

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

30th July 2024

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Portfolio Holder for Finance and Corporate Transformation

REPORT TITLE: Capital Outturn 2023-24

REPORT FOR: Decision / Information

1. Purpose

1.1 This report provides an update on the financial position of the Council's capital programme for 2023/24 as at 31st March 2024.

2. Background

2.1 The 2023/24 Capital Programme was approved by Council on the 23rd February 2023. It included capital schemes totalling £93.29 million, of which £23.48 million related to the Housing Revenue Account (HRA). The programme has been updated following the reprofiling of projects and additional grants received from Welsh Government.

2.2 The final programme at the 31st March 2024 was budgeted at £80.12 million following the successful award of additional grants and the reprofiling of budgets between financial years. Actual spend amounts to £63.72 million, representing 79% of the total budget. An increase of £13.84 million since that reported at the end of February.

2.3 Table 1 - Breakdown by service

Service	Original Budget	Virements Approved	Revised Budget	Actuals	Remaining Budget	
	£,000	£,000	£,000	£,000	£,000	%
Adult Services	200	979	1,179	534	645	54.7%
Childrens Services	0	301	301	301	0	0.00%
Education	33,005	(6,257)	26,748	18,798	7,950	29.7%
Highways, Transport & Recycling	12,681	7,174	19,855	18,578	1,277	6.4%
Property, Planning & Public Protection	100	932	1,032	737	295	28.6%
Community Development	922	628	1,550	1,283	267	17.2%
Housing General Fund	1,748	1,279	3,027	2,355	672	22.2%
Economy & Digital Services	16,196	(10,356)	5,840	4,195	1,645	28.2%
Unallocated	4,953	(4,953)	0	0	0	0.0%
Total Capital	69,805	(10,273)	59,532	46,781	12,751	21.4%
Housing Revenue Account	23,482	(2,893)	20,589	16,934	3,655	17.8%
TOTAL	93,287	(13,166)	80,121	63,715	16,406	20.5%

2.4 Additional capital receipts that were already in hand and a contribution from the capital financing reserve was used in place of some borrowing to reduce the Interest and MRP costs charged to the revenue budget in future years. The following table shows how the capital expenditure has been financed.

2.5 Table 2 – Capital Programme funding

Service	Supported Borrowing	Prudential Borrowing	Grants	Revenue Contribution	Capital Receipts	Total
	£,000	£,000	£,000	£,000	£,000	£,000
Capital	4,487	3,757	28,329	4,493	5,715	46,781
HRA	0	6,033	6,001	3,900	1,000	16,934
Total	4,487	9,790	34,330	8,393	6,715	63,715

2.6 A list of the budgets carried forwards into 2024/25 is currently being completed and will be included in the next quarterly report.

3. Projects Delivered

3.1 The capital investment made this year has supported the following:

Housing Revenue Account

- Construction of 18 new council houses and re-purchase of 17 former council houses.
- Tender awarded in year to construct a further 32 new council houses.
- Investment continued to the existing housing stock to ensure it meets the Welsh Housing Quality Standard.

Housing General Fund

- 69 large and 67 Disabled Facility Grant adaptations were completed to allow private individuals to remain in their own homes.

Education

- Ysgol Gymraeg y Trallwng opened in May 2023
- Construction continued of the new Ysgol Robert Owen (Cedewain) which is due to open in 2024/25.
- Investment continued in the rest of the school's estate to ensure they are safe, secure, and operational.

Childrens Services

- The opening of the Flying Start Childcare setting at Priory School in Brecon providing free childcare for two-year-olds, parenting groups and training.
- Homes have been refurbished which offer residential provision to children looked after within Powys

Adults Services

- Investment in community equipment, bespoke specialist equipment and digital technology to support residents to remain in their homes

Community Development

- Investment continued in sports and leisure centres including replacement roofs, solar panels and other critical works.
- Reconfiguration and refurbishment of Ystradgynlais library.

