

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	EXECUTIVE
Date:	26 NOVEMBER 2024
Subject:	BUDGET MONITORING REPORT SECOND QUARTER 2024/25 - CAPITAL
Portfolio Holder(s):	COUNCILLOR R WILLIAMS – PORTFOLIO HOLDER FINANCE & DEPUTY COUNCIL LEADER
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	
<p>It is recommended that the Executive:-</p> <ul style="list-style-type: none"> note the progress of expenditure and receipts against the capital budget 2024/25 at quarter 2. approve the additional schemes within quarter 2, amounting to £3.116m, to the capital programme and amendments to funding, as per Appendix C, which will result in a revised capital budget of £72.477m for 2024/25. approve the carry forward of potential underspend, as noted in section 4.2. 	
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 second 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 (SLT) (mandatory) The report has been reviewed by the LT 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 LT and comments made have been considered.
4	Human Resources (HR) N/A

5	Property	Discussions on capital projects managed by the Property Team have taken place and expenditure to date and forecasted expenditure agreed.
6	Information Communication Technology (ICT)	Discussions on capital projects managed by the ICT Team have taken place and expenditure to date and forecasted expenditure agreed.
7	Procurement	N/A
8	Scrutiny	A summary of the capital position is included in the Corporate Scorecard, which was discussed at the Corporate Scrutiny Committee on 19 November 2024.
9	Local Members	N/A
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 (WG).
4	Have Anglesey citizens played a part in drafting this way forward? Please explain how:-	The Council's Corporate Plan and Capital Programme 2024/25 have been subject to a consultation process with Anglesey citizens.
5	Outline what impact does this decision have on the Equalities agenda and the Welsh language	Some of the projects funded by the capital programme do impact on the equalities agenda, e.g. disabled access in schools, disabled facilities grants. No impact on the Welsh language agenda.
F - Appendices:		
Appendix A - Capital Budget Monitoring Report – Quarter 2 2024/25 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		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • 2024/25 Capital Budget, as approved by the full Council on 7 March 2024. • 2024/25 Treasury Management Strategy Statement, approved by the full Council on 7 March 2024. • 2023/24 Capital Outturn Report, presented to this Committee on 23 July 2024. • 2024/25 Quarter 1 Capital Budget Monitoring report, presented to this Committee on 24 September 2024. 		

1. INTRODUCTION

- 1.1 This is the capital budget monitoring report for the second 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 2024, the Council approved a capital programme for non-housing services of £13.836m for 2024/25, and a capital programme of £30.002m for the Housing Revenue Account (HRA). In addition, in June 2024, the Executive approved capital slippage of £15.499m to be brought forward from 2023/24, bringing the capital programme for non-housing services to £28.419m, and £30.918m 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 £14.485m. There has also been a reduction in the HRA budget of £1.345m. This brings the total capital budget for 2024/25 to £72.477m. This is illustrated in the table below:-

	Original 2024/25 budget as approved by full Council £'000	Slippage as approved in Q4 2023/24 outturn £'000	HRA decrease in budget £'000	Additional schemes / amendments since budget setting £'000	TOTAL £'000
Funded By:					
Grant	20,075	10,039	(1,173)	14,230	43,171
Supported Borrowing	2,634	3,233	(162)	162	5,867
Unsupported Borrowing	3,636	0	2,169	0	5,805
Revenue Contribution	17,315	754	(2,688)	0	15,381
Capital Receipts	178	345	509	0	1,032
Reserves	0	1,112	0	93	1,205
Loan	0	16	0	0	16
TOTAL	43,838	15,499	(1,345)	14,485	72,477

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

2. PROGRESS ON EXPENDITURE 2024/25

- 2.1 Below is a summary table of the capital expenditure to 30 September 2024, the profiled budget to 30 September 2024 and the proposed funding of the capital programme for 2024/25:-

Service	Annual Budget £'000	Actual Expenditure £'000	Committed Expenditure £'000	Total Expenditure £'000	Annual Budget Spent %
Housing - General Fund	1,049	546	336	882	84
Housing - HRA	29,573	12,701	0	12,701	43
Lifelong Learning	9,020	4,130	614	4,744	53
Economic and Regeneration	12,438	1,411	731	2,142	17
Highways	7,105	3,139	1,107	4,246	60
Waste Management	264	239	0	239	91
Property	11,303	482	1	483	4
Transformation	500	71	6	76	15
Adult Services	1,225	62	9	71	6
Total	72,477	22,781	2,804	25,585	35
Funded By:					
Capital Grant	43,171				
Capital Receipts	1,032				
Supported Borrowing	5,867				
Unsupported Borrowing	5,805				
Revenue Contribution	15,381				
Reserves	1,205				
Loan	16				
Total Funding	72,477				

