway** – the Breakwater Country Park visitor centre: the main contractor has been appointed and works commenced on site early July. Completion of the work on the new visitor centre is now expected by mid-February 2023. Works on the toilets and kiosk have now been completed. Deliverability by the deadline is currently expected and will be constantly reviewed, and any changes will be reported to Visit Wales.
- **Penrhos Phase 2 project** - the aim of this scheme is to construct seven new business units on the Penrhos Industrial Estate. Works on the units have now been completed with only installation of the substation and commissioning required to be undertaken. This is likely to be completed in quarter 4. Expectation that marketing of these units will commence in spring 2023.
- **Penrhos Phase 3 project** – £3.1m funding secured from ERDF. The intention is to construct 6 business units on final parcel of land in Council ownership. Procurement commenced in October 2022 utilising the North Wales construction Partnership framework. In December 2022 contractors were appointed with works on-site to commence during quarter 4 and are scheduled to be completed end of quarter 1 2023/24.
- **Llangefni Gateway Project** - the Llangefni Gateway Site (Tregarnedd Industrial Park) is an area in Llangefni which will eventually have 7 plots developed.
 - **Gateway Units (ERDF)** – Marketing of the completed units were undertaken during quarter 3 with all units offered to applicant by end of quarter 3. It is anticipated that all tenants will have occupied these units during quarter 4 subject to legal agreements.
 - **Gateway Joint Venture** – the aim of the Gateway Joint Venture is to undertake enabling works on the remaining plots of the Tregarnedd Business Park (Gateway Site). Archaeological and ecological works have been completed and further issues arising. Number of plots to be available to sell will be 3, rather than 6, due to archaeological constraints. Final preparatory works ongoing to enable final plots to be ready for marketing.
- **Holyhead and Amlwch Drainage schemes** - these studies are currently ongoing. In Holyhead, the hydraulic modelling is complete and the long list of options is being refined. In Amlwch, the river surveys have been completed and the long list of options are being considered. Both these studies continued in quarter 3, and will continue throughout this financial year and into 2023/24.
- **Small Scale Grants Work** - Six schemes have now been completed, with the remaining being programmed for completion by year end, with the revised grant funding being drawn down in full.
- **Llanfair PG, Menai Bridge and Valley Full Business Case (FBC) and Valley Construction** - Llanfair PG - Following legal advice, the current commission will come to an end and the Council will look to retender this commission and appoint a new consultant. The Valley construction scheme is now complete. Menai Bridge – the planned preferred option has been proven not to address the flooding issue sufficiently. Consequently, a hybrid scheme involving other interventions is being considered.

- **Mill Lane - Structure & Natural Flood Management (NFM)** – Structure – there has been a failure of the sensor which controls automatic operation and consultants are currently working on revisions to the sensor arrangement to overcome this issue. NFM - The negotiations are still continuing with the landowner on the NFM aspect, albeit slowly. It will only be the design element that will be completed within this financial year, with the construction element resubmitted for next financial year when it is expected that a new NFM programme will be available.
- **Dwyran Ordinary Watercourse Natural Flood Management (NFM)** – the snagging issues have been dealt with and the telemetry to allow monitoring of the effectiveness is ongoing. The telemetry data is now being collected and analysed. This will continue for some years.
- **Active Travel** - £0.538m of Welsh Government (WG) Grant has been secured 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. £0.486m is for core works covering a number of scheme proposals, and £0.052m has been awarded for Llanfairpwll & Menai Bridge (main artery improvements). Progress in quarter 3 includes:-
 - Re-Profiled the budget and outputs – still on-track to aim for full spend of the budget by end of March 2023.
 - Pre-Scheme Development Activities and Welsh Transport Appraisal Guidance (WelTAG) Studies are continuing to progress at Lôn Graig-Lon Refail Llanfairpwll, Benllech, Pont Marquis-Newborough, Amlwch-Amlwch Port, and Holyhead Train Station to Trearddur Bay.
 - In relation to the main bid that was awarded to Llanfairpwll & Menai Bridge (main artery improvements) this has included a continuation of the WelTAG process on Pentraeth Road, Menai Bridge and the A5025 to connect to Llanfairpwll Park and Share. In addition, concept designs has been completed to enable safer active travel routes to connect the community to Llanfairpwll Primary School as well as detailed design work to overcome a critical failure on the network at A5/Ffordd Penmynydd
 - Designs completed and programme agreed for the Minor Works Packages (critical fail routes at Llangefni and Amlwch);
 - Scope of works and surveys agreed to continue assessment of proposed formal crossing at Valley);
 - Monitoring and Evaluation activities continue to progress include: arrangement of public consultations, updating the Council website and updates to Data Map Wales, ordering of permanent user-counters etc.
- **Resilient Roads Fund** – the Council has been successful in obtaining funding under this grant to undertake a Stage 3 Welsh Transport Appraisal Guidance (WelTAG) study into what resilience measures could be implemented on the B5109 road to Beaumaris. This road has a history of closures in times of adverse weather, and increased storminess associated with climate change will only worsen the situation. The WelTAG Stage 3 study commenced in quarter 3 with initial site investigations and environmental studies undertaken. Works are still on course to complete before the end of the financial year and current estimates predict a slight underspend (circa. £20k)
- **Ultra Low Emission Vehicle Transformation Fund** - £0.114m was awarded in December 2022 to undertake enabling works and project development activities to facilitate electric vehicle charging points on the Island in alignment with the Welsh Government's EV Charging Strategy. Welsh Government have agreed a time-extension until end of June 2023 (based on all orders raised by end of March 2023).