Economy and Digital Services

- Levelling Up funded investment in regenerative schemes within the county including the Montgomery Canal Restoration, multiagency hub and refurbishment of Y Llanfa and Theatr Brycheiniog.
- Refurbishment of the Autopalace in Llandrindod Wells completed with nine business units. The building will continue to be the home of the National Cycle Museum and Llandrindod Wells Job Centre.
- Just over £1 million of grant funding has been provided in year as part of the Welsh Government Transforming Towns Programme Placemaking Grant.

Property, Planning and Public Protection

- Works at Machynlleth and Knighton Cemeteries have been completed in year.
- Lifts have been replaced in Ladywell House and Antur Gwy and works have been carried out at other offices and depots across the county.

Highways Transport and Recycling

- B4518 road diverted away from landslip and re-opened to two-way traffic - £1m
- £2.1m invested in re-surfacing, £2.4m in surface dressing, £1.5m in structural maintenance of roads
- Worked in partnership with NRW to replace piped crossing with clear span bridge at Tyle Garw.
- Box culvert replacement at Cloggau Crossroads
- Grant funded Active Travel Schemes
- EV charge points substantially completed / installed at Llanwrtyd Wells, Carno, Llanfair Caereinion
- Flood Alleviation work – Lower Hall culvert improvement, Court Close – Abermule, Ystradgynlais - Swn y nant, Heol Gleien, Caerlan, Rhestr Fawr
- Street Lighting has been upgraded with 1961 lanterns changed, 89 columns replaced, 950m cabling laid which has allowed 11,233kg of CO2/KWh has been saved (full year effect).

4. Grants Received

4.1 The following grants have been received since the last report. These are for additional schemes and have been included in the Capital Programme

4.2 Housing

4.3 A total of £0.36 million has been awarded to from Welsh Government's Transitional Accommodation Capital Programme (TACP) towards the purchase of four properties to be retained within the Council's council housing stock.

5. Reprofiting Budgets Across Financial Years

5.1 There were several schemes in the 2023/24 capital programme which are continuing into 2024/25. The budget carried forward to reprofile these schemes is shown in the Table 3.

5.2 Table 3 - Funding carried forward from 2023/24

Service	£'000
Education	8,256
Adult Services	644
Highways, Transport & Recycling	1,740
Community Development	227
Property, Planning & Public Protection	273
Economy & Digital Services	1,567
Housing General Fund	421
Housing Revenue Account	2,323
Total	15,451

6. Capital Receipts

6.1 A total of £2.41 million was received during the 2023/24 financial year.

7. Resource Implications

7.1 The Head of Finance (Section 151 Officer) notes the content of the report. The reprofiling of schemes that has taken place is welcomed and is essential to enable us to accurately project expenditure, the consequential need to borrow and the impact on the revenue budget. Expenditure on the Capital Programme continues to be monitored carefully through the year, although inflation has stabilised, costs are high, alongside supply chain issues and additional borrowing costs which will have to be carefully considered. The opportunity provided by using capital receipts and reserves to support Capital programme has reduced the Councils need to borrow. Prioritisation of resources at a corporate level ensures that the council can effectively meet its objectives whilst maintaining an affordable level of investment. The delay in utilising the Capital allocated creates slippage in the revenue budget as borrowing is delayed, and although the funding will be required at some point, the revenue budgets will be reviewed and reprofiled.

8. Legal implications

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

9. Climate Change & Nature Implications

9.1 The capital programme remains a key enabler in how we contribute to addressing both the Climate Emergency (where we need to reach the goals of Net Zero by 2030), and Nature Emergency. Approximately £33.00 million of the 2023/24 Capital Schemes and at least £10.00 million of the HRA schemes directly contribute to climate change and nature initiatives.

