

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Date:</b>	<b>23 JULY 2024</b>
<b>Subject:</b>	<b>CAPITAL OUTTURN REPORT 2023/24</b>
<b>Portfolio Holder(s):</b>	<b>COUNCILLOR R WILLIAMS – DEPUTY LEADER &amp; PORTFOLIO HOLDER - FINANCE</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>	<b>n/a</b>
<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 2023/24 that is subject to Audit; and</li> <li>To approve the carry-forward of £15.499m to 2024/25 for the underspend on the programme due to slippage. The funding for this will also carry-forward to 2024/25 (Appendix A – paragraph 4.3). The revised capital budget for 2024/25 is £59.337m.</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 2023/24 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 / Leadership Team (LT) (mandatory)</b> Report was considered by the LT 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 LT.
<b>4</b>	<b>Human Resources (HR)</b> Not applicable
<b>5</b>	<b>Property</b> Not applicable

<b>6</b>	<b>Information Communication Technology (ICT)</b>	Not applicable
<b>7</b>	<b>Procurement</b>	Not applicable
<b>8</b>	<b>Scrutiny</b>	Not applicable
<b>9</b>	<b>Local Members</b>	Not applicable
<b>E – Impact on our Future Generations (if relevant)</b>		
<b>1</b>	<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.
<b>2</b>	<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. Integrated Care Fund (ICF) projects, will reduce the dependency on the Council to provide more expensive services.
<b>3</b>	<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 (WG).
<b>4</b>	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	The Council's Corporate Plan and Capital Programme 2023/24 have been subject to a consultation process with Anglesey citizens.
<b>5</b>	<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.
<b>F - Appendices:</b>		
<p>Appendix A - Capital Outturn Report – 2023/24</p> <p>Appendix B - Summary of the Capital Expenditure against the Capital Budget and the slippage into 2024/25</p> <p>Appendix C - Changes to budgets / additional schemes added since budget setting</p>		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
<ul style="list-style-type: none"> <li>• 2023/24 Capital Budget, as approved by the full Council on 9 March 2023.</li> <li>• 2023/24 Treasury Management Strategy Statement, approved by the full Council on 9 March 2023.</li> <li>• 2023/24 Capital Budget Monitoring Quarter 1, presented to this Committee on 26 September 2023.</li> <li>• 2023/24 Capital Budget Monitoring Quarter 2, presented to this Committee on 28 November 2023.</li> <li>• 2023/24 Capital Budget Monitoring Quarter 3, presented to this Committee on 29 February 2024.</li> </ul>		

## 1. INTRODUCTION

- 1.1 This is the capital outturn report for the financial year 2023/24, 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 2023, the Council approved a capital programme for non-housing services of £24.405m for 2023/24, and a capital programme of £13.557m for the Housing Revenue Account (HRA). In addition, in June 2023, the Executive approved capital slippage of £13.477m to be brought forward from 2022/23, bringing the capital programme for non-housing services to £33.532m, and £17.907m for the HRA. Since the budget setting process, there have been additional schemes added to the programme, most of which are grant funded, which amounted to £15.089m, along with the HRA budget being increased by £1.26m. This brings the total capital budget for 2023/24 to £67.788m. This is illustrated in the table below:-

	Original 2023/24 budget as approved by full Council	Slippage as approved in Q4 2022/23 outturn	HRA increase as approved by Executive, June 2023	Additional schemes / amendments since budget setting	TOTAL
Funded By:	£'000	£'000	£'000	£'000	£'000
Grant	22,367	2,909		17,151	42,427
Supported Borrowing	3,077	3,294		2,129	8,500
Unsupported Borrowing	2,797	38		(2,797)	38
Revenue Contribution	9,221	3,936	1,260	(2,782)	11,635
Capital Receipts	500	443		(500)	443
Reserves		2,780		1,815	4,595
Loan		77		73	150
<b>TOTAL</b>	<b>37,962</b>	<b>13,477</b>	<b>1,260</b>	<b>15,089</b>	<b>67,788</b>

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

## 2. CAPITAL EXPENDITURE 2023/24

- 2.1 Summary Table of the spending to 31 March 2024:-

Service	Annual Budget £'000	Total Expenditure £'000	(Under) / Over Expenditure £'000	Annual Budget Spent %
Housing General Fund	2,100	1,450	(650)	69
Housing HRA	19,988	19,806	(182)	99
Lifelong Learning	13,942	13,160	(782)	94
Economic and Regeneration	14,706	7,168	(7,538)	49
Highways	8,578	5,573	(3,005)	65
Waste Management	362	99	(263)	27
Property	7,163	2,536	(4,627)	35
Transformation	687	486	(201)	71
Adult Services	262	296	34	113
<b>Total</b>	<b>67,788</b>	<b>50,574</b>	<b>(17,214)</b>	<b>75</b>
<b>Funded By:</b>				
Capital Grant	42,427	29,936	(12,491)	71
Capital Receipts	443	98	(345)	22
Supported Borrowing	8,500	3,991	(4,509)	47
Unsupported Borrowing	38	38	0	100
Revenue Contribution	11,635	12,645	1,010	109
Loan	150	135	(15)	90
Capital Reserve	4,595	3,731	(864)	81
<b>Total Funding</b>	<b>67,788</b>	<b>50,574</b>	<b>(17,214)</b>	<b>75</b>