- **Local Transport Fund** – infrastructure enhancements - £0.750m was awarded in 2021/22 to facilitate Infrastructure Enhancements on Anglesey to support bus network delivery work (North Wales Metro) on behalf of Transport for Wales. Time extension was secured and agreement obtained from Welsh Government to claim the grant in full. In quarter 3, software contents were confirmed for the totem infrastructure that is bespoke to Isle of Anglesey County Council, completion of all e-ink solar sites (installation in quarter 4), completion of 1st phase of civil works associated with the 21.5” infrastructure. Remaining outstanding civil works and installation of all RTI is aimed for completion during quarter 4 (depending on weather conditions etc.)
- **Local Transport Fund** - £0.630m has been awarded for 2022/23 in relation to bus infrastructure enhancements which relate to re-developing the bus stop environment at key bus interchange sites (i.e. new bus shelters / introducing public realm improvements etc.). A revised offer letter has now been accepted for £0.493m to deliver the above activities at x4 sites (rather than x6). It also has been agreed for a time-extension until end of June 2023 (based on orders raised by end of March 2023). During quarter 3, all design works have been reviewed and amended following discussions with main contractor and a works order process has commenced to confirm budgets and programme for the delivery for each site (and for the overall programme delivery). All approvals obtained from the relevant Town Councils to confirm support towards the scheme design.
- **Low Carbon Heat Grants** – the Council has been awarded Welsh Government funding in relation to Public Sector Low Carbon grants (for Moelfre Primary School (£0.091m) and the Council Offices (£1.033m)) in order to support in the delivering of supplying and installing heat pumps. 90% expenditure was achieved on both grant awards, and agreement from WG was obtained to carry forward the remainder of the grant award to financial year 2022/23 for completion in quarter 2 2022/23. Works in Moelfre Primary School are now complete. Planning permission has been granted for the works to continue in the Council Offices. Although the original schedule estimated completion of works at the Council Offices by quarter 2, works were significantly delayed after receiving planning permission due to a main engineering contractor going in to liquidation. Work is now progressing on site and is anticipated to be completed in quarter 4.
- **Amlwch 3G pitch** - £0.075m grant funding has been secured towards the delivery of the Amlwch 3G pitch, with the remainder of the budget being funded from the leisure improvements capital reserve. The project is now complete.
- **Môn Coastal Gateway** – The tender came in higher than the original funding and as such, £50k was approved to move from the County Council's capital budget for toilet improvements to cover the additional costs. The full budget is expected to be spent this financial year, in line with the grant conditions. Works in quarter 3 is as follows:
 - Bae Trearddur - Building striped out, new partition walls erected and first fix plumbing completed. Ready for new flooring system which is to be laid start of February.
 - Porthdafarch - Building striped out and first fix plumbing work completed. Ready for new flooring system which is to be laid start of February.
 - Porth Swtan; - Building striped out, asbestos ceilings removed and first fix plumbing completed. Ready for new flooring system which is to be laid start of February. Existing timbers to the roof void being treated for woodworm in January and work of installing UPVC ceiling starting following completion of treatment.
 - Benllech; - Building striped out, new partition walls and openings formed last week and first fix plumbing started. Ready for new flooring system which is to be laid start of February. Work of installing UPVC ceiling starting in February.

