

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>Date:</b>	<b>28 JUNE 2022</b>
<b>Subject:</b>	<b>CAPITAL OUTTURN REPORT 2021/22</b>
<b>Portfolio Holder(s):</b>	<b>COUNCILLOR R WILLIAMS</b>
<b>Head of Service / Director:</b>	<b>MARC JONES - DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER</b>
<b>Report Author:</b> E-mail:	<b>JEMMA ROBINSON</b> <b>JemmaRobinson@ynysmon.llyw.cymru</b>
<b>Local Members:</b>	n/a
<b>A –Recommendation/s and reason/s</b>	
<ul style="list-style-type: none"> <li>To note the draft outturn position of the Capital Programme 2021/22 that is subject to Audit; and</li> <li>To approve the carry-forward of £11.242m to 2022/23 for the underspend on the programme due to slippage. The funding for this will also carry-forward to 2022/23 (Appendix A – paragraph 4.3). The revised capital budget for 2022/23 is £47.203m.</li> </ul>	
<b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>	
n/a	
<b>C – Why is this a decision for the Executive?</b>	
<ul style="list-style-type: none"> <li>This report sets out the financial performance of the Capital Budget for the 2021/22 financial year, that is subject to Audit;</li> <li>Budget monitoring is a designated Executive function.</li> </ul>	
<b>CH – Is this decision consistent with policy approved by the full Council?</b>	
Yes	
<b>D – Is this decision within the budget approved by the Council?</b>	
Yes	
<b>DD – Who did you consult? What did they say?</b>	
<b>1</b>	<b>Chief Executive / Senior Leadership Team (SLT) (mandatory)</b> Report was considered by the SLT at its meeting on 6 June 2022 and the comments made on the draft report have been incorporated into the final report
<b>2</b>	<b>Finance / Section 151 (mandatory)</b> n/a – this is the Section 151 Officer's report
<b>3</b>	<b>Legal / Monitoring Officer (mandatory)</b> The comments of the Monitoring Officer form part of the comments of the SLT
<b>4</b>	<b>Human Resources (HR)</b> Not applicable

5	<b>Property</b>	Not applicable
6	<b>Information Communication Technology (ICT)</b>	Not applicable
7	<b>Procurement</b>	Not applicable
8	<b>Scrutiny</b>	Not applicable
9	<b>Local Members</b>	Not applicable

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

1	<b>How does this decision impact on our long term needs as an Island</b>	The capital budget 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	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>	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	<b>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</b>	Funding of the projects has been agreed and planned with other organisations, notably Welsh Government
4	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	The Council's Corporate Plan and Capital Programme 2021/22 have been subject to a consultation process with Anglesey citizens
5	<b>Outline what impact does this decision have on the Equalities agenda and the Welsh language</b>	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 Outturn Report – 2021/22

Appendix B – Summary of the Capital Expenditure against the Capital Budget and the slippage into 2022/23

### **FF - Background papers (please contact the author of the Report for any further information):**

- 2021/22 Capital Budget, as recommended by the full Council on 9 March 2021
- 2021/22 Capital Budget Monitoring Quarter 1, presented to this Committee on 27 September 2021
- 2021/22 Capital Budget Monitoring Quarter 2, presented to this Committee on 29 November 2021
- 2021/22 Capital Budget Monitoring Quarter 3, presented to this Committee on 3 March 2022

## 1. INTRODUCTION

- 1.1 This is the Capital Outturn report for the financial year 2021/22, which allows Members to note the progress of Capital Expenditure and Capital Receipts against the Capital Budget. The figures in this report are subject to Audit.
- 1.2 In March 2021, the Council approved a Capital Programme for non-housing services of £15.842m for 2021/22, and a Capital Programme of £20.313m for the Housing Revenue Account (HRA). In addition, in June 2021, the Executive approved Capital Slippage of £11.898m to be brought forward from 2020/21, bringing the Capital Programme for non-housing services to £25.492m, and £22.561m for the HRA. Since the budget setting process, there have been additional schemes added onto the programme, most of which are grant funded, which amounted to £15.445m. This brings the total Capital budget for 2021/22 to £63.498m.

## 2. CAPITAL EXPENDITURE 2021/22

- 2.1 Summary Table of the spending to 31 March 2022:-

Service	Annual Budget £'000	Total Expenditure £'000	(Under) / Overspend £'000	Annual Budget Spent %
Housing General Fund	1,631	1,019	(612)	62
Housing HRA	22,561	9,723	(12,838)	43
Lifelong Learning	15,683	8,833	(6,850)	56
Economic and Regeneration	6,144	2,081	(4,063)	34
Highways	8,993	5,290	(3,703)	59
Waste Management	2,276	2,270	(6)	100
Property	2,800	2,140	(660)	76
Transformation	1,066	794	(272)	74
Planning	1,215	384	(831)	32
Adult Services	1,129	923	(206)	82
<b>Total</b>	<b>63,498</b>	<b>33,457</b>	<b>(30,041)</b>	<b>53</b>
Funded By:	Annual Budget £'000	Expenditure Funded £'000	Variance £'000	Variance %
Capital Grant	27,453	22,486	(4,967)	82
Capital Receipts	583	312	(271)	54
Supported Borrowing	8,765	1,764	(7,001)	20
Unsupported Borrowing	4,897	2,485	(2,412)	51
Revenue Contribution	17,887	4,484	(13,403)	25
Loan	608	531	(77)	87
Capital Reserve	3,305	1,395	(1,910)	42
<b>Total Funding</b>	<b>63,498</b>	<b>33,457</b>	<b>(30,041)</b>	<b>53</b>