- 2.2** 30% of the General Fund annual budget has been spent to date. Steady progress has been made with most capital schemes currently underway. Some capital schemes have yet to commence, but it is expected that their budget will be spent next quarter or towards the latter part of the financial year, such as David Hughes Food Tech Block, Maritime Infrastructure, Gritters budget and the Low Carbon Heat grants. All capital schemes and their associated spend can be seen in Appendix B. There are a number of Capital Grants schemes in 2024/25, and an update on these is provided in Section 3.1 of this report.
- 2.3** The HRA has spent 43% of the annual budget. For further information on the HRA capital expenditure and projected spend, please refer to the HRA quarter 2 budget monitoring report, presented to this Committee on 26 November 2024.

FUNDING

3.1 Capital Grants

3.1.1 There are several Capital Grant schemes in the Capital Programme for 2024/25, most of which are underway and progressing, with a brief update on the schemes provided below:-

- **Sustainable Communities for Learning** - Children and staff have fully occupied the new Graig Fach building since September. The new Child Care Unit within the school is also now open. Internal remodelling works were completed in Graig Fawr and handed over to the school on 20 September 2024. There is still some tree planting, hedgerow planting and grass seeding to be completed on the Graig Fach site.
- **Childcare Units (Valley, Llanfechell and Llangoed)** - The works to the new unit at Ysgol Gynradd Valley are now substantially complete, with the new caban and groundworks completed. Regarding Llanfechell and Llangoed, works are due to start on site in quarter 3. A Business Case has been put to WG to reduce the size of the grant awarded to Llanfechell (currently £0.865m) and increase the size of grant to Llangoed (currently £0.450m). This is due mainly to forecast falling childcare numbers in Llanfechell, whereas the demand for childcare at Llangoed is increasing. Works are due to start on both sites in quarter 3, with a view to completion by the end of March.
- **Holyhead: A Culture & Heritage Driven Transformation (UK Government Funding, including Townscape Heritage Initiative THI Phase II)** - Work began on site at St Cybi's Church on 28 May 2024, with a target completion date of June 2025. Works are progressing well and the archaeological work has now been completed. The project is currently being externally managed by an external project manager, rather than Officers from the Diocese of Bangor. Work has been undertaken on the planning application for the Solar Panels and Air Source Heat Pump, with a view to submitting the application in quarter 3. Urgent discussions are needed with the Church in Wales regarding the forecast overspend on the project.
 - Ucheldre Centre Expansion – The project is progressing very well on site, with the structural timber frame for the Dance Studio having been completed and the frame for the Art Studio commenced. The Gallery is due for completion by mid-November. Delivery of the scheme within budget remains the key challenge. The Ucheldre is seeking additional sources of funding for the installation of PV Panels, installation of a lift, additional landscaping and kitchen fit out.

- Play Centre & Beach Frontages - Works on the Kiosks at Newry Beach were completed in quarter 2. The new occupiers have opened their businesses and have been well received by the public. Work started on the Empire complex in mid-July, and the new extension to the Play Centre is progressing well. The Empire is due to be completed in June 2025. The Cinema has been closed and all seating removed. Once the Cinema is complete, the Play Centre will close and works will start internally. This will allow the Town Council to keep operating without completely closing.
- Vacant Property Programme - Contractors have been appointed to carry out the works on both the old HSBC and Central Buildings. Work will commence on site in October. Work on 9 Stanley Street is now scheduled to complete in November, following delays with the installation of utilities. Works on 14 a/b Stanley Street have been put on hold following a structural assessment of Churchill House. A bid for Transforming Towns funding has been prepared in quarter 2 to secure additional funding for the project to relieve the budget pressures.
- THI Phase II – The tender for the former Booze Busters has been received and a suitable contractor has been identified. The tender for the former Caernarfon Castle public house was received, but was considerably over budget and will, therefore, be retendered in quarter 3. The tenders for the Boston Street properties have been released and are due back in quarter 3.

The quarter 2 claim to the Ministry of Housing, Communities and Local Government has been delayed until November due to the Budget. The claim will be £1.293m, bringing the total claimed to date to £7.724m. The programme is currently scheduled to end in September 2025, but a further extension to the programme may be sought.