- **Community Focused Schools (CFS) grant** - £0.476m of grant funding has been awarded by Welsh Government (WG) to support small and medium scale practical projects to open schools outside the traditional hours, specifically to safely adapt and effectively open schools outside traditional hours, to enable community use of the existing facilities. There has been no expenditure to date on the scheme, however, there is now a schedule in place for expenditure this financial year, with tenders for work going out in quarter 4. It is envisaged that the grant will not be utilised in full this financial year, which has been discussed at length with WG and agreement has been obtained from WG to carry any unutilised funding to financial year 23/24 for completion of the activities planned.
- **Additional Learning Needs (ALN) grant** - £0.476m of grant funding has been awarded by Welsh Government (WG) to support learners with ALN. The aim of the grant is to optimise pre-16 learning environments for those with ALN and increase accessibility to promote inclusive practice, support learning and pupil wellbeing. This will support the implementation of the ALN and Education Tribunal Act Wales 2018 and Curriculum for Wales. There has been no expenditure to date on the scheme, however, there is now a schedule in place for expenditure this financial year, but due the nature of some of the work (having to be completed outside of term time to minimise disruption), it is envisaged that the grant will not be utilised in full this financial year, which has been discussed at length with WG. Agreement has been obtained from WG to carry any unutilised funding to financial year 23/24 for completion of the activities planned.
- Social care funding has been awarded from the Regional Partnership Board from a number of different funding streams as follows:
 - **Integrated Care Fund (ICF)** - £0.852m was claimed through the ICF in the prior year and through displaced funding, for the projects to slip into 2022/23 to be completed. There are 4 projects included in the program managed monies which are:
 - Specialist small group homes – The funding will be used to invest in our residential homes for children and outreach into schools to support well-being and technology.
 - Extra Care south of the island – This funding will fund initial cost with preparing the site, architect, and planning costs.
 - Disabled Friendly Investment – This funding will be all used in 2022/23 to complete disabled friendly investments in Plas Arthur and Holyhead leisure centres.
 - Learning Disability Enabling Accessibility – This project will fund an investment into supported living and community opportunities for individuals with a learning disability.

It is currently envisaged that some of the projects will continue in 2023/24 and it has been agreed with the regional team that the funding can be carried forward to fund completion in 2023/24.

- **Discretionary capital Projects (DCP)** - £0.147m of capital funding has been granted through DCP and will be used to support the following two projects:
 - Small group homes – The funding will be supporting the build costs refurbishment of a children's day respite centre.
 - Supported Living for individuals with LD – The funding will be spent on advanced technologies to promote inclusion and develop skill sets.

It is envisaged that the funding will be spent in full this financial year as per the grant conditions.

- **Integrated and rebalancing community fund (IRCF)** – £0.244m of capital funding has been granted through IRCF to fund:-
 - Amlwch wellbeing HUB – The funding will be utilised to support accessibility for individuals accessing activities. Some of the funding will also invest in a well-being space and touch down base for local authority and third sector staff to hold meetings or events with individuals, families, and carers.
 - Dementia Friendly Care Homes – The funding will be used to create a 3rd secure unit at Garreglwyd care home to support an increased specialised local dementia support.

It is envisaged that the funding will be spent in full this financial year as per the grant conditions but due to the late award of the funding from Welsh Government, discussions will be held in regard to the ability to spend on time.

- **Housing with Care Fund (HCF)** – £1.1m of capital funding has been granted through HCF for 2022/23 and 2023/24 to support the Small Group Homes project and fund the renovations of two homes and potentially invest in a night respite unit on one site. It is envisaged that £0.5m of this funding will be spent in full this financial year and the remaining £0.6m in 2023/24.

3.2 Capital Receipts

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

	Budget 2022/23 £'000	Received to 31-Dec-22 £'000	Projection to 31-Mar-23 £'000
Council Fund:			
Smallholdings	0	0	0
General	0	182	182
Industrial	0	0	0
Schools	672	146	146
Total	672	328	328

3.2.2 The projected Capital Receipts at 31 March 2023 is £0.328m, with £0.328m being received at 31 December 2022 (100%). This projected figure differs somewhat to what was reported at quarter 2. This is now in light of further information that some of the properties that were expected to sell in 2022/23 have experienced a delay and are now expected to sell in 2023/24.

3.2.3 Although the projected Capital Receipts is £0.328m, there is £2.709m of Capital Receipts available to fund the Capital Programme as £2.381m of Capital Receipts were brought forward from 2021/22 in the Capital Receipt Reserve. Not all of this figure will be available to fund the general fund capital programme, as there will be funding earmarked to fund the Sustainable Communities for Learning programme, as part of the Isle of Anglesey County Council's match funding, as well as Leisure earmarked reserve to fund leisure improvements.