**2.2** The budget for the General Fund was £47.8m, with expenditure of £30.768m incurred as at 31 March 2024. This equates to 64% of the budget. Reasons for the underspend include:-

<b>Scheme</b>	<b>Underspend £'m</b>	<b>Comment</b>
Capital works due to Reinforced Autoclaved Aerated Concrete (RAAC)	1.014	The RAAC issues required the Council to commit to expenditure, without any certainty on additional funding, in order to ensure the safety of everybody at the schools affected. Discussions then took place with the WG in respect of additional funding and, 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 date, and the remaining on education buildings in 2023/24, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund remaining RAAC works in 2024/25.
Additional Learning Needs (ALN) Grant	0.372	In 2022/23, the Authority was awarded £0.476m of grant funding to support learners with ALN. There was minimal expenditure in 2022/23, and expenditure incurred in 2023/24 resulted in an £0.111m underspend.  Similarly, the allocation for 2023/24 resulted in a £0.261m underspend, with WG allowing a carry forward of £0.108m to complete committed works.
Disabled Access Education Building	0.134	This is due to disabled adaptations being completed in all secondary schools except one. The remaining secondary school is on hold pending the outcome of feasibility studies. Works to primary schools are completed as and when required.  Though substantial investment has been undertaken, further work may be required in the future to address the needs of individuals not yet known to us and, therefore, the underspend is required to be slipped to 2024/25.
Various Flood schemes	1.009	Some schemes are ongoing and span across different financial years. Others have seen delays and time extensions for completion agreed by WG to carry forward the funding, and other schemes have completed.
Levelling Up Fund	6.151	The tendering process resulted in bids received being much higher than budget, which then resulted in having to retender the works with reduced scope to a manageable level. Ultimately, this resulted in delays to the schemes and, out of the underspend, £4.905m is requested to carry forward to complete the committed schemes.
Holyhead Regeneration Phase II THI	0.625	There has been a general slowdown this financial year and an underspend was predicted, as per previous monitoring reports. As a result, the majority of the spend will be in 2024/25.
Waste Management Recycling Equipment	0.256	The service has reviewed and prioritised their capital spend in line with their strategy and 5-year financial plan and are now procuring four items of plant and machinery. However, the potential lead time after successful tenders mean that the plant and machinery are unlikely to be delivered this financial year, however, the funding is fully committed.

Scheme	Underspend £'m	Comment
Maritime Infrastructure	0.178	The scheme is currently in the re-design stage and, due to timing, the budget is requested to roll forward into 2024/25 in order to complete the scheme. This is in line with previous monitoring reports.
Visitor Infrastructure	0.194	Underspend was expected, as per prior monitoring reports, due to match funding being required for Shared Prosperity Fund grant and it being beneficial to the region to maximise grant expenditure this year and provide our match funding next financial year. It is, therefore, requested to carry this over to financial year 2024/25.
Low Carbon Heat Grants (LCHG)	3.805	Due to the late award of the LCHG and, as discussed in paragraph 3.1, £5.744m was secured in 2023/24, with £1.939m expenditure incurred.
Capital works to existing assets	0.503	The remaining budget has been committed to works that span 2023/24 and 2024/25.
Upgrade Public Conveniences	0.280	The service is in the process of developing a public conveniences improvement plan, which will give a better idea of the capital requirements in the next financial year. It is also envisaged that further grant funding for capital works to public conveniences may be forthcoming, and part of this budget could again be used as match funding if the opportunity arises.
Vehicles & Gritters	0.771	The budget for gritters was not spent due to the availability to procure suitable vehicles.  Other vehicles were 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 2024/25.

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

- 2.3** The Levelling Up fund budget is not all directly expenditure incurred by the Council. In respect of this fund, the Council accepts the grant funding from the UK Government and then passes the funding on to other bodies who are responsible for delivering individual projects. If the Levelling Up fund is disregarded, the level of underspending amounts to 18.9%.
- 2.4** The Housing Revenue Account (HRA) has spent 99% of its total budget. For further information on the HRA capital expenditure for 2023/24, please refer to the HRA quarter 4 budget monitoring report, presented to this Committee on 23 July 2024.

### 3. FUNDING

#### 3.1 Capital Grants

There are a number of capital grant schemes in the capital programme for 2023/24. There are some annual schemes that were completed during the year, such as the Small Scale Flooding Grant, Active Travel and Enable Grant. Some schemes are ongoing and will carry on into 2023/24, such as the Sustainable Communities for Learning Band B, various Flood Alleviation schemes, Childcare Capital Grant, Holyhead Townscape Transformation and Vehicle Transformation Fund. There were also new capital grants schemes awarded during the year, including Community Focused Schools, Additional Learning Needs, Valley Childcare Unit, Môn Coastal Gateway grant, Leisure grants and various low carbon heat grants.

