

ISLE OF ANGLESEY COUNTY COUNCIL		
Report to:	EXECUTIVE	
Date:	29 FEBRUARY 2024	
Subject:	BUDGET MONITORING REPORT THIRD QUARTER 2023/24 - CAPITAL	
Portfolio Holder(s):	COUNCILLOR R WILLIAMS – DEPUTY LEADER & FINANCE PORTFOLIO HOLDER	
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		
<ul style="list-style-type: none"> It is recommended that the Executive note the progress of expenditure and receipts against the capital budget 2023/24 at quarter 3. Approve the additional schemes amounting to £9.396m to the capital programme and amendments to funding as per Appendix C, which will result in a revised capital budget of £62.095m for 2023/24. 		
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 / Leadership Team (LT) (mandatory)	Report has been reviewed by the 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 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 2023/24 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 2023/24</p> <p>Appendix B - Summary of the Capital Projects' Expenditure to date against the Capital Budget and the Projected Expenditure at Year-End</p> <p>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"> • 2023/24 Capital Budget, as approved by the full Council on 9 March 2023; • 2023/24 Treasury Management Strategy Statement, approved by the full Council on 9 March 2023; and • 2022/23 Capital Outturn Report, presented to this Committee on 27 June 2023; • 2023/24 Quarter 1 Capital Budget Monitoring report, presented to this Committee on 26 September 2023; and • 2023/24 Quarter 2 Capital Budget Monitoring report, presented to this Committee on 28 November 2023. 		

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 2023, the Council approved a capital programme for non-housing services of £24.405m for 2023/24, and a capital programme of £13.557m for the Housing Revenue Account (HRA). In addition, in June 2023, the Executive approved capital slippage of £13.477m to be brought forward from 2022/23, bringing the capital programme for non-housing services to £33.532m, and £17.907m for the HRA. Since the budget setting process, there have been additional schemes added onto the programme, most of which are grant funded, and some amending of funding, which amounted to £9.396m. There has also been Executive approval of additional £1.26m for an HRA scheme. This brings the total capital budget for 2023/24 to £62.095m. This is illustrated in the table below:

Funded By:	Original 2023/24 budget as approved by full Council £'000	Slippage as approved in Q4 2022/23 outturn £'000	HRA increase as approved by Executive June 2023 £'000	Additional schemes / amendments since budget setting £'000	TOTAL £'000
Grant	22,367	2,909		12,025	37,301
Supported Borrowing	3,077	3,294		2,129	8,500
Unsupported Borrowing	2,797	38		(2,797)	38
Revenue Contribution	9,221	3,936	1,260	(2,782)	11,635
Capital Receipts	500	443		(500)	443
Reserves		2,780		1,321	4,101
Loan		77			77
TOTAL	37,962	13,477	1,260	9,396	62,095

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

2. PROGRESS ON EXPENDITURE 2023/24

- 2.1 Below is a summary table of the capital expenditure to 31 December 2023, the profiled budget to 31 December 2023 and the proposed funding of the capital programme for 2023/24:-

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	1,877	820	840	0	840	102	45
Housing - HRA	19,988	14,710	13,362	0	13,362	91	67
Lifelong Learning	12,556	6,322	7,647	509	8,156	129	65
Economic and Regeneration	14,405	5,298	5,050	317	5,367	101	37
Highways	8,404	3,370	3,028	380	3,408	101	41
Waste Management	366	66	58	6	64	97	17
Property	3,861	449	429	0	429	96	11
Transformation	391	251	147	110	257	102	66
Adult Services	247	225	229	0	229	102	93
Total	62,095	31,511	30,790	1,322	32,112	102	52
Funded By:							
Capital Grant	37,301						
Capital Receipts	443						
Supported Borrowing	8,500						
Unsupported Borrowing	38						
Revenue Contribution	11,635						
Reserves	4,101						
Loan	77						
Total Funding	62,095						

- 2.2** The profiled budget spent to the end of the third quarter for the general fund is 112%, however, only 45% 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, and some capital schemes have yet to commence, but their budget is profiled in the next quarter towards the latter part of the financial year, such as Holyhead Leisure Centre Flooring, Low Carbon Heat Grant at various locations and Ysgol Uwchradd Bodedern floodlights. These schemes and their profiles can be seen in Appendix B. There are a number of Capital Grants schemes in 2023/24, and an update on these is provided in Section 3.1 of this report.
- 2.3** The HRA has spent 91% of its profiled budget and 67% of the annual budget. 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 29 February 2024.