4. PROJECTED ACTUAL EXPENDITURE 2022/23

4.1 Below is a table with projected Expenditure at 31 March 2023 and the revised funding:-

Service	Annual Budget £'000	Projected Expenditure £'000	Projected (Under) / Over Expenditure £'000	Variance %
Housing General Fund	1,667	780	(887)	(53)
Housing HRA	15,034	10,143	(4,891)	(33)
Lifelong Learning	18,008	13,216	(4,792)	(27)
Economic and Regeneration	7,620	7,093	(527)	(7)
Highways	7,197	5,046	(2,151)	(30)
Waste Management	451	233	(218)	(48)
Property	1,717	758	(959)	(56)
Transformation	711	644	(67)	(9)
Adult Services	1,885	1,154	(731)	(39)
Total	54,290	39,067	(15,223)	(28)
Funded By:	Annual Budget £'000	Projected Funding £'000	Variance £'000	Variance %
Capital Grant	21,792	18,587	(3,205)	(15)
Capital Receipts	1,138	587	(551)	(48)
Supported Borrowing	7,068	2,792	(4,276)	(60)
Unsupported Borrowing	6,742	5,450	(1,292)	(19)
Revenue Contribution	10,366	6,435	(3,931)	(38)
Reserves	7,107	5,139	(1,968)	(28)
Loan	77	77	0	0
Total Funding	54,290	39,067	(15,223)	(28)

4.2 As can be seen from Table 4.1 (above), the forecast underspend on the Capital Programme for 2022/23 is £15.223m, with this being potential slippage into the 2023/24 Capital Programme. The funding for this slippage will also slip into 2023/24 and will be factored in when producing the Treasury Management Strategy Statement, Capital Strategy and Capital Programme for 2023/24.

The main contributor to the forecast underspend can be seen within HRA and Lifelong Learning, where there is a significant underspend forecast. For further detail on the HRA, please refer to the HRA quarter 3 budget monitoring report.

The significant underspend forecast in the general fund capital programme is summarised below:-

Disabled Facilities Grant (DFG)

A significant underspend is now forecast against this budget. DFG works and the budget is demand led and the service has not seen the level of activity anticipated in connection with applications and approvals during 2022/23 to date.

Economic & Regeneration

The Maritime Infrastructure and Visitor Infrastructure schemes are going to slip into the next financial year as reported in the quarter 2 budget monitoring report. Regarding the Maritime Infrastructure scheme - the work in Amlwch is being prioritised and, while background work has begun and consultants have been appointed, the full budget is still required and the majority of the work will take place next financial year. There has been little expenditure to date on the Visitor Infrastructure scheme, with some expenditure anticipated in quarter 4, however, with discussions underway with the Highways department regarding the works required, the scheme will not be completed this financial year and the slippage is already anticipated. The Amlwch Leisure Centre flooring scheme will commence this financial year, with minimal expenditure from the budget. The remaining budget is estimated to be completed within quarter one of financial year 2023/24. The service has secured a £90k grant from Sport Wales to contribute towards the scheme, with the remaining budget funded from the Leisure capital fund.

Waste Management

The budget for the Recycling Equipment will not be spent in its entirety and an underspend is still anticipated. This is due to the lead times of certain plant / machinery which, following procurement enquiries, will not be delivered before year end. The budget is committed in full and will require slippage into the next financial year.

Property

The Upgrade of Public Conveniences scheme budget will not be spent in full, and it is now estimated that there will be no spend from the budget this financial year. The service is in the process of developing a public conveniences improvement plan which will give a better idea of the capital requirements in the next financial years. It is also envisaged that further grant funding for capital works to public conveniences may be forthcoming in the next financial year, and part of this budget could again be used as match funding if the opportunity arises. The capital budget for works to Council Buildings is now estimated to underspend in the year. The service has advised that some of the projects are behind schedule due to a shortfall in capacity to deliver. Specifically, £350k has been allocated to works to Amlwch Leisure Centre, with a proportion anticipated to be completed this financial year and the remaining to roll over to 2023/24. This is similar to the £250k allocated to Holyhead Leisure Centre, which again will roll over to next financial year. Other factors will also determine the progress of these schemes, with it being roofing works which are weather dependant.

Lifelong Learning

At the end of quarter 2, it was envisaged that disabled adaptations in education buildings budget would be spent in full as part of wider works happening with additional grant funding from Welsh Government (WG). As at quarter 3, this budget, along with the Community focused Schools and Additional Learning Needs grant will not be spent in full this financial year. As explained in 3.1.1 agreement has been obtained from WG to carry any unutilised grant funding to financial year 2023/24 for completion of the activities planned. Therefore the budgets are committed in full, but due to various reasons as communicated with WG, the budgets are now planned to be spent in full by quarter 2 of 2023/24 financial year.

In addition to the above schemes, the refurbish education buildings capital budget is now forecasting a significant underspend. This is due to £1.189m of grant funding being awarded for school Capital maintenance works. The grant funding will be used in 2022/23, replacing funding from the Authority's own resources. As a condition of the grant the core funding not utilised in this financial year, as a result of receiving the additional grant, will now be used to fund school capital works in 2023/24.