- **Sustainable Communities for Learning** - The new Ysgol Corn Hir building is complete. New Foundation Phase Unit at Ysgol y Graig – significant progress was made in the year despite earlier delays on site, with the building services first fix now complete.

- **Valley Childcare Unit** - £0.850m of grant funding has been secured. Works have commenced on site to prepare the substructure. The new childcare unit arrived on site before year end, with further works to completion carrying over in financial year 2024/25.
- **The Holy Island Landscape Partnership** – The Landscape Partnership has secured funding from the National Lottery Heritage Fund (NLHF) to deliver a range of projects which focus on the natural environment of Holy Island. Progress on projects which are jointly funded through the European Regional Development Fund (ERDF) include:-
  - Conserving our Heritage – All capital works associated with the project have now been completed. Restoration works have been undertaken at Ffynnon y Wrach, Tŵr Ellin, the Lookout above South Stack, Ynys Peibio, the Pillbox in Trearddur, the Battery at Penrhos and the Skinners Monument Pillbox.
- **Tourism Gateway** – The Breakwater Country Park visitor centre: works are now complete, and the Visitor Centre was opened in June 2023. Final claims have been submitted and paid, but could be subject to further European Audits in the future.
- **Levelling Up (including Townscape Heritage Initiative THI Phase II)** – In quarter 4, the majority of the repairs and renewals works to the Ucheldre have been completed and the footings for the new extension have been done, as well as the drainage works. The tenders for the HSBC and Central Buildings have been received by Môn CF and are considerably higher than the agreed budget, which has forced a project review to try and reduce the costs to a manageable level. Works on the refurbishment of 9 Stanley Street are ongoing. The works on the Newry Beach Shelters are ongoing. The tender prices for the Empire are still over budget following a second tendering exercise, and Holyhead Town Council are exploring additional funding options. Planning permission and Scheduled Monument Consent has now been confirmed for St Cybi's and Eglwys y Bedd, with very minor conditions, such as an Archaeological watching brief. The tenders have been posted on Sell2Wales and two responses have been received, with evaluation in April. Structural issues have been identified in 3 properties, which will delay the completion of 14 Stanley Street. Planning and design works have been undertaken on the Townscape Heritage Initiative (THI) Shop Frontages. A six month extension to the Levelling Up Fund (LUF) Programme has been approved by UK Government, taking the completion date to 30 September 2025. A quarter claim for £886,832 was submitted.
- **Safer Streets** – Funding, provided through the Home Office via the North Wales Police and Crime Commissioner, is aimed at reducing neighbourhood crime and anti-social behaviour in Holyhead. It has provided funding for Highways to improve street lighting, provide additional CCTV for Holyhead Town Council and undertake improvement works on the Celtic Bridge. All works were completed, and the funding came to an end in September 2023, although there is an ongoing commitment to provide match funding until March 2024.
- **Penrhos Phase 2 project** - The aim of this scheme is to construct seven new business units on the Penrhos Industrial Estate. Works on the units have now been completed. Project has been formally closed with funders.
- **Penrhos Phase 3 project** – £3.1m funding initially secured from ERDF, with a further £0.399m awarded. The aim of this scheme was to construct an additional six new business units on the Penrhos Industrial Estate. Works on-site has now been completed. Project has been formally closed with funders.
- **Llangefni Gateway Project** - The Llangefni Gateway Site (Tregarnedd Industrial Park) is an area in Llangefni which will eventually have 7 plots developed.
  - **Gateway Units (ERDF)** – All units have now been let out.
  - **Gateway Joint Venture** – The aim of the Gateway Joint Venture is to undertake enabling works on the remaining plots of the Tregarnedd Industrial Park (Gateway Site). Marketing for sale of available plots to commence in liaison with Property services.

