

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

11th March 2022

REPORT AUTHOR: County Councillor Cllr Aled Davies
Portfolio Holder for Finance

REPORT TITLE: Capital Forecast as at 28th February 2022

REPORT FOR: Decision / Information

1. Purpose

1.1 This report provides an update on the financial position of the Council's capital programme for 2021/22 as at 28th February 2022. This includes information on the additional funding streams received from Welsh Government since the last report and how this impacts on the funding of the capital programme.

2. Background

2.1 The revised programme at the 28th February 2022 is budgeted at £96.03 million following the successful award of additional grants and the reprofiling of budgets between financial years. Actual spend amounts to £51.50 million, representing 54% of the total budget.

2.2 The capital programme is funded, 30% is funded through borrowing, the interest cost for this is charged to the revenue account. Additional funds recently received from Welsh Government, Capital (£3.6m) and Revenue (£2.3m) will fund the programme rather than borrowing.

3. Grants Received.

3.1 The following grants have been received since the last report and are included for information.

3.2 A further £3.61 million allocation of General Capital Grant has been received from Welsh Government, this is in addition to existing General Capital Grant allocation Powys received and will be used to replace borrowing contained within this year's capital programme.

3.3 **Education** - £0.21 million Welsh Government Grant for the purchase of musical instruments for school and ensemble music activities and adaptive musical instruments and specialist equipment to support learners with Additional Learning Needs (ALN) in both mainstream and special schools.

3.4 A further £2.29 million of Capital Funding Grant towards Improving Ventilation, Supporting Decarbonisation and Reducing Backlog Maintenance in Schools has been received from Welsh Government.

3.5 Welsh Government have provided a £1.10 million capital grant to support the rollout of universal primary free school meals, this will be used for purchasing new equipment, upgrading existing equipment, upgrading existing kitchen/dining facilities; and works to increase the capacity of school meal infrastructure.

- 3.6 **Housing** - £1.15 million awarded from WG to refurbish the existing King's Meadow site in Brecon to improve the living standards for the residents. WG has also awarded a further £0.03 million to support adaptations to dwellings to prevent unnecessary hospital admissions and facilitate earlier discharge.
- 3.7 **Economy and Digital Services** - £0.42m WG Regional Capital Stimulus Fund to support the delivery of 3 high specification industrial units at Abermule Business Park to meet an identified demand from an existing local company.
- 3.8 **Adult Services** – Welsh Government have awarded through their Integrated Care Fund (ICF) £1.00 million for the Brecon Extra Care scheme which will be used to acquire land for delivery of approx. 60 extra care accommodation units.

4. Virements

- 4.1 A virement is required from the unallocated budget of the Council's 21st Century Schools Capital Programme to fund additional highways works at Welshpool Church in Wales School. The cost of the highways access works has increased by an additional £200,000 due to asbestos remedial investigations, additional drainage issues, FAWL system, fencing not in original schedule and additional surveying work.
- 4.2 An allocation of £0.10 million is included in the capital programme to help defend the council against cyber-attacks and enhance cyber security. The tools used are not capital in nature due to the length of the contracts involved. It is proposed to fund this spend in revenue from the IT reserve and transfer the capital funding originally allocated to cyber security to the IT Equipment Refresh programme.

5. Reprofile Budgets Across Financial Years.

- 5.1 Due to limited contractor availability £0.30 million of Active Travel Scheme works will be rolled forwarded into 2022/23.
- 5.2 £1.00 million re-profiled from 2022/23 to 2023/24 in respect of works at South Powys Bulking Site to allow time for the business case and design process to be carried out. The budget remaining for this process is £0.20 million.
- 5.3 £0.31 million from the Leisure Centre Refurbishment programme has been re-profiled into 2022/23 for replacement of the pitch surface at Maesydderwen Leisure Centre in Ystradgynlais. The works are due to take place over the summer.
- 5.4 £0.24 million reprofiled into 2022/23 in respect of works at Brecon HWRC site as the project is still in the planning and design phase.
- 5.5 Other small roll forwards have also been actioned, £0.14 million for Schools Major Improvements, IT Unified Communications £0.05 million and Libraries Self-service terminals, £0.04 million.

6. Capital Receipts

- 6.1 The Council's transformation programme is currently funded through a capitalisation directive that allows capital receipts to fund revenue transformation spend and transformation redundancies. This directive is due to end on the 31st March 2022. This year the forecast is estimated at £2.5 million.
- 6..2 There are currently sales agreed to the value of £2.00 million, these are at the legal stage of the process and will generate future capital receipts, of which £0.97 million will be achieved by year end and the balance received in 2022/23.

7. Resource Implications

7.1 The Head of Finance (Section 151 Officer) notes the content of the report and can support the recommendation to approve the virements. Expenditure on the Capital Programme continues to be monitored carefully through the year. The re-profiling of schemes is essential to enable us to more accurately project expenditure, the consequential need to borrow and the impact on the revenue budget. Prioritisation of resources at a corporate level ensures that the council can effectively meet its objectives whilst maintaining an affordable level of investment.

8. Legal implications

8.1 The Monitoring Officer has no specific concerns with this report.

9. Recommendation

9.1 That the contents of this report are noted.

9.2 That Cabinet approves the virements proposed in section 4.

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