The original budget set for Canoflan Addysg y Bont roofing works contained a contingency sum to cover any unforeseen works. The works are now concluding, with minimal additional expenditure after quarter 3, therefore the expenditure is showing as an underspend of £826k when compared to the original budget. Any underspend will be returned to the Council's general balances once the final costs are calculated.

As explained in 3.1.1 a delay is being experienced at present due to extremely wet ground conditions regarding the New Foundation Phase Unit at Ysgol y Graig. This will have an effect on the expenditure and the remaining budget and expenditure will be re-profiled for next financial year.

Highways Schemes

The underspend forecast in the Highways schemes are in relation to various flood schemes, mainly due to projects straddling two financial years and some overlapping into financial year 2023/24 for completion. Some other Local Transport Fund grants have been offered late in the financial year and although relating to 2022/23, agreement has been obtained from Welsh Government to extend the grants to June of 2023/24 for completion of these schemes. The vehicles budget is now forecasting an underspend. The budget has been committed in full, but due to lead times on vehicles, not all the vehicles will be delivered this financial year. Funding will also slip into the next financial year, and no funding will be lost.

Adult Services

As explained in 3.1.1 the budget for Integrated Care Fund (ICF) is forecasting an underspend. This is displaced funding from prior year and has been agreed with the regional team relating to ICF that the schemes can be completed in the next financial year. The funding will therefore carry forward and no funding will be lost.

- 4.3** The Capital Finance Requirement forecasted at 31 March 2023 is £144.667m, which is the underlying need for the Authority to borrow to be able to fund its Capital Programme. The external borrowing currently stands at £123.964m, meaning the Authority essentially needs to borrow £20.703m 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 2022/23 Treasury Management Strategy Statement (Appendix 11).

5. FUTURE YEARS

- 5.1** The Capital Strategy recommended that the 2022/23 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 2023/24 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 used to fund new capital schemes, with priority given to projects which contribute to the Council's objectives, as set out in the 2022 – 2027 draft corporate plan, and any schemes which can generate future revenue savings or generate additional income.

The final proposed Capital Budget is on the agenda of this Committee, with the final budget presented to full Council for approval on 9 March 2023. The Capital Strategy for 2023/24 will also be presented to this Committee and the Full Council on 9 March 2023.

6. CONCLUSION

6.1 The results at the end of quarter 3, and the associated projected expenditure, shows that the majority of projects are on target to be completed within budget, albeit slipping into next financial year for a number of schemes. The Council has secured many different external grants and work is progressing well, or expected to, on most of these schemes. The Council is also expecting to receive £0.328m of Capital Receipts in 2022/23 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	845,226	200,000	214,396	0	214,396	14,396	107	25	450,000	(395,226)	(47)
Enable Grant	139,786	30,000	34,500	0	34,500	4,500	115	25	139,786	0	0
Residential Site for Gypsies and Travellers	490,841	0	0	0	0	0	0	0	0	(490,841)	(100)
Compulsory Purchase Scheme	160,000	150,000	150,505	0	150,505	505	100	94	160,000	0	0
Affordable Housing	30,650	0	0	0	0	0	0	0	30,650	0	0
TOTAL	1,666,503	380,000	399,402	0	399,402	19,402	105	24	780,436	(886,067)	(53)
Housing HRA											
Central Heating Contract	800,000	600,000	560,316	172	560,488	(39,512)	93	70	800,000	0	0
Housing Maintenance Unit Vehicles	27,383	27,383	27,383	0	27,383	(0)	100	100	27,383	0	0
Planned Maintenance Contract	3,955,000	2,966,250	1,191,236	89,947	1,281,183	(1,685,067)	43	32	2,000,000	(1,955,000)	(49)
Energy Performance Improvement	1,000,000	750,000	52,178	25,267	77,445	(672,555)	10	8	77,445	(922,555)	(92)
Environmental Works	870,667	653,000	82,433	31,320	113,753	(539,247)	17	13	200,000	(670,667)	(77)
Acquisition of Existing Properties and Development of new properties	5,479,000	4,109,250	3,017,870	467,404	3,485,274	(623,976)	85	64	4,936,888	(542,112)	(10)
Public Sector Adaptations	400,000	300,000	152,205	96,780	248,985	(51,015)	83	62	400,000	0	0
Fire Risk	600,000	450,000	30,942	138,034	168,976	(281,025)	38	28	400,000	(200,000)	(33)
Contaminated Land	1,950	975	975	0	975	0	100	50	1,950	0	0
WHQS	1,900,000	1,426,463	810,207	0	810,207	(616,256)	57	43	1,299,025	(600,975)	(32)
TOTAL	15,034,000	11,283,321	5,925,744	848,924	6,774,668	(4,508,653)	60	45	10,142,691	(4,891,309)	(33)
Lifelong Learning											
Disabled Access in Education Buildings	144,512	7,500	7,242	2,937	10,179	2,679	136	7	37,242	(107,270)	(74)
Refurbish Education Buildings	4,036,042	2,400,000	2,340,610	9,424	2,350,034	(49,966)	98	58	2,600,000	(1,436,042)	(36)
School Safety	136,792	25,000	24,922	0	24,922	(78)	100	18	40,000	(96,792)	(71)
Canolfan Addysg y Bont - Roof	2,490,852	1,650,000	1,646,706	1,896	1,648,602	(1,398)	100	66	1,665,000	(825,852)	(33)
Canolfan Addysg y Bont - Classroom	90,000	90,000	90,000	0	90,000	0	100	100	90,000	0	0
Resurfacing Play Area	18,756	6,000	6,360	0	6,360	360	106	34	18,756	0	0
Flying Start Capital Grant	50,000	25,000	22,044	0	22,044	(2,956)	88	44	50,000	0	0
Free School Meals Grant	1,379,380	700,000	671,102	0	671,102	(28,898)	96	49	1,379,380	0	0
External Canopies	371,000	260,000	229,662	33,625	263,287	3,287	101	71	371,000	0	0
Community Focused Schools Grant	475,530	0	0	0	0	(0)	0	0	135,650	(339,880)	(71)
Additional Learning Needs Grant	475,530	0	0	0	0	(0)	0	0	108,000	(367,530)	(77)
Increasing Capacity for Childcare Grant (PM costs and grant scheme)	362,907	100,000	77,843	17,615	95,458	(4,542)	95	26	362,907	0	0
Childcare Unit - Llanfawr	784,350	500,000	3,735	492,843	496,578	(3,422)	99	63	784,350	0	0
Completion of Band A Programme	4,973,892	4,000,000	4,035,174	82,798	4,117,972	117,972	103	83	4,973,892	0	0
Commencement of Band B Programme	2,218,342	450,000	418,182	14,715	432,896	(17,104)	96	20	600,000	(1,618,342)	(73)
TOTAL	18,007,885	10,213,500	9,573,581	655,853	10,229,434	15,933	100	57	13,216,177	(4,791,708)	(27)