- **Small Scale Grants Work** - 7 construction schemes were approved for 2023/24. Subsequently, one scheme has been withdrawn (Capel Moriah, Gwalchmai) due to complexity and excessive cost. 2 schemes were completed (Y Garth and Maes Cyttir) and the remaining 4 (Carneddi, Kings Roads, Maes Hafoty and Trearddur Road) were downgraded to design only for this year, again due to complexity. Applications will be made for construction of these 4 in subsequent years.
- **Llanfair PG, Menai Bridge Full Business Case (FBC)** – Menai Bridge FBC is progressing well. However, work on Llanfair PG business case is delayed due to resourcing issues.
- **Mill Lane Structure** – The revised sensor system has now been implemented and the scheme is now complete.
- **Active Travel (AT)** - £2.253m of WG grant was secured to increase levels of active travel, improve health & well-being, improve air quality, reduce carbon emissions, connect communities and improve active travel access to employment, education and key services, destinations and public transport. A re-profile exercise was undertaken on the AT Programme, and £1.739m was drawn down in 2023/24 between the capital and revenue associated activities.
- **Ultra Low Emission Vehicle (ULEV) Transformation Fund (2022/23)** – All activities associated with the funding from 2022/23 has been completed. The Council secured grant funding from the WG ULEV fund for 2023/24 to continue for completion (as per below).
- **Ultra Low Emission Vehicle (ULEV) Transformation Fund (2023/24)** - Approval granted from WG for a time-extension on the construction of the EV Hub at Plas Arthur until end of August 2024, and the entire budget is committed.
- **Local Transport Fund – infrastructure enhancements** - The project is now complete.
- **Low Carbon Heat Grant (Council Offices)** – Planning permission granted in November 2023, ground surveys have subsequently taken place and work is expected to complete by quarter 1 2024/25.
- **Low Carbon Heat Grant (4 grants)** – £5.744m has been secured, with Welsh Government Energy Service providing grant funding that covers 90% of the costs, and the Council providing match funding for the remaining 10% from existing capital budgets. £1.939m expenditure was incurred in 2023/24.
- **Plas Arthur Floodlights** - The project was completed during the first week of November 2023.
- **Ysgol Uwchradd Bodedern – 3G pitch** – The project was completed mid-November 2023.
- **Ysgol Uwchradd Bodedern – Floodlights** - £0.100m of grant funding has been secured via Sport Wales to erect floodlights to the new 2G and 3G sports pitches. The total cost of the project was to be £0.121m, with the Council providing match funding for the remainder.
- **Holyhead Leisure Centre Flooring** - £0.100m of grant funding has been secured from Sport Wales to install a new floor in the main hall at Holyhead Leisure Centre. The total project cost is estimated at £0.149m, with the Council providing £0.049m match funding. The project started in March 2024 and was completed within a three week period, as agreed with Sport Wales.
- **Môn Coastal Gateway** – Work at all 4 sites is complete.
- **Community Focused Schools (CFS) grant (2022/23)** - Full expenditure of the funding was achieved.

- **Community Focused Schools (CFS) grant (2023/24)** - £0.200m was awarded in 2023/24 to support small and medium scale practical projects to open schools outside the traditional hours, specifically to safely adapt and effectively open schools outside traditional hours, to enable community use of the existing facilities. A small amount of the grant was spent within quarter 4, with full expenditure of the budget expected in 2024/25. This was communicated to WG, and a reprofile of spend submitted and approved, with the revised allocation for 2023/24 being £0.030m.
- **Additional Learning Needs (ALN) grant (2022/23)** – An underspend was expected, as per previous monitoring reports, and a sum of £0.111m is expected to be repaid back to WG.
- **Additional Learning Needs (ALN) grant (2023/24)** - Works were identified by the ALN team and, due to work not being able to be carried out as per the terms and conditions of the grant, there was an underspend of £0.152m.
- Social care funding has been awarded from the Regional Partnership Board from a number of different funding streams, as follows:-
  - **Integrated Care Fund (ICF)** - £0.694m was claimed through the ICF in prior years and through displaced funding, for the projects to slip into 2023/24 to be completed. There are 4 projects included in the programme managed monies, which are:-
    - Specialist small group homes;
    - Extra Care south of the Island;
    - Disabled Friendly Investment;
    - Learning Disability Enabling Accessibility.

£0.532m was incurred in 2023/24 and was used as a contribution to the above expenditure schemes that sit within the HRA budget. The remaining £0.162m will slip into 2024/25.

- **Integration and rebalancing capital fund (IRCF)** – £0.244m of capital funding has been granted through IRCF to fund:-
  - Amlwch Wellbeing HUB (£0.128m) – The funding will be utilised to support accessibility for individuals accessing activities. Some of the funding will also invest in a well-being space and touch down base for local authority and third sector staff to hold meetings or events with individuals, families, and carers. £104k was used in 2022/23, and the remainder (£25k) utilised in 2023/24 to complete the project. The project was complete by the end of June 2023.
  - Dementia Friendly Care Homes (£0.115m) – The funding will be used to create a 3rd secure unit at Garreglwyd Care Home to support an increased specialised local dementia support. The project commenced in June 2023 and has now been completed.
- **Housing with Care Fund (HCF)** – £1.1m of capital funding has been granted through HCF for 2022/23 and 2023/24 to support the Small Group Homes project and fund the renovations of two homes and, potentially, invest in a night respite unit on one site. £0.445m was drawn down in 2022/23, with the remaining £0.655m available in 2023/24. One of the properties has been fully renovated and the second property is still in progress, with an aim to complete by the end of the financial year. The third property will be a purpose-built unit and the pre planning process is currently being undertaken. £0.296m was drawn down in 2023/24, with the remaining requested to be carried forward for completion of the above activities in financial year 2024/25.
- **Enable** – The grant was drawn down in full by the end of the year.
- **Additional School Maintenance Grant & RAAC Grant** – In 2023/24, the Authority was awarded £0.191m & £1.695m, respectively, of additional grant funding for school capital maintenance works and capital works resulting due to RAAC Ysgol Uwchradd Caergybi and Ysgol David Hughes. The grant funding was used to fund locally determined capital schemes in 2022/23, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund the remaining RAAC works in 2024/25.