10. Data Protection

10.1 Not applicable

11. Comment from local member(s)

11.1 Not applicable

12. Impact Assessment

12.1 Not applicable

13. Recommendation

13.1 That the contents of this report are noted.

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Appendix A:

Head of Service Commentary

Service Area	Budget	Actuals	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Adult Services	1,179	534	645	55

HOS Comment

- The Housing for Care Fund Welsh Government (WG) grant funding of £285,200 was fully spent on community equipment, bespoke specialist equipment and digital technology.
- The WG Substance Misuse Action Fund of £226,513 was utilised on Newtown and Llandrindod Building works in conjunction with Kaleidoscope, in accordance with grant terms and conditions.
- Community Equipment Store roof improvements, initial works have commenced of £22,722.45 in 2023/24, the overspend of £2,722 will be funded from the 2024/25 budget allocation.
- The underspend was in regard to Powys owned Care Homes and will be vired to 2024/25 in line with the contract end date and the £130,000 Community Equipment budget was not required due to the above grant being utilised instead.

Service Area	Budget	Actuals	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Childrens Services	301	301	0	0

HOS Comment

Capital budget fully spent. Funding utilised to complete the Flying Start Childcare setting at Priory School in Brecon. The provision will provide high quality, free Welsh Government funded Flying Start childcare for two-year-olds and will also be used to run parenting groups and training. In addition, 3 and 4 year olds will also be able to access Foundation Learning and Childcare Offer provision from the site. The setting also has a small multi agency office and a contact room where professionals such as Health Visitors and Speech and Language Therapists can meet families.

An element of this capital funding has been used to refurbish homes offering residential provision to children looked after within Powys ensuring the homes meet Care Inspectorate Wales regulations.

Service Area	Budget	Actuals	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Education	26,748	18,748	7,950	30

HOS Comment

Transforming Education Programme

The Council's Transforming Education Programme has continued to make steady progress this year. The latest status of each project is outlined below:

- **Ysgol Robert Owen, Newtown** (formerly Ysgol Cedewain) – construction is nearing completion. The new building is due to open to pupils in September 2024.
- **Brynllwarch Hall School, Kerry** – planning for a new behavioural, emotional and social difficulties (BESD) school for pupils with complex behavioural needs was approved in March 2024. A new tender package for the build was published in June, and is due to close in August.
- **Sennybridge C.P. School** – it was not possible to award the contract based on the tendering exercise carried out in the summer of 2023. This tendering exercise was abandoned, and a new tender package was published in April, and closed in June.
- **Ysgol Bro Hyddgen, Machynlleth** – a planning application has now been submitted for a new all-age school to replace the school's current buildings.
- **Ysgol Calon y Dderwen, Newtown** – work on plans to provide a replacement primary school for Ysgol Calon y Dderwen had previously progressed to RIBA 2 stage. However, during the last 12 months, a further statutory process has been taken forward to expand Ysgol Calon y Dderwen to include Treowen C.P. School, and to build a larger school for Ysgol Calon y Dderwen than previously planned. Cabinet will consider the Objection Report in respect of this proposal in July. If they agree to proceed, work on revising the school's design will commence. This project forms part of the North Powys Well-being Campus development, which is planned for Newtown. Linkages with the North Powys Well-being Programme are a key feature of this project, and the Council will continue to work closely with colleagues within Powys teaching Health Board (PthB) as discussions around changing the scope of the project develop.
- **Strategic Outline Programme** – a new Strategic Outline Programme has been prepared for the Welsh Government's Sustainable Communities for Learning Programme's nine-year rolling programme. The SOP was approved by Cabinet in May 2024, and is currently being considered by the Welsh Government. The Programme sets out the Council's plans to construct new education facilities over the next 9 years.

Cost uncertainty, market fluctuations and material availability have continued to be issues for the Programme in the last financial year and will continue to need robust management and scrutiny of costs as project develop this year.

Major Improvement Programme

The Programme supports the improvement of education and early years setting facilities and infrastructure for pupils and staff. In this financial year, there are 1517 projects with:

- 5 projects on hold
- 5 schemes to commission
- 1 scheme commissioned.
- 18 at the design stage
- 26 at the tender stage
- 12 at the construction stage
- 84 schemes are practically completed on site.