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 (%)
Economic and Regeneration											
Leisure Improvements	80,612	0	0	0	0	(0)	0	0	80,612	0	0
Amlwch Fitness Suite	13,845	11,000	10,818	0	10,818	(182)	98	78	13,845	0	0
David Hughes Fitness Suite	118,000	121,000	120,830	0	120,830	(170)	100	102	121,000	3,000	3
Amlwch 3G Pitch	138,110	138,110	138,784	0	138,784	674	100	100	138,784	674	0
Amlwch Flooring	135,000	4,300	0	4,300	4,300	0	100	3	4,300	(130,700)	(97)
Tourism Gateway	50,000	15,000	4,987	880	5,867	(9,133)	39	12	50,000	0	0
Breakwater Park	525,000	400,000	258,163	85,743	343,906	(56,094)	86	66	525,000	0	0
Penrhos Phase 2	2,556,838	2,556,838	2,012,092	544,746	2,556,838	0	100	100	2,556,838	0	0
Penrhos Phase 3	325,000	325,000	219,807	104,787	324,594	(406)	100	100	325,000	0	0
Economic Development & Environmental Wellbeing	109,600	0	0	0	0	(0)	0	0	109,600	0	0
Porth Wrach Slipway – Enforcement Cameras	30,000	0	0	0	0	(0)	0	0	0	(30,000)	(100)
Newry Community Centre	200,000	180,000	126,134	47,776	173,909	(6,091)	97	87	200,000	0	0
Gateway Units (ERDF)	1,067,908	1,000,000	906,072	6,006	912,079	(87,921)	91	85	1,067,908	0	0
Gateway Site JV	261,069	180,000	135,535	42,379	177,915	(2,085)	99	68	261,069	0	0
Holyhead Landscape Partnership	100,000	10,000	8,705	0	8,705	(1,295)	87	9	100,000	0	0
Holyhead Regeneration (THI Phase II)	950,000	400,000	369,583	0	369,583	(30,417)	92	39	850,000	(100,000)	(11)
Maritime Infrastructure	200,000	50,000	17,100	33,960	51,060	1,060	102	26	51,060	(148,940)	(74)
Visitor Infrastructure	200,000	1,500	0	1,284	1,284	(216)	86	1	75,000	(125,000)	(63)
Melin Llynnon	185,000	50,000	44,697	6,175	50,872	872	0	27	185,000	0	0
Transforming Towns Covid Grant	10,064	0	0	0	0	(0)	0	0	10,064	0	0
Môn Coastal Gateway	360,000	15,000	14,320	460	14,780	(221)	99	4	360,000	0	0
Amlwch Port Grant	3,836	7,850	7,850	0	7,850	0	100	205	7,850	4,014	105
TOTAL	7,619,882	5,465,598	4,395,478	878,497	5,273,974	(191,624)	96	69	7,092,930	(526,952)	(7)
Highways											
Upgrade Pay and Display Machines in Car Parks	4,533	5,500	0	5,469	5,469	(32)	99	121	5,500	967	21
Vehicles	573,745	200,000	34,854	37,000	71,854	(128,146)	36	13	71,854	(501,891)	(87)
Highways Resurfacing	2,000,000	1,500,000	1,517,926	0	1,517,926	17,926	101	76	2,000,000	0	0
Holyhead & Amlwch Drainage Studies	65,420	15,000	13,678	0	13,678	(1,322)	91	21	50,000	(15,420)	(24)
Red Wharf Bay Flood Scheme	23,933	6,000	5,997	0	5,997	(3)	100	25	10,000	(13,933)	(58)
Llanfair Flood Scheme	397,649	2,000	266	1,750	2,016	16	101	1	15,000	(382,649)	(96)
FBC Menai Flood Scheme	167,271	40,000	32,412	10,000	42,412	2,412	106	25	53,000	(114,271)	(68)
FBC Valley Flood Scheme	41,349	10,000	11,889	0	11,889	1,889	119	29	15,000	(26,349)	(64)
Valley Construction	472,841	400,000	388,619	13,476	402,095	2,095	101	85	472,841	0	0
Flood Relief Schemes (Match Funding)	135,800	0	0	0	0	(0)	0	0	0	(135,800)	(100)
Traeth Coch (Match Funding)	235,000	0	0	0	0	(0)	0	0	0	(235,000)	(100)
Mill Lane Structure	42,258	60,000	61,584	5,000	66,584	6,584	111	158	66,584	24,326	58
Dwyran Ordinary Watercourse NFM	21,528	20,000	17,422	0	17,422	(2,578)	87	81	21,528	0	0
Mill Lane - NFM	241,640	0	0	0	0	(0)	0	0	70,000	(171,640)	(71)
Invest to Save - Vehicles	5,068	0	0	0	0	(0)	0	0	5,068	0	0
Small scale grants work	539,288	220,000	167,157	49,950	217,107	(2,893)	99	40	539,288	0	0
Active Travel	537,500	270,000	132,244	142,820	275,064	5,064	102	51	537,500	0	0
Resilient Roads Fund	230,000	150,000	23,777	140,389	164,166	14,166	109	71	210,000	(20,000)	(9)
Bus Infrastructure 2021/22	451,902	451,902	349,846	0	349,846	(102,056)	77	77	451,902	0	0
Bus Infrastructure 2022/23	492,648	30,000	30,356	0	30,356	356	101	6	140,448	(352,200)	(71)
Vehicle Transformation Fund - Electric Vehicle Charge Points	127,797	128,000	128,010	0	128,010	10	100	100	128,010	213	0
Ultra Low Emission Vehicle (ULEV) Transformation Fund	114,108	4,000	0	3,604	3,604	(396)	90	3	32,971	(81,137)	(71)
Electric Vehicle Charging Infrastructure	275,527	150,000	94,700	54,349	149,049	(951)	99	54	150,000	(125,527)	(46)
TOTAL	7,196,805	3,662,402	3,010,738	463,807	3,474,545	(187,858)	95	48	5,046,494	(2,150,311)	(30)