## 3.2 Capital Receipts

3.2.1 The capital receipts for the 2023/24 financial year was:-

	<b>Budget 2023/24 £'000</b>	<b>Received to 31-Mar-2024 £'000</b>	<b>Variance (Under) / Over budget £'000</b>
<b>Council Fund:</b>			
Smallholdings	0	0	0
General	584	574	(10)
Industrial	0	0	0
Schools	480	6	(474)
<b>Total</b>	<b>1,064</b>	<b>580</b>	<b>(484)</b>

3.2.2 The Useable Capital Receipts for 2023/24 was £0.580m, against the budget of £1.064m, which is under 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 £0.474m. This is in relation to two schools, one of which went to auction in March 2024 and the subsequent sale completed in April 2024. The other school will be sold in financial year 2024/25. This is countered with capital receipts being received in the year which were not included in the budgeted figure (£0.187m) and receiving less for assets sold than anticipated in the budget (£0.197m).

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 2024/25, 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 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 2024/25 was considered and approved by the full Council on 7 March 2024. With the approval of the slippage requested, the revised capital programme for 2024/25 is shown in the table below:-

	<b>Capital Budget Approved 7 March 2024 £'m</b>	<b>Slippage Requested for Approval £'m</b>	<b>Revised Capital Budget 2024/25 £'m</b>
<b>General Fund</b>			
2023/24 Committed Schemes B/F	6.102	11.058	17.160
Refurbishment / Replacement of Existing Assets	4.856	3.525	8.381
Sustainable Communities for Learning	2.878	0.000	2.878
<b>Total General Fund</b>	<b>13.836</b>	<b>14.583</b>	<b>28.419</b>
HRA 2024/25 Schemes	30.002	0.916	30.918
<b>Total Capital Programme</b>	<b>43.838</b>	<b>15.499</b>	<b>59.337</b>
<b>Funded By:</b>			
2023/24 Funding B/F	6.102	0.000	6.102
Capital Grants	13.973	10.039	24.012
External Borrowing	5.800	3.249	9.049
Capital Receipts	0.178	0.345	0.523
Council Reserves & Revenue Contributions	17.785	1.866	19.651
<b>Total Funding</b>	<b>43.838</b>	<b>15.499</b>	<b>59.337</b>

## 5. IMPACT ON THE TREASURY MANAGEMENT STRATEGY

5.1 The Capital Finance Requirement (CFR) at 31 March 2024 is £146.696m, which is the underlying need for the Authority to borrow to be able to fund its Capital Programme. The external borrowing currently stands at £122.410m.

The Authority is within its authorised borrowing limits, as per the 2023/24 Treasury Management Strategy Statement (Appendix 11 of that statement). A full review of Treasury Management will be presented to the Governance and Audit Committee and the Executive in due course.

## 6. CONCLUSION

6.1 The position in respect of the capital budget is increasingly difficult, with rising costs, limited funding and a deterioration in the condition of the Council's assets. These issues have been reflected in the Council's Capital Strategy, which was adopted by the Council in March 2024. The strategy will influence the capital budget in future years.

6.2 The level of underspending 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. 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 2024/25, with no loss of resources for the Council.

6.3 The report highlights the importance that grant funding plays in the Council's capital programme, with 63% of the budget and 59% of the actual expenditure being funded from capital grants. Although some grants the Council will receive as part of an all-Wales allocation, several grants are only awarded following a competitive process, where Council staff have to bid for the grants. Without success in the bidding processes, the Council capital programme would be significantly smaller.

APPENDIX B

Summary of the capital expenditure against the capital budget and the slippage into 2024/25