- **Arfor** - The programme works across Anglesey, Gwynedd, Ceredigion and Carmarthenshire to support the communities which are the heartlands of the Welsh language to prosper through economic interventions, which will also contribute to increasing opportunities to see and use the Welsh language. The Enterprising Communities Fund forms part of the programme and provides grants to support the economic development and the Welsh language for businesses on Anglesey. Capital expenditure incurred in quarter 2 provided grants to 12 businesses, purchasing large scale equipment and undertaking improvements to their premises.
- **Llangefni Library** - £0.095m of Shared Prosperity Fund (SPF) funding has been secured to renovate a current storage facility in Llangefni Library to create a welcoming space which can be used by the community and organisations as well as by the library service and its internal and external partners. Contractors began work on site in July, a week later than expected, and are due to complete in quarter 3.
- **Small Scale Grants Work** - 5 schemes have been approved for 2024/25 (three construction schemes and two design schemes). Construction work commenced on one scheme in quarter 2, with the construction of the remaining two schemes due to commence in quarter 3. Design schemes progressing well. Full expenditure of the budget is anticipated.
- **Llanfair PG, Menai Bridge (FBC)** – Menai Bridge FBC progressing, however, due to the nature of the proposal, progress has now slowed. Work on Llanfair PG business case is now progressing well.
- **Active Travel** - £1.527m of 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.

- £0.500m is for core works covering a number of scheme proposals, broken down to pre-scheme development, minor works and monitoring and evaluation activities.
- £0.589m in relation to Holyhead – Trearddur Bay Phase 2 (Junction 2 Works and Pre-Scheme Development Activities).
- £0.438m in relation to Pont Marquis - Malltraeth – Phase 1.

Construction works have been completed at Holyhead - Trearddur Bay North Wales Metro Phase 1. Designs and S.278 documentation on Phase 2 of the above scheme over J2, A55 are continuing in collaboration with NMWTRA & WG and are nearing completion following further amendments.

Principal contractor appointed for the capital scheme at Malltraeth - Pont Marquis (short-term option), with works scheduled to begin in January 2025 and completion prior to end of March 2025. Consultant has been appointed to undertake the WelTAG Stage 3E activities for the section from Malltraeth to Newborough (with Tree Surveys and ground investigation being organised). Pre-Scheme Development activities ongoing at Llanfairpwll, Amlwch, Benllech, Gaerwen, Malltraeth / Newborough and Valley and designs currently being prepared on the critical fail routes.

- **Ultra Low Emission Vehicle (ULEV) Transformation Fund (2023/24)** - Approval was granted from WG for a time-extension on the construction of the EV Hub at Plas Arthur until end of August 2024. The car park itself is substantially completed in readiness to house the EV apparatus.
- **Ultra Low Emission Vehicle (ULEV) Transformation Fund (2024/25)** - £0.503m has been awarded to promote electric vehicle charging infrastructure projects, in alignment with the WG's EV Charging Strategy. Following site assessments, only four of nine sites are currently being developed for enabling and preparation works (5 sites have been paused due to various technical reasons). Quotations have been accepted by the District Network Operator for all four sites, and design works are currently being undertaken on the civil and enabling works for the four sites. WG have launched the EV Framework Agreement in September and activities have been taking place to assess the documents in order to prepare a Specification, Invitation to Tender and Contract in order to appoint an EV Charging Point Provider through the newly launched framework agreement. Due to reduced number of sites being developed and insufficient capacity to deliver substitute sites, it is forecasted that an underspend will be incurred on the ULEV programme in 2024/25. An estimated level of underspend has been provided for the purposes of this report, and further confirmation of this estimate will be followed up in quarter 3, with a variation request to be submitted following discussions with Transport for Wales and WG.
- **Safe Routes in Communities** - £0.072m has been awarded to support capital schemes that contribute to the WG's objectives to improve accessibility and safety and encourage walking and cycling in communities. There is particular emphasis on improving routes to and from schools. The aim is to change how people travel, resulting in greater social inclusion and improved community safety. Construction works completed for the establishment of a new route and access point to Ysgol Llanfairpwll from the A5 and Maes Hyfryd Road. Continued dialogue with the school for potential other minor interventions that can be considered for further improvements (off-site / on the Highway).