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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 (%)
Waste Management											
Roller Packer	28,750	28,750	28,750	0	28,750	0	100	100	28,750	0	0
Circular Economy Funding (265)	5,836	2,400	3,000	0	3,000	600	125	51	5,836	0	0
IVC Works	36,620	20,000	23,025	0	23,025	3,025	115	63	36,620	0	0
Recycling Equipment	380,000	25,000	0	25,749	25,749	749	103	7	161,319	(218,681)	(58)
TOTAL	451,206	76,150	54,775	25,749	80,524	4,374	106	18	232,525	(218,681)	(48)
Property											
Refurbish Existing Assets	1,058,926	300,000	298,087	0	298,087	(1,913)	99	28	468,000	(590,926)	(56)
Invest To Save Property	77,068	0	0	0	0	(0)	0	0	77,068	0	0
Low Carbon Heat Grant - Council Offices	120,563	0	0	0	0	(0)	0	0	120,563	0	0
Low Carbon Heat Grant - Moelfre Primary School	9,125	0	0	0	0	(0)	0	0	9,125	0	0
Smallholding Refurbishments	83,677	70,000	71,242	0	71,242	1,242	102	85	83,677	0	0
Upgrade Public Conveniences	368,000	0	0	0	0	(0)	0	0	0	(368,000)	(100)
TOTAL	1,717,359	370,000	369,330	0	369,330	(671)	100	22	758,433	(958,926)	(56)
Transformation											
ICT- Core Infrastructure	200,000	180,000	170,533	9,841	180,374	374	100	90	200,000	0	0
ICT - Desktop Refresh	250,000	240,000	239,400	0	239,400	(600)	100	96	250,000	0	0
ICT - Anglesey Connected (AC) to PSBA transition	72,708	15,000	0	15,682	15,682	682	105	22	25,000	(47,708)	(66)
ICT - Upgrade meeting rooms	50,000	3,000	2,643	0	2,643	(357)	0	5	30,000	(20,000)	(40)
Hwb IT	138,514	30,000	25,741	2,100	27,841	(2,159)	0	20	138,514	0	0
TOTAL	711,222	468,000	438,317	27,623	465,940	(2,060)	100	66	643,514	(67,708)	(10)
Adult Services											
Integrated Care Fund (ICF)	851,566	65,000	67,211	6,000	73,211	8,211	113	9	157,647	(693,919)	(81)
Discretionary Capital Projects (DCP)	146,970	35,000	35,255	0	35,255	255	101	24	146,970	0	0
Housing with Care Fund (HCP)	244,125	0	0	0	0	0	0	0	244,125	0	0
Integrated and Rebalancing Care Fund (IRCF)	500,000	0	0	0	0	0	0	0	500,000	0	0
Bryn Hwfa Community Hub	13,155	0	0	0	0	(0)	0	0	13,155	0	0
Plas Crigyll Refurbishment	45,535	45,535	45,535	0	45,535	(0)	0	100	45,535	0	0
Plas Mona Refurbishment	83,371	0	120	0	120	120	0	0	46,524	(36,847)	(44)
TOTAL	1,884,722	145,535	148,121	6,000	154,121	8,586	106	8	1,153,956	(730,766)	(39)
TOTAL	54,289,584	32,064,508	24,315,485	2,906,453	27,221,938	(4,842,570)	85	50	39,067,156	(15,222,428)	(28)