Service	Annual Budget (£)	Actual Expenditure (£)	Total (Under) / Overspend (£)	Annual Budget Spent %	Variance %	Underspend to be carried forward to 2024/25 (£)	Comments
<b>Housing General Fund</b>							
Disabled Facilities Grants	1,215,948	1,085,038	(130,910)	89	11	128,910	Slippage required to ensure adequate funds to finance substantial Disabled Facilities Grant (DFG) schemes.
Enable Grant	139,786	141,786	2,000	101	(1)	0	Slippage funded by General Capital Grant ( <b>GCG</b> ) slippage.
Residential Site for Gypsies and Travellers	490,841	0	(490,841)	0	100	0	Grant award for 2023/24 only - no slippage.
Home Buyer Scheme	223,200	223,200	0	100	0	0	No slippage required.
Affordable Housing	30,650	0	(30,650)	0	100	30,650	No slippage required.
<b>TOTAL</b>	<b>2,100,425</b>	<b>1,450,024</b>	<b>(650,401)</b>	<b>69</b>	<b>31</b>	<b>159,560</b>	Slippage funded by <b>capital receipts</b> .
<b>Housing HRA</b>							
Central Heating Contract	1,250,000	1,232,870	(17,130)	99	1	17,130	
Planned Maintenance Contract	4,450,000	4,138,401	(311,599)	93	7	311,599	
Energy Performance Improvement	600,000	0	(600,000)	0	100	600,000	
Environmental Works	700,000	376,930	(323,070)	54	46	323,070	
Acquisition of Existing Properties and Development of new properties	10,288,000	11,022,219	734,219	107	(7)		
Public Sector Adaptations	400,000	422,246	22,246	106	(6)	(22,246)	
Fire Risk	400,000	309,538	(90,462)	77	23	90,462	
WHQS	1,900,000	2,304,009	404,009	121	(21)	(404,009)	
<b>TOTAL</b>	<b>19,988,000</b>	<b>19,806,212</b>	<b>(181,788)</b>	<b>99</b>	<b>1</b>	<b>916,006</b>	
<b>Lifelong Learning</b>							
Disabled Access in Education Buildings	144,512	9,749	(134,763)	7	93	134,763	Further work may be required in the future to address the needs of individuals not yet known to us and, therefore, the underspend is required to be slipped to 2024/25 - Slippage funded by <b>supported borrowing</b> .
Refurbish Education Buildings	1,905,284	1,860,785	(44,499)	98	2	44,499	Slippage funded by <b>supported borrowing</b> .
School Safety	107,648	38,747	(68,901)	36	64	68,901	Fund to undertake a review of schools' site risk assessments - anticipated to complete in 2024/25 - to be funded by <b>supported borrowing</b> .
Free School Meals Grant	358,296	358,329	33	100	(0)	0	Full expenditure of grant achieved.
External Canopies	22,420	19,343	(3,077)	86	14	3,077	Slippage funded by <b>capital reserves</b> .
Additional Learning Needs	381,372	270,105	(111,267)	71	29	0	No slippage required.
Additional Learning Needs 2023/24	426,766	165,718	(261,048)	39	61	108,385	Approved carry over funded by <b>grant</b> .
Community Focused Schools	450,993	452,575	1,582	100	(0)	0	Full expenditure of grant achieved.
Community Focused Schools 2023/24	30,000	19,611	(10,389)	65	35	0	New allocation for 2024/25.
Ysgol Uwchradd Bodedern - pitches	300,000	301,372	1,372	100	(0)	0	Scheme complete.
Ysgol Uwchradd Bodedern - floodlights	123,000	120,791	(2,209)	98	2	0	Scheme complete.
Increasing Capacity for Childcare Grant (PM costs and grant scheme)	380,000	319,901	(60,099)	84	16	0	New allocation for 2024/25.
Increasing Capacity for Childcare Grant (Childcare provisions)	49,481	54,535	5,054	110	(10)	0	New allocation for 2024/25.
Canolfan Addysg y Bont	22,253	22,253	0	100	0	0	Scheme complete.