**2.2** The Budget for the General Fund was £40.937m, with Expenditure of £23.734m incurred at 31 March 2022. This equates to 58% of the budget. Reasons for the underspend include:-

<b>Scheme</b>	<b>Under spend £'m</b>	<b>Comment</b>
Refurbishment of school buildings	1.847	In the latter part of 2021/22, the Authority was awarded £1.236m of additional grant funding for school Capital maintenance works. The grant funding was used to fund locally determined capital schemes in 2021/22, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund school Capital works in 2022/23
Free School Meals	0.547	In the latter part of 2021/22, the Authority was awarded £0.588m of additional grant funding for schools in relation to the preparation of the free school meals roll out. The grant funding was used to fund locally determined capital schemes in 2021/22, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund school Capital maintenance works in 2022/23
Sustainable Communities for Learning schemes	2.864	Progress has now been made for the final Band A scheme and works on site are progressing well. Tenders have been re-invited on the new Foundation Phase Unit at Ysgol y Graig. Updated matrix of funding has been received and 2022/23 budgets will reflect this.
Canolfan Addysg y Bont Roof	0.991	Delays in the appointment of a contractor to commence the roofing works before year end means this scheme will slip into financial year 2022/23. This was anticipated in the quarter 3 report.
Tourism Gateway	1.340	The Breakwater Park Visitor Centre works were successfully re-tendered using a regional framework and a contractor is now in place, with works to upgrade the toilets and kiosk also now commissioned for delivery. This is an ongoing scheme with a new budget allocation in the 2022/23 capital programme.
Various Flood schemes	2.262	Some schemes are ongoing and span across different financial years. Others have seen delays and time extensions for completion agreed by Welsh Government to carry forward the funding.
Local Transport Fund – Infrastructure enhancements	0.673	Due to the nature of the works and lead time on delivery of infrastructure, time extension has been secured until July 2022.
Holyhead Regeneration (THI Phase II)	0.673	Various delays throughout the year meant projects did not progress at the pace originally intended, which resulted in such a large variance to budget. New budget allocation for 2022/23.
Penrhos Phase 2	1.130	Works on site are progressing and the scheme will slip into financial year 2022/23.

Scheme	Under spend £'m	Comment
Llangefni Gateway Units	0.872	Works on site are progressing and the scheme will slip into financial year 2022/23 for completion, anticipated in quarter 1.
Residential Site for Gypsies & Travellers	0.491	The initial tender prices received exceeded the funding available. Work is ongoing to redesign the scheme to reduce the costs in order to match the available funding.
IT Projects	0.281	Intentional underspend due to having to replace the main flash storage system in 2022/23.
Capital works to existing assets	0.369	Delays experienced on Plas Arthur projects due to the use of the site by Canolfan Addysg y Bont.
Leisure Improvements	0.189	Projects are in the pipeline and works are planned to continue in 2022/23, specifically at Plas Arthur.
Vehicles	0.274	A plan is being put in place to deliver electric vehicle charging points in the compound, however, they have not yet been finalised and, until finalisation is achieved, orders for electric vehicles have been postponed. Other vehicles have been ordered before year end, however, due to the lead time in delivery, they will be received post year end and so the budget will be required to slip to financial year 2022/23.

A full list of the capital schemes' expenditure against the budget can be seen in Appendix B of this report.

- 2.3** The Housing Revenue Account has spent 43% of its total budget, with a significant underspend being forecast throughout 2021/22. For further information on the HRA capital expenditure for 2021/22, please refer to the HRA Q4 budget monitoring report, presented to this Committee on 28 June 2022.
- 2.4** As can be seen from Table 2.1 (above), there is a significant difference in funding for Capital Grants, Supported Borrowing, Unsupported Borrowing and the Revenue Contributions. The main reason for the underspend in grants is mentioned in paragraph 2.2, where large Capital Grants projects, such as Tourism Gateway, Penrhos Phase 2 and Gateway Units, along with various flood schemes and Holyhead Regeneration (THI Phase II), have underspent significantly against the budget set. Some of these schemes have a new allocation in the capital programme for 2022/23, with only some of the underspend slipping, while on others the underspend will slip entirely into 2022/23. Details of the slippage amounts can be seen in Appendix B. The main reason for the variance in the Unsupported Borrowing is the significant underspend in the HRA, whose expenditure was fully funded by grants and revenue contributions, not requiring unsupported borrowing. The Sustainable Communities for Learning programme contributes to the variance in Supported Borrowing, having been fully funded by grant and reserves, along with the underspend on the Residential site for Gypsies and Travellers which was, at least partially, funded by Supported Borrowing. This, coupled with the disabled access in education buildings being fully funded by grant rather than supported borrowing and, as mentioned in paragraph 3.1.24, the Authority received extra grant funding which replaced local funding in 2021/22, further contributed to the variance in supported borrowing. The variance in Revenue Contribution is down to the underspend in the HRA, which is mainly funded by revenue contributions.

### 3. FUNDING

#### 3.1 Capital Grants

There are a number of Capital Grant schemes in the Capital Programme for 2021/22. There are some annual schemes that were completed during the year, such as the Road Safety Capital, Play Capital, Flying Start Capital, Small Scale Flooding Grant and Enable Grant. There were also some schemes that were awarded grant funding in previous years that were completed during the year, such as Holyhead Strategic Infrastructure. Some schemes are ongoing and will carry on into 2022/23, such as the Sustainable Communities for Learning, Tourism Gateway, various Flood Alleviation schemes, Childcare Capital Grant, Holyhead Townscape Transformation, Penrhos Phase 2 and the Llangefni Gateway Units. There were also new Capital Grants schemes awarded during the year, including the Free School Meals and Infrastructure Enhancement grant (Local Transport Fund).

