

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	EXECUTIVE
Date:	18 FEBRUARY 2025
Subject:	BUDGET MONITORING REPORT THIRD QUARTER 2024/25 - CAPITAL
Portfolio Holder(s):	COUNCILLOR R WILLIAMS – DEPUTY COUNCIL LEADER & PORTFOLIO HOLDER FINANCE & HOUSING
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 2024/25 at quarter 3. Approve the additional schemes within quarter 3, amounting to £2.696m, to the capital programme and amendments to funding, as per Appendix C, which will result in a revised capital budget of £75.173m for 2024/25. To 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 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 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.
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:		
<p>Appendix A - Capital Budget Monitoring Report – Quarter 3 2024/25</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"> • 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 • 2024/25 Quarter 2 Capital Budget Monitoring report, presented to this Committee on 26 November 2024 		

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 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 £17.181m. There has also been a reduction in the HRA budget of £1.345m. This brings the total capital budget for 2024/25 to £75.173m. This is illustrated in the table below:-

Funded By:	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
Grant	20,075	10,039	(1,173)	16,822	45,763
Supported Borrowing	2,634	3,233	(162)	278	5,983
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	81	1,193
Loan	0	16	0	0	16
TOTAL	43,838	15,499	(1,345)	17,181	75,173

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 annual budget of the 2024/25 capital programme and how it is funded, along with the capital expenditure to 31 December 2024:-

Service	Annual Budget £'000	Actual Expenditure £'000	Committed Expenditure £'000	Total Expenditure £'000	Annual Budget Spent %
Housing - General Fund	1,049	736	181	917	87
Housing - HRA	29,573	18,286	0	18,286	62
Lifelong Learning	9,377	5,995	545	6,540	70
Economic and Regeneration	13,585	3,384	1,172	4,556	34
Highways	7,117	4,759	690	5,449	77
Waste Management	264	239	0	239	91
Property	12,483	4,795	1	4,796	38
Transformation	500	62	15	77	15
Adult Services	1,225	347	9	356	29
Total	75,173	38,603	2,613	41,216	55
Funded By:					
Capital Grant	45,763				
Capital Receipts	1,032				
Supported Borrowing	5,983				
Unsupported Borrowing	5,805				
Revenue Contribution	15,381				
Reserves	1,193				
Loan	16				
Total Funding	75,173				

- 2.2** 50% of the General Fund annual budget has been spent to date. Steady progress has been made, with most capital schemes currently underway. All capital schemes have commenced, however, it is expected that some schemes and the majority of their budget will be spent next quarter or towards the latter part of the financial year, such as the Enable grant, childcare units 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 62% 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 18 February 2025.

3. 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. Retention amount will be accrued and become due following the defect period.
- **Childcare Units (Valley, Llanfechell and Llangoed)** - The works to the new unit at Ysgol Valley are now substantially complete, but there are outstanding issues relating to a new electricity connection which needs to be installed. It is hoped that this can be completed before the end of the financial year, but is reliant on Scottish Power. Llanfechell and Llangoed, works have started on site and must be completed by the end of March. A revised grant offer letter has been received, increasing the grant award to Llangoed to £0.865m and reducing the award to Llanfechell to £0.450m.
- **Holyhead: A Culture & Heritage Driven Transformation (UK Government Funding, including Townscape Heritage Initiative THI Phase II)** –
 - St Cybi's - Work began on site at St Cybi's Church on 28 May 2024, with a target completion date now of mid July 2025. Works are progressing on site and efforts are being made by the contractor to try and mitigate the delays. The underfloor heating in the main church building has been installed and covered and retiling will take place in quarter 4. The project is currently forecast to overspend by £0.580m, and talks are underway with the Church in Wales regarding the potential of additional Levelling Up Fund (LUF) funding, but the majority of the gap will have to be met from the Church in Wales. An application for a small amount of additional Transforming Towns funding will be made by the LUF Team in quarter 4. The planning application for the Solar Panels and Air Source Heat Pump has been made and a decision is awaited, although placing Solar Panels on a medieval church is a contentious subject, so the process could be protracted.
 - Ucheldre Centre Expansion – The project is progressing very well on site, with the works on the site as a whole being 60% complete. The detailed design of the specialist external cladding has started. The building has remained operational throughout all the works. Delivery of the scheme within budget remains the key challenge. The LUF Team is preparing a bid to Transforming Towns to help with the budget pressures. 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 – The Kiosks on Newry Beach are complete and operational, with tenants reporting good periods of trading during quarter 3. Work is well underway on the Empire complex, with the Cinema due to reopen at the end of January. Works will now start in earnest on the Play Centre, with the Centre closing to the public in February. The entire development will be completed in June 2025. There is a small cost overrun on the Empire, and a bid to Transforming Towns will be made by the LUF Team in quarter 4 to help to fund the gap.

