



Capital Strategy

2023-24 to 2032-33



INTRODUCTION

Welcome to the Council's 2023-24 to 2032-33 Capital Strategy. The Strategy sets out the Council's plan for capital expenditure, and how that is to be funded, over the next 10 years. It underpins the Council's vision of contributing to a place where people want to live, work, study and do business, where people have the skills and qualifications they need to improve their life chances, enjoy good health and a sense of well-being and independence.

To deliver the Council's vision will require capital investment in new schools, to regenerate the County Borough's towns, to develop innovative decarbonisation schemes to deliver the Council's 2030 Decarbonisation Strategy, and continued investment in IT infrastructure to ensure the Council can deliver its services digitally moving forward.

In developing long term investment decisions, it is crucial that decisions are based on clear information, including a long-term plan of capital expenditure, ensuring affordability and having in place clear asset management plans.

The Capital Strategy is reviewed and updated at least annually to take account of changing plans and guidance as appropriate. There will be challenges ahead as the County Borough continues to work through the impact of challenging economic circumstances such as the war in Ukraine, cost of living crisis and the European Union exit, along with limited financial resources as the Council continues to plan for the future.



Cllr Huw David
Leader of the Council



Mark Shephard
Chief Executive

Image front page: Porthcawl Grand Pavilion

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STRATEGIC CONTEXT

Bridgend is conveniently situated between Wales' capital city Cardiff to the east and the city of Swansea to the west, approximately 20 miles from each. Nestled along the M4 corridor with easy access from both major cities, bounded by the Bristol Channel to the south, it is at the heart of the South Wales industrial and coastal belt. Bridgend as a County Borough covers an area of 98.5 square miles and is home to nearly 148,000 residents and continues to grow. The County Borough's towns are undergoing redevelopment and a number of historic buildings and the town centres have been rejuvenated over recent years. To the north is the residential town of Maesteg, to the southwest is the coastal town of Porthcawl and to the east is Pencoed. Bridgend County Borough Council is one of 22 Councils in Wales, and accounts for approximately 4.5% of the country's population. The Council has 51 elected Councillors who represent the people of Bridgend and set the overall Council strategy and budget framework.



The Council faces significant challenges moving forward. These include demographic pressures including increasing pupil numbers, an ageing population, an increasing number of young people with complex disabilities living into adulthood and requiring care and support, the need for the public sector to decarbonise by 2030 and the continued investment in digitalisation in service delivery. In addition to this there are inflationary pressures arising from specific contractual commitments as well as the impact of current high inflation rates. During this difficult economic climate the Council will need to continue to focus on restoring services, supporting communities, particularly the most vulnerable in our society, as well as doing all we can to help our local economy to recover.

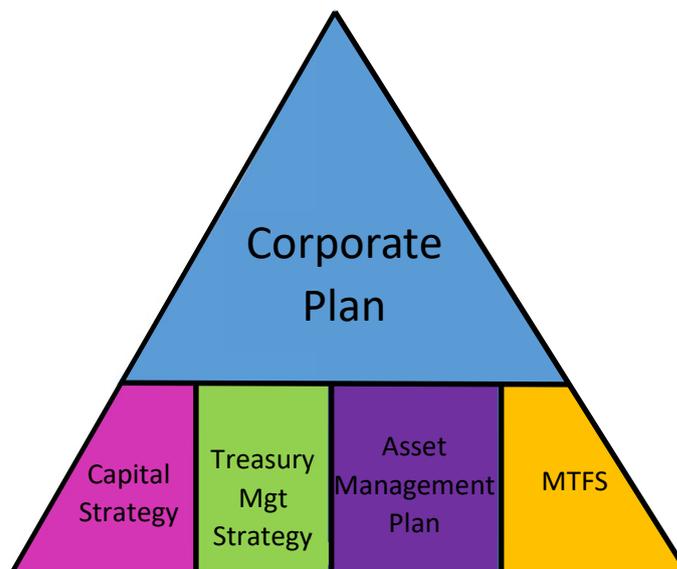
Where capital investment is needed to deliver the Council's priorities, the Capital Strategy is the framework that the Council can rely on to develop a clear, consistent and informed process in undertaking capital investment decisions.

CAPITAL STRATEGY FRAMEWORK

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Financing in Local Authorities (2021) placed a requirement on local authorities to determine a Capital Strategy, to be approved by full Council, which demonstrates that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. Local Authorities should have in place a Capital Strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

This Capital Strategy is the policy framework document that sets out the principles to be used to guide the allocation of capital investment across all the Council's services and informs decisions on capital spending priorities within the Council's 10 year Capital Programme. It also reports on the delivery, affordability and risks associated with this Strategy.

The Capital Strategy is presented to Council as an integral part of the Council's Budget and Policy Framework. It links with the Corporate Plan, Treasury Management Strategy (TMS), Medium Term Financial Strategy (MTFS) and the Council's Asset Management Plan (AMP).



The Capital Strategy sets out the Council's approach to:

1. asset management planning
2. risk
3. governance and decision making
4. capital investment in 2023-24 and indicatively to 2032-33
5. funding the strategy
6. managing the borrowing requirement
7. prudent Minimum Revenue Provision (MRP) Policy for repayment of capital expenditure
8. affordability

The remainder of this strategy considers these in more detail.

The capital programme is a key element of the MTFS. The MTFS provides a set of clear principles which drive the budget and spending decisions of the Council. There are thirteen principles in total, but the following three refer specifically to the capital programme and Strategy:

10. Capital investment decisions are in alignment with the Council's Capital Strategy and mitigate any statutory risks taking account of return on investment and sound option appraisals.
11. Prudential borrowing is only used to support the capital programme where it is affordable and sustainable within the Council's overall borrowing limits and the revenue budget over the long term.
12. Decisions on the treatment of surplus assets are based on an assessment of the potential contribution to the revenue budget and the capital programme.

To reflect these the capital strategy is based on the following guiding principles:

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| PRINCIPLE 1 : Focus capital investment on delivery of the Council's Well-being Objectives and Priorities |
| <ul style="list-style-type: none"> • Ensuring that capital investment plans are driven by the Council's Corporate Plan • Ensuring decision-makers are clear on the positive contribution capital investment makes to our well-being objectives • Appraising all investments in the context of objectives/priorities • Ensuring there is a corporate business planning process incorporating service transformation and the impact on property assets |
| PRINCIPLE 2 : Ensure strong governance over decision-making |
| <ul style="list-style-type: none"> • Ensuring that proposals demonstrate that a rigorous process of options appraisal has been followed, requiring evidence of need, cost, risk, outcomes and methods of financing • Schemes will only be added to the capital programme once an affordable business plan is in place and it demonstrates value for money • All major capital schemes have a lead Project Sponsor and follow project management principles • The approval process within the Financial Procedure Rules contained in the Constitution are strictly adhered to |
| PRINCIPLE 3 : Ensure capital plans are affordable, sustainable and prudent |
| <ul style="list-style-type: none"> • Promote capital investment which allows invest to save outcomes and which contribute to future MTFS savings • Make sure assets perform at an optimal level through effective ongoing asset management and are consistent with levels of investment • Review and challenge the Council's assets, including the need, cost and performance of the estate • Maximise the use of internal borrowing and maintain an under-borrowed position compared to its Capital Financing Requirement if feasible |
| PRINCIPLE 4 : Maximise and promote the best use of available funds |
| <ul style="list-style-type: none"> • Generate funding, where possible, from the rationalisation of existing assets with a strong Disposal Strategy |

- Minimise the use of ring-fencing capital receipts to ensure a One-Council approach
- Bidding for external funds where appropriate and ensuring that there are effective working relationships with external funders
- Have clear policies for the consumption of our reserves
- Ensuring that there is effective pre- and-post project appraisal including a “lessons learned” exercise.
- Ensuring up to date property information relating to condition surveys, life cycle costs and maintenance back logs



Heol y Goedwig Park Porthcawl

1.0 ASSET MANAGEMENT PLANNING

The Council's Asset Management Plan (AMP) vision has been re-aligned with the Corporate Plan, which was last refreshed in 2022-23 with the focus of:

“To have a lean sustainable estate that enables Bridgend County Borough Council (BCBC) to live within its means and support delivery of our well-being objectives”

The following principles drive the decisions on the on-going challenge, management and use of BCBC property assets to support the achievement of our corporate priorities and statutory duties:

1. The AMP 2030 supports and maintains alignment with the MTFs, Capital Strategy and Corporate Plan, linking with other resource strategies and corporate transformation programmes including carbon reduction.
2. The AMP 2030 works to deliver effective management covering not just health, safety and effective maintenance but supporting wider benefits such as carbon reduction.
3. Capital investment decisions support the Council's corporate priorities and mitigate any statutory risks taking account of return on investment and sound option appraisals. Appraising all investments in the context of objectives/priorities.
4. Decisions on the treatment of surplus assets are based on an assessment of the potential contribution to the revenue budget, the capital programme and corporate priorities.
5. A balance will be maintained within the non-operational portfolio between rental income, capital receipts, economic development/ community support.
6. Capital receipts generated will support the capital programme.

The Council also has a Highways Asset Management Plan (HAMP). The HAMP needs to take into account the following:

1. Much of the infrastructure serving the northern half of the county borough was originally constructed in the early 1900's and was not designed to cope with the current demands (economic, social and environmental) placed upon it.
2. The BCBC highway network is continuously growing with no sign of abatement. The Council has seen much in the way of development over the last decade, resulting in a significant increase in the amount of asset requiring management.
3. Highway Authorities have a statutory duty to maintain highways and ensure that they are available for safe use by all.

The HAMP sets out how the levels of service for the infrastructure network determined by the Council will be achieved.