- **Sustainable Communities for Learning** - The New Ysgol Corn Hir is progressing well on site, with Phase 1 and 2 Structures and Roof complete. The external wall finishes are over 50% complete. The rainwater attenuation tanks have been installed beneath the car park and external landscaping is currently being installed. Mechanical and Electrical first fix is almost complete and internal plastering has commenced to some areas within Phase 1. New Foundation Phase Unit at Ysgol y Graig – tenders have been re-invited and the Full Planning Application has been submitted. Full Business Case funding approval has been received.
- **Childcare Capital Grant** – The schemes at Ysgol Gwalchmai, Ysgol Henblas, Bodedern, Rhosneigr, Rhoscolyn and Valley have all been completed.
- **Market Hall** – The capital element of the project is complete. The remaining budget relates to the installation of heritage interpretation to the internal envelope and is funded from external sources. This work will be completed, with a project evaluation and formal project closure also during 2022/23.
- **Holyhead Townscape Transformation (Phase II Townscape Heritage Initiative (THI))** – The opportunity to use the remaining National Lottery Heritage Fund budget has been focussed on assisting in leveraging the optimal amount of UK Government Levelling Up Fund assistance for Holyhead. Much project development work was launched during quarter 4 to assist third party project development, with a focus on bringing vacant historic buildings in the town centre back into use.
- **Welsh Government Transforming Towns – Place Making Grant (PMG)** - Four Anglesey bids for funding in 2021/22 were approved totalling £0.795m, and full expenditure was achieved by the end of quarter 4. This was used to gap-fund a number of Housing, Property and Regeneration capital schemes in towns.
- **Hwb In-Schools Infrastructure Grant Scheme** – All outstanding equipment have been delivered and installed and the infrastructure upgrades remaining in Ysgol Gyfun Llangefni and Ysgol Uwchradd Bodedern are now complete.
- **Tourism Gateway** – The Breakwater Park Visitor Centre works were successfully re-tendered using a regional framework and a contractor is now in place, with works to upgrade the toilets and kiosk also now commissioned for delivery. ERDF funding is currently approved until 31 December 2022. There are several issues and risks with the remaining originally approved scheme components, which involve complex third-party sites. Their realistic deliverability by the deadline is currently being reviewed, and revised plans are under consideration, subject to agreement by Visit Wales.

- **Adventure Playground, Breakwater Country Park** – The design and installation of an adventure playground at Breakwater Country Park is now complete.
- **Penrhos Phase 2 project** - Following the procurement process, additional funds were secured through a deed of variation to the Joint Venture with Welsh Government. Wynne Construction were appointed to deliver Penrhos Phase 2 and an inception meeting has been held with the contractor. Works are anticipated to commence during quarter 1 2022/23.
- **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)** – Works have commenced on-site and are currently on-schedule for completion by the end of quarter 1 2022/23. Works on the substructure have been completed, with steel frame and cladding also completed, during quarter 4.
  - **Gateway Joint Venture (JV)** – Archaeological work have commenced on site during quarter 4. Plot 2 has been completed and signed off, whilst works on plot 7 have commenced. Ecology works are schedule to be completed during quarter 1 2022/23. Ecological mitigation and associated works on site are to be undertaken during quarter 1 2022/23.
- **Holyhead and Amlwch Drainage schemes** - These studies are currently ongoing. In Holyhead, CCTV surveys are now complete to inform the model build, and this is ongoing. In Amlwch, modelling specification has been agreed and a site meeting held with the modelling consultant. River surveys have begun. Both these studies will continue into next financial year.
- **Small Scale Grants Work (15 locations)** – 12 schemes were completed in 2021/22, with the proposed schemes at Clytuir Mynydd Bodafon, Lon Ganol Llandegfan and Pant Lodge LlanfairPG not being carried out due to site difficulties (environmental and archaeological constraints), the need to obtain agreement with circa four different landowners, as well as the current staffing capacity of the Service’s Design team. These have been resubmitted for approval next year.
- **Beumaris Flood Alleviation** – Site works were substantially completed in the summer, with a portion of the works deferred. A Consultant’s design report on these deferred works is expected soon.
- **Red Wharf Bay** - Following receipt of tenders from contractors and prices reflecting the spiraling costs of engineering works at present, this scheme failed a cost benefit analysis and, consequently, will not be funded by Welsh Government (WG). Discussions are still ongoing with a view of developing an alternative scheme, albeit at a significantly reduced scale, to be presented to WG in financial year 2022/23 and constructed the following financial year (2023/24), subject to successful grant funding award.
- **Llanfair PG, Menai Bridge and Valley Full Business Case (FBC)** - All three flood schemes are progressing. There are concerns regarding the challenges the preferred option for Llanfair PG poses, and further work is anticipated here. Meetings have been held with the consultant working on the project. The FBC (Design and Development) of the Llanfair PG scheme will continue well into the next financial year. The Valley scheme (FBC) is now complete and construction is now ongoing. Further site investigations and drainage surveys have been undertaken on the Menai Bridge scheme, with the information to be used to build the hydraulic model and inform the design of the scheme. This will continue over the summer, therefore, construction will take place in late 2022/23 at the earliest.