- Vacant Property Programme – Works are now well underway on the old HSBC and Central Buildings. Following some delays on 9 Stanley Street, this is now scheduled to complete in January. Works on 14a/b Stanley Street have been put on hold following the notice being served for the closure of Churchill House and associated ground floor properties, of which number 14 is one. 2-4 Market Street has been included in the programme as a replacement project for 14a/b Stanley Street. This will provide a refurbished ground floor retail space with 2 x 2 bedroom flats above. The retail space will be completed by the end of quarter 4. The Transforming Towns bid that was prepared in quarter 2 was approved and has secured an additional £0.623m towards the project to cover the rise in costs. This will be claimed in full before the end of this financial year.
- THI Phase II – The tender for the former Booze Busters has been received and a suitable contractor has been identified, but a grant offer to the property owner has not yet been made until further due diligence has been carried out. The former Caernarfon Castle public house was retendered and is currently in review. The tenders for the Boston Street properties have been released and are now due back in quarter 4, as are the Shopfront tenders. The refurbishment works to the Railings and Archway by the Market Hall building have been completed and reinstated.

The quarter 3 claim to the Ministry of Housing, Communities and Local Government has been delayed, and will form a joint claim with quarter 4 to be made in April 2025, at the request of the UK Government. Delivery Partner claims have been processed as normal, bringing programme expenditure to just over £2m in quarter 3 and just under £10m in total.

- **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 3 provided grants to a further 5 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. The majority of the works have now been completed and the community room will be available for use in quarter 4. Some minor works are also being carried out in Holyhead Library to fit out a space for Ffiws use. The grant will be fully claimed by the end of March.
- **Small Scale Grants Work** - 5 schemes have been approved for 2024/25 (three construction schemes and two design schemes). Construction work has been completed on two schemes, with the construction of the remaining scheme due to commence in quarter 4. Design schemes progressing well. Full expenditure of the budget is anticipated. There is a significant overspend anticipated on one of the constructions schemes, going beyond the grant award. The overspend is due to poor ground conditions and water problems. The funding for the overspend has been allocated from existing capital budgets.
- **Llanfair PG, Menai Bridge Full Business Case (FBC)** – Menai Bridge FBC progressing, however, due to the nature of the proposal, progress has now slowed and faces challenges. Work on Llanfair PG business case is now progressing well.
- **Active Travel Fund (ATF)** - £1.527m 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. Following a formal variation process undertaken in October 2024, the budget breakdown has been amended as follows (overall financial envelope remains at £1.527m):-
 - £0.182m is for core works covering a number of scheme proposals, broken down to pre-scheme development, minor works and M&E (monitoring and evaluation) activities;
 - £1.004m in relation to Holyhead – Trearddur Bay Phase 2 (Junction 2 Works and Pre-Scheme Development Activities);
 - £0.341m in relation to Pont Marquis - Malltraeth – Phase 1.

The Holyhead - Trearddur Bay North Wales Metro Phase 1 scheme has been fully completed on-site - discussions ongoing in relation to compensation events to finalise project completion. Method of delivering Phase 2 of the project has changed due to complexities in delivering through the A55 Design Build Finance Operate (DBFO) contract, discussions ongoing with WG / NMWTRA (North & Mid Wales Trunk Road Agent) to lead on delivery as the asset is under their jurisdiction (Transport for Wales (TfW) fully aware of current situation).

Principal contractor appointed for the capital scheme at Malltraeth - Pont Marquis (short-term option) and scheduled to start on-site in January, with scheduled completion before end of March 2025.

Pre-Scheme Development activities (WeITAG (Welsh Transport Appraisal Guidance) 3E and Detailed Design) ongoing for the section between Malltraeth and Newborough (tree surveys and ground investigation works ongoing). A capital grant application has been submitted for construction of this section through ATF (Active Travel Fund) in 2025/26.

Pre-Scheme Development activities ongoing at Llanfairpwll, Amlwch, Benllech, Gaerwen and designs currently being prepared on the critical fail routes.