HEALTH AND SAFETY WORKS

There is an earmarked reserve for Asset Management including funding for Condition Surveys. The Council is now in the final phase of the condition survey programme, dealing with queries and ongoing Community Asset Transfer surveys. The surveys include planned preventative maintenance data which will inform the Council's budget allocation for both revenue and capital repairs, maintenance and new build. Given the limited capital and revenue funding and the currently known high level of maintenance backlog, a prioritisation matrix for

budget allocation has been developed. The matrix works to give highest priority to health and safety works. Given the potential level of funding compared to the demand for repairs and maintenance, this may lead to the closure of buildings or the drive for further capital investment in new build projects. Once fully implemented the matrix will be able to effectively inform the capital funding planning and decision making as it relates to asset management.

For highway structures, the current basis for prioritisation is one of reactive safety repairs, where the asset is risk assessed using a standardised matrix. This risk assessment is then considered against the individual assets Bridge Condition Indices (BCI) rating. This allows the prioritisation of schemes and allocation of the available budget to ensure the best value is achieved. A similar approach is applied to carriageway and footway schemes, where combinations of technical survey, site inspections and reports from members of the public determine the basis for the prioritisation of works.



Bridgend Local Nature Reserve

2.0 RISK

In undertaking complex projects, decision making needs to be supported by business cases in line with best practice covering strategic, economic, financial, commercial and management cases.

It would be expected that in nearly all circumstances, any proposed investment in land and buildings will require the completion of a full feasibility study in the first instance. The purpose of a feasibility assessment is to evaluate the practicality and desirability of a capital project, and assess its deliverability, before the Council invests time and money into the project. It may be that the proposed project cannot be delivered to time or cost or may not deliver the outcomes necessary. If this is the case the feasibility study would confirm that the project should not proceed. The Council needs to understand how successful the project will be, what will be delivered, at what cost, how funded, and what potential risks may be inherent in the project (which may also affect cost). This will determine whether the proposed scheme can proceed to a **capital expenditure bid** and, if approved, subsequent inclusion into the capital programme as a fully funded scheme.

It is accepted that there are a number of capital pressures that will need financing going forward, including economic recovery, decarbonisation, homelessness, digitalisation and coastal defences. There are also other financial pressures arising as a result of the impact of the war in Ukraine and cost of living crisis, which are being seen in existing tender prices, and will continue to do so for some time going forward, placing pressure on the capital programme overall, including:

- Increased prices of materials, as a result of the higher inflation rates currently in the UK and further afield, as well as additional costs associated with Brexit, sometimes up to 25% higher than previously estimated;
- Supply chain difficulties leading to higher prices and delays in schemes being completed;
- Inability to recruit to key posts, both within the Council and companies we contract with, resulting in higher wages and overall contract costs;
- Additional requirements on schemes to achieve Welsh Government's Net Zero commitments, which includes an aim of collectively achieving net zero across the Welsh public sector by 2030. This will lead to changes in the way we design and manage our assets, which will likely result in increased costs.

These need to be considered at the early stages of project feasibility to ensure that anticipated cost increases are factored into each scheme's forecast budget. Time considerations also need to be considered for any delays in suppliers' ability to source and deliver materials for capital schemes. This could affect external funding particularly grants where schemes have to be completed within a set deadline.

Capital investment is technically described as:

“Expenditure on the acquisition, creation, or enhancement of ‘long term assets’”

This generally consists of land, property and plant which have a useful life of more than 1 year but can also include funding passed on to other bodies in order for them to undertake capital works. Expenditure outside this definition will be, by definition, revenue expenditure.

Expenditure can be capitalised where it relates to the:

- Acquisition, reclamation, enhancement or laying out of land.
- Acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures.
- Acquisition, installation or replacement of movable or immovable plant, machinery, apparatus vehicles or vessels.

Enhancement of an existing fixed asset means:

- To lengthen the useful life of the asset; or
- To increase substantially the open market value of the asset; or
- To increase substantially the extent to which the asset can be used for the purposes of, or in connection with, the functions of the Council.

Capital investment can be broadly split into three types:

1. Expenditure on **creation of new assets, specific projects or non-treasury investments to meet strategic aims**. Non treasury investment to meet service or Council obligations could include loans or equity towards capital expenditure incurred by external bodies, Council subsidiaries or joint ventures.
2. Expenditure on **existing assets** to ensure they meet the requirements of service delivery, are fit for purpose, meet health and safety guidance, and reduce future costs.
3. Expenditure on **non-treasury investments purely to maximise financial return on assets and generate revenue income**. However, it is unlikely that the Council will pursue any such investments due to the limits it would place on accessing Public Works Loan Board (PWLB) loan finance.

Within the Accounting Policies for the Council, expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

All expenditure on Property, Plant and Equipment is recognised irrespective of value. Capital expenditure below £40,000 with the exception of vehicles, is considered non-enhancing and is immediately impaired unless cumulatively over more than one year the expenditure would amount to more than this value.

The Council currently does not make use of any capitalisation flexibilities nor capitalise any borrowing costs associated with the capital programme. The Council's capital expenditure plans are linked to the Corporate Plan, Asset Management Plan, priorities and service delivery plans with the inclusion of the 'Future Property Needs' within the business plan template.

Commercial Activities

The Council has acquired relatively few property assets over the last few years. Its focus has been on releasing or remodelling existing assets. From time to time it has acquired property required for service developments, for example purchasing land and buildings for school modernisation projects. In 2014 the Council approved £1 million of capital funding for commercial property investment, of which £520,000 was spent on acquiring an income-producing leased property. This investment generates a rental income of £56,250 per year or just over 10.8% return on investment. To date the remainder is unspent as no suitable options which meet the Council's criteria have been forthcoming

In December 2021 CIPFA published a new edition of the Prudential Code for Capital Finance in Local Authorities (the Prudential Code). This update includes a significant change in the Code, which is that in order to comply with the Code, an authority must not borrow to invest primarily for financial return. The Code does not require existing commercial investments, including property, to be sold. However, it does set out that authorities who have a need to borrow should review options for exiting their financial investments for commercial purposes.

Whilst this does not preclude the Council investing in commercial activities, investing in assets for yield would prevent the Council from accessing PWLB borrowing. The borrowing needed to support the Sustainable Communities for Learning (formerly 21st Century Schools) programme and the wider capital programme will therefore prevent the Council investing in land or property purely to achieve a financial return.

The Council does have an existing investment portfolio which is 100% based within the County Borough and primarily the office and industrial sectors. The income streams are generally spread between the single and multi-let office investments on Bridgend Science Park, the multi-let industrial estates and the freehold ground rent investments. The portfolio therefore does not accord with the risk balance in location and sectoral terms to the majority of investment portfolios and is also management intensive, with a large number of units relative to the overall income and value. The total value of Investment Properties was £5.585 million at 31 March 2022. This would be expected to generate a rental income of £454,000 per annum excluding any vacant or rent-free periods. The lessees are responsible for all repairs and maintenance associated with these properties.

Existing investments are not affected by this recent change to the code. There are limited opportunities within the existing investment portfolio to release / sell properties, as the current emphasis is to enhance income return (as opposed to capital value). The majority of the investments held are high yielding and an improved income stream is unlikely on any re-investment.

The income receivable from the commercial property portfolio is not deemed to be a financial resilience risk in terms of being 'un-proportionate' to the Council's overall income. This will be an ongoing consideration where expenditure on the types of non-treasury investments identified previously are proposed, including development of any limits and indicators to determine any risk proportionality.

The table below shows the Prudential Indicator of estimates of net income from commercial and service investments to net revenue stream.

Table 1: Prudential Indicator: Proportion of Estimates of Net Income from Commercial and Service Investments to Net Revenue Stream

| | 2021-22 Actual £m | 2022-23 Estimate £m | 2023-24 Estimate £m | 2024-25 Estimate £m | 2025-26 Estimate £m |
|------------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Net Revenue Budget | 301.820 | 319.514 | 342.047 | 342.047 | 342.047 |
| Income from Commercial Investments | 0.454 | 0.459 | 0.459 | 0.459 | 0.459 |
| % Ratio | 0.15% | 0.14% | 0.13% | 0.13% | 0.13% |

**Future Net Revenue Budget settlements are unknown so assumed current budget level for future years*

Management of Risk

Major capital projects require careful management to mitigate the potential risks which can arise. The effective monitoring, management and mitigation of these risks is a key part of managing the capital strategy. General risks are those which are faced as a consequence of the nature of the major projects being undertaken. Most of these risks are outside of the Council's control but mitigations have been developed as part of the business planning and governance process.

The effective management and control of risk are also prime objectives of the Council's treasury management activities. The Treasury Management Strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.



Porthcawl Seafront

3.0 GOVERNANCE AND DECISION MAKING

The Council has robust processes in place to approve, manage and monitor capital projects arising from the Capital Strategy.

Prioritisation, Evaluation and Skills

The Council will maintain a rolling ten-year capital programme, to be updated on an annual basis (or more frequently as required) to take into account revised priorities, new schemes and changes in the availability of funding.

The Council's Capital Programme contains a number of recurrent annual allocations, which are the first call on its General Capital Funding. These allocations are reviewed annually with a view to determining whether they are still essential, relevant and achieving the outcomes expected, and amended accordingly.

Where capital resources allow as a result of additional general capital grant, earmarked reserves or capital receipts, as part of the MTFs process, Directorates will be requested to submit Expressions of Interest for new capital schemes, outlining:

- Proposed project
- Timescale
- Potential cost
- Potential revenue savings
- Link to Corporate Priorities
- Risk of not undertaking

These will be ranked in order of fit to:

1. Link to well-being objectives
2. High level of risk of not progressing, based on the criteria below.
3. Service is able to meet any additional revenue costs arising from the scheme e.g. increased Business Rates, running costs.
4. Ability to attract matched funding / high leverage ratio.
5. An appropriate return on investment where appropriate.