- **Mill Lane - Structure & Natural Flood Management (NFM)** – The innovative mechanical self-cleansing grillage (currently the only one in Wales) has been commissioned. The machine's operation continues to be closely monitored to assess its performance and effectiveness, with some early learning already having taken place. Some adaptations, including the provision of CCTV monitoring, are being developed. The negotiations are continuing with the landowner on the NFM aspect, albeit slowly. A status report is being prepared for Welsh Government.
- **Dwyran Ordinary Watercourse Natural Flood Management (NFM)** – This scheme is effectively complete (with some snagging issues remaining to address) and continues to be monitored to learn more about its effectiveness. Glyndŵr University is also monitoring flows for their academic research.
- **Enable** – The grant was drawn down in full by the end of the year.
- **Road Safety Capital** – Funding has been secured totalling £0.300m. The project involves the installation of road safety measures on the A545, Menai Bridge to Beaumaris. There was £0.225m spent to quarter 4, with the underspend being attributable to the objection from the Town Council regarding a controlled crossing point on the main street in Beaumaris and, therefore, that scheme was withdrawn.
- **Active Travel** – Additional funds were awarded late in quarter 2 and, following re-profiling in quarter 4, the total awarded sum for 2021/22 was £1.056m. Specific allocations of the grant funding are as follows:-
  - **£0.290m** for Core works covering a number of scheme proposals. Minor feedback received on the Active Travel Network Map (ATNM) from WG and IoACC have re-submitted for approval. The design, preparation works and construction work completed to existing route at Llanfairpwll in close proximity to the A5 and bowling green, as well as the completion of detailed design and survey work at Llanfairpwll (Lôn Graig to Lôn Refail Scheme). Welsh Transport Appraisal Guidance (WelTAG) studies at Benllech, Valley and Amlwch completed and minor works at Menai Bridge School Link and study at Cil y Graig, Llanfairpwll were also completed.
  - **£0.137m** to develop a route in the Holyhead area, which is part of WG's North Wales Metro. The principles and draft of the Concept Design Stage WelTAG Stage 3C has been completed and awaiting final version.
  - **£0.170m** - Pentraeth to Red Wharf Bay – for re-surfacing and widening footway works to improve connectivity between Pentraeth and Red Wharf Bay, which could be a catalyst in the future to enable further improvements to connect with Benllech. Re-surfacing, crossing points and widening footway works to improve connectivity between Pentraeth and Red Wharf Bay has continued throughout quarter 4 and Ove Arup completed design works for the section of the route from 30mph in Pentraeth (Benllech end) to the square in the middle of the village.
  - **£0.147m** - Llangefni Town Centre and residential area on edge of the Town Centre – improvements to the existing paths to Shared Use standards and improving connectivity from Maes Hyfryd to the edge of the town centre area. Design Works completed and continued engagement with Llangefni Town Council and Regeneration Group. Liaised with IoACC Land & Assets Group for agreement on works in vicinity of County Council offices. Issued minor clearance and civil works package to Term Contractor, with works commenced and progressing towards completion.



- **£0.312m** - at Lôn Las – re-surfacing and widening of existing shared-use path. Flood Risk Activity Permit approval secured from Natural Resources Wales as well as Exemption consent secured – this was required prior to civil works commencing. Ove Arup have completed the design to assess the improvements that can be undertaken to the A5 crossing (to provide a safer and more attractive crossing point) and awaiting price from main contractor. Organised for footpath closure and programme of works to re-surfacing and widening of existing shared-use path (and associated minor works) has commenced and is nearing completion.
- **Resilient Roads Fund** – Further surveys were undertaken as part of the Stage 3 WelTAG study, with the final Stage 3 Report to be issued imminently. This report will form the basis for any future WelTAG Stage 4 grant funding application.
- **Ultra Low Emission Vehicle Transformation Fund** – Agreement secured with WG to increase budget allocation and time-extension until July 2022. Further funding was secured in quarter 4 for the purchase (via Scottish Power Energy Networks) of Sub-Station at Park and Share Car Park at St. Tysilio, Llanfairpwll. Alun Griffith has been appointed as Principle Contractor for the supply and installation of Electric Vehicle (EV) Charging Points. All enabling works completed in respect of works undertaken to connect electrical cables from sub-station to GRP Enclosure Units and the second phase of works to install EV Charging Points is scheduled for June 2022.
- **Local Transport Fund** – Infrastructure enhancements - £0.750m has been awarded to facilitate Infrastructure Enhancements on Anglesey to support bus network delivery work (North Wales Metro) on behalf of Transport for Wales. Time extension has been secured until July 2022. Works during quarter 4 included procuring the Real Time Infrastructure and the appointment and order raised with Highways Term Contractor for the installation phase.
- **Low Carbon Heat Grants** – The Council has been awarded WG funding in relation to Public Sector Low Carbon grants (for Moelfre Primary School (£0.091m) and the Council Offices (£1.033m)) in order to support in the delivering of supplying and installing heat pumps. These grants were offered late in quarter 3 and with a requirement to complete by year end. 90% expenditure was achieved on both grant awards and agreement from WG was obtained to carry forward the remainder of the grant award to financial year 2022/23 for completion in quarter 2.
- **Additional School Maintenance Grant & Free School Meals Grant** - In the latter part of 2021/22, the Authority was awarded £1.236m & £0.594m respectively, of additional grant funding for school Capital maintenance works. The grant funding was used to fund locally determined capital schemes in 2021/22, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund school Capital maintenance works in 2022/23.