A variation process has been scheduled for January 2025 to refine budgets and for any agreed variations to be formalised in letter by WG.

- **Ultra Low Emission Vehicle (ULEV) Transformation Fund (2023/24)** - Approval was granted from WG for a time-extension on the construction of the EV (Electric Vehicle) Hub at Plas Arthur until end of August 2024. The car park itself is completed, and the 2023/24 allocation is now spent in full. Arrangements in place to undertake connection between SPEN (Scottish Power Energy Networks) apparatus, the EV electrical apparatus and lease agreements for 2 chargers are currently being reviewed by Legal, with intention to install in quarter 4, with costs associated to this to be funded from the 2024/25 ULEV allocation.
- **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. District Network Operator (DNO) quotations have been accepted at four sites, and 1 alternative site has been identified with quote requested from SPEN. Enabling works have been completed at 2 sites (Brynsiencyn and Bulkeley, Menai Bridge) with DNO connections organised for January 2025. Assessments and site visits undertaken at Oriol Môn, with delivery aimed for quarter 4, subject to conclusion of SPEN assessments. Approval received by WG to postpone actual construction / enabling works at Beaumaris Castle Car Park to be delayed until Summer 2025, where the land is returned to IoACC freehold (DNO connection and GRP (Glass-fibre Reinforced Polyester) cabinet costs to incur in 2024/25), with the construction elements of the costs to be funded from 2025/26 grant award. 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, ITT and Contract in order to appoint an EV Charging Point Provider through the newly launched framework agreement. However, further legal advice is required to review whether appointment on a Concessionary Agreement (leasehold) is allowed under the procurement regulations. EV Action Plan mid-term review has started to reflect latest national and local positions. 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 underspend of £0.076m is forecasted against the original budget, and this has been highlighted to WG / TfW as part of quarter 3 returns. As mitigation, the Council has requested for the underspend to be utilised on the Hydrogen Hub and are awaiting a decision by WG / TfW.
- **Safe Routes in Communities (SRiC)** - £0.072m has been awarded to support capital schemes that contribute to 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. Minor interventions on the highway have been identified at Llanfairpwll, to undertake further improvements within the vicinity of the school and design works are underway. A variance has been requested from the SRiC Revenue Fund for £5k to accommodate the additional work.

- **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. Work continued in quarter 3, with the provision of railings outside the new Ysgol Corn Hir to the existing pedestrian crossing point. In addition, upgraded signs and road markings were installed along the B5109 at locations of safety concerns, together with dropped kerbs in Bodedern. Similar signage improvements were commenced on the B5111 at the end of quarter 3. Work of introducing traffic calming on the approach to Ysgol Corn Hir were delayed, and these will be completed in quarter 4, along with the completion of signage work on the B5111. It is anticipated that the allocated budget will be spent in full.
- **RAAC Remedial works** (Reinforced Autoclaved Aerated Concrete) - 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.
 - Remedial works are now complete at both schools, with retention sums due in quarter 4.
- **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, and retention sums payable in quarter 4.
- **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, and retention sums payable in quarter 4.
- **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 4 2024/25, as minor roofing works have been delayed due to adverse weather. The overall costs will go beyond the original budget, with the difference being funded from existing capital budgets.
- **Low Carbon Heat Grant (Council Offices)** – Planning permission granted in November 2023, 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. The Council is awaiting confirmation of requirements and a schedule. The project is expected to complete in quarter 4.

- **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 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. Work continues at pace on a number of sites, with heat pumps having been sited externally and work to replace pipework and emitters (radiators and alternatives) completed inside. However, delays in delivering upgrades to the electricity supply by SPEN is delaying the switchover at a number of sites. Though designs are in hand, and SPEN have been paid, progress is slow. Though the matter is being pressed, completion dates are likely to be delayed. The risks attached to the electrical supply upgrades were identified at the commencement of the project, and we have been in constant dialogue with WG about the risk of underspend as a consequence. We are confident that WG will permit the slippage of the grant allocations for works that cannot be delivered by the end of the financial year.
- **Additional Capital Repairs and Maintenance** - £0.574m has been awarded by WG for school capital maintenance works. Additional funding was confirmed in December 2024, increasing the total value of the grant to £0.953m. Due to the timing of the grant award and the challenges of delivering substantial capital works in quarter 4, the grant will be displaced against expenditure already incurred, allowing any net underspend of the Education Buildings Capital Budget to be carried over to 2025/26. This underspend from 2024/25 will supplement the 2025/26 Education Buildings Capital Budget. A programme of capital works will be prepared for delivery in 2025/26, with works concentrated in the summer holiday period.
- **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 (ALN – Education Tribunal) 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, an underspend of £0.193m is anticipated.
- **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 complete, with the remaining works at the third school ongoing, and 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.