3. FUNDING

3.1 Capital Grants

3.1.1 There are a number of Capital Grant schemes in the Capital Programme for 2023/24, 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. New Foundation Phase Unit at Ysgol y Graig – the timber Structural Insulated Panels Frame superstructure works for the whole school building is now complete. Internal plaster boarding and plastering is complete, together with window installations. Roof finishes are almost complete. Works are progressing well to the car park areas and site drainage works are ongoing. The building services first fix is almost complete. The Band B Ysgol y Graig budget and funding has now been amended to reflect the latest matrix, and an underspend is predicted against the budget this financial year. This is due to delays on site earlier in the project.
- **Valley Childcare Unit** - £0.85m of grant funding has been secured. Works have commenced on site to prepare the substructure. The new childcare unit will be arriving on site at the end of February 2024.
- **Holyhead Townscape Transformation (Phase II Townscape Heritage Initiative (THI))** - The project on Stanley Street for four properties commenced prior to Christmas, with initial setting out and survey work completed. All remaining design tenders related to both shopfronts and priority projects were issued in quarter 3, with one appointed in December and the remainder in January. This will facilitate final design work to tender, building off previous survey and design work. This will reduce the delays and quoted higher costs experienced through the previously planned use of a framework contractor.
- **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. Progress on projects which are jointly funded through the ERDF include:-
 - **Conserving our Heritage** – The works on Ffynnon y Wrach, Tŵr Ellin and the Lookout above South Stack have now been completed. Works on Ynys Peibio and the Pillbox in Trearddur Bay have also recently been completed. The works on the Battery at Penrhos have started, although slightly delayed by the weather. The work on Skinners Monument Pillbox will follow once the Battery is completed. All of the works should be completed by the end of January 2024.
- **Tourism Gateway** – The Breakwater Country Park visitor centre: works are now complete, and the Visitor Centre was opened in June 2023. Final claims have been submitted and paid but could be subject to further European Audits in the future.

- **Levelling Up** - During quarter 3, the works on the Ucheldre Centre started on site and are progressing well. Mon CF have gone out to tender for the works to the HSBC building, with a closing date of 16 January. They have also been preparing tender documentation for Central Buildings. Contractors have been appointed for the refurbishment of 9 Stanley Street, and work will commence in January. Holyhead Town Council have appointed contractors for the redevelopment of the Newry Beach Shelters but have had to go out to tender for a second time for the extension to the Empire Play Centre as tender prices were significantly over budget. Archaeological works in St Cybi's Church Yard have been completed with no issues. Works on Eglwys y Bedd are scheduled to start late March, but the project is running 6 months behind schedule. Design Teams have been appointed for the Public Realm works and some of the Shop Frontages. The quarter 3 expenditure will be claimed in January and the next payment of grant from the UK Government is also due in January. There are ongoing concerns about increasing costs and delays in starting the projects. Discussions have been held with UK Government Officers regarding a 6-month time extension, taking the programme completion to September 2025. A formal submission for this will be made in February 2024.
- **Safer Streets** – Funding, provided through the Home Office via the North Wales Police and Crime Commissioner, is aimed at reducing neighbourhood crime and anti-social behaviour in Holyhead. It has provided funding for Highways to improve street lighting, provide additional CCTV for Holyhead Town Council and undertake improvement works on the Celtic Bridge. All works were completed, and the funding came to an end in September 2023, although there is an ongoing commitment to provide match funding until March 2024.
- **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. Marketing of these units expected to commence imminently, subject to receipt of EPC assessments. Project has been formally closed with funders.
- **Penrhos Phase 3 project** – £3.1m funding initially secured from ERDF, with a further £0.399m awarded. The aim of this scheme was to construct an additional six new business units on the Penrhos Industrial Estate. Works on-site has now been completed. Marketing of these units are set to commence imminently, subject to receipt of their EPC assessments. Project has been formally closed with funders.
- **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)** – All units have now been let out.
 - **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). Marketing for sale of available plots to commence in liaison with property services.
- **Small Scale Grants Work** - 7 construction schemes have been approved for 2023/24. Subsequently, one scheme has been withdrawn (Capel Moriah, Gwalchmai) due to complexity and excessive cost. Construction work on the remainder is progressing.
- **Llanfair PG, Menai Bridge (FBC)** – Menai Bridge FBC is progressing well. However, work on Llanfair PG business case is delayed due to resourcing issues.
- **Mill Lane Structure** – The revised sensor system has now been implemented and will be monitored over the winter period. Specialists have also visited the site to assess the sensor system.
- **Active Travel (AT)** - £2.253m of Welsh Government (WG) grant has been secured to increase levels of active travel, improve health & well-being, improve air quality, reduce carbon emissions, connect communities and improve active travel access to employment, education and key services, destinations and public transport. A re-profile exercise has been undertaken on the AT Programme, whereby the new allocated sum of the grant equals to £2.130m and is awaiting approval from WG / TfW. Following approval, a revised funding offer letter will be issued