Ranking assessment:

| | |
|--------|---|
| High | High risk to Bridgend County Borough Council (BCBC) in terms of service delivery and/or meeting MTFs Savings e.g. urgent/ essential works to prevent imminent building failure and closure. Requirement to meet approved Bridgend Change Management Programme Project to deliver MTFs Savings |
| Medium | Medium risk to BCBC in terms of service delivery and/or meeting MTFs Savings e.g. identified works required over the next 2 to 5 years. Requirement to meet proposed Bridgend Change Management Programme Project to deliver MTFs Savings |

| | |
|-----|--|
| Low | Low risk to BCBC in terms of service delivery and/or meeting MTFS Savings e.g. identified works desirable, Requirement to meet yet to be identified Bridgend Change Management Programme Project to deliver MTFS Savings |
|-----|--|

As stated, the Council only has limited resources, and needs to have regard to the overall affordability of the capital programme in future years. Each scheme, therefore, needs to be evaluated to ensure it meets the Council's objectives and in accordance with **PRINCIPLE 1** above.

The business plan put forward for a capital project will be reviewed to ensure it takes account stewardship, value for money, prudence, sustainability and affordability, and has been subject to detailed feasibility assessments. Investment decisions will consider risk and reward and how the project contributes to the achievement of corporate objectives. The phasing of projects over more than one financial year will be assessed to ensure timetabling of plans and budgeting is realistic and funding is available over the life of the project.

The revenue implications for each capital bid are considered at the initial evaluation stage, covering both staffing/running costs associated with the bid and the financing costs over the lifetime of the asset created. One of the Chief Finance Officer's requirements when reviewing capital bids is to ensure that the revenue implications are realistic. The options appraisal exercise undertaken for larger projects seeks to ensure that the lifetime revenue implications of a capital project are fully considered and evaluated, are affordable and are included in the MTFS in accordance with **PRINCIPLE 2** above.

Successful projects will then be required to complete a full Business Case to be considered in more detail by Corporate Management Board and Cabinet for eventual inclusion in the Capital Programme to be incorporated in the MTFS, to be approved by Council.

In Year Approvals

Any bids for capital funding outside of the annual MTFS bidding round should be accompanied by a full business case and be supported by the appropriate Director, Section 151 Officer and Cabinet. All funding sources should be fully identified before the bid is taken forward for Council approval for inclusion in the capital programme.

In line with the Council's Financial Procedure Rules, schemes for which external funding has been approved (grants, S106 etc) will be added to the capital programme once the funding has been accepted and included in the next capital programme report to Council.

In addition, any urgent expenditure not included in any budget approval, which needs to be agreed prior to the next meeting of Council, may only be incurred with the approval of the Chief Finance Officer, subject to a maximum value of £100,000. Any such decision requires approval by either the Chief Executive Officer (or can be sub-delegated to the Section 151 Officer) under the Scheme of Delegation, Scheme B1 paragraph 2.2.

To support prioritisation and to avoid slippage and potentially unanticipated additional costs, the Council will need to ensure access to sufficient skills and capacity both within the Council and externally in order to deliver the investment programme. Such capacity could be project management and development skills, technical and design skills, knowledge, availability of contractors as well as wider market factors.

In procuring any capital goods or works the Council's Contract Procurement Rules must be followed to ensure that the Council achieves value for money and abides by all Procurement legislation. The Council's process and authority for the acquisition and disposal of land or property is set out in the Council's Constitution.

Approval, Monitoring and Reporting the Capital Programme

It is important given the risks surrounding Capital Projects that the appropriate Governance framework is in place. This is highlighted in **PRINCIPLE 2** above. The Capital Strategy informs the Council's capital investment programme and Treasury Management Strategy. This integration is one of the reasons why it is deemed that full Council should continue to consider and approve the affordability of the Capital Strategy and detailed programme as part of the Council's budget proposals recommended by Cabinet.

Council approves the capital investment programme having consideration of CIPFA's Prudential and Treasury Management Code indicators highlighting the impact of capital decisions on the revenue budget and affordability, prudence and sustainability.

A monitoring process is in place which:

- Reports on variances in expenditure and slippage on schemes and seeks explanations from project managers to report back to Corporate Management Board and Cabinet to inform future planning decisions
- Quarterly capital monitoring reports will be prepared for Cabinet and Council which should include details of any virements between projects as well as projections of likely year end spend.

The Chief Finance Officer will prepare a Capital Programme for consideration by Corporate Management Board and Cabinet. It must be approved by Council in accordance with the Financial Procedure Rules of the Council's Constitution.

Variations to the capital programme, other than those permitted under Rules 3.4.5 and 3.4.6 of these Rules, shall require the approval of the Council following a report of the Chief Finance Officer after taking into consideration the recommendations of the Cabinet.

A post project appraisal of all projects in accordance with the Project Management Toolkit must be completed to demonstrate how objectives have been met, how final costs compared to budget and what revenue costs / savings materialised. This information will be reported back to feed future appraisal exercises.

Post Project Evaluation

Once any major capital project is completed, it is good practice to look at the project in retrospect. This is an important part of any project to review lessons learned. It is a chance to reflect on what those involved with the project, both from a provider/contractor aspect and customer view, as to what their perspectives on the project were, what they may have changed, what they learned and what could be done better. It is important to learn from mistakes so as to avoid those in the future, but also crucially to gather best practice and to pass this on to other projects. The project manager should undertake a lessons' learned meeting with key personnel once the project has been completed to enable the Council to share best practice in all capital schemes.

Knowledge and Skills

Within the Finance section, the Capital Programme and Treasury Management Strategy are managed by professionally qualified accountants or staff with extensive Local Government finance experience. They all undertake Continuous Professional Development (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills. The Council has access to courses and documentation on developments within the capital and treasury management fields from both CIPFA and the Council's appointed Treasury Management advisors. The Council's Section 151 Officer is the officer with overall responsibility for Capital and Treasury activities and is a professionally qualified accountant and follows an ongoing Continuous Professional Development (CPD) programme. All Treasury Management Practices (TMPs) are reviewed and updated as necessary. Where staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite. Arlingclose will be the Council's Treasury Management Advisors until September 2024.

All the Council's capital projects have project teams from all the professional disciplines from across the Council and when required external professional advice is also taken. Project management tools are used and there is a strong project management ethos within the Council. Throughout the Council is a good mix of professional qualified staff and staff with both commercial and local authority experience. There is a Corporate Landlord team consisting of skilled and professional staff covering design and management, estates and valuation, statutory compliance, strategic asset management planning, facilities management, management and commissioning of repairs and maintenance and energy management to introduce new energy efficiency measures such as upgraded heating, lighting, insulation and investigating new technological solutions that will enable staff to be fully agile and provide a better service, while an online portal is being developed that will provide information, process customer requests and enable staff to log jobs and track progress. The Regeneration Team within the Communities Directorate has been successful in applying for monies from various sources such as Welsh Government, Heritage Lottery and European funding.



Maesteg Town Centre

4.0 CAPITAL INVESTMENT PROGRAMME 2023-24 TO 2032-33

The ten-year rolling programme has been initially set for 2023-24, and on an indicative basis for the nine years thereafter. It has been profiled in accordance with technical advice relating to regulatory processes, timetables and work plans.

In 2023-24, the Council is planning capital expenditure of £69.045 million as summarised below.

Table 2: Prudential Indicator: Estimates of Capital Expenditure

| Directorate | 2021-22 actual £'000 | 2022-23 projection £'000 | 2023-24 budget £'000 | 2024-25 budget £'000 | 2025-26 budget £'000 |
|--------------------------------|----------------------------|--------------------------------|----------------------------|----------------------------|----------------------------|
| Education and Family Support | 4,645 | 8,791 | 26,917 | 36,739 | 17,188 |
| Social Services and Well-being | 799 | 4,109 | 6,701 | 14,044 | 340 |
| Communities | 19,745 | 38,851 | 30,308 | 14,759 | 4,100 |
| Chief Executive's | 4,552 | 5,783 | 4,640 | 2,720 | 2,450 |
| Council Wide Capital Budgets | - | 853 | 479 | 479 | 200 |
| TOTAL | 29,741 | 58,387 | 69,045 | 68,741 | 24,278 |

**The table above does not take into account the impact of IFRS 16 accounting for leases*

The main capital projects in this period include:

- Sustainable Communities for Learning (formerly 21st Century schools) Band B. Forecast expenditure of £62.900 million is included in the above table for 2023-24 to 2025-26.
- Porthcawl Grand Pavilion – Forecast expenditure of £19.998 million is included above for 2023-24 to 2025-26 for the redevelopment of the building.
- Annual commitments to Disabled Facilities Grants and other housing adaptation schemes of £1.950 million per annum.
- Cardiff Capital Region City Deal - £7.559 million. This is an existing scheme which is focused on raising economic prosperity, increasing job prospects and improving digital and transport connectivity across South Wales region.
- Shared Prosperity Fund - £5.603 million to support local investment.
- Maesteg Town Hall - £1.500 million. Completion of the Maesteg Town Hall Cultural Hub, due to be completed Summer 2023.
- Fleet Vehicles - £0.700 million. Replacing existing fleet vehicles with electric vehicles to support decarbonisation.
- Playgrounds Refurbishments - £2.786 million for 2023-24 to 2024-25.
- Highways Refurbishments - £2.000 million for 2023-24 to 2024-25

The detailed ten-year Capital programme proposed is included at the end of this document in Appendix 2.

5.0 FUNDING THE STRATEGY

The Council has several funding streams available to support capital investment which includes the following cash resources:

| | |
|---|--|
| Cash Resources | |
| Non ring-fenced grants | These are for use on Council determined priorities. These include an annual 'General Capital Grant' from Welsh Government |
| Ring-fenced grants | These are to achieve a particular outcome and therefore with restricted use as specified by the funder. The main source of external grant is from Welsh Government, which in most cases follows an application or bidding process for schemes or distribution of grants on a formula basis. The short-term nature of grant awards makes long term planning and delivery of strategic schemes very difficult. Where external grant funding bids are made, it is essential that these are in line with Council priorities and include consideration of any revenue budget consequences. Where grants require match funding, the Council will prioritise such support to increase the likelihood of a successful bid. |
| External contributions | For example from planning agreements (S106). |
| Revenue budgets and Earmarked Reserves | Held specifically to support the affordability of capital investment. |
| Capital Receipts | These are as a result of the disposal of Council assets |

Further detail is included in **Appendix 1** Capital Funding Sources.