## 3.2 Capital Receipts

### 3.2.1 The Capital Receipts for the 2021/22 Financial Year was:-

	Budget 2021/22 £'000	Received to 31-March-2022 £'000	Variance (Under) / Over budget £'000
<b>Council Fund:</b>			
Smallholdings	300	405	105
General	284	1,521	1,237
Industrial	0	0	0
Schools	192	0	(192)
<b>Total</b>	<b>776</b>	<b>1,926</b>	<b>1,150</b>

**3.2.2** The Useable Capital Receipts for 2021/22 was £1.926m, against the budget of £0.776m, which is over the budget. The main reason for the variance is that assets that were included in the budgeted figure were not sold in the year, amounting to £290k. One of these is now not actively being held for sale in 2022/23, with the others anticipated to be sold in 2022/23. This is countered with capital receipts being received in the year which were not included in the budgeted figure (£1.389m) and also receiving more for assets sold than anticipated in the budget (£51k).

As can be seen in Appendix B, some Capital schemes will be completed in the next financial year, with the funding for these schemes also being forwarded to 2022/23, and these Capital receipts slippage will part fund the capital programme slippage. Any surplus capital receipts, after funding any overspend and the further works, will be transferred to the General Fund Capital Receipts. However, not all of this figure will be available to fund the general fund capital programme, as there will be funding earmarked to fund the Sustainable Communities for Learning programme as part of the Isle of Anglesey County Council's match funding, as well as Leisure earmarked reserve to fund leisure improvements.

#### **4. FUTURE YEARS**

**4.1** The Capital Budget Report for 2022/23 was considered and approved by the full Council on 10 March 2022. The total capital programme for 2022/23 (including Sustainable Communities for Learning and Housing Revenue Account) totals £35.961m. This can be broken down to:-

- **General Fund**
  - 2021/22 committed brought forward - £1.322m
  - Refurbishment / Replacing Existing Assets - £5.042m
  - New Capital Projects 2022/23 - £2.215m
  - Sustainable Communities for Learning - £8.598m
- **Housing Revenue Account (HRA)**
  - 2022/23 allocation for schemes - £18.784m

The proposed funding will be £7.662m (21%) from external funding sources, such as Capital Grants, and £28.299m (79%) from internal sources. This includes £3.325m of supported borrowing, £11.399m of unsupported borrowing, with the remaining £13.575m funded from the Council's own reserves.

**4.3** As can be seen in Appendix B, it is proposed that £11.242m will be carried forward into 2022/23 as slippage for capital schemes that did not complete by the end of March 2022. The schemes relate to the General Fund entirely, as no slippage was requested for HRA schemes due to the allocation in the budget for 2022/23 being deemed sufficient for the proposed capital spend. The funding for these slippage schemes will also slip into 2022/23, and this comprises £0.252m Capital Receipts, £4.425m of Capital Grants, Supported Borrowing £3.816m, £0.200m from unsupported borrowing and £2.472m from Reserves and £0.077m in relation to a loan. There is sufficient underspending against these funding streams that can be carried forward to 2022/23.

**4.4** If the slippage in Appendix B to this report is approved by this Committee, the total Capital Programme for 2022/23 will be £47.203m, of which £28.419m will be General Fund and £18.784m HRA. Additional schemes may be added onto the Capital Programme during 2022/23 if additional grant funding becomes available.

## **5. IMPACT ON THE TREASURY MANAGEMENT STRATEGY**

- 5.1** The Capital Finance Requirement (CFR) at 31 March 2022 is £137.804m, which is the underlying need for the Authority to borrow to be able to fund its Capital Programme. The external borrowing currently stands at £125.349m.

The Authority is within its authorised borrowing limits, as per the 2021/22 Treasury Management Strategy Statement (Appendix 11 of that statement). A full review on Treasury Management will be presented to the Governance and Audit Committee and the Executive in due course.

## **6. CONCLUSION**

- 6.1** The level of underspending, although significant (47% of the funding available), is not unexpected when dealing with a number of large complex projects which need to receive political approval, follow procurement regulations, require approval from Welsh Government or other funding bodies and are subject to unexpected issues once the work commences on site. The majority of the underspending relates to large projects, where the timing of the work has not followed the planned timetable (Sustainable Communities for Learning programme, Gypsy and Traveller site, Infrastructure projects and Acquisition of Existing Properties and Development of New Properties for the HRA). With large capital projects, unexpected delays do normally occur and it is not unusual to see expenditure on these types of projects slipping. In all cases, the funding for the projects have been secured and will be carried forward to 2022/23, with no loss of resources for the Council.