- £0.500m is for core works covering a number of scheme proposals, broken down to pre-scheme development, minor works and M&E activities.
 - **Pre scheme development**
 - Benllech (two routes that adjoin the A5025 and improvements to Square (A5025)) – quarter 3 - completion of the consultation report and undertaking a scheme review and design amendments to reflect the comments received as well as further consultation with the Emergency Services (in particular the NW Fire Service).
 - Menai Bridge - Pentraeth Road & A5025 to Llanfairpwll Park and Share – quarter 3 – scheme paused at end of quarter 2 – undertaken a re-profile / variation and this scheme will not be delivered any further in 2023/24 due to reasons previously outlined. Removed from programme.
 - Gaerwen (& Llanddaniel) – Quarter 3 – Consultant appointed and inception meeting undertaken (utilised (NMWTRA) Framework Agreement as procurement route)
 - Valley - quarter 3 – Consultant appointed and inception meeting undertaken (utilised North & Mid Wales Trunk Road Agent NMWTRA Framework Agreement as procurement route).
 - Amlwch Secondary School and Leisure Centre to Porth Amlwch (incorporating link to access employment) - Quarter 3 - started the Detailed Design phase for majority of routes and preparation for public consultation etc. Public Consultation to be undertaken in quarter 3/4.
 - **Minor Works (Core Package)**
 - Activities in quarter 3 included completing detailed design for critical fail improvements at Amlwch and Valley.
 - **Active Travel Network Map Development & M&E Related Activities**
 - Quarter 3 activities includes undertaking procurement process for Audit activities and ordering of user counters.
- £0.250m in relation to Active Travel Main Scheme Malltraeth – Newborough (A4080) – during quarter 3, re-profiled for higher spend on the project to £0.324m. Minor works at Newborough completed, designs completed for the formal crossing of the A4080 and the Cob Entrance and Flood Risk Activity Permit (FRAP) application submitted to NRW. In respect of the wider assessment of the whole corridor from Pont Marquis to Newborough, Consultants have been appointed to undertake WelTAG Stage 3 pre-scheme development work on the route which includes Stage 3E on the unclassified route from Pont Marquis to Malltraeth, Stage 3C on the section from Pen Cob Car Park to Newborough and further assessments / exploration for a segregated route from Pont Marquis to A4080 along the riverbank.
- £0.158m in relation to Active Travel Main Scheme Llanfairpwll – during quarter 3, re-profiled for higher spend on the project to £0.225m. Designs have been completed on the minor works element along the A5 and Y Gors and term contractor appointed with works scheduled to start in January. In respect of the route from Lon Graig to Lon Refail, an assessment is required on the opposite side of the carriageway, with options being assessed by consultants following further survey work.
- £1.345m in relation to Active Travel Main Scheme Holyhead – Trearddur Bay (North Wales Metro) - during quarter 3, re-profiled for lower spend on the project to £1.034m. Appointed Principal Contractor on the scheme following successful tender process and continued pre-scheme development work for potential subsequent phases of the project.

- **Ultra Low Emission Vehicle (ULEV) Transformation Fund (2022/23)** – All activities associated with the funding from 2022/23 has been completed. The Council secured grant funding from the WG ULEV fund for 2023/24 to continue for completion (as per below).
- **Ultra Low Emission Vehicle (ULEV) Transformation Fund (2023/24)** - £0.377m has been awarded to aid in the completion of activities awarded in 2022/23 and charging at Benllech, Amlwch Leisure Centre and Valley village. Approval granted from Welsh Government for a time-extension on the construction of the EV Hub at Plas Arthur until end of August 2024 on the basis of the contractor being appointed by no later than 30 April 2024 (progress in quarter 3 on this particular scheme includes securing planning permission for the EV hub at Plas Arthur and the start of the detailed design phase). Other progress in quarter 3 includes continued assessment of procurement and tender documentation, with external consultants providing expert advice due to the complexities of the long-term contract, and planning for the enabling works at Amlwch and Valley, as well as submitting quotes for DNO connection at a number of different sites (due to issues at the Benllech site). Currently, the intention is to commit the entire budget during 2023/24 (with the Plas Arthur EV hub being extended for completion by end of August 2024).
- **Local Transport Fund – infrastructure enhancements** - Site acceptance visit was completed in August 2023 and final capital payment issued. The project is now complete.
- **Local Transport Fund** – The remaining grant funding was drawn down at the end of quarter 1, as per the grant conditions and further activities in relation to this scheme in quarters 2 and 3 will be funded by the service. All activities in relation to this scheme are now complete.
- **Low Carbon Heat Grant (Council Offices)** – Planning permission granted in November 2023, ground surveys have subsequently taken place and work is expected to complete by 31 March 2024.
- **Low Carbon Heat Grant (10 locations)** – £2.421m has been secured, with Welsh Government Energy Service providing grant funding that covers 90% of the costs and the Council providing match funding for the remaining 10% from existing capital budgets. Survey work and pre-start meetings ongoing, with building work to begin on site at some locations in quarter 4, with grant funding to be drawn down in full by year end.
- **Plas Arthur Floodlights** - The project was completed during the first week of November 2023. This included replacement of two columns and new LED lighting in all of the 8 columns. The project was funded through the Cymru Football Foundation and Leisure capital funding.
- **Ysgol Uwchradd Bodedern – 3G pitch** – The project was completed mid-November 2023, with both pitches being used by the school. There are minor alterations that will be completed in the Spring when the weather improves, such as the painting of the lines and the sand in-fill.
- **Ysgol Uwchradd Bodedern – Floodlights** - £0.100m of grant funding has been secured via Sport Wales to erect floodlights to the new 2G and 3G sports pitches. The total cost of the project is expected to be £0.123m, with the Council providing match funding for the remainder. Works will start on the project week commencing 5 February 2024, with works scheduled to be completed by mid-March. This could be delayed due to the weather.
- **Holyhead Leisure Centre Flooring** - £0.100m of grant funding has been secured from Sport Wales to install a new floor in the main hall at Holyhead Leisure Centre. The total project cost is estimated at £0.140m, with the Council providing £0.040m match funding. Start date of the project has been confirmed for the 18 March 2024. This is later than first anticipated, however, this is the best outcome for the leisure service as it coincides with the Easter Holidays which, traditionally, is a quiet period for use of the hall and it will allow some of the clubs that use the facility to use external alternatives. The project will be completed within a 3-week period, which has been agreed with Sport Wales.