Financial Context

Whilst the aims and priorities will shape decisions around capital expenditure, there is recognition that the financial resources available to meet priorities are constrained in the current economic and political climate. The context for capital expenditure decisions is as follows:

- The Council does have capital resources and expects to receive more resources in the future with an annual allocation from Welsh Government, potential s106 monies or grant approvals.
- The Council does have a Disposal Strategy and has capital assets which it could sell and use receipts to reinvest
- The Council is currently servicing debt of £96.87 million of fixed interest loans, at an average interest rate of 4.69%
- The Council's MTFS shows a funding gap so any additional capital expenditure which is not funded through capital resources will increase this gap unless that expenditure delivers revenue savings or income.

Principles for Allocation of Capital Allocation

The governing principles which underpin the allocation of capital resources are set out in the following diagram:

| Nature of Capital Expenditure | Funding Source | | | | |
|---------------------------------------|---|---|--------------------|---|---|
| | General Capital Funding / Supported Borrowing | Capital Receipts / Uncommitted Reserves | Interest Free Loan | Unsupported Borrowing - Corporate Funding | Unsupported Borrowing - Directorate Funding |
| Mandatory | | | | | |
| Well-being Objective | | | | | |
| Schemes which attract Matched Funding | | | | | |
| Invest to Save | | | | | |

| | |
|--|---|
| | Eligible for funding from this source |
| | Not eligible for funding from this source |

In summary the main principles of capital allocation are:

General Capital Funding and Supported Borrowing from Welsh Government will be prioritised towards mandatory capital investments. This includes investment required to meet health and safety requirements. This principle also applies to uncommitted capital receipts and capital reserves.

Beyond this, any consideration will be given to capital schemes which directly support the achievement of the Council’s corporate objectives.

Unsupported (Prudential) Borrowing will be prioritised as follows:

- To mandatory capital expenditure, including health and safety requirements. This will be considered to be an inescapable budget pressure and will be included in future years’ budgets as part of the annual budget setting process.
- To capital expenditure which directly supports the achievement of the Council’s well-being Objectives. Borrowing for such projects will be funded corporately through an increase in budget allocation, which must be approved by full Council. Such borrowing commits the Council to interest and repayments during the asset life, and therefore it must be recognised that as budgets are reduced, the financing costs must be met by budget cuts elsewhere.
- To capital expenditure which attracts a high level of matched funding. This is particularly important as the Council tries to maximise every £1 it spends on capital with schemes involving external grants or contributions from partners. The aim is for

the Council to ensure that it invests in its strategic buildings and town centre infrastructure as grant funding and inward investment opportunities become available by allocating uncommitted reserves, maximising interest free loans or unsupported borrowing.

- To capital expenditure which provides a good financial return. Borrowing for such projects must be funded by the directorate, and therefore the financial benefit accruing to the directorate will be net of financing costs. This approach aligns the directorate incentives with the corporate benefit of such projects. Advantage will be taken of interest free loans where available.

Borrowing to pay for Capital Investment

There are currently no nationally imposed restrictions to the quantum of borrowing that can be undertaken to pay for capital investment. The Council approves its own affordable borrowing limit as part of the Local Government Act 2003 and this is set at a level consistent with the programme of capital investment proposed. There are two main types of borrowing to pay for capital investment which form part of the Council's borrowing requirement and is managed as part of the Treasury Management Strategy:

- 'Supported Borrowing' – costs of servicing are specifically included within the annual Revenue Support Grant (RSG) the Council receives from Welsh Government.
- 'Unsupported Borrowing' - costs of servicing to be met from Council tax, RSG/share of Non Domestic Rates (not ringfenced for supported borrowing), rent, savings, additional income or sale of assets.

The planned financing of capital expenditure is outlined in Table 3 as follows:

Table 3: Capital financing

| | 2021-22 actual £m | 2022-23 projection £m | 2023-24 Budget £m | 2024-25 Budget* £m | 2025-26 budget £m |
|---------------------------|-------------------------|-----------------------------|-------------------------|--------------------------|-------------------------|
| External sources | 18.152 | 36.532 | 22.891 | 47.388 | 16.771 |
| Own resources | 1.020 | 10.873 | 36.481 | 16.402 | 3.554 |
| Net Financing Requirement | 10.569 | 10.982 | 9.673 | 4.951 | 3.953 |
| TOTAL | 29.741 | 58.387 | 69.045 | 68.741 | 24.278 |

**The table above does not take into account the impact of IFRS 16 accounting for leases*

The net financing requirement or 'debt' is only a temporary source of finance, since loans and leases must be repaid, and is replaced over time by other financing, usually from revenue, which is known as Minimum Revenue Provision, or MRP. As well as MRP, the Council makes additional voluntary revenue contributions to pay off Prudential or Unsupported Borrowing. Other MRP on Long Term Liabilities relates to the provision of the secondary school at Maesteg, through the Private Finance Initiative (PFI). The total of these are shown in Table 4 below:

Table 4: Replacement of debt finance

| | 2021-22 actual £m | 2022-23 projection £m | 2023-24 budget £m | 2024-25 budget £m | 2025-26 budget £m |
|---|-------------------------|-----------------------------|-------------------------|-------------------------|-------------------------|
| Minimum Revenue Provision (MRP) | 2.969 | 2.964 | 2.989 | 3.031 | 3.072 |
| Additional Voluntary Revenue Provision | 3.553 | 1.913 | 2.414 | 2.813 | 2.822 |
| Total MRP & VRP | 6.522 | 4.877 | 5.403 | 5.844 | 5.894 |
| Other MRP on Long term Liabilities | 0.801 | 0.863 | 0.929 | 1.001 | 1.078 |
| Total Own Resources | 7.323 | 5.740 | 6.332 | 6.845 | 6.972 |

The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces by the MRP amount within the year. Debt-financed expenditure is that which is **not** funded by grants, contributions, reserves or capital receipts. The CFR is forecast to increase by £3.342 million during 2023-24, and then decrease in 2024-25 by £1.894 million. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 5: Prudential Indicator: Estimates of Capital Financing Requirement

| | 2021-22 actual £m | 2022-23 projection £m | 2023-24 budget £m | 2024-25 budget £m | 2025-26 budget £m |
|--|-------------------------|-----------------------------|-------------------------|-------------------------|-------------------------|
| Opening Capital Financing Requirement | 172.971 | 176.217 | 181.459 | 184.801 | 182.907 |
| Movement in Financing Requirement | 3.246 | 5.242 | 3.342 | (1.894) | (3.019) |
| Closing Capital Financing Requirement | 176.217 | 181.459 | 184.801 | 182.907 | 179.887 |

*The table above does not take into account the impact of IFRS 16 accounting for leases

Lease accounting

Lease obligations are similar to borrowing as they have an ongoing revenue budget commitment. Leasing will be considered following due diligence over the life of the asset, comparing the financial and non-financial benefits and risks compared to the Council owning and delivering such assets itself. In consideration of implementing the new accounting requirements from 2024-25, the Council will undertake a data gathering exercise to understand materiality and the detailed financial implications.

Asset Disposals

When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be reinvested in new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Council's forecast use of capital receipts are set out in Table 6.

Table 6: Forecast capital receipts receivable in £ millions

| | 2021-22 actual £m | 2022-23 projection £m | 2023-24 budget £m | 2024-25 budget £m | 2025-26 budget £m |
|------------------------------|-------------------------|-----------------------------|-------------------------|-------------------------|-------------------------|
| Opening balance | 21.519 | 21.773 | 21.972 | 5.196 | 3.428 |
| Asset sales | 0.254 | 3.500 | - | - | - |
| Applied in capital programme | - | (3.301) | (16.776) | (1.768) | (0.903) |
| Closing balance | 21.773 | 21.972 | 5.196 | 3.428 | 2.525 |

As can be seen from the above table, the capital receipts from asset sales will be committed to the capital programme.



Porthcawl Regeneration Artist Impression

6.0 MANAGING THE BORROWING REQUIREMENT

The Council's major objectives when borrowing are:

- to minimise the revenue costs of debt
- to manage the Council's debt maturity profile i.e. to leave no one future year with a high level of repayments that could cause problems in re-borrowing
- to secure funding in any one year at the cheapest cost commensurate with future risk
- to forecast average future interest rates and borrow accordingly
- to monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movement
- to reschedule debt if appropriate, in order to take advantage of potential savings as interest rates change
- to optimise the use of all capital resources including borrowing, both supported and unsupported, usable capital receipts, revenue contributions to capital and grants and contributions

Limits to Borrowing Activity

The Council's long-term borrowing excluding Salix loans, which are interest-free, at 31 December 2022 was £96.87 million at an average interest rate of 4.69%. The majority of lending is Public Works Loan Board with maturity dates between 2025 and 2057. £19.25 million of borrowing relates to Lender's Option Borrower's Option (LOBO) loans that have a maturity date of 2054, however these may be rescheduled in advance of this maturity date. The Council has a number of energy schemes which are funded via Salix interest free loans. These loans are required to be repaid between 5 and 20 years.