- **Integration 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 31-Dec-24 £'000	Projection to 31-Mar-25 £'000
Council Fund:			
Smallholdings	0	0	0
General	0	147	147
Industrial	0	0	0
Schools	372	81	81
HRA	247	128	251
Total	619	356	479

3.2.2 The projected capital receipts at 31 March 2025 is £0.479m, with £0.356m being received at 31 December 2024 (74%).

3.2.3 Although the projected capital receipts is £0.479m, there is £3.379m 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 loACC'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 to 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	1,049	0	0
Housing HRA	29,573	27,841	(1,732)	(6)
Lifelong Learning	9,377	8,608	(769)	(8)
Economic and Regeneration	13,585	9,677	(3,908)	(29)
Highways	7,117	6,883	(234)	(3)
Waste Management	264	264	0	0
Property	12,483	11,594	(889)	(7)
Transformation	500	148	(352)	(70)
Adult Services	1,225	938	(287)	(23)
Total	75,173	67,002	(8,171)	(11)
Funded By:	Annual Budget £'000	Projected Funding £'000	Variance £'000	Variance %
Capital Grant	45,763	42,051	(3,712)	(8)
Capital Receipts	1,032	940	(92)	(9)
Supported Borrowing	5,983	5,026	(957)	(16)
Unsupported Borrowing	5,805	2,777	(3,028)	(52)
Revenue Contribution	15,381	15,343	(38)	(0)
Reserves	1,193	849	(344)	(29)
Loan	16	16	0	0
Total Funding	75,173	67,002	(8,171)	(11)

4.2 As can be seen from Table 4.1 (above), the forecast underspend on the capital programme for 2024/25 is £8.171m, 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 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 £0.500m). 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 a further uplift to this award of £0.381m in December 2024. There is a 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 contribution for the Low Carbon Heat Grant (LCHG) from existing capital budgets also, 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 contribution 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. The Visitor and Maritime Infrastructure budgets are now expected to underspend by circa £0.190m in total, with the aim of any underspend being directed towards the works at the Dingle, which will start in quarter 4.

Highways

The vehicles and gritters budget is predicted to underspend by approximately £0.048m. 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 LCHG in terms of commissioning works which are dependent on works being carried out in a timely fashion by SPEN.

Transformation

The ICT budget is now expected to underspend this financial year. This is due to timing alignments regarding end of life and end of support dates and the need to replace servers, core switches and firewalls. These works will now be completed in financial year 2025/26.

Adult Services

The Canolfan 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 (CFR) forecasted at 31 March 2025 is £152.849m, which is the underlying need for the Authority to borrow to be able to fund its Capital Programme. The external borrowing currently stands at £121.178m, meaning the Authority essentially needs to borrow £31.671m 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.

The proposed capital budget will be presented to this Committee on 27 February 2025, with the final budget presented to full Council for approval on 6 March 2025. The Capital Strategy for 2025/26 will also be presented to this Committee and the full Council on 6 March 2025.