- **Road Safety** - £0.162m of WG funding has been secured to support projects that contribute to the WG objective to reduce casualties on Welsh roads. In quarter 2, highway surface treatment and improvement works were completed on sections of both the B5109 and B5111. In addition, road safety measures works have been released to the contractor and it is expected that most of this work will be completed in quarter 3. Additional safety measures for the new Ysgol Corn Hir have been drafted in quarter 2, for commencement on site in quarter 3.
- **RAAC Remedial works** - In the latter part of 2023/24, the Authority was awarded £1.695m of additional grant funding for capital works relating to RAAC. The grant funding was used to fund capital expenditure on RAAC works to the end of financial year 2023/24, with £1.014m being carried forward to financial year 2024/25 for completion of RAAC activities.
 - At Ysgol David Hughes (YDH), remedial works to the Refectory Block and roof re-covering works were completed during quarter 2 2024/25, and these works have concluded the RAAC Remedial Works at YDH.
 - At Ysgol Uwchradd Caergybi (YUC), remedial works to the Stage Area, together with isolated snagging of areas and isolated roof re-covering works, were undertaken during quarter 2 2024/25. These works have concluded the RAAC Remedial Works, as identified at this time, at YUC. The RAAC at YUC is subject to a management plan, and it is anticipated that further isolated remedial work may be necessary in future in response to any observed deterioration in condition.
- **St Mary's Roofing works** - £0.153m grant funding has been secured to contribute to a £0.219m re-roofing project at St Mary's Primary School. The Council is providing match funding for the remainder of the budget. Works were completed during quarter 2 2024/25.
- **Ysgol David Hughes - Food Tech Block** - £0.115m grant funding has been secured to contribute to a £0.163m project at YDH, with contributions from the school and Council for the remainder of the budget. Works included some asbestos removal, installation of new floor, wall and ceiling finishes, installation of new units, worktops and appliances and corresponding mechanical and electrical work. Works were completed during quarter 2 2024/25.
- **Plas Arthur** - £0.995m grant funding has been secured to contribute to a £1.084m project at Plas Arthur, with contribution from the Council from existing capital budgets for the remainder of the budget. Works are to the exterior of the building and include roof-recovering, wall-tie replacement, installation of cavity wall insulation, window and door replacement and exterior cladding. It should be noted that the works are the first of what is intended to be a series of phases subject to funding and, as such, these works will not extend to all parts of the building. Works commenced in May 2024, and have a revised completion date of end of quarter 3 2024/25.
- **Low Carbon Heat Grant (Council Offices)** – Planning permission granted in November 2023 and ground surveys have subsequently taken place. On-site progress has been considerable, with most of the construction and engineering work complete, the heat pumps and other essential plant equipment are successfully installed and connected to the building through underground piping. The system is expected to be commissioned, relying on an electricity supply from a portable generator, during quarter 3. The switchover from the existing gas boilers to the Air Source Heat Pump is conditional on necessary upgrades by SPEN to the electricity supply capacity to the Council offices. We are awaiting confirmation of requirements and a schedule.

- **Low Carbon Heat Grant (4 grants)** – Funding has been awarded across four separate grants, to the value of £15.7m. One of the grant awards has a completion date of 2024/25, with the other three completing in 2025/26. WG Energy Service is providing grant funding that covers 90% of the costs, and the Council is providing match funding for the remaining 10% from existing capital budgets. External works have been successfully completed at multiple sites concurrently, including the installation of foundations and gated compounds designed to accommodate heat pumps and other plant equipment. New heat pump heating systems were operational at three sites in quarter 2, with several others due to be commissioned in quarter 3, pending completion of electrical upgrade works.
- **Additional Capital Repairs and Maintenance** - £0.574m has been awarded by WG for school capital maintenance works, and will be utilised in full in 2024/25.
- **Additional Learning Needs (ALN) grant (2024/25)** - £0.477m of grant funding was awarded by WG in 2024/25 to support learners with ALN. The aim of the grant is 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. This will support the objectives of ALNET and ALN reform to create a unified bilingual system for supporting children and young people from 0 to 25 with ALN, and the delivery of the Curriculum for Wales in school settings. With the projects that are currently in the programme for delivery under this grant, full expenditure of the budget is expected.
- **Community Focused Schools (CFS) grant (2024/25)** - £0.790m was awarded in 2024/25 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. Works at two of the schools are nearing completion, with the remaining works at the third school ongoing, with full expenditure of the budget expected.
- Social care funding has been awarded from the Regional Partnership Board from a number of different funding streams, as follows:-
 - **Integrated Care Fund (ICF)** - £0.162m was claimed through the ICF in prior years, and through displaced funding, for the projects to slip into 2024/25 to be completed. There are 2 projects included in the programme managed monies, which are:-
 - Specialist small group homes;
 - Extra Care south of the Island.

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.

- **Integrated and rebalancing capital fund (IRCF)** – £0.839m of capital funding has been granted through IRCF to fund:-
 - Gors Felen (£0.062m) - This investment will be used to create a safe sensory environment for individuals with a learning disability in the Gors Felen Centre in Llangefni. This bespoke environment will enable individuals to take part in outdoor activities and boost their independence.