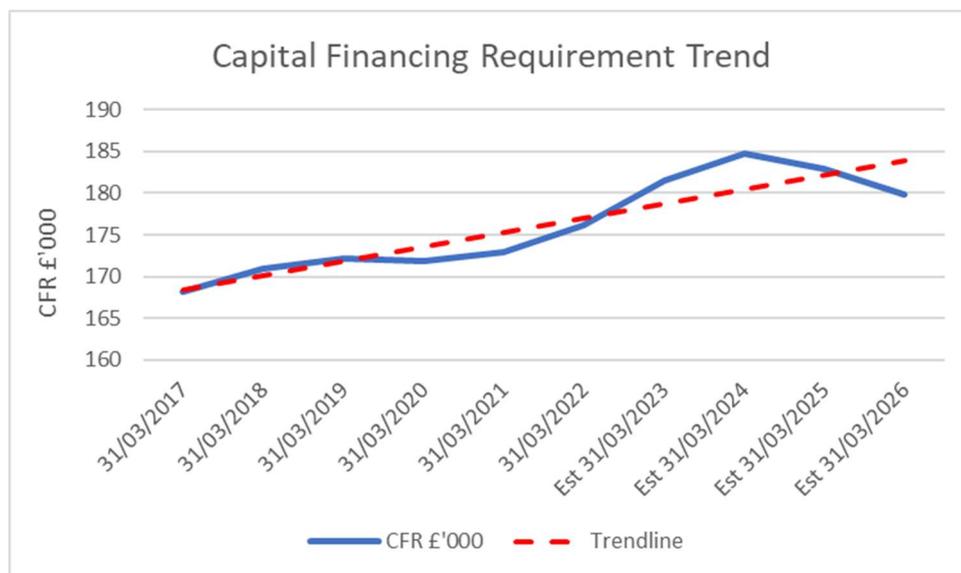
External borrowing can arise as a result of both capital and revenue expenditure and timing of cash flows. As the Council has an integrated Treasury Management Strategy there is no association made between individual loans and particular types of expenditure. The Council makes use of internal borrowing and maintains an under-borrowed position in accordance with **PRINCIPLE 3** above. The capital borrowing need (Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. Projected levels of the Council's total outstanding debt, which comprises borrowing, PFI and Other Long-Term Liabilities, are shown below compared with the Capital Financing Requirement:

Table 7: Prudential Indicator: Gross Debt and the Capital Financing Requirement

| | 2021-22 actual £m | 2022-23 projection £m | 2023-24 estimate £m | 2024-25 estimate £m | 2025-26 estimate £m |
|-------------------------------|-------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|
| Debt (incl. PFI & leases) | 114.955 | 113.609 | 112.186 | 105.238 | 100.134 |
| Capital Financing Requirement | 176.217 | 181.459 | 184.801 | 182.907 | 179.887 |

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen, the Council expects to comply with this in the medium term. The chart below shows the trend in the CFR from 2017 onwards. The increasing trend reflects

the anticipated increases in spend in the capital programme from commitments which are funded by internal borrowing.



To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This includes the expectation to need to borrow £25.78 million in 2024-25 and a further £4.50 million in 2025-26 based on the current assumptions within the Capital Programme and the use of Capital Receipts and Reserves. Further details of the Liability Benchmark can be found within the Treasury Management Strategy 2023-24. The actual amount will be monitored and assumptions challenged and borrowing will only be taken if there is no opportunity to use Internal Borrowing.

Table 8: Borrowing and the Liability Benchmark

| | 2021-22 actual £m | 2022-23 projection £m | 2023-24 estimate £m | 2024-25 estimate £m | 2025-26 estimate £m |
|--|----------------------|-----------------------------|---------------------------|---------------------------|---------------------------|
| Outstanding Borrowing (excl. PFI & Leases) | 99.797 | 99.480 | 99.163 | 93.266 | 89.240 |
| Liability Benchmark | 15.868 | 48.363 | 97.694 | 119.042 | 119.512 |

The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 9: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

| | 2022-23 £m | 2023-24 £m | 2024-25 £m | 2025-26 £m |
|--|----------------|----------------|----------------|----------------|
| Authorised limit – borrowing | 170.000 | 170.000 | 170.000 | 170.000 |
| Authorised limit – other long term liabilities | 30.000 | 30.000 | 25.000 | 25.000 |
| Authorised Limit Total | 200.000 | 200.000 | 195.000 | 195.000 |
| Operational boundary – borrowing | 130.000 | 130.000 | 120.000 | 120.000 |
| Operational boundary – other long term liabilities | 25.000 | 25.000 | 20.000 | 20.000 |
| Operational Boundary Limit Total | 155.000 | 155.000 | 140.000 | 140.000 |
| | | | | |
| Total Borrowing and Long Term Liabilities | 114.955 | 113.609 | 112.186 | 105.238 |

The authorised limit and operational boundary for 2024-25 and subsequent years will need to be reviewed in light of changes to lease accounting under IFRS16, due to be implemented from April 2024. This new Standard will require that operating leases are brought onto the balance sheet as a right of use asset and a lease liability. The impact of this is that it will increase the Council's liabilities and therefore its estimated borrowing requirement, although actual borrowing may be below this level. The current estimate is that there will be no borrowing requirement for 2023-24 however borrowing will increase by approximately £25.78 million from 2024-25 and a further £4.50 million from 2025-26. It is anticipated that the current limits do not need amending and borrowing will fall within the boundaries set.

Other Long Term Liabilities

Private Finance Initiative

The Council has a Private Finance Initiative (PFI) arrangement for the provision of a Secondary School in Maesteg. This forms a long-term liability for the Council (with twelve years remaining on the term) which will be £13.902 million at 31 March 2023 including the short term liability of £0.929 million included as current liabilities in the Council's balance sheet in the Statement of Accounts. This is a technical adjustment and is equivalent to the amount that is to be paid during 2023-24.

Mutual Investment Model

The Mutual Investment Model (MIM) is a new approach to investment in public infrastructure in Wales. Private partners will build and maintain public assets, in Bridgend's case, schools, in return for a fee, which will cover the cost of construction, maintenance and financing the project. At the end of a specific period of time, the asset will be transferred to the local authority. Welsh Government has advised that it will present packages of schemes to the market as design and build projects. These packages would be made up of a number of schemes within a geographical area (including across local authority areas) and be of sufficient monetary size overall in order to attract large companies (eg £100 million).

The Council is proceeding with the following developments;

- **Bridgend West – Welsh-medium provision.** Enlargement of Ysgol Y Ferch O'r Sgêr – 2 form entry plus 60-place nursery. The school will be built on the existing school site which is shared with Corneli Primary School and Corneli Integrated Childrens Centre.
- **Bridgend West – English-medium Provision.** New English-medium school – 2 form entry plus 60-place nursery (ie to replace Afon Y Felin and Corneli Primary Schools which will discontinue). The new school will be built on land at Marlas Estate.

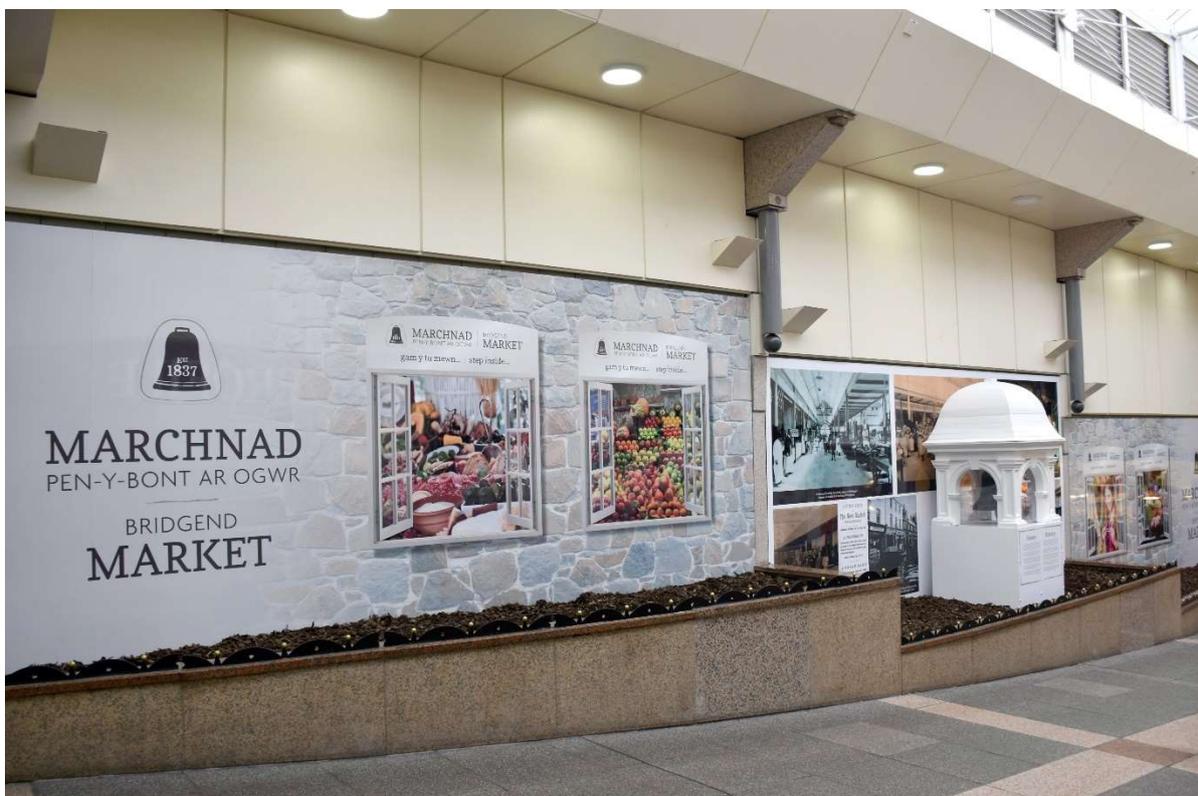
Funding of the annual revenue service charge will be met from contributions from Welsh Government (81%) and BCBC (19%). It is currently estimated that Bridgend's annual revenue contribution will be in the region of £820,000 and will start to be paid once the buildings are operational.

Capital funding will be utilised for the provision of furniture, equipment and ICT. The funding allocation is within the overall Band B funding envelope which has a Welsh Government capital intervention rate of 65% for mainstream schools.

Pension Guarantees

The Council has entered into a number of long-term contracts for services that have been outsourced to service providers. These often involve the transfer of Council employees to the new service provider. Employee's rights are protected under the provision in Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). However, pension rights are not fully covered within TUPE regulations. The Council have thus given a pension guarantee to Awen Cultural Trust. This guarantee means that if an admitted body fails to pay its pension obligations, the Council will be responsible for taking on those obligations.

Further details on borrowing are included within the Treasury Management Strategy.