- **Môn Coastal Gateway** – The contractor started work at Moelfre and Traeth Bychan in November 2023, and at Beaumaris and Rhosneigr in December 2023. Work at all 4 sites is on-going and currently on schedule to be completed by the end of February 2024.
- **Community Focused Schools (CFS) grant (2022/23)** - Most of the works have now been completed. Outstanding work relates to Ysgol Syr Thomas Jones and now having had planning consent, will occur during March 2024. Therefore, full expenditure of the funding is expected.
- **Community Focused Schools (CFS) grant (2023/24)** - £0.200m has been awarded in 2023/24 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. The awarded sum relates to three specific schools. It is expected that a small amount of the grant will be spent within quarter 4, with full expenditure of the budget expected in 2024/25. This has been communicated to Welsh Government and a reprofile of spend submitted and approved, with the revised allocation for 2023/24 being £0.030m.
- **Additional Learning Needs (ALN) grant (2022/23)** - Most work under this scheme was completed over the Summer 2023 holiday period. There was a sum allocated for works in Holyhead High School, which is now not possible to carry out in the original time frame and, therefore, an underspend of £0.215m is expected to be repaid back to Welsh Government.
- **Additional Learning Needs (ALN) grant (2023/24)** - £0.478m has been secured from Welsh Government to optimise learning environments for disabled children and young people, and those with additional learning needs, to increase accessibility, promote inclusive practice, support learning and pupil wellbeing. Works have been identified by the ALN team and, due to work not being able to being carried out as per the terms and conditions of the grant, an underspend of £0.139m is expected to be repaid back to Welsh Government.
- Social care funding has been awarded from the Regional Partnership Board from a number of different funding streams, as follows:-
 - **Integrated Care Fund (ICF)** - £0.694m was claimed through the ICF in prior years and through displaced funding, for the projects to slip into 2023/24 to be completed. There are 4 projects included in the programme managed monies, which are:-
 - Specialist small group homes;
 - Extra Care south of the Island;
 - Disabled Friendly Investment;
 - Learning Disability Enabling Accessibility.

It is currently envisaged that the remaining funds will be spent in full this financial year, which will be used as a contribution to the above expenditure schemes that sit within the HRA budget.

- **Integration and rebalancing capital fund (IRCF)** – £0.244m of capital funding has been granted through IRCF to fund:-
 - **Amlwch Wellbeing HUB (£0.128m)** – 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. £104k was used in 2022/23 and the remainder (£25k) utilised in 2023/24 to complete the project. The project was complete by the end of June 2023.
 - **Dementia Friendly Care Homes (£0.115m)** – The funding will be used to create a 3rd secure unit at Garreglwyd care home to support an increased specialised local dementia support. The project commenced in June 2023 and has now been completed.

- **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. £0.445m was drawn down in 2022/23, with the remaining £0.655m available in 2023/24. One of the properties has been fully renovated and the second property is still in progress, with an aim to complete by the end of the financial year. The third property will be a purpose-built unit and the pre planning process is currently being undertaken. It is currently expected that £0.300m will be drawn down in 2023/24, with the remaining requested to be carried forward for completion of the above activities in financial year 2024/25.

3.2 Capital Receipts

3.2.1 The capital receipts for this year to date and the budgeted capital receipts are:-

	Budget 2023/24 £'000	Received to 31-Dec-2023 £'000	Projection to 31-Mar-2024 £'000
Council Fund:			
Smallholdings	0	0	0
General	584	524	524
Industrial	0	0	0
Schools	480	0	0
Total	1,064	524	524

3.2.2 The projected capital receipts at 31 March 2024 is £0.524m, with £0.524m being received at 31 December 2023 (100%). There are assets that were included within the budget to sell this financial year that, due to the timing of auction and potential sale, will carry over to complete in financial year 2024/25.

3.2.3 Although the projected capital receipts is £0.524m, there is £2.428m of capital receipts available to fund the capital programme, as £1.904m of capital receipts were brought forward from 2022/23 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, as well as funding earmarked for slippage schemes from previous year.