APPENDIX B

**Summary of the Capital Expenditure against the Capital Budget and the slippage into 2022/23**

Service	Annual Budget (£)	Total Expenditure (£)	Total (Under) / Overspend (£)	Annual Budget Spent %	Variance %	Underspend to be carried forward to 2022/23 (£)	Comments
<b>Housing General Fund</b>							
Disabled Facilities Grants	600,000	504,774	(95,226)	84	16	95,226	Slippage required in order to ensure adequate funds to finance substantial DFG schemes. Slippage funded by <b>supported borrowing</b> .
TRIP First Time Buyer Grant	207,442	207,442	0	100	0	0	
TRIP Landlord Grant Scheme	20,000	20,000	0	100	0	0	
Residential Site for Gypsies and Travellers	492,977	2,136	(490,841)	0	100	490,841	Slippage funded by <b>supported borrowing</b> .
Compulsory Purchase Scheme	170,000	183,332	13,332	108	(8)	0	
Enable Grant	102,520	93,654	(8,866)	91	9	0	Grant award for 2021/22 year only - no slippage.
Place Making Grant Housing	7,410	7,410	0	100	0	0	
Affordable Housing	30,650	0	(30,650)	0	100	30,650	Slippage funded by <b>capital receipts</b> .
<b>Total</b>	<b>1,630,999</b>	<b>1,018,748</b>	<b>(612,250)</b>	<b>62</b>	<b>38</b>	<b>616,717</b>	
<b>Housing HRA</b>							
Central Heating Contract	400,000	15,482	(384,518)	4	96	0	
Housing Maintenance Unit Vehicles	-	132,535	132,535			0	
Planned Maintenance Contract	4,725,000	2,745,722	(1,979,278)	58	42	0	
Energy Performance Improvement	1,000,000	226,009	(773,991)	23	77	0	
Environmental Works	880,000	103,966	(776,034)	12	88	0	
Acquisition of Existing Properties and Development of new properties	13,005,797	5,559,856	(7,445,941)	43	57	0	No slippage required - new budget for financial year 2022/23 is sufficient to fund proposed capital expenditure.
Public Sector Adaptations	350,000	266,001	(83,999)	76	24	0	
Fire Risk	450,000	-	(450,000)	0	100	0	
Contaminated Land	-	7,623	7,623			0	
WHQS	1,750,000	665,852	(1,084,148)	38	62	0	
<b>Total</b>	<b>22,560,797</b>	<b>9,723,046</b>	<b>(12,837,751)</b>	<b>43</b>	<b>57</b>	<b>0</b>	

Service	Annual Budget (£)	Total Expenditure (£)	Total (Under) / Overspend (£)	Annual Budget Spent %	Variance %	Underspend to be carried forward to 2022/23 (£)	Comments
<b>Lifelong Learning</b>							
Disabled Access in Education Building	400,000	255,489	(144,511)	64	36	144,511	Less requests for disabled pupils received. Work required at Holyhead Secondary School is subject to the feasibility on the house blocks.
Refurbish Education Building	3,654,630	1,807,412	(1,847,218)	49	51	1,847,218	In the latter part of 2021/22, the Authority was awarded £1.236m of additional grant funding for school Capital maintenance works. The grant funding was used to fund locally determined capital schemes in 2021/22, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund school Capital maintenance works in 2022/23 - funded by <b>supported borrowing &amp; reserves</b> .
Free School Meals Grant	588,016	40,813	(547,203)	7	93	547,203	In the latter part of 2021/22, the Authority was awarded £0.588m of additional grant funding for schools in relation to the preparation of the free school meals roll out. The grant funding was used to fund locally determined capital schemes in 2021/22, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund school Capital maintenance works in 2022/23 - funded by <b>reserves</b> .
Ysgol Bodedern Equipment	70,466	70,466	0	100	0	0	
School Safety	200,000	63,208	(136,792)	32	68	136,792	Fund to undertake a review of schools site risk assessments - anticipated to progress in 2022/23 - to be funded by <b>supported borrowing</b> .
Demolition of schools	33,150	101,295	68,145	306	(206)	0	
Canolfan Addysg y Bont - Roof	1,500,000	509,149	(990,851)	34	66	990,851	Remaining works to be completed - slippage funded by <b>reserves</b> .
Chromebooks	305,000	304,917	(83)	100	0	0	
Resurfacing Play Areas	300,000	281,244	(18,756)	94	6	18,756	Remaining works to be completed - slippage funded by <b>reserves</b> .
Flying Start Capital Grant	217,000	215,310	(1,690)	99	1	0	Grant award for 2021/22 year only - no slippage.
Play Capital Grant	112,000	112,500	500	100	(0)	0	
Childcare Grant (PM costs and grant scheme)	269,515	181,277	(88,238)	67	33	88,238	Ongoing scheme - funded by <b>grant</b> .
Increasing Capacity for Childcare Grant (Childcare provisions)	792,901	514,311	(278,590)	65	35	0	Grant award for 2021/22 year only - no slippage.
Band A Programme	5,717,000	4,048,639	(1,668,361)	71	29	0	Scheme is progressing well - New allocation will be in line with updated Matrix received.
Band B Programme	1,523,000	327,093	(1,195,907)	21	79	0	Due to reprofile of scheme and new allocation, no slippage is required. New allocation will be in line with updated Matrix received.
<b>Total</b>	<b>15,682,678</b>	<b>8,833,123</b>	<b>(6,849,555)</b>	<b>56</b>	<b>44</b>	<b>3,773,569</b>	