Bridgend Market

7.0 PRUDENT MINIMUM REVENUE PROVISION POLICY STATEMENT 2023-24

The annual Minimum Revenue Provision Statement needs to be approved by Council before the start of each financial year. The MRP charges for 2023-24 will be on the following bases:-

- i. Capital expenditure incurred before 1 April 2008 and any capital expenditure after 1 April 2008 that is government supported expenditure and does not result in a significant asset will be based on the Capital Financing Requirement after accounting adjustments on a straight line basis over 45 years
- ii. Supported capital expenditure that results in a significant asset (based on an internal assessment) incurred on or after 1 April 2008 and all unsupported capital expenditure, exercised under the Prudential Code, the MRP charge will be based on the Asset Life Method. The minimum revenue provision will be at equal annual instalments over the life of the asset. The first charge can be delayed until the year after the asset is operational but this will be at the discretion of the Section 151 Officer
- iii. for assets reclassified as finance leases under International Financial Reporting Standards (IFRS) or resulting from a Private Finance Initiative, the MRP charge will be regarded as met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability for the year
- iv. Where loans are made to other bodies for their capital expenditure with an obligation for the bodies to repay, no MRP will be charged. The capital receipts generated by the annual repayments on those loans will be put aside to repay debt instead
- v. MRP may be waived on expenditure recoverable within a prudent period of time through capital receipts (e.g. land purchases) or deferred to when the benefits from investment are scheduled to begin or when confirmed external grant payments towards that expenditure are expected.

The MRP Charge 2023-24 based on the estimated capital financing requirement is detailed below:-

| | Options | Estimated Capital Financing Requirement 31/03/23 £m | 2023-24 Estimated MRP £m |
|--|---------|---|--------------------------------|
| Capital expenditure before 01/02/2008 and any after 01/04/2008 that does not result in a significant asset (Supported) | (i) | 128.656 | 2.857 |
| Supported capital expenditure that results in a significant asset, incurred on or after 1 April 2008 (Supported) | (ii) | 2.762 | 0.132 |
| Unsupported capital expenditure, exercised under the Prudential Code (Unsupported) | | 36.138 | 2.414 |
| PFI, Finance Leases and other arrangements – PFI School | (iii) | 13.903 | 0.929 |
| TOTAL COUNCIL FUND | | 181.459 | 6.332 |

8.0 AFFORDABILITY

Capital investment and the proposed Capital programme form an integral part of the Council's revenue budget and Medium Term Financial Strategy. The revenue budget impact of capital schemes for council tax and rent payers include:

- The costs of operating/maintaining new assets.
- The capital financing costs of servicing any borrowing required to pay for investment.
- The revenue costs of preparing and delivering projects.
- Abortive costs required to be charge to revenue budgets if schemes do not proceed.

The percentage of the Council's revenue budget that is committed to capital financing costs is increasing in the long term. Given the pressure on revenue budgets, this clearly limits the affordability of other priorities in future years and must be a factor considered by Members when determining the Capital Programme.

Table 10 below shows the proportion of the budget that will need to be set aside to finance capital expenditure, which is expected to increase over the life of the current capital programme, accelerating the pressure that capital expenditure, funded from debt, puts on the revenue budget. The requirement to meet these additional costs can only come from future savings or from increases in Council Tax. An increasing ratio limits the scope for additional borrowing in future years and reduces the Council's overall flexibility when making decisions on the allocation of its revenue resources. A gross ratio is also calculated which indicates the gross financing cost i.e. it represents a worst case scenario.

Table 10: Prudential Indicator: Proportion of financing costs to net revenue stream

| | 2021-22 Actual % | 2022-23 Estimate % | 2023-24 Estimate % | 2024-25 Estimate % | 2025-26 Estimate % |
|---|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| General Fund - Net Capital Financing Budget | 3.47% | 3.26% | 3.19% | 3.60% | 3.60% |
| General Fund - Gross Capital Financing Budget | 3.75% | 3.57% | 3.49% | 3.90% | 3.89% |

Appendix 1

Capital Funding Sources

Borrowing

The Council is able to borrow money on the money market or from the Public Works Loan Board (PWLB) to fund capital schemes or, on a short term basis, use its own internal resources (i.e. cash flow). However, for all schemes initially funded from borrowing, the Council will have to fund the repayment and interest costs and any on-going related revenue support. With the exception of the Welsh Government's allocation of Supported Borrowing, all other borrowing is unsupported i.e. where associated interest and debt repayment costs must be met from existing revenue budgets, Council Tax, savings or additional income generation.

The Council is only able to borrow for "unsupported borrowing" (also known as Prudential Borrowing) under the guidance contained in the CIPFA Prudential Code whereby, in summary, the Council is required to ensure that all borrowing is both prudent and affordable.

All schemes funded from Prudential Borrowing are approved by full Council, and in accordance with MTFS **PRINCIPLE 11** must be affordable and sustainable, with payback met from Directorate or Council revenue budgets over a period no longer than the life of the asset. Projects requiring funding through prudential borrowing should submit a robust business case to include forward predictions of affordability, with the aim that projects should be self-funding (i.e. create a revenue stream so that the cost of borrowing is cost neutral on Council Tax).

The potential for Prudential Borrowing is not unlimited and must be considered within the Council's overall borrowing limits. Whenever Prudential Borrowing is under consideration, the means of payment must be clearly identified. Typically this can be from:

- Income or savings generated by the investment;
- Budget reductions made elsewhere in the Directorate to compensate;
- Additional recurrent funding approved by Council as part of the budget setting process.

There may be the need for borrowing where there is no identifiable future revenue stream, for example, to repair or construct infrastructure assets. This may be to support Corporate Priorities. The cost of such borrowing falls on the council tax payer through payments of debt interest on the Council's revenue account and repayment of debt over a specified period of time. This is known as the Minimum Revenue Provision (MRP). There may still be a need for such borrowing but each proposal should be reviewed on a case by case basis with the project evaluation clearly stating how the borrowing is to be afforded. Given the significant ongoing financial challenges facing this Council, it is likely that such schemes will be an "exception".

External Grants

The Council receives annual capital grant funding from Welsh Government and is able to bid for grant funding directly to other government departments or from other grant awarding bodies.

The annual funding from Welsh Government is not ring-fenced so the Council has flexibility in how it allocates this funding. It is proposed that this is earmarked in the first instance to works deemed to be of a mandatory nature e.g. health and safety, or towards Wellbeing Objectives.

Any additional capital grant funding received from external sources must be managed in line with the Council's Grants Policy. Delegated authority is required to bid for and accept any external funding, and external funding applications should be supported by a strong business case which demonstrates how the project meets the Council's Corporate Priorities and how any future revenue costs will be met.

Capital Receipts from Asset Disposals

The Council generates capital receipts from the sale of surplus assets. Maximisation of these receipts will increase the amount that can be spent on capital investment. Capital receipts cannot be spent on revenue items.

The Council has a statutory obligation to deliver best consideration under S123 of the Local Government Act 1972 and will seek to obtain market value in its disposals. However, there are exceptions and there will sometimes be a balance to strike where disposals can achieve social, economic or environmental policy objectives which contribute towards the Corporate Plan. In such instances, consideration will be given to the Value for Money that this represents.

The Council has also introduced a Community Asset Transfer (CAT) Strategy, where it considers the transfer of assets to third party groups at less than best consideration to support its objectives. The Council will consider, on a case-by-case basis, the potential transfer of assets to an alternative provider after a full assessment of the long-term (full life) risks and rewards of the transfer, including the achievement of best value including potential market value, linked to the Council's aims and objectives. Where the Council proposes to dispose of or grant a long lease at nil consideration, or at a value below market value, a valuation will be undertaken to ensure that the Council is fully aware of the receipt that it is foregoing as a result of the Community Asset Transfer.

A key principle of the Council's Capital Strategy, **PRINCIPLE 4**, is that, unless specifically agreed by Cabinet for exceptional circumstances, all capital receipts will be treated as general capital funding and allocated according to determined priorities. This supports the "One Council" approach. However, this does not negate the need for Council to approve any proposed schemes from that receipt. There may potentially be other schemes where the Council decides to set aside receipts in this way and these will be approved within the reporting of the Capital Programme.

The Council will aim to maximise its capital receipts, where possible, by enhancing the land prior to disposal. In relation to development sites it will produce a technical pack which will include site investigations, planning briefs, utilities and drainage information, as relevant. The Council will consider the most appropriate method of disposal by way of private treaty, tender or by public auction. Generally it will dispose of assets on the open market, in order to robustly demonstrate that it has delivered best consideration. However, there will be occasions when it will sell off market to a single bidder. In these instances it will seek an independent valuation to assess the capital receipt and to affirm that best consideration has been delivered.

S106 contributions

Section 106 (S106) Agreements are legal agreements between Local Authorities and developers; these are linked to planning permissions and can also be known as planning obligations. A section 106 agreement is designed to make a development possible that would otherwise not be possible, by obtaining concessions and financial contributions from the developer. Any contributions received from the developer are 'ring-fenced' for the purpose as

set out in the relevant S106 agreement and are applied to fund schemes within the capital programme once an eligible scheme has been identified. S106 contribution agreements can be used, for example, for the provision of educational facilities, highways infrastructure, affordable housing, play areas and open spaces, in line with the Council's adopted policy on the use of section 106 agreements. Consideration of available S106 funding should be taken when agreeing the capital programme for future years to maximise the use of the available funding and reduce the reliance on other sources of funding. Contributions can be time limited in that if they are not spent within an agreed timescale, typically 5 – 10 years, dependent on what has been agreed in the S106 agreement, any funds not spent in line with the agreement would have to be repaid to the developer.

Revenue and Reserves

The Council is able to use revenue funding and reserves for capital schemes. However, as a result of competing revenue budget pressures and the continued reduction in government funding for revenue expenditure, the Council's policy is generally not to budget to use revenue or reserves to directly fund capital projects, unless funding has already been set aside.