4. PROJECTED ACTUAL EXPENDITURE 2023/24

4.1 Below is a table with projected Expenditure at 31 March 2024 and the revised funding:-

Service	Annual Budget £'000	Projected Expenditure £'000	Projected (Under) / Over Expenditure £'000	Variance %
Housing General Fund	1,877	1,170	(707)	(38)
Housing HRA	19,988	20,529	541	3
Lifelong Learning	12,556	11,597	(959)	(8)
Economic and Regeneration	14,405	7,780	(6,625)	(46)
Highways	8,404	7,468	(936)	(11)
Waste Management	366	111	(255)	(70)
Property	3,861	3,586	(275)	(7)
Transformation	391	371	(20)	(5)
Adult Services	247	247	0	0
Total	62,095	52,859	(9,236)	(15)
Funded By:	Annual Budget £'000	Projected Funding £'000	Variance £'000	Variance %
Capital Grant	37,301	30,169	(7,132)	(19)
Capital Receipts	443	157	(286)	(65)
Supported Borrowing	8,500	7,492	(1,008)	(12)
Unsupported Borrowing	38	38	0	0
Revenue Contribution	11,635	11,665	30	0
Reserves	4,101	3,261	(840)	(20)
Loan	77	77	0	0
Total Funding	62,095	52,859	(9,236)	(15)

4.2 As can be seen from Table 4.1 (above), the forecast underspend on the capital programme for 2023/24 is £9.236m, with this being potential slippage into the 2024/25 capital programme. The funding for this slippage will also slip into 2024/25 and will be factored in when producing the Treasury Management Strategy Statement, Capital Strategy and Capital Programme for 2024/25.

There is a forecast overspend of £0.541m in Housing HRA, further detail as explained in the HRA quarter 3 budget monitoring report, presented to this Committee on 29 February 2024.

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

Housing

The Disabled Facilities Grant scheme is now predicting a £0.215m underspend in the year, however, the funding will be committed in this financial year and it is requested to be carried forward to fulfil the committed spend.

The decision not to move ahead with any further development of the gypsy and traveller site at Star at this point in time, allows the remaining funding of £0.490m to be de-committed and is available to fund new capital expenditure.

Lifelong Learning

There is an underspend forecast for disabled adaptations in education buildings. The availability of the Additional Learning Needs (ALN) Grant means that many works that would have ordinarily been financed from this budget are now grant funded. It has been requested that this budget be carried over to 2024/25 as school buildings surveys are underway and are likely to reveal necessary work, and there is no certainty as to the availability of ALN grants going forward.

There is also an underspend forecast in relation to the School Safety Scheme. Due to the scope of the works for the remaining budget and the planning process required, it is estimated that the required works cannot take place until Summer 2024 and it is, therefore, requested at this stage that any underspend on this budget be carried forward to 2024/25 to carry out the necessary works.

Capital works to education buildings is now predicting to be spent in full. This is due to the award of Low Carbon Heat Grants providing significant grant funding at 90% and using this budget to fund the Council match of 10%.

The Additional Learning Needs grant predicted underspend, and the underspend forecast for Sustainable Communities for Learning has been explained in 3.1.1 above.

Highways

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 2024/25 for completion.

Funding will also slip into the next financial year, as described above, and no funding will be lost.

The Vehicle Transformation Fund grant is predicting an underspend against budget, however, there has been agreement from Welsh Government for an extension on the grant award, as explained in 3.1.1 above, and therefore, the remaining budget will be carried forward to financial year 2024/25 based on the budget being committed in full.

The budget for gritters will not be spent this financial year and it is requested the budget be carried forward to financial year 2024/25. This is due to the availability to procure suitable vehicles.

Property

The Upgrade of Public Conveniences scheme budget will not be spent in full, and it is estimated that there will be minimal 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.

Waste Management

The budget for the Recycling Equipment will not be spent in its entirety, and an underspend is anticipated. The service has reviewed and prioritised their capital spend in line with their strategy and 5-year financial plan and are now procuring four items of plant and machinery. However, the potential lead time after successful tenders mean that the plant and machinery are unlikely to be delivered this financial year, however, the funding is fully committed.

Economic & Regeneration

The Holyhead Regeneration Scheme (THI Phase II) is still predicting an underspend against budget as at quarter 3. There has been a general slowdown this financial year, and it is foreseen that spend will pick up in quarter 4 as more of the smaller projects get underway on site, while the larger projects remain in development due to their scale and complexity. As a result, the majority of the spend will be in 2024/25.

The Maritime Infrastructure scheme is predicting an underspend this financial year due to recent discussions with RWE over potential use which, therefore, means another design change. The scheme is currently in the re-design stage and due to timing, the budget is requested to roll forward into 2024/25 in order to complete the scheme.

Visitor Infrastructure budget is now predicting a £0.140m underspend – this is due to match funding being required for Shared Prosperity Fund grant and it being beneficial to the region to maximise grant expenditure this year and provide our match funding next financial year. It is, therefore, requested to carry this over to financial year 2024/25.

The budget for Porth y Wrach slipway enforcement cameras will not be spent in full this financial year as the system being procured is expected to be significantly less than the budget allocated. It is expected there will be approximately £0.020m of an underspend, and the service has requested the remaining budget be used for similar equipment at another maritime site.

The underspend of £5.776m on the Levelling Up Fund has been explained in 3.1.1 above, with a formal bid for a 6-month extension being submitted in February 2024 due to various delays within the programme.

- 4.3** The Capital Finance Requirement forecasted at 31 March 2024 is £150.180m, which is the underlying need for the Authority to borrow to be able to fund its Capital Programme. The external borrowing currently stands at £123.413m, meaning the Authority essentially needs to borrow £26.767m 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 2023/24 Treasury Management Strategy Statement (Appendix 11).