Service	Annual Budget (£)	Total Expenditure (£)	Total (Under) / Overspend (£)	Annual Budget Spent %	Variance %	Underspend to be carried forward to 2022/23 (£)	Comments
<b>Economic and Regeneration</b>							
Leisure Improvements	188,722	0	(188,722)	0	100	188,722	Plans for the budget for next financial year and, therefore, the remaining budget will be required to slip - funded by <b>reserves</b> .
Holyhead 3G Pitch	150,000	154,993	4,993	103	(3)	0	
Amlwch Fitness Suite	70,000	56,155	(13,845)	80	20	13,845	Scheme continuing into 2022/23 - slippage funded by <b>reserves</b> .
Crossing - New Park Road	30,000	29,473	(527)	98	2	0	
Tourism Gateway	1,340,000	0	(1,340,000)	0	100	50,000	Council funding to be carried forward - new grant allocation in 2022/23 budget - slippage funded by <b>supported borrowing</b> .
Holyhead Strategic Infrastructure	150,000	119,393	(30,607)	80	20	0	
Penrhos Phase 2	1,231,000	101,110	(1,129,890)	8	92	1,129,890	Scheme continuing into 2022/23 - slippage funded by <b>grant, supported borrowing and reserves</b> .
Planning System Invest to Save	5,565	6,337	772	114	(14)	0	
Economic Development & Environmental Wellbeing	85,600	0	(85,600)	0	100	85,600	Requested slippage for funds to be utilised in the future - funded by <b>supported borrowing</b> .
Porth Wrach Slipway – Enforcement Cameras	30,000	0	(30,000)	0	100	30,000	Slippage funded by <b>supported borrowing</b> .
Newry Community Centre	48,201	42,565	(5,635)	88	12	0	
Gateway Units	1,909,000	1,037,165	(871,835)	54	46	871,835	Scheme continuing into 2022/23 - slippage funded by <b>grant, supported and unsupported borrowing</b> .
Gateway Site JV	231,000	88,931	(142,069)	38	62	142,069	Scheme continuing into 2022/23 - slippage funded by <b>grant</b> .
Shell Penns	50,000	62,501	12,501	125	(25)	0	
Amlwch Port Grant	23,062	19,226	(3,836)	83	17	3,836	Slippage funded by <b>grant</b> .
Transforming Towns Covid Grant	10,064	0	(10,064)	0	100	10,064	Slippage funded by <b>grant</b> .
NRW Vehicle	14,261	14,111	(150)	99	1	0	
Breakwater Park	3,001	3,001	0	100	0	0	
Penrhos Phase 3	14,550	14,550	0	100	0	0	
PMG Commercial Property Improvements	124,032	124,032	0	100	0	0	
AONB - Green Recovery	257,935	20,161	(237,774)	8	92	237,774	Slippage funded by <b>grant</b> .
AONB Grant - Electric Vehicle	26,121	26,512	391	101	(1)	0	
AONB Grant - Breakwater Playground	152,314	161,364	9,050	106	(6)	0	
<b>Total</b>	<b>6,144,427</b>	<b>2,081,580</b>	<b>(4,062,847)</b>	<b>34</b>	<b>66</b>	<b>2,763,634</b>	

Service	Annual Budget (£)	Total Expenditure (£)	Total (Under) / Overspend (£)	Annual Budget Spent %	Variance %	Underspend to be carried forward to 2022/23 (£)	Comments
<b>Highways</b>							
Upgrade Pay and Display Machines in Car Parks Vehicles	20,068	15,535	(4,533)	77	23	4,533	Orders rolled forward into 2022/23 - funded by <b>supported borrowing</b> . Committed expenditure - funded by and <b>supported borrowing and capital receipts</b> .
Highways Resurfacing	354,194	80,450	(273,744)	23	77	273,744	
Beaumaris Flood Alleviation Works (WG)	2,189,688	2,198,806	9,118	100	(0)	0	0 Final claim submitted - no slippage.
Pentraeth Flood Alleviation Works (WG)	479,669	4,419	(475,250)	1	99	0	0 Final claim submitted - no slippage.
Llansadwrn Flood Alleviation	28,049	5,535	(22,514)	20	80	0	0 Final claim submitted - no slippage.
Holyhead & Amlwch Drainage Studies	32,291	-	(32,291)	0	100	32,291	Continuing works - funded by <b>grant and reserves</b> . Continuing works - extension of time approved for grant funding - funded by <b>grant and supported borrowing</b> .
Red Wharf Bay Flood Scheme	52,144	37,266	(14,878)	71	29	14,878	Continuing works - extension of time approved for grant funding - funded by <b>grant and reserves</b> .
Llanfair Flood Scheme	74,153	50,220	(23,933)	68	32	23,933	Continuing works - extension of time approved for grant funding - funded by <b>grant and supported borrowing</b> .
FBC Menai Flood Scheme	399,647	1,998	(397,649)	1	99	397,649	Continuing works - extension of time approved for grant funding - funded by <b>grant</b> .
FBC Valley Flood Scheme	156,177	34,282	(121,895)	22	78	121,895	Continuing works - extension of time approved for grant funding - funded by <b>grant</b> .
Valley Construction Flood Scheme	113,316	71,967	(41,349)	64	36	41,349	Continuing works - funded by <b>grant, supported borrowing and reserves</b> .
Flood relief Match Funding	538,000	164,044	(373,956)	30	70	373,956	Continuing works - funded by <b>supported borrowing</b> .
Traeth Coch (Match Funding)	54,300	-	(54,300)	0	100	54,300	Scheme delayed and discussions ongoing to develop an alternative scheme - slippage funded by reserves.
Mill Lane Structure	225,000	-	(225,000)	0	100	225,000	Continuing works - extension of time approved for grant funding - funded by <b>grant and reserves</b> .
Dwyran Ordinary Watercourse NFM	89,097	61,839	(27,258)	69	31	27,258	Continuing works - extension of time approved for grant funding - funded by <b>grant</b> .
Mill Lane - NFM	395,361	373,833	(21,528)	95	5	21,528	Continuing works - extension of time approved for grant funding - funded by <b>grant</b> .
Invest to Save - Vehicles	243,960	2,320	(241,640)	1	99	241,640	Continuing works - extension of time approved for grant funding - funded by <b>grant</b> .
Small scale grants work	31,987	26,919	(5,068)	84	16	5,068	Continuing works - funded by <b>supported borrowing</b> .
Active Travel	574,745	385,951	(188,794)	67	33	0	0 Grant award for 2021/22 year only - no slippage.
A545 Beaumaris	1,055,631	1,051,492	(4,139)	100	0	0	0 Grant award for 2021/22 year only - no slippage.
Holyhead Gateway Hub	786	-	(786)	0	100	0	0
Road Safety Capital	42,600	42,600	0	100	0	0	0 Grant award for 2021/22 year only - no slippage.
Resilient Roads Fund	300,000	225,368	(74,632)	75	25	0	0 Grant award for 2021/22 year only - no slippage.
Local Transport Fund - Infrastructure enhancements	220,000	208,864	(11,136)	95	5	0	0 Grant award for 2021/22 year only - no slippage.
LTF - Electric Vehicle Charge Points	750,000	77,122	(672,878)	10	90	672,878	Continuing works - extension of time approved - funded by <b>grant</b> .
Electric Vehicle Charging Infrastructure	272,590	144,793	(127,797)	53	47	127,797	Continuing works - extension of time approved - funded by <b>grant</b> .
	300,000	24,473	(275,527)	8	92	275,527	Continuing works - funded by <b>grant</b> .
<b>Total</b>	<b>8,993,453</b>	<b>5,290,096</b>	<b>(3,703,357)</b>	<b>59</b>	<b>41</b>	<b>2,935,224</b>	