PM to check proposals at the design stage with consultants before tendering over concerns around the specification output, scope, and overall estimated/tendered cost.

The overall programme budget is £6,226,508 for 2023/24 with £1.53million rolled forward into 2024/25. This will allow the service to carry out future works. The expenditure to date is £4,623,403 to end of March 2024. There are contract commitments of £1,560,573 for projects in progress. There is some project's part funded by the Welsh Governments Asset Collaboration and Community Focus WG Capital grants as agreed with Schools Service. There has been an allocation of £870,208 WG ALN Capital Grant and all this grant has been expended on schools priorities in agreement with the Schools Service.

Welsh Medium Grant – Ysgol Pennant classroom extension - The classroom extension work has been handed over to the school with minor external works to complete during the spring 2024. There is energy improvement work being tendered. The project is within budget.

Early Years Capital Grant – Ysgol Pennant new early years accommodation – The new early years mobile has been handed over to the school in December 2023. Minor external works to complete. The project is within budget.

Service Area	Budget	Actuals	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Highways, Transport and Recycling	19,855	18,578	1,277	6

HOS Comment

The Highways Capital programme is track on, below is a selection of schemes substantially completed in 23/24:

- B4518 – road diverted away from landslip and re-opened to two-way traffic - £1m
- Circa £2.1m invested in re-surfacing
- Circa £2.4m invested in surface dressing
- Circa £1.5m structural maintenance of roads (patching works etc)
- Circa £0.6m on programmed maintenance of structures (scour / pointing / parapets)
- Worked in partnership with NRW to replace piped crossing with clear span bridge at Tyle Garw.
- Box culvert replacement at Cloggau Crossroads
- Grant funding – Priory Brecon Active Travel improvement
- Grant funding – Severn Road, Welshpool Active Travel Improvement
- Grant funding – Pumphouse, Newtown Active Travel scheme
- Grant funding – Newtown Active Travel bridge
- Grant funding – EV charge points substantially completed / installed at Llanwrtyd Wells, Carno, Llanfair Caereinion
- Grant Funding – 20mph implementation
- Flood Alleviation Grant – Lower Hall culvert improvement
- Flood Alleviation Grant – Court Close, Abermule
- Flood Alleviation Grant – Ystradgynlais: Swyn y nant, Heol Gleien, Caerlan, Rhestr Fawr
- Maengwyn Car Park, Machynlleth re-surfaced

The Street Lighting programme is on track:

- 1961no. lanterns have been changed
- 89no. Columns replaced
- 950m cabling laid
- 11,233kg of CO2/KWh has been saved (full year effect).

As noted last year, inflationary costs continue to significantly reduce the scope of works achievable within the highway's capital programme.

Service Area	Budget	Actuals	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Property, Planning and Public Protection	1,032	737	295	29

HOS Comment

Works at Machynlleth and Knighton Cemeteries have been completed in year.

Investment in the county farms estate has generally been delivered as planned. Delays with the restatement of a farm damaged by fire accounts for the majority of the budget remaining and will be carried forward into 2024/25 to complete rebuild.

Lifts have been replaced in Ladywell House and Antur Gwy and works have been carried out at other offices and depots across the county.

The replacement Property ICT system was completed in year together with the purchase of Environmental Health equipment.

Service Area	Budget	Actuals	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Community Development	1,550	1,283	267	17

HOS Comment

Capital works have been carried out on leisure centres with the agreement of the Capital Oversight Board / CLT. Works carried out in year included replacement roofs, solar panels and other critical works in the Councils Leisure and Sports Centres. Reconfiguration and refurbishment of Ystradgynlais library has been carried out during the year. These works have been funded by a Welsh Government capital grant.