- Canolfan Glanhwfa (£0.777m, along with a further grant of £0.210m) – The funding will be used to transform an historic chapel / building close to the centre of Llangefni, build on the activity-based menu for dementia currently present and create the first Dementia Centre on Anglesey. The Centre will be run by Canolfan Glanhwfa, in partnership with the North Wales Memory Assessment Service and other providers, throughout the week and will benefit individuals and carers along their dementia journey. These individuals will be able to take part in activities, have information, advice and guidance, carer support sessions and join the meal club run by Bwyd Da Môn and Age Well Cymru twice a week. The construction for this project has begun and will run for 12 months, so the funding will be split over 2 financial years - majority of the funding will be spent 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 2024/25 £'000	Received to 30 September 2024 £'000	Projection to 31 March 2025 £'000
Council Fund:			
Smallholdings	0	0	0
General	0	53	53
Industrial	0	0	0
Schools	372	81	81
HRA	247	127	251
Total	619	261	385

3.2.2 The projected capital receipts at 31 March 2025 is £0.385m, with £0.261m being received at 30 September 2024 (68%).

3.2.3 Although the projected capital receipts is £0.385m, there is £3.285m of capital receipts available to fund the capital programme, as £2.900m of capital receipts were brought forward from 2023/24 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, HRA capital receipts, as well as funding earmarked for slippage schemes from previous year.

4. PROJECTED ACTUAL EXPENDITURE 2024/25

4.1 Below is a table with projected Expenditure at 31 March 2025 and the revised funding:-

Service	Annual Budget £'000	Projected Expenditure £'000	Projected (Under) / Over Expenditure £'000	Variance %
Housing General Fund	1,049	1,050	1	0
Housing HRA	29,573	30,596	1,023	3
Lifelong Learning	9,020	8,510	(510)	(6)
Economic and Regeneration	12,438	7,270	(5,168)	(42)
Highways	7,105	6,879	(226)	(3)
Waste Management	264	264	0	0
Property	11,303	10,973	(330)	(3)
Transformation	500	500	0	0
Adult Services	1,225	938	(287)	(23)
Total	72,477	66,980	(5,497)	(8)
Funded By:	Annual Budget £'000	Projected Funding £'000	Variance £'000	Variance %
Capital Grant	43,171	38,638	(4,533)	(11)
Capital Receipts	1,032	931	(101)	(10)
Supported Borrowing	5,867	5,925	58	1
Unsupported Borrowing	5,805	5,451	(354)	(6)
Revenue Contribution	15,381	15,017	(364)	(2)
Reserves	1,205	1,002	(203)	(17)
Loan	16	16	0	0
Total Funding	72,477	66,980	(5,497)	(8)

4.2 As can be seen from Table 4.1 (above), the forecast underspend on the capital programme for 2024/25 is £5.497m, with this being potential slippage into the 2025/26 capital programme. The funding for this slippage will also slip into 2025/26 and will be factored in when producing the Treasury Management Strategy Statement, Capital Strategy and Capital Programme for 2025/26.

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

Lifelong Learning

The Disabled Access in Education Buildings is expected to underspend the entirety of the budget. WG's Additional Learning Needs (ALN) Grant is being used to fund works to enable Disabled Access in Education Buildings for 2024/25. It is expected that the pressure on this budget heading will increase in future as results of access audits will provide a fuller picture of the works required. It is requested at this stage that any underspend is carried over to fund works in 2025/26 and beyond. An underspend is also expected in the Education Buildings capital budget (circa £0.375m). This is a consequence of the increase to the budget of £0.572m from the Capital Repairs and Maintenance Grant Award 2024/25, which was awarded in late July 2024 (week before summer holidays), and the conscious decision not to try to push the spend out hurriedly and, rather, to displace it against committed expenditure and carry over to a measured 2025/26 programme. The Council is also committed to a 10% match funding for the Low Carbon Heat Grant (LCHG) from existing capital budgets, with the match for Education Buildings for 2025/26 being £0.319m. It is, therefore, requested that any underspend is carried over to fund the match funding and works in 2025/26.

Economic and Regeneration

The Holyhead: A Culture & Heritage Driven Transformation projects are expected to underspend significantly against the current budget, with significant delays being faced within the overall programme delivery. However, as noted in 3.1 above, there has been an extension to September 2025 (with the likelihood of a further extension) and, therefore, no funding will be lost.