Bryngarw Country Park

Appendix 2

| | Total 2022-2033 | | | 2022 - 2023 | | | | | FUTURE YEARS | | | | | | | | | | CUMULATIVE Total 2022 - 2033 £'000 |
|---|-----------------|---------------|------------------|---------------------------|-------------------------------|----------|----------------|-----------------|---------------|---------------|---------------|--------------|-----------|-----------|-----------|-----------|-----------|-----------|--|
| | Total Cost | BCBC Funding | External Funding | Council Jan 23 2022-23 | New Approvals / Reductions | Virement | Slippage | Revised 2022-23 | 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 | 2027-2028 | 2028-2029 | 2029-2030 | 2030-2031 | 2031-2032 | 2032-2033 | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| EDUCATION AND FAMILY SUPPORT | | | | | | | | | | | | | | | | | | | |
| 1 Highways Schemes Band B Schools | 3,400 | 3,400 | - | 100 | | | | 100 | 3,300 | | | | | | | | | | 3,400 |
| 2 Sustainable Communities For Learning - Band B Schools | 65,069 | 19,070 | 45,999 | 400 | 67 | 36 | 229 | 732 | 10,525 | 35,187 | 17,188 | 1,437 | | | | | | | 65,069 |
| 3 Ysgol Bryn Castell Special School | 30 | 30 | - | 30 | | | | 30 | | | | | | | | | | | 30 |
| 4 Ysgol Gyfun Gymraeg Llangynwyd | 100 | 100 | - | 100 | | | | 100 | | | | | | | | | | | 100 |
| 5 Brynmenyn Primary School | - | - | - | 44 | | (44) | | - | | | | | | | | | | | - |
| 6 Land Purchase Band B | 2,028 | 2,028 | - | 678 | | | (678) | - | 2,028 | | | | | | | | | | 2,028 |
| 7 Gateway to the Valleys (CCYD) Comprehensive School | 32 | 32 | - | 32 | | | | 32 | | | | | | | | | | | 32 |
| 8 Garw Valley South Primary Provision | 139 | 139 | - | 139 | | | | 139 | | | | | | | | | | | 139 |
| 9 Pencoed Primary School - Band A | 53 | 53 | - | 53 | | | | 53 | | | | | | | | | | | 53 |
| 10 Garw Valley Primary Highways Works | 30 | 30 | - | 30 | | | | 30 | | | | | | | | | | | 30 |
| 11 Pencoed School Highways Works | 56 | 56 | - | 56 | | | | 56 | | | | | | | | | | | 56 |
| 12 Abercerdin Primary School Hub | 287 | 287 | - | 287 | | | (267) | 20 | 267 | | | | | | | | | | 287 |
| 13 Brynateg Comprehensive School All Weather Pitch | 406 | 324 | 82 | 324 | | | (304) | 20 | 386 | | | | | | | | | | 406 |
| 14 Brynmenyn Primary Highways Works | - | - | - | 12 | | (12) | | - | | | | | | | | | | | - |
| 15 Schools Minor Works | 404 | 404 | - | 404 | | | | 404 | | | | | | | | | | | 404 |
| 16 Schools' Traffic Safety | 81 | 81 | - | 10 | | | | 10 | 71 | | | | | | | | | | 81 |
| 17 Heronsbridge Special School - Additional Accommodation | 317 | 284 | 33 | 317 | | | | 317 | | | | | | | | | | | 317 |
| 18 School Modernisation | 406 | 406 | - | 386 | | 20 | | 406 | | | | | | | | | | | 406 |
| 19 Pencoed Primary School - Classroom Extension | 900 | 900 | - | 52 | | | | 52 | 450 | 398 | | | | | | | | | 900 |
| 20 Coety Primary School - Extension | 1,650 | 1,650 | - | 44 | | | | 44 | 500 | 1,106 | | | | | | | | | 1,650 |
| 21 Brynirion Comprehensive School - New Teaching Block | 1,800 | 411 | 1,389 | 150 | | | | 150 | 1,602 | 48 | | | | | | | | | 1,800 |
| 22 Education S106 Schemes | 169 | - | 169 | 169 | | | | 169 | | | | | | | | | | | 169 |
| 23 Mynydd Cynffig Primary School Mobiles | 79 | 79 | - | 79 | | | | 79 | | | | | | | | | | | 79 |
| 24 Schools' Capital Maintenance Grant | 5,980 | 2,841 | 3,139 | 3,655 | 2,325 | | (3,976) | 2,004 | 3,976 | | | | | | | | | | 5,980 |
| 25 Welsh Medium Childcare Provision - Bettws | 534 | - | 534 | 534 | | | | 534 | | | | | | | | | | | 534 |
| 26 Welsh Medium Childcare Provision - Bridgend | 550 | - | 550 | | | | | - | 550 | | | | | | | | | | 550 |
| 27 Welsh Medium Childcare Provision - Ogmore | 747 | - | 747 | 747 | | | | 747 | | | | | | | | | | | 747 |
| 28 Welsh Medium Childcare Provision - Porthcawl | 550 | - | 550 | | | | | - | 550 | | | | | | | | | | 550 |
| 29 Welsh Medium Childcare Provision - Highways Schemes | 100 | - | 100 | 100 | | | | 100 | | | | | | | | | | | 100 |
| 30 Free School Meals | 2,790 | 1,944 | 846 | 846 | | | | 846 | 1,944 | | | | | | | | | | 2,790 |
| 31 Community Focused Schools | 848 | | 848 | 930 | | | (630) | 300 | 548 | | | | | | | | | | 848 |
| 32 ALN Capital Grant | 897 | | 897 | 897 | | | | 897 | | | | | | | | | | | 897 |
| 33 Y G Bro Oqwr Mobile Classrooms | 270 | | 270 | 50 | | | | 50 | 220 | | | | | | | | | | 270 |
| 34 Porthcawl Welsh Medium Seedling School | 370 | | 370 | 370 | | | | 370 | | | | | | | | | | | 370 |
| Total Education and Family Support | 91,072 | 34,919 | 56,153 | 12,025 | 2,392 | - | (5,626) | 8,791 | 26,917 | 36,739 | 17,188 | 1,437 | - | - | - | - | - | - | 91,072 |
| SOCIAL SERVICES AND WELLBEING | | | | | | | | | | | | | | | | | | | |
| Adult Social Care | | | | | | | | | | | | | | | | | | | |
| 35 Brynagarw Park - Access | 23 | 23 | - | 23 | | | | 23 | | | | | | | | | | | 23 |
| 36 Bryn Y Cae | 40 | 40 | - | 40 | | | | 40 | | | | | | | | | | | 40 |
| 37 Trem Y Mor | 4 | 4 | - | 4 | | | | 4 | | | | | | | | | | | 4 |
| 38 Ty Cwm Oqwr Care Home | 331 | 331 | - | 331 | | | | 331 | | | | | | | | | | | 331 |
| 39 Wellbeing Minor Works | 135 | 135 | - | 135 | | | | 135 | | | | | | | | | | | 135 |
| 40 Bakers Way | 10 | 10 | - | 10 | | | | 10 | | | | | | | | | | | 10 |
| 41 Glan Yr Afon Care Home | 51 | 51 | - | 51 | | | | 51 | | | | | | | | | | | 51 |
| 42 Children's Residential Accommodation Hub | 2,831 | 2,223 | 608 | 2,831 | | | | 2,831 | | | | | | | | | | | 2,831 |
| 43 Telecare Transformation Project | 1,405 | 1,405 | - | 318 | | | | 318 | 692 | 395 | | | | | | | | | 1,405 |
| Culture | | | | | | | | | | | | | | | | | | | |
| 44 HALO and AWEN Accessibility | 11 | 11 | - | 11 | | | | 11 | | | | | | | | | | | 11 |
| 45 Community Centres | 226 | 226 | - | 226 | | | | 226 | | | | | | | | | | | 226 |