Service	Annual Budget (£)	Total Expenditure (£)	Total (Under) / Overspend (£)	Annual Budget Spent %	Variance %	Underspend to be carried forward to 2022/23 (£)	Comments
<b>Waste Management</b>							
Waste Contract	2,198,779	2,198,327	(452)	100	0	0	
Circular Economy Funding (266)	64,093	64,093	0	100	0	0	
Circular Economy Funding (265)	13,175	7,339	(5,836)	56	44	5,836	Extension of time awarded on the grant for specific delayed plant - funded by grant.
<b>Total</b>	<b>2,276,047</b>	<b>2,269,759</b>	<b>(6,288)</b>	<b>100</b>	<b>0</b>	<b>5,836</b>	
<b>Property</b>							
Refurbish Existing Assets	854,953	485,379	(369,574)	57	43	369,574	Plas Arthur projects delayed due to use of site by Canolfan Addysg y Bont - funded by <b>supported borrowing</b> .
Salix Phase 1	207,662	130,594	(77,068)	63	37	77,068	Remaining works to be completed - funded by <b>loan</b> .
Salix Phase 2	400,000	400,123	123	100	(0)	0	
Low Carbon Heat Grant - Council Offices	1,033,601	913,038	(120,563)	88	12	120,563	Continuing project - funded by <b>grant</b> .
Low Carbon Heat Grant - Moelfre Primary School	91,250	82,125	(9,125)	90	10	9,125	Continuing project - funded by <b>grant</b> .
Smallholding Refurbishments	212,277	128,600	(83,677)	61	39	83,677	Funded by <b>capital receipts</b> .
<b>Total</b>	<b>2,799,743</b>	<b>2,139,860</b>	<b>(659,883)</b>	<b>76</b>	<b>24</b>	<b>660,007</b>	
<b>Transformation</b>							
ICT- Core Infrastructure	418,466	0	(418,466)	0	100		
ICT - Desktop Refresh	122,193	287,545	165,352	235	(135)	280,708	Intentional underspend due to having to replace the main flash storage system in 2022/23 - slippage funded by <b>supported borrowing</b> .
ICT - Anglesey Connected (AC) to PSBA transition	23,244	0	(23,244)	0	100		
ICT - Upgrade meeting rooms	19,964	15,614	(4,350)	78	22		
Hybrid Meeting Rooms	210,000	192,430	(17,570)	92	8	0	
EdTech IT Equip	241,917	241,917	0	100	0	0	
Hwb IT Infrastructure	30,000	56,149	26,149	187	(87)	0	
<b>Total</b>	<b>1,065,784</b>	<b>793,655</b>	<b>(272,129)</b>	<b>74</b>	<b>26</b>	<b>280,708</b>	
<b>Planning</b>							
Holyhead Market Hall Hub Project	262,404	104,509	(157,895)	40	60	0	Capital works now complete.
Holyhead Regeneration (THI Phase II)	952,960	279,652	(673,308)	29	71	75,000	Council funding to be carried forward - new grant allocation in 2022/23 budget - slippage funded by <b>capital receipts and capital reserve</b> .
<b>Total</b>	<b>1,215,364</b>	<b>384,161</b>	<b>(831,203)</b>	<b>32</b>	<b>68</b>	<b>75,000</b>	
<b>Adult Services</b>							
ICF	994,246	919,892	(74,354)	93	7	0	Budgets of individual schemes within ICF altered throughout the year, new scheme for next year, no slippage.
Bryn Hwfa Community Hub	13,155	0	(13,155)	0	100	13,155	Ongoing works funded by <b>grant</b> .
Plas Crigyll Refurbishment	37,978	3,081	(34,897)	8	92	34,897	Continued delay in supply of windows and possibility of having to re-tender - slippage funded by <b>supported borrowing</b> .
Plas Mona Refurbishment	83,371	0	(83,371)	0	100	83,371	Delayed due to continued inability to gain access to the home - slippage funded by <b>supported borrowing</b> .
<b>Total</b>	<b>1,128,750</b>	<b>922,972</b>	<b>(205,778)</b>	<b>82</b>	<b>18</b>	<b>131,423</b>	
<b>TOTAL</b>	<b>63,498,042</b>	<b>33,457,000</b>	<b>(30,041,041)</b>	<b>53</b>	<b>47</b>	<b>11,242,118</b>	