Service	Annual Budget (£)	Actual Expenditure (£)	Total (Under) / Overspend (£)	Annual Budget Spent %	Variance %	Underspend to be carried forward to 2024/25 (£)	Comments
RAAC	1,695,000	681,479	(1,013,521)	40	60	1,013,521	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 date and the remaining on education buildings in 2023/24, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund remaining RAAC works in 2024/25 - Slippage funded by <b>supported borrowing</b> .
Valley Childcare Unit	850,000	568,834	(281,166)	67	33	281,166	Slippage funded by <b>grant</b> .
Uned Ysgol Llangoed	7,457	7,457	0	100	0	0	New allocation for 2024/25.
Uned Ysgol Llanfachraeth	10,080	10,080	0	100	0	0	New allocation for 2024/25.
Uned Ysgol Llanfechell	22,691	22,691	0	100	0	0	New allocation for 2024/25.
Uned Ysgol Llanfawr	14,395	14,395	0	100	0	0	New allocation for 2024/25.
Completion of Band A Programme	370,000	373,338	3,338	101	(1)	0	Scheme complete.
Commencement of Band B Programme	6,269,995	7,467,358	1,197,363	119	(19)	0	New allocation for 2024/25.
<b>TOTAL</b>	<b>13,941,643</b>	<b>13,159,445</b>	<b>(782,198)</b>	<b>94</b>	<b>6</b>	<b>1,654,313</b>	
<b>Economic and Regeneration</b>							
Amlwch Fitness Suite	1,468	0	(1,468)	0	100	0	Scheme complete.
Amlwch Lesiure Centre - Flooring	75,635	75,635	(0)	100	0	0	Scheme complete.
Plas Arthur Leisure Centre - 3G Floodlights	74,514	74,514	(0)	100	0	0	Scheme complete
Holyhead Leisure Centre - Flooring	149,000	98,473	(50,527)	66	34	50,527	Continuing scheme - funded by <b>grant and reserves</b> . Match funding to be slipped and not yet utilised - funded by <b>supported borrowing</b> .
Tourism Gateway	50,000	0	(50,000)	0	100	50,000	Due to reprofile of scheme and new allocation, no slippage is required.
Holyhead Landscape Partnership	106,000	110,861	4,861	105	(5)	0	Council match required to slip - <b>capital receipts</b> and <b>capital reserve</b>
Holyhead Regeneration (THI Phase II)	762,000	136,698	(625,302)	18	82	75,000	Scheme complete.
Breakwater Park	110,000	55,923	(54,077)	51	49	0	Scheme complete.
Penrhos Phase 2	23,345	23,345	0	100	(0)	0	Scheme complete.
Penrhos Phase 3	2,820,804	2,811,972	(8,832)	100	0	0	Scheme complete.
Economic Development & Environmental Wellbeing	122,543	0	(122,543)	0	100	122,543	Requested slippage for funds to be utilised in the future - funded by <b>general capital grant slippage</b> and <b>supported borrowing</b> .
Porth Wrach Slipway – Enforcement Cameras	30,000	0	(30,000)	0	100	30,000	Requested slippage for funds to be utilised in the future - funded by <b>supported borrowing</b> .
Newry Community Centre	57,289	6,002	(51,287)	10	90	51,287	Requested slippage for funds to be utilised in the future - funded by <b>capital reserves</b> .
Gateway Site JV	21,514	0	(21,514)	0	100	0	Scheme complete.
Maritime Infrastructure	177,514	0	(177,514)	0	100	177,514	Requested slippage for funds to be utilised in the future - funded by <b>reserves</b> .
Visitor Infrastructure	490,129	296,176	(193,953)	60	40	193,953	Requested slippage for funds to be utilised in the future - funded by <b>reserves</b> .
Melin Llynon	70,397	75,142	4,745	107	(7)	0	Scheme complete.
Transforming Towns Covid Grant	10,064	0	(10,064)	0	100	0	Scheme complete.
Môn Coastal Gateway	318,117	318,117	0	100	0	0	Scheme complete.
Levelling Up Fund	9,236,000	3,085,179	(6,150,821)	33	67	4,905,000	Due to reprofile of scheme and new allocation, no slippage is required.
<b>TOTAL</b>	<b>14,706,333</b>	<b>7,168,038</b>	<b>(7,538,295)</b>	<b>49</b>	<b>51</b>	<b>5,655,823</b>	

Service	Annual Budget (£)	Actual Expenditure (£)	Total (Under) / Overspend (£)	Annual Budget Spent %	Variance %	Underspend to be carried forward to 2024/25 (£)	Comments
<b>Highways</b>							
Upgrade Pay and Display Machines in Car Parks	4,533	5,585	1,052	123	(23)	0	Scheme complete
Vehicles	941,592	420,803	(520,789)	45	55	520,789	Committed expenditure - funded by general <b>capital grant slippage, supported borrowing</b> and <b>reserves</b> and <b>receipts</b> .
Gritters	250,000	0	(250,000)	0	100	250,000	Committed expenditure - funded by <b>supported borrowing</b> .
Highways Resurfacing	2,500,000	2,383,025	(116,975)	95	5	116,975	Committed expenditure - funded by <b>supported borrowing</b> .
Llanfair Flood Scheme	391,646	42,312	(349,334)	11	89	349,334	Continuing works - funded by <b>grant</b> .
FBC Menai Flood Scheme	150,771	81,253	(69,518)	54	46	69,518	Continuing works - funded by <b>grant</b> .
Valley Construction	13,248	14,898	1,650	112	(12)	0	Scheme complete.
Flood Relief Schemes (Match Funding)	346,800	0	(346,800)	0	100	346,800	Requested slippage for funds to be utilised in the future - funded by <b>general capital grant slippage</b> and <b>supported borrowing</b> .
Mill Lane - Structure	30,888	62,182	31,294	201	(101)	0	Scheme complete.
Invest to Save - Vehicles	5,068	0	(5,068)	0	100	5,068	Continuing works - funded by <b>supported borrowing</b> .
Small scale grants work	601,024	356,061	(244,963)	59	41	0	Grant award for 2023/24 only - no slippage.
Dwyran	0	10,680	10,680	100	0	0	Scheme complete.
Active Travel	2,253,103	1,458,707	(794,396)	65	35	0	Due to reprofile of scheme and new allocation, no slippage is required.
Local Transport Fund (LTF) - Bus Infrastructure 2021/22	28,014	28,014	0	100	0	0	Scheme complete.
LTF - Bus Infrastructure 2022/23	326,263	326,263	0	100	(0)	0	Scheme complete.
ULEV Transformation Fund (ULEVTF) - Electric Vehicle Charge Points	57,334	56,805	(529)	99	1	0	Scheme complete.
Safer Streets	18,000	17,100	(900)	95	5	0	Scheme complete.
ULEVTF - Electric Vehicle Charge Points 2023/24	392,176	220,632	(171,544)	56	44	171,544	Time extension - slippage funded by <b>grant</b> .
Electric Vehicle Charging Infrastructure	267,492	88,787	(178,705)	33	67	178,705	Time extension - slippage funded by <b>grant</b> .
<b>Total</b>	<b>8,577,952</b>	<b>5,573,106</b>	<b>(3,004,846)</b>	<b>65</b>	<b>35</b>	<b>2,008,732</b>	