Highways

The vehicles and gritters budget is predicted to underspend by approximately £0.038m. This is considering commitments already made and further orders planned. It must be noted, however, that WG funding may become available this financial year towards electric vehicles. If that occurs, the predicted underspend may be utilised along with the grant funding for more vehicles. As noted in 3.1 above, the ULEV capital budget is expected to underspend. Flood Relief schemes are also anticipated to underspend against the budget in the current financial year. They are progressing, albeit will slip into the next financial year, along with the grant funding and no funding will be lost.

Property

The Upgrade of Public Conveniences scheme budget will not be spent in full; it is anticipated that the spend from this budget will be minimal for the 2024/25 financial year. In recent years, this budget has been used to provide match funding for WG's Brilliant Basics grant programme, which funds 80% of eligible costs.

There is no Brilliant Basics Programme in 2024/25, but the Council is hopeful that the programme will run for 2025/26, and that the underspent budget will be available to support grant applications. It is not considered prudent to commit this budget to wholly Council funded projects this year, when there is the prospect of using it to deliver 80% grant funded projects in future. The intended public conveniences improvement plan to quantify capital requirements and prioritise assets for investment has been delayed due to the lead officer taking up another post within the Property Function. A new lead officer has been appointed and a new public convenience improvement plan is in development. There is also a risk that there will be an underspend relating to the Low Carbon Heat Grant (LCHG) in terms of commissioning works which are dependent on works being carried out in a timely fashion by SPEN.

Adult Services

The Canoflan Glanhwfa scheme is expected to underspend against the total budget this financial year, as explained in paragraph 3.1 above.

- 4.3** The Capital Finance Requirement forecasted at 31 March 2025 is £156.457m, which is the underlying need for the Authority to borrow to be able to fund its Capital Programme. The external borrowing currently stands at £121.362m, meaning the Authority essentially needs to borrow £35.095m 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 2024/25 Treasury Management Strategy Statement (Appendix 11).

5. FUTURE YEARS

- 5.1** The Capital Strategy recommended that the 2024/25 Capital Programme funding will be limited to the total of the general capital grant and supported borrowing (as determined by WG) and estimated value of any capital receipts that will be received. It is expected that the 2025/26 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 2022– 2027, and any schemes which can generate future revenue savings or generate additional income.

6. CONCLUSION

6.1 The results at the end of quarter 2, 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 2025/26 is requested for these schemes to complete next financial year. The Council is also expecting to receive £0.385m of Capital Receipts in 2024/25 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 (£)	Actual Expenditure (£)	Committed Expenditure (£)	Total Expenditure (£)	Annual Budget Spent (%)	Projected Expenditure (£)	Projected Under / Over (£)	Variance (%)
Housing General Fund								
Disabled Facilities Grants	878,910	543,029	336,340	879,369	100	879,369	459	0
Enable Grant	139,786	3,369	0	3,369	2	139,786	0	0
Affordable Housing	30,650	0	0	0	0	30,650	0	0
TOTAL	1,049,346	546,399	336,340	882,738	84	1,049,805	459	0
Housing HRA								
Central Heating Contract	1,600,000	591,916	0	591,916	37	1,300,000	(300,000)	(19)
Planned Maintenance Contract	6,216,006	2,586,619	0	2,586,619	42	5,216,006	(1,000,000)	(16)
Energy Performance Improvement	1,700,000	0	0	0	0	1,700,000	0	0
Environmental Works	500,000	74,253	0	74,253	15	300,000	(200,000)	(40)
Acquisition of Existing Properties and Development of new properties	15,657,000	8,567,660	0	8,567,660	55	18,180,078	2,523,078	16
Public Sector Adaptations	500,000	183,216	0	183,216	37	500,000	0	0
Fire Risk	400,000	5,831	0	5,831	1	400,000	0	0
Fleet	300,000	0	0	0	0	300,000	0	0
WHQS	2,700,000	691,452	0	691,452	26	2,700,000	0	0
TOTAL	29,573,006	12,700,949	0	12,700,949	43	30,596,084	1,023,078	3
Lifelong Learning								
Disabled Access in Education Building	134,763	0	0	0	0	0	(134,763)	(100)
Refurbish Education Building	1,125,860	438,946	0	438,946	39	750,860	(375,000)	(33)
School Safety	68,901	5,607	0	5,607	8	68,901	0	0
External Canopies	3,077	0	0	0	0	3,077	0	0
Additional Learning Needs 2023/24	108,385	106,541	0	106,541	98	108,385	0	0
Additional Learning Needs 2024/25	476,761	139,126	0	139,126	29	476,761	0	0
Community Focussed Schools	789,680	43,522	24,801	68,323	9	789,680	0	0
RAAC Remedial works	1,013,521	712,452	7,062	719,514	71	1,013,521	0	0
Valley Childcare Unit	281,166	195,627	15,121	210,748	75	281,166	0	0
Ysgol Henblas Childcare Unit	38,569	26,269	12,300	38,569	100	38,569	0	0
Ysgol Llangoed Childcare Unit	442,543	709	29,489	30,197	7	442,543	0	0
Ysgol Llanfechell Childcare Unit	842,309	8,810	482,583	491,392	58	842,309	0	0
Childcare Capital Grants scheme	435,044	70,739	1,324	72,064	17	435,044	0	0
Santes Fair - Roofing	218,607	188,520	0	188,520	86	218,607	0	0
Ysgol David Hughes - Food Tech Block	162,950	0	0	0	0	162,950	0	0
Commencement of Band B Programme	2,878,000	2,192,638	41,402	2,234,040	78	2,878,000	0	0
TOTAL	9,020,137	4,129,506	614,082	4,743,588	53	8,510,374	(509,763)	(6)