Changes to budgets / additional schemes added since budget setting

Scheme	Budget £	FUNDING					
		Grant £	Revenue Contribution £	Capital Receipts Reserve £	Capital Reserve £	Supported borrowing £	Unsupported borrowing £
Flying Start	50,000	50,000					
Active Travel	537,500	537,500					
Resilient Roads	230,000	230,000					
Small Scale Schemes	399,287	353,959				45,328	
Flood match pot	(49,500)					(49,500)	
Roller Packer	28,750				28,750		
IVC Capital Works	36,620			36,620			
Amlwch 3G	75,000	75,000					
Ysgol Y Bont Roof	1,500,000				1,500,000		
David Hughes Fitness overspend	18,000				18,000		
Penrhos Phase 3	600,000	600,000					
Compulsory Purchase	160,000			160,000			
Breakwater Park	525,000	525,000					
Penrhos Phase 2	582,948	582,948					
Mon Coastal Gateway	248,000	248,000					
Hwb IT	138,514	138,514					
Newry Community Centre	200,000				200,000		
Landscape Partnership	(90,000)	(90,000)					
Mill Lane Structure	15,000	12,750			2,250		
Holyhead & Amlwch Flood	50,542	50,542					
Bus Infrastructure 2021/22	(220,976)	(220,976)					
Bus Infrastructure 2022/23	492,648	492,648					
Community Focused Schools	475,530	475,530					
Additional Learning Needs	475,530	475,530					
Menai Bridge FBC	45,376	45,376					
Free School Meals	832,177	832,177					
Addysg y Bont - Classroom	90,000			90,000			
Melin Llynnon	82,000	82,000					
Valley Construction	98,885	84,052			14,833		
AONB Green Recovery	(237,774)	(237,774)					
Childcare capital scheme	(45,331)	(45,331)					
THI Phase II	525,000	525,000					
Visitor Gateway	(170,000)	(170,000)					
Gateway ERDF	196,073	196,073					
Band B Graig	(2,611,658)	(1,214,578)				(654,080)	(743,000)
Band A Corn Hir	1,205,892	1,569,495					(363,603)
ICF/DCP/HCF/IRCF	1,742,661	891,095	266,001			585,565	
Education capital Grant	1,188,824	1,188,824					
ULEV Transformation Fund	114,108	114,108					
Childcare capital grants scheme	320,000	320,000					
Llanfawr Unit	784,350	784,350					
Enable	139,786	139,786					
Amlwch Flooring	90,000	90,000					
Llansadwrn Flood Alleviation	(32,291)	(27,447)				(4,844)	
TOTAL	10,836,471	9,704,151	266,001	286,620	1,758,989	(72,687)	(1,106,603)