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 2025/26 is requested for these schemes to complete next financial year. The Council is also expecting to receive £0.479m 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	697,889	181,021	878,910	100	878,910	0	0
Enable Grant	139,786	37,869	0	37,869	27	139,786	0	0
Affordable Housing	30,650	0	0	0	0	30,650	0	0
TOTAL	1,049,346	735,758	181,021	916,779	87	1,049,346	0	0
Housing HRA								
Central Heating Contract	1,600,000	863,465	0	863,465	54	1,100,000	(500,000)	(31)
Planned Maintenance Contract	6,216,006	3,400,766	0	3,400,766	55	4,800,766	(1,415,240)	(23)
Energy Performance Improvement	1,700,000	4,325	0	4,325	0	900,000	(800,000)	(47)
Environmental Works	500,000	157,622	0	157,622	32	220,000	(280,000)	(56)
Acquisition of Existing Properties and Development of new properties	15,657,000	12,100,536	0	12,100,536	77	16,820,036	1,163,036	7
Public Sector Adaptations	500,000	325,175	0	325,175	65	500,000	0	0
Fire Risk	400,000	19,572	0	19,572	5	500,000	100,000	25
Fleet	300,000	0	0	0	0	300,000	0	0
WHQS	2,700,000	1,415,012	0	1,415,012	52	2,700,000	0	0
TOTAL	29,573,006	18,286,475	0	18,286,475	62	27,840,802	(1,732,204)	(6)
Lifelong Learning								
Disabled Access in Education Building	134,763	0	0	0	0	0	(134,763)	(100)
Refurbish Education Building	1,482,269	631,607	698	632,304	43	982,269	(500,000)	(34)
School Safety	68,901	5,607	0	5,607	8	5,607	(63,294)	(92)
External Canopies	3,077	0	0	0	0	3,077	0	0
Additional Learning Needs 2023/24	108,385	108,621	0	108,621	100	108,621	236	0
Additional Learning Needs 2024/25	476,761	204,925	0	204,925	43	283,761	(193,000)	(40)
Community Focused Schools	789,680	391,923	1,476	393,400	50	789,680	0	0
RAAC Remedial works	1,013,521	1,111,560	7,062	1,118,621	110	1,135,618	122,097	12
Valley Childcare Unit	281,166	214,859	250	215,109	77	281,166	0	0
Ysgol Henblas Childcare Unit	38,569	38,569	0	38,569	100	38,569	0	0
Ysgol Llangoed Childcare Unit	442,543	60,332	24,161	84,493	19	442,543	0	0
Ysgol Llanfechell Childcare Unit	842,309	90,510	471,426	561,936	67	842,309	0	0
Childcare Capital Grants scheme	435,044	275,391	1,630	277,021	64	435,044	0	0
Santes Fair - Roofing	218,607	209,952	0	209,952	96	218,607	0	0
Ysgol David Hughes - Food Tech Block	162,950	152,746	0	152,746	94	162,950	0	0
Commencement of Band B Programme	2,878,000	2,498,418	37,883	2,536,301	88	2,878,000	0	0
TOTAL	9,376,545	5,995,019	544,586	6,539,605	70	8,607,821	(768,724)	(8)

APPENDIX B

Service	Annual Budget (£)	Actual Expenditure (£)	Committed Expenditure (£)	Total Expenditure (£)	Annual Budget Spent (%)	Projected Expenditure (£)	Projected Under / Over (£)	Variance (%)
Economic and Regeneration								
Holyhead Leisure 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	383,601	607,170	990,771	77	990,771	(291,229)	(23)
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	3,885	0	3,885	8	51,287	0	0
Maritime Infrastructure	177,514	0	0	0	0	87,514	(90,000)	(51)
Visitor Infrastructure	1,340,482	86,322	554,975	641,297	48	1,240,482	(100,000)	(7)
Arfor	585,000	260,409	0	260,409	45	585,000	0	0
Llangefni Library	95,430	40,233	7,865	48,098	50	95,430	0	0
Holyhead: A Culture & Heritage Driven Transformation	9,800,000	2,562,349	0	2,562,349	26	6,374,342	(3,425,658)	(35)
TOTAL	13,584,783	3,384,323	1,172,392	4,556,715	34	9,677,275	(3,907,508)	(29)
Highways								
Vehicles	520,789	489,698	12,290	501,988	96	501,988	(18,801)	(4)
Gritters	456,000	0	426,772	426,772	94	426,772	(29,228)	(6)
Highways Resurfacing	2,116,975	2,058,342	0	2,058,342	97	2,116,975	0	0
Llanfair Flood Prevention Scheme	454,334	246,058	0	246,058	54	354,334	(100,000)	(22)
FBC Menai Flood Prevention Scheme	69,518	38,169	0	38,169	55	59,518	(10,000)	(14)
Invest to Save - Vehicles	5,068	0	0	0	0	5,068	0	0
Small scale grants work	889,341	729,563	0	729,563	82	889,341	0	0
Active Travel	1,527,338	699,016	149,362	848,378	56	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	82,867	0	82,867	51	161,500	0	0
Safe Routes in Communities	71,750	65,976	0	65,976	92	71,750	0	0
ULEV 2024/25	502,500	164,854	99,263	264,117	53	426,500	(76,000)	(15)
EV Charging Infrastructure	178,705	22,316	1,940	24,256	14	178,705	0	0
TOTAL	7,117,339	4,759,077	689,627	5,448,704	77	6,883,310	(234,028)	(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	698,060	136,744	1,385	138,129	20	698,060	0	0
Plas Arthur	1,273,753	662,186	0	662,186	52	1,273,753	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	2,875,431	1,720,000	0	1,720,000	60	2,759,888	(115,543)	(4)
Low Carbon Heat Grant - 249	1,572,184	0	0	0	0	1,414,966	(157,218)	(10)
Low Carbon Heat Grant - 250	4,111,728	1,684,415	0	1,684,415	41	3,868,997	(242,731)	(6)
Low Carbon Heat Grant - 251	1,632,570	591,814	0	591,814	36	1,528,495	(104,075)	(6)
Upgrade Public Conveniences	279,574	0	0	0	0	10,000	(269,574)	(96)
TOTAL	12,482,795	4,795,159	1,385	4,796,544	38	11,593,654	(889,141)	(7)
Transformation								
ICT	411,513	5,797	13,680	19,478	5	60,000	(351,513)	(85)
Telephony System	88,500	56,036	689	56,724	64	88,500	0	0
TOTAL	500,013	61,833	14,369	76,202	15	148,500	(351,513)	(70)
Adult Services								
Gors Felen Sensory Garden	62,353	35,053	0	35,053	56	62,353	0	0
Canolfan Glanhwfa	987,041	283,439	0	283,439	29	700,000	(287,041)	(29)
ICF	162,362	28,873	8,697	37,570	23	162,362	0	0
Plas Mona Refurbishment	13,520	0	0	0	0	13,520	0	0
TOTAL	1,225,276	347,365	8,697	356,062	29	938,235	(287,041)	(23)
TOTAL	75,172,751	38,603,534	2,612,076	41,215,610	55	67,002,591	(8,170,160)	(11)