| | Total 2022-2033 | | | 2022 - 2023 | | | | | FUTURE YEARS | | | | | | | | | | CUMULATIVE Total 2022 - 2033 £'000 |
|---|-----------------|--------------|------------------|---------------------------|-------------------------------|----------|----------|-----------------|--------------|---------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|
| | Total Cost | BCBC Funding | External Funding | Council Jan 23 2022-23 | New Approvals / Reductions | Virement | Slippage | Revised 2022-23 | 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 | 2027-2028 | 2028-2029 | 2029-2030 | 2030-2031 | 2031-2032 | 2032-2033 | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| 46 Brynagarw House | 30 | 30 | - | 30 | | | | 30 | | | | | | | | | | | 30 |
| 47 Porthcawl Grand Pavilion | 19,998 | 2,000 | 17,998 | | | | | - | 6,009 | 13,649 | 340 | | | | | | | | 19,998 |
| 48 Ysgol Bryn Castell Hard-Court | 99 | | 99 | 99 | | | | 99 | | | | | | | | | | | 99 |
| Total Social Services and Well-being | 25,194 | 6,489 | 18,705 | 4,109 | - | - | - | 4,109 | 6,701 | 14,044 | 340 | - | 25,194 |
| COMMUNITIES | | | | | | | | | | | | | | | | | | | |
| Street Scene | | | | | | | | | | | | | | | | | | | |
| 49 Community Children's Play Areas | 3,286 | 3,286 | - | 1,286 | | | (786) | 500 | 1,786 | 1,000 | | | | | | | | | 3,286 |
| 50 Parks/Pavilions/Community Centres CAT | 813 | 813 | - | 285 | | | | 285 | 528 | | | | | | | | | | 813 |
| 51 Aber Playing Fields | 11 | 11 | - | 11 | | | | 11 | | | | | | | | | | | 11 |
| 52 Cardiff Capital Region City Deal | 7,691 | 7,691 | - | 132 | | | | 132 | 2,454 | 4,005 | 1,101 | | | | | | | | 7,691 |
| 53 Coychurch Crem Works | 1,385 | - | 1,385 | 1,385 | | | | 1,385 | | | | | | | | | | | 1,385 |
| 54 Minor Crossings | 392 | | 392 | 392 | | | | 392 | | | | | | | | | | | 392 |
| 55 Remedial Measures - Car Parks | 135 | 135 | - | 50 | | | | 50 | 85 | | | | | | | | | | 135 |
| 56 Civil Parking Enforcement | 38 | 38 | - | | | | | - | 38 | | | | | | | | | | 38 |
| 57 Road Signs 20mph Default Speed | 580 | - | 580 | 580 | | | | 580 | | | | | | | | | | | 580 |
| 58 Road Safety | 124 | 124 | - | 124 | | | | 124 | | | | | | | | | | | 124 |
| 59 Pyle to Porthcawl | 387 | - | 387 | 387 | | | | 387 | | | | | | | | | | | 387 |
| 60 Active travel Bridgend to Pencoed Phase 3 | 3,463 | - | 3,463 | 3,463 | | | | 3,463 | | | | | | | | | | | 3,463 |
| 61 Highways Structural Works | 3,740 | 3,740 | - | 160 | | | | 160 | 520 | 340 | 340 | 340 | 340 | 340 | 340 | 340 | 340 | 340 | 3,740 |
| 62 Carriageway Capital Works | 2,750 | 2,750 | - | 250 | | | | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 2,750 |
| 63 Road Safety Improvements - Heol Mostyn | 169 | 169 | - | 169 | | | | 169 | | | | | | | | | | | 169 |
| 64 Prow Capital Improvement Programme | 239 | 52 | 187 | 108 | | | | 108 | 66 | 65 | | | | | | | | | 239 |
| 65 Highways Refurbishment | 4,000 | 4,000 | - | 2,000 | | | | 2,000 | 1,000 | 1,000 | | | | | | | | | 4,000 |
| 66 Carriageway Resurfacing & Renewal of Footways | 1,500 | 1,500 | - | 1,500 | | | | 1,500 | | | | | | | | | | | 1,500 |
| 67 Replacement of Street Lighting Columns/ River Bridge Protection Measures | 4,432 | 4,416 | 16 | 416 | 16 | | | 432 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 4,432 |
| 68 River Bridge Protection Measures | 24 | 24 | - | 24 | | | | 24 | | | | | | | | | | | 24 |
| 69 Communities Minor Works | 591 | 591 | - | 591 | | | | 591 | | | | | | | | | | | 591 |
| 70 Ultra Low Emissions Vehicle Transformation Fund | 643 | - | 643 | 643 | | | | 643 | | | | | | | | | | | 643 |
| 71 Fleet Transition Ultra Low Emmissions Vehicles | 300 | | 300 | 300 | | | | 300 | | | | | | | | | | | 300 |
| 72 Traffic Signal Replacement | 250 | 250 | - | 250 | | | | 250 | | | | | | | | | | | 250 |
| 73 Net Zero Carbon Fleet | 320 | 320 | - | 320 | | | | 320 | | | | | | | | | | | 320 |
| 74 Porthcawl Metro-Link (CCR) | 3,837 | 1,130 | 2,707 | 2,304 | | 735 | | 3,039 | 798 | | | | | | | | | | 3,837 |
| 75 Penprysg Road Bridge - LTF/CCR | 24 | 24 | - | 735 | | (735) | | - | 24 | | | | | | | | | | 24 |
| 76 Residents Parking Bridgend Town Centre | 124 | 124 | - | 24 | | | | 24 | 100 | | | | | | | | | | 124 |
| 77 Fleet Vehicles | 1,384 | 1,384 | - | 684 | | | | 684 | 700 | | | | | | | | | | 1,384 |
| 78 Re-locate Household Waste Recycling Centre - West | 5 | 5 | - | 5 | | | | 5 | | | | | | | | | | | 5 |
| 79 AHP Waste | 24 | 24 | - | 24 | | | | 24 | | | | | | | | | | | 24 |
| 80 Extension to Cornelly Cemetery | 279 | 279 | - | 279 | | | | 279 | | | | | | | | | | | 279 |
| 81 Extension to Porthcawl Cemetery | 183 | 183 | - | 183 | | | | 183 | | | | | | | | | | | 183 |
| 82 S106 Highways Small Schemes | 45 | - | 45 | 45 | | | | 45 | | | | | | | | | | | 45 |
| 83 Unadopted Roads | 500 | 500 | - | 100 | | | | 100 | 400 | | | | | | | | | | 500 |
| 84 Fire Suppression System Tondu Waste Depot | 140 | 140 | - | 140 | | | | 140 | | | | | | | | | | | 140 |
| 85 Puffin Crossing Kenfig Hill | 93 | 47 | 46 | 93 | | | | 93 | | | | | | | | | | | 93 |
| Regeneration & Development | | | | | | | | | | | | | | | | | | | |
| 86 Business Support Framework | 58 | 53 | 5 | 58 | | | | 58 | | | | | | | | | | | 58 |
| 87 Special Regeneration Funding | 389 | 389 | - | 133 | | (133) | | - | 389 | | | | | | | | | | 389 |
| 88 Cosy Corner (PRIF) | 2,955 | 2,079 | 876 | 2,200 | | 233 | | 2,433 | 522 | | | | | | | | | | 2,955 |
| 89 Porthcawl Regeneration | 2,920 | 2,920 | - | | | | | - | 2,920 | | | | | | | | | | 2,920 |
| 90 Economic Stimulus Grant | 500 | 500 | - | 500 | | | | 500 | | | | | | | | | | | 500 |
| 91 Coastal Risk Management Programme | 2,528 | 2,528 | - | 2,528 | | | | 2,528 | | | | | | | | | | | 2,528 |
| 92 Ewenny Road Industrial Estate | 3,500 | - | 3,500 | 3,500 | | | | 3,500 | | | | | | | | | | | 3,500 |
| 93 CESP/Arbed Phase 1 | 3,505 | 855 | 2,650 | 30 | | | (16) | 14 | 1,271 | 1,791 | 429 | | | | | | | | 3,505 |
| 94 Llynfi Valley Development Programme | 2,177 | 2,177 | - | 2,177 | | | | 2,177 | | | | | | | | | | | 2,177 |

| | Total 2022-2033 | | | 2022 - 2023 | | | | | FUTURE YEARS | | | | | | | | | | CUMULATIVE Total 2022 - 2033 |
|--|-----------------|----------------|------------------|------------------------|----------------------------|--------------|----------------|-----------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------------------|
| | Total Cost | BCBC Funding | External Funding | Council Jan 23 2022-23 | New Approvals / Reductions | Virement | Slippage | Revised 2022-23 | 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 | 2027-2028 | 2028-2029 | 2029-2030 | 2030-2031 | 2031-2032 | 2032-2033 | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| 95 Bridgend Heat Scheme | 3,350 | 2,323 | 1,027 | 500 | | | | 500 | 2,850 | | | | | | | | | | 3,350 |
| 96 Maesteg Town Hall Cultural Hub | 4,369 | 1,870 | 2,499 | 2,869 | | | | 2,869 | 1,500 | | | | | | | | | | 4,369 |
| 97 Town & Community Council Fund | 742 | 742 | - | 242 | | | | 242 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 742 |
| 98 Porthcawl Townscape Heritage Initiative | 124 | 124 | - | | | | | - | 124 | | | | | | | | | | 124 |
| 99 Brilliant Basics | 65 | 13 | 52 | 65 | | | | 65 | | | | | | | | | | | 65 |
| 100 Commercial Property Enhancement Fund | 134 | 134 | - | | | | | - | 134 | | | | | | | | | | 134 |
| 101 Cwm Taf Nature Network | 230 | - | 230 | 230 | | | | 230 | | | | | | | | | | | 230 |
| 102 Urban Centre Property Enhancement | 1,366 | - | 1,366 | 241 | | | | 241 | 511 | 614 | | | | | | | | | 1,366 |
| 103 2030 Decarbonisation | 3,200 | 3,200 | - | - | | | | - | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 3,200 |
| 104 Shared Prosperity Fund | 5,603 | - | 5,603 | | 1,115 | | | 1,115 | 774 | 3,714 | | | | | | | | | 5,603 |
| Corporate Landlord | | | | | | | | | | | | | | | | | | | |
| 105 Capital Asset Management Fund | 773 | 773 | - | 773 | | | | 773 | | | | | | | | | | | 773 |
| 106 Corporate Landlord - Energy Savings Strategy | 390 | 390 | - | 390 | | | | 390 | | | | | | | | | | | 390 |
| 107 Raven's Court | 447 | 447 | - | 447 | | | (440) | 7 | 440 | | | | | | | | | | 447 |
| 108 DDA Works | 327 | 327 | - | 327 | | | | 327 | | | | | | | | | | | 327 |
| 109 Minor Works | 11,730 | 11,730 | - | 430 | | | | 430 | 1,130 | 1,130 | 1,130 | 1,130 | 1,130 | 1,130 | 1,130 | 1,130 | 1,130 | 1,130 | 11,730 |
| 110 Fire Precautions | 239 | 239 | - | 239 | | | | 239 | | | | | | | | | | | 239 |
| 111 Bryncethin Depot Facilities | 908 | 908 | - | 908 | | | | 908 | | | | | | | | | | | 908 |
| 112 Non-Operational Assets | 480 | 480 | - | 480 | | | | 480 | | | | | | | | | | | 480 |
| 113 Waterton Upgrade | 8,144 | 8,144 | - | | | | | - | 8,144 | | | | | | | | | | 8,144 |
| 114 Evergreen Hall | 106 | 106 | - | 106 | | | | 106 | | | | | | | | | | | 106 |
| 115 Investing in Communities | 47 | 47 | - | 47 | | | | 47 | | | | | | | | | | | 47 |
| Total Communities | 105,207 | 77,248 | 27,959 | 38,862 | 1,131 | 100 | (1,242) | 38,851 | 30,308 | 14,759 | 4,100 | 2,570 | 2,570 | 2,570 | 2,570 | 2,570 | 2,170 | 2,170 | 105,207 |
| CHIEF EXECUTIVE'S | | | | | | | | | | | | | | | | | | | |
| Housing