Service	Annual Budget (£)	Actual Expenditure (£)	Total (Under) / Overspend (£)	Annual Budget Spent %	Variance %	Underspend to be carried forward to 2024/25 (£)	Comments
<b>Waste Management</b>							
IVC Works	13,595	5,804	(7,791)	43	57	7,791	Ongoing scheme - funded by <b>capital receipts</b>
Recycling Equipment	289,315	33,458	(255,857)	12	88	255,857	Ongoing scheme - funded by <b>grant and capital reserves</b>
Gwalchmai Roofing	59,402	59,402	0	100	0	0	Scheme complete
<b>TOTAL</b>	<b>362,312</b>	<b>98,664</b>	<b>(263,648)</b>	<b>27</b>	<b>73</b>	<b>263,648</b>	
<b>Property</b>							
Refurbish Existing Assets	941,127	437,833	(503,295)	47	53	503,295	The remaining budget has been committed to works that continue into 2024/25. Slippage funded by <b>supported borrowing</b> .
Invest To Save Property	77,068	61,472	(15,596)	80	20	15,596	Remaining works to be completed - funded by <b>loan</b> .
Salix Phase 2	73,408	73,408	0	100	0	0	
Low Carbon Heat Grant - Council Offices	23,900	0	(23,900)	0	100	23,900	Continuing works - funded by <b>grant</b> .
Low Carbon Heat Grant - 231	2,305,107	1,362,064	(943,043)	59	41	943,043	Continuing works - funded by <b>grant and supported borrowing</b> .
Low Carbon Heat Grant - 249	597,674	0	(597,674)	0	100	597,674	Continuing works - funded by <b>grant and supported borrowing</b> .
Low Carbon Heat Grant - 250	2,029,500	415,555	(1,613,945)	20	80	1,613,945	Continuing works - funded by <b>grant and supported borrowing</b> .
Low Carbon Heat Grant - 251	811,800	161,753	(650,047)	20	80	650,047	Continuing works - funded by <b>grant and supported borrowing</b> .
Upgrade Public Conveniences	303,722	24,147	(279,574)	8	92	279,574	Continuing progress and potential to use again as further match funding - slippage funded by <b>capital receipts and reserves</b> .
<b>Total</b>	<b>7,163,306</b>	<b>2,536,233</b>	<b>(4,627,074)</b>	<b>35</b>	<b>65</b>	<b>4,627,074</b>	
<b>Transformation</b>							
ICT- Core Infrastructure	135,467	40,086	(95,381)	30	70	95,381	Continuing works - funded by <b>general capital grant slippage</b> .
ICT - Desktop Refresh	99,456	99,430	(26)	100	0	26	Continuing works - funded by <b>general capital grant slippage</b> .
ICT - Anglesey Connected to PSBA transition	43,088	26,982	(16,106)	63	37	16,106	Continuing works - funded by <b>general capital grant slippage</b> .
Telephony	88,500	0	(88,500)	0	100	88,500	Continuing works - funded by <b>capital reserve</b> .
Hwb additions - equipment	206,645	206,645	0	100	0	0	
Hwb IT	113,282	113,281	(1)	100	0	0	
<b>Total</b>	<b>686,438</b>	<b>486,424</b>	<b>(200,013)</b>	<b>71</b>	<b>29</b>	<b>200,013</b>	
<b>Adult Services</b>							
Discretionary Capital Programme (DCP)	47,665	78,303	30,638	164	(64)	0	Scheme complete.
IRCF - Amlwch Wellbeing Hwb	24,566	24,566	(0)	100	0	0	Scheme complete.
IRCF - Dementia Friendly Care Home	165,115	165,115	0	100	0	0	Scheme complete.
ICF Cae Gwyn	0	17,084	17,084	100	0	0	
Plas Mona Refurbishment	24,104	10,584	(13,520)	44	56	13,520	Requested slippage to reallocate funds to other property priority works - slippage funded by <b>supported borrowing and capital receipts</b> .
<b>Total</b>	<b>261,450</b>	<b>295,652</b>	<b>34,202</b>	<b>113</b>	<b>(13)</b>	<b>13,520</b>	
<b>TOTAL</b>	<b>67,787,859</b>	<b>50,573,798</b>	<b>(17,214,061)</b>	<b>75</b>	<b>25</b>	<b>15,498,689</b>	

APPENDIX C

Changes to budgets / additional schemes added since budget setting

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

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

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

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