5. FUTURE YEARS

- 5.1** The Capital Strategy recommended that the 2023/24 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 2024/25 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 Council Plan 2023– 2028, and any schemes which can generate future revenue savings or generate additional income.

The proposed capital budget will be presented to this Committee on 29 February 2024, with the final budget presented to full Council for approval on 7 March 2024. The Capital Strategy for 2024/25 will also be presented to this Committee and the full Council on 7 March 2024.

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. While some schemes are expected to underspend at this stage, it must be noted that the budgets are committed and required, and slippage to 2024/25 is requested for these schemes to complete next financial year. The Council is also expecting to receive £0.524m of Capital Receipts in 2023/24 to contribute towards the funding of the Capital Programme.

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	1,215,948	800,000	822,520	0	822,520	22,520	103	68	1,000,000	(215,948)	(18)
Enable Grant	139,786	20,000	17,393	0	17,393	(2,607)	87	12	139,786	0	0
Residential Site for Gypsies and Travellers	490,841	0	0	0	0	(0)	0	0	0	(490,841)	(100)
Affordable Housing	30,650	0	0	0	0	(0)	0	0	30,650	0	0
TOTAL	1,877,225	820,000	839,914	0	839,914	19,913	102	45	1,170,436	(706,789)	(38)
Housing HRA											
Central Heating Contract	1,250,000	805,000	692,909	0	692,909	(112,091)	86	55	1,100,000	(150,000)	(12)
Planned Maintenance Contract	4,450,000	2,635,000	2,634,238	0	2,634,238	(762)	100	59	4,450,000	0	0
Energy Performance Improvement	600,000	450,000	(0)	0	(0)	(450,000)	(0)	(0)	0	(600,000)	(100)
Environmental Works	700,000	400,000	174,654	0	174,654	(225,346)	44	25	400,000	(300,000)	(43)
Acquisition of Existing Properties and Development of new properties	10,288,000	8,421,000	7,862,307	0	7,862,307	(558,693)	93	76	11,879,424	1,591,424	15
Public Sector Adaptations	400,000	273,000	347,498	0	347,498	74,498	127	87	500,000	100,000	25
Fire Risk	400,000	191,000	115,557	0	115,557	(75,444)	61	29	300,000	(100,000)	(25)
WHQS	1,900,000	1,535,000	1,534,695	0	1,534,695	(305)	100	81	1,900,000	0	0
TOTAL	19,988,000	14,710,000	13,361,858	0	13,361,858	(1,348,142)	91	67	20,529,424	521,424	3
Lifelong Learning											
Disabled Access in Education Building	144,512	21,500	20,076	0	20,076	(1,424)	93	14	20,076	(124,436)	(86)
Refurbish Education Buildings	1,944,133	1,350,000	1,349,537	1,361	1,350,898	898	100	69	1,944,133	0	0
School Safety	107,648	40,000	38,595	0	38,595	(1,405)	96	36	40,000	(67,648)	(63)
Free School Meals Grant	600,205	400,000	358,552	782	359,334	(40,666)	90	60	600,205	0	0
External Canopies	22,420	22,420	19,343	0	19,343	(3,077)	86	86	22,420	0	0
Additional Learning Needs	435,677	435,677	150,142	0	150,142	(285,535)	34	34	220,677	(215,000)	(49)
Additional Learning Needs 2023/24	478,225	5,000	460	4,866	5,326	326	107	1	339,000	(139,225)	(29)
Community Focused Schools	450,993	400,000	417,955	0	417,955	17,955	104	93	450,993	0	0
Community Focused Schools 2023/24	30,000	1,000	920	0	920	(80)	92	3	30,000	0	0
Ysgol Uwchradd Bodedern - pitches	300,000	294,000	276,050	950	277,000	(17,000)	94	92	294,000	(6,000)	(2)
Ysgol Uwchradd Bodedern - floodlights	123,000	0	0	0	0	(0)	0	0	123,000	0	0
Increasing Capacity for Childcare Grant (Grant scheme)	380,000	100,000	102,867	0	102,867	2,867	103	27	380,000	0	0
Increasing Capacity for Childcare Grant (Childcare provisions)	49,481	52,000	52,659	0	52,659	659	101	106	52,659	3,178	6
Valley Childcare Unit	850,000	450,000	22,116	448,333	470,449	20,449	105	55	850,000	0	0
Completion of Band A Programme	370,000	250,000	225,564	13,963	239,526	(10,474)	96	65	379,526	9,526	3
Commencement of Band B Programme	6,269,995	2,500,000	4,612,148	38,341	4,650,489	2,150,489	186	74	5,850,489	(419,506)	(7)
TOTAL	12,556,289	6,321,597	7,646,984	508,596	8,155,580	1,833,983	129	65	11,597,180	(959,110)	(8)