Service Area	Budget	Actuals	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Housing General Fund	3,027	2,355	672	22
Housing Revenue Account	20,589	16,934	3,655	18

HOS Comment

Housing General Fund

Demand for Private Sector Disabled Facility Grant (DFG) remains high, as the budget of £1.3m was fully spent during 2023-2024, with Housing Services also committing £548,753 which will be brought forward for expenditure against the 2024-2025 budget.

The £1.3m expenditure on private sector adaptations secured:

Sixty-nine large DFG completions within 132-days average from receipt of Social Service Recommendations (near internal target of 130-days, and also well within Welsh Government's (WG) Service Standards Guidance which targets 15-months (450-days).

Sixty-seven medium adaptations completed with 81-days average, also well within internal target of 90-days, and WG Service Standards Guidance target of 4-months (120-days).

This level of efficiency has been secured through effective collaborative working between Housing Services, Social Services, and Care & Repair, with case referrals and progress being proactively monitored by Housing Services so appropriate partners can identify and where possible remedy delays.

Housing Revenue Account

Our new build development programme remains limited to the areas of the county not affected by the moratorium on new house building until the management of phosphate matters is resolved in the Wye and Usk river catchments. Six proposed Powys County Council social rented housing schemes fall within the affected area. The Housing Development Team have continued to work make progress in other areas outside of the Usk and Wye catchment areas which are not affected by phosphates with 96 units currently in design and planning

Pre commencement works are underway on the next new build site which will deliver 32 one bedroomed homes in Newtown, pre-tender work is underway for the demolition of redundant apartments and the development of new homes in the Ael-y-bryn and Pen-y-bryn area of Ystradgynlais and for the demolition and development of the old Gungrog school site in Welshpool.

Housing Services has commenced design, initial appraisal and viability preparatory work on HRA land in Llandrindod Wells (which remains phosphates affected) for the

development of two new Council-housing schemes one of which is the site adjacent to the Autopalace now transferred to Housing Services.

The acquisitions programme in particular is now proceeding well, with fifteen homes let at social rent on secure contracts added to the Council's portfolio

Service Area	Budget	Actuals	Budget Remaining	Budget Remaining as a % of Budget
	£'000	£'000	£'000	%
Economy & Digital Services	5,840	4,195	1,645	28

HOS Comment

Digital Services Capital

The continual device refresh programme has allowed the purchase of new devices to maintain a modern estate as planned.

The cloud migration work has continued in 23/24 but much of the work has been carried out in house. However, it is anticipated that capital will need to be spent in 24/25 due to a number of end of life pieces of equipment needing replacement.

For the individual projects, these have been reviewed in light of the Digital Programme and will be drawn down as part of the Individual Business cases.

Economy Capital

Levelling-up Capital Projects. Project expenditure is currently behind schedule, this is regularly reviewed with partners to ensure delivery against grant terms and conditions. Council project aspects are being managed carefully and costs are within contingency limits with work slightly behind schedule but within grant agreements.

Any required changes will be considered as a one-off Project Adjustment Request (PAR) during the lifetime of the project. Underspend of capital receipts from UK Government in quarters 1 to 4 has continued. A PAR review will take place for the Montgomery Canal Restoration project in July 2024. An early General Election will potentially mean a new PAR process. This review has been left late in programme so that we are confident of anticipated delivery timescale from partners and have accurate costings from contractors, as changes can only be made once in the lifetime of the programme between 2022 and 2025.

Project boards are monitoring progress on a monthly basis to ensure the programme remains on track against the current profiled spend on an ongoing basis.

The 2 Brecon projects (Ty Brycheiniog & Theatr Brycheiniog) commenced construction/renovation during Q4 2023/24, whilst the Montgomery project (Y Lanfa) will commence in Q1 2024/25. The brownfield site in Llandrindod (Brecon & Radnor) was completed at the end of Q4 2023/24.

The Montgomery Canal project managed by Canal & River Trust is split into separate contracts which will be awarded in Q3 2024/25.