Changes to budgets / additional schemes added since budget setting.

Scheme	Budget £	FUNDING						
		Grant £	Revenue Contribution £	Capital Receipts Reserve £	Capita l Reser ve £	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	889,341	580,143			53,172	256,026		
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	(515,752)					(515,752)		
Council Buildings capital	(405,235)					(405,235)		
St Mary's Roofing	218,607	153,000				65,607		
Low Carbon Heat Grant - 231	1,932,388	1,739,149				193,239		
Low Carbon Heat Grant - 249	974,510	877,059				97,451		
Low Carbon Heat Grant - 250	2,497,783	2,248,004				249,778		
Low Carbon Heat Grant - 251	982,523	884,271				98,252		
Plas Arthur	1,273,753	986,132				287,621		
CFS 2024/25	789,680	789,680						
ICF	162,362					162,362		
ULEV	(8,023)	(8,023)						
Education R&M capital	953,523	953,523						
FBC Llanfair PG	105,000	105,000						
Arfor	585,000	585,000						
Childcare capital	435,044	435,044						
Uned Ysgol Llanfechell	842,309	842,309						
Uned Ysgol Llangoed	442,543	442,543						
Henblas Unit	95,430	95,430						
Llangefni Library SPF	38,569	38,569						
Visitor Infrastructure SPF	1,146,529	1,146,529						
Flood Scheme match pot	(346,800)	(115,774)				(231,026)		
HRA*	(1,345,000)	(1,172,661)	(2,688,074)	509,441		(162,362)	2,168,656	
TOTAL	15,836,062	15,648,956	(2,688,074)	509,441	81,122	115,961	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 3 – Require Executive Approval		
Scheme	£'m	Funded By
Education Buildings Capital	0.381	External Grant
Visitor Infrastructure	1.147	External Grant
LCHG 231 – correction to slippage following final audit of SOA 2023/24	0.873	External Grant and Council match
LCHG 249 – correction to slippage following final audit of SOA 2023/24	0.033	External Grant and Council match
LCHG 250 – correction to slippage following final audit of SOA 2023/24	0.212	External Grant and Council match
LCHG 251 – correction to slippage following final audit of SOA 2023/24	0.075	External Grant and Council match
Flood Relief Scheme match pot	(0.347)	External Grant and supported borrowing moved to Small Scale Flood Relief schemes
Small Scale Flood Relief schemes	0.360	Increase in budget funded from existing capital budgets
Education Buildings capital	(0.025)	Supported borrowing match moved to Small Scale Flood Relief schemes
Council Buildings capital	(0.012)	Supported borrowing additional match to correct funding of Plas Arthur scheme
Total Additional Schemes Added in Quarter 3	2.696	