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											
Amlwch Fitness Suite	1,468	0	0	0	0	(0)	0	0	1,468	0	0
Amlwch Lesiure Centre - Flooring	75,635	75,635	75,635	0	75,635	(0)	100	100	75,635	(0)	(0)
Plas Arthur 3G Floodlights	74,514	74,514	74,514	0	74,514	(0)	100	100	74,514	(0)	(0)
Holyhead Leisure Centre Flooring	149,000	0	0	148,378	148,378	148,378	148,378,000	100	149,000	0	0
Tourism Gateway	50,000	0	0	0	0	(0)	0	0	0	(50,000)	(100)
Holyhead Landscape Partnership	106,000	40,000	78,830	0	78,830	38,830	197	74	106,000	0	0
Holyhead Regeneration (THI Phase II)	762,000	150,000	51,270	137,127	188,397	38,397	126	25	320,000	(442,000)	(58)
Breakwater Park	110,000	80,000	55,923	0	55,923	(24,077)	70	51	55,923	(54,077)	(49)
Penrhos Phase 2	23,345	23,345	23,345	0	23,345	0	100	100	23,345	0	0
Penrhos Phase 3	2,820,804	2,750,000	2,757,456	390	2,757,846	7,846	100	98	2,820,804	0	0
Economic Development & Environmental Wellbeing	122,543	0	0	0	0	(0)	0	0	122,543	0	0
Porth Wrach Slipway – Enforcement Cameras	30,000	0	0	0	0	(0)	0	0	10,000	(20,000)	(67)
Newry Community Centre	52,289	0	0	0	0	(0)	0	0	52,289	0	0
Gateway Site JV	21,514	0	0	0	0	(0)	0	0	21,514	0	0
Maritime Infrastructure	177,514	30,000	0	28,573	28,573	(1,427)	95	16	30,000	(147,514)	(83)
Visitor Infrastructure	198,930	0	0	0	0	(0)	0	0	58,930	(140,000)	(70)
Melin Llynonn	70,397	70,000	67,849	3,925	71,774	1,774	103	102	75,000	4,603	7
Transforming Towns Covid Grant	10,064	0	0	0	0	(0)	0	0	10,064	0	0
Mon Coastal Gateway	313,000	5,000	5,395	0	5,395	395	108	2	313,000	0	0
Levelling Up Fund	9,236,000	2,000,000	1,859,514	0	1,859,514	(140,486)	93	20	3,459,514	(5,776,486)	(63)
TOTAL	14,405,017	5,298,495	5,049,732	318,393	5,368,125	69,630	101	37	7,779,543	(6,625,474)	(46)
Highways											
Upgrade Pay and Display Machines in Car Parks	4,533	4,533	0	5,469	5,469	936	121	121	5,469	936	21
Vehicles	800,408	350,000	190,350	163,678	354,028	4,028	101	44	800,408	0	0
Gritters	250,000	0	0	0	0	(0)	0	0	0	(250,000)	(100)
Highways Resurfacing	2,500,000	2,000,000	1,960,234	0	1,960,234	(39,766)	98	78	2,500,000	0	0
Llanfair Flood Scheme	391,646	30,000	29,489	0	29,489	(511)	98	8	30,000	(361,646)	(92)
FBC Menai Flood Scheme	150,771	60,000	55,833	0	55,833	(4,167)	93	37	60,000	(90,771)	(60)
Valley Construction	13,248	1,000	630	13,476	14,106	13,106	1,411	106	13,476	228	2
Flood Relief Schemes (Match Funding)	346,800	0	0	0	0	(0)	0	0	346,800	0	0
Mill Lane - NFM	30,888	30,000	40,898	0	40,898	10,898	136	132	40,898	10,010	32
Invest to Save - Vehicles	5,068	0	0	0	0	(0)	0	0	5,068	0	0
Small scale grants work	601,024	40,000	100,027	0	100,027	60,027	250	17	601,024	0	0
Active Travel	2,253,103	275,000	103,844	166,716	270,560	(4,440)	98	12	2,130,250	(122,853)	(5)
Local Transport Fund - Bus Infrastructure enhancements 2021/22	28,014	28,014	28,014	0	28,014	0	100	100	28,014	0	0
Local Transport Fund - Bus Infrastructure enhancements 2022/23	387,265	387,265	387,265	0	387,265	0	100	100	387,265	0	0
Vehicle Transformation Fund - Electric Vehicle Charge Points	57,334	57,334	56,958	0	56,958	(376)	99	99	56,958	(376)	(1)
Safer Streets	18,000	17,100	17,100	0	17,100	(0)	100	95	17,100	(900)	(5)
Vehicle Transformation Fund - Electric Vehicle Charge Points 2023/24	376,550	80,000	49,317	31,690	81,007	1,007	101	22	256,550	(120,000)	(32)
Electric Vehicle Charging Infrastructure	189,152	10,000	8,617	0	8,617	(1,383)	86	5	189,152	0	0
TOTAL	8,403,803	3,370,246	3,028,575	381,029	3,409,604	39,358	101	41	7,468,431	(935,373)	(11)

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 (%)
Waste Management											
IVC Works	13,595	6,000	0	5,804	5,804	(196)	97	43	13,595	0	0
Recycling Equipment	289,315	0	0	0	0	(0)	0	0	34,000	(255,315)	(88)
Gwalchmai Roofing	63,000	60,000	57,950	0	57,950	(2,050)	97	92	63,000	0	0
TOTAL	365,910	66,000	57,950	5,804	63,754	(2,246)	97	17	110,595	(255,315)	(70)
Property											
Refurbish Existing Assets	1,040,546	400,000	405,112	0	405,112	5,112	101	39	1,040,546	0	0
Invest To Save Property	77,068	0	0	0	0	(0)	0	0	77,068	0	0
Low Carbon Heat Grant - Council Offices	23,900	23,900	0	0	0	(23,900)	0	0	23,900	0	0
Low Carbon Heat Grant - Various	2,420,745	0	0	0	0	(0)	0	0	2,420,745	0	0
Upgrade Public Conveniences	298,839	25,000	24,147	0	24,147	(853)	97	8	24,147	(274,692)	(92)
TOTAL	3,861,098	448,900	429,259	0	429,259	(19,641)	96	11	3,586,406	(274,692)	(7)
Transformation											
ICT- Core Infrastructure	135,278	67,639	15,734	32,374	48,108	(19,531)	71	36	135,278	0	0
ICT - Desktop Refresh	99,456	50,000	0	54,733	54,733	4,733	109	55	99,456	0	0
ICT - Anglesey Connected (AC) to PSBA transition	43,088	20,000	18,493	22,502	40,995	20,995	205	95	22,502	(20,586)	(48)
Hwb IT	113,471	113,471	112,471	0	112,471	(1,000)	99	99	113,471	0	0
TOTAL	391,293	251,110	146,698	109,610	256,308	5,198	102	66	370,707	(20,586)	(5)
Adult Services											
Discretionary Capital Programme Integration and Rebalancing Capital Fund (IRCF)	47,353	45,000	44,153	0	44,153	(847)	98	93	47,353	0	0
Plas Mona Refurbishment	175,066	170,000	174,440	0	174,440	4,440	103	100	175,066	0	0
	24,104	10,000	10,584	0	10,584	584	106	44	24,104	0	0
TOTAL	246,523	225,000	229,177	0	229,177	4,177	102	93	246,523	0	0
TOTAL	62,095,159	31,511,348	30,790,147	1,323,432	32,113,579	602,231	102	52	52,859,245	(9,235,914)	(15)

Changes to budgets / additional schemes added since budget setting.

Scheme	Budget £	FUNDING						
		Grant £	Revenue Contribution £	Capital Receipts Reserve £	Capital Reserve £	Supported borrowing £	Unsupported Borrowing £	Other Reserve £
Highways Resurfacing*	0	(1,701,000)				591,000		1,110,000
Community Focused Schools	30,000	30,000						
Enable	139,786	139,786						
Active Travel	2,253,103	2,253,103						
Mill Lane NFM	(241,640)	(241,640)						
ULEV	376,550	376,550						
Brilliant Basics	250,400	250,400						
Small Grants Childcare	380,000	380,000						
Plas Arthur Floodlights	51,305	51,305						
Bodedern pitches	300,000	300,000						
Bodedern Floodlights	123,000	100,000						23,000
Breakwater Park	110,000	110,000						
Safer Streets	18,000	18,000						
Phase 3	22,187	22,187						
Phase 3	398,617	398,617						
Llangefni JV	21,514	21,514						
Small Scale Grants	478,636	478,636						
Small Scale Grants	47,388							47,388
HRA***	821,000	1,229,000	(875,945)			467,945		
ICF	(693,966)		(226,021)			(467,945)		
Corn Hir	370,000	107,328				262,672		
Vehicles**	0	58,000		(58,000)				
Gritters**	0	150,000		(150,000)				
IT budget**	0	292,000		(292,000)				
Mill Lane Structure	30,888	26,255			4,633			
Waste Recycling	70,634	70,634						
Additional Learning Needs 2023/24	478,225	478,225						
Valley Childcare Unit	850,000	850,000						
Gwalchmai Roof	63,000							63,000
Holyhead Leisure Centre	149,000	100,000			36,949			12,051
Leisure Capital pot	(36,949)				(36,949)			
IT Hwb	(39,221)	(39,221)						
Band B	305,995	1,827,497				1,275,498	(2,797,000)	
Bus Infrastructure 2022/23	(587)	(61,589)			61,002			
Discretionary Capital Programme	47,353	47,353						
Low Carbon Heat Grant	2,178,671	2,178,671						
Landscape Partnership	56,000	56,000						
Bryn Hwfa Community Hub	(13,155)	(13,155)						
HRA	0	1,680,000	(1,680,000)					
TOTAL	9,395,734	12,024,456	(2,781,966)	(500,000)	65,635	2,129,170	(2,797,000)	1,255,439

*Included in the 2023/24 budget was £1.701m of funding from extra general capital grant. Upon reviewing the restrictions of the grant conditions, it had to be utilised in 2022/23 and, therefore, the grant was used to fund capital expenditure in 2022/23, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund capital expenditure in 2023/24.

** Reallocation of funding from what was originally funded by capital receipts in the 2023/24 programme, to now be funded by general capital grant.

***Included in the 2023/24 budget for HRA, there was an underestimation of grant funding and, along with the required increase in budget, the funding has now been amended.