APPENDIX B

Service	Annual Budget (£)	Actual Expenditure (£)	Committed Expenditure (£)	Total Expenditure (£)	Annual Budget Spent (%)	Projected Expenditure (£)	Projected Under / Over (£)	Variance (%)
Economic and Regeneration								
Amlwch Lesiure Centre - Flooring	50,527	47,524	2,381	49,905	99	49,905	(622)	(1)
Tourism Gateway	50,000	0	0	0	0	50,000	0	0
Holyhead Regeneration (THI Phase II)	1,282,000	267,698	601,974	869,672	68	1,282,000	0	0
Economic Development & Environmental Wellbeing	122,543	0	0	0	0	122,543	0	0
Porth Wrach Slipway – Enforcement Cameras	30,000	0	0	0	0	30,000	0	0
Newry Community Centre	51,287	0	10,000	10,000	19	51,287	0	0
Maritime Infrastructure	177,514	0	0	0	0	137,514	(40,000)	(23)
Visitor Infrastructure	193,953	5,772	116,871	122,643	63	193,953	0	0
Arfor	585,000	199,592	0	199,592	34	585,000	0	0
Llangefni Library	95,430	30,527	0	30,527	32	95,430	0	0
Holyhead: A Culture & Heritage Driven Transformation	9,800,000	859,950	0	859,950	9	4,671,943	(5,128,057)	(52)
TOTAL	12,438,254	1,411,064	731,226	2,142,290	17	7,269,576	(5,168,678)	(42)
Highways								
Vehicles	520,789	279,823	231,823	511,646	98	511,646	(9,143)	(2)
Gritters	456,000	0	426,772	426,772	94	427,000	(29,000)	(6)
Highways Resurfacing	2,116,975	1,610,994	0	1,610,994	76	2,116,975	0	0
Llanfair Flood Scheme	454,334	134,197	0	134,197	30	354,334	(100,000)	(22)
FBC Menai Flood Scheme	69,518	32,787	0	32,787	47	59,518	(10,000)	(14)
Flood Relief Schemes (Match Funding)	346,800	0	0	0	0	346,800	0	0
Invest to Save - Vehicles	5,068	0	0	0	0	5,068	0	0
Small scale grants work	529,641	234,640	33,720	268,360	51	529,641	0	0
Active Travel	1,527,338	450,265	196,212	646,477	42	1,527,338	0	0
VTF - Electric Vehicle Charge Points 2023/24	163,521	162,218	0	162,218	99	163,521	0	0
Road Safety Capital	161,500	56,853	0	56,853	35	161,500	0	0
Safe Routes in Communities	71,750	59,456	3,280	62,736	87	71,750	0	0
ULEV 2024/25	502,500	88,035	215,348	303,383	60	425,000	(77,500)	(15)
Electric Vehicle Charging Infrastructure	178,705	30,227	0	30,227	17	178,705	0	0
TOTAL	7,104,439	3,139,494	1,107,155	4,246,649	60	6,878,796	(225,643)	(3)

APPENDIX B

Service	Annual Budget (£)	Actual Expenditure (£)	Committed Expenditure (£)	Total Expenditure (£)	Annual Budget Spent (%)	Projected Expenditure (£)	Projected Under / Over (£)	Variance (%)
Waste Management								
IVC Works	7,791	0	0	0	0	7,791	0	0
Recycling Equipment	255,857	238,524	0	238,524	93	255,857	0	0
TOTAL	263,648	238,524	0	238,524	90	263,648	0	0
Property								
Refurbish Existing Assets	900,505	69,674	1,385	71,059	8	900,505	0	0
Plas Arthur	1,083,753	412,631	0	412,631	38	1,083,753	0	0
Invest To Save Property	15,596	0	0	0	0	15,596	0	0
Low Carbon Heat Grant - Council Offices	23,900	0	0	0	0	23,900	0	0
Low Carbon Heat Grant - 231	2,002,567	0	0	0	0	1,952,567	(50,000)	(2)
Low Carbon Heat Grant - 249	1,539,374	0	0	0	0	1,539,374	0	0
Low Carbon Heat Grant - 250	3,899,555	0	0	0	0	3,899,555	0	0
Low Carbon Heat Grant - 251	1,557,982	0	0	0	0	1,557,982	0	0
Upgrade Public Conveniences	279,574	0	0	0	0	0	(279,574)	(100)
TOTAL	11,302,806	482,305	1,385	483,690	4	10,973,232	(329,574)	(3)
Transformation								
ICT	411,513	7,190	4,726	11,916	3	411,513	0	0
Telephony System	88,500	63,666	689	64,355	73	88,500	0	0
TOTAL	500,013	70,857	5,414	76,271	15	500,013	0	0
Adult Services								
Gors Felen Sensory Garden	62,353	35,053	0	35,053	56	62,353	0	0
Canolfan Glanhwa	987,041	0	0	0	0	700,000	(287,041)	(29)
ICF	162,362	26,569	8,697	35,266	22	162,362	0	0
Plas Mona Refurbishment	13,520	0	0	0	0	13,520	0	0
TOTAL	1,225,276	61,622	8,697	70,319	6	938,235	(287,041)	(23)
TOTAL	72,476,925	22,780,719	2,804,300	25,585,019	35	66,979,763	(5,497,162)	(8)

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 £
Enable	139,786	139,786						
Active Travel	1,527,338	1,527,338						
ALN 2024/25	476,761	476,761						
Small Scale Flood schemes	529,641	464,369			65,272			
Gors Felen Sensory Garden	62,353	62,353						
Canolfan Glanhwfa	987,041	987,041						
Road Safety Capital	161,500	161,500						
Safe Routes in Communities	71,750	71,750						
ULEV	502,500	502,500						
Ysgol DH - Food Tech Block	162,950	115,000			27,950	20,000		
Education Buildings capital	(490,752)					(490,752)		
Council Buildings capital	(202,790)					(202,790)		
St Mary's Roofing	218,607	153,000				65,607		
Low Carbon Heat Grant - 231	1,059,524	953,571				105,953		
Low Carbon Heat Grant - 249	941,700	847,530				94,170		
Low Carbon Heat Grant - 250	2,285,610	2,057,049				228,561		
Low Carbon Heat Grant - 251	907,935	817,142				90,793		
Plas Arthur	1,083,753	995,295				88,458		
CFS 2024/25	789,680	789,680						
ICF	162,362					162,362		
ULEV	(8,023)	(8,023)						
Education Buildings capital	572,114	572,114						
Llanfair Flood Relief Scheme	105,000	105,000						
Arfor	585,000	585,000						
Childcare Capital Grant Schemes	435,044	435,044						
Ysgol Llanfechell Childcare Unit	842,309	842,309						
Ysgol Llangoed Childcare Unit	442,543	442,543						
Ysgol Henblas Childcare Unit	95,430	95,430						
Llangefni Library	38,569	38,569						
HRA*	(1,345,000)	(1,172,661)	(2,688,074)	509,441		(162,362)	2,168,656	
TOTAL	13,140,235	13,056,990	(2,688,074)	509,441	93,222	0	2,168,656	0

*Included in the 2024/25 budget for HRA, there was an overestimation of grant funding and, along with the required decrease in budget, the funding has now been amended.

Additional Schemes Added in Quarter 2 – Require Executive Approval		
Scheme	£'m	Funded By
Education Buildings Capital	0.572	External Grant
Ysgol Henblas Childcare Unit	0.039	External Grant
Ysgol Llangoed Childcare Unit	0.443	External Grant
Ysgol Llanfechell Childcare Unit	0.842	External Grant
Childcare Capital Grant Schemes	0.435	External Grant
Arfor	0.585	External Grant
Llangefni Library	0.095	External Grant
Llanfair Flood Relief Scheme	0.105	External Grant
Total Additional Schemes Added in Quarter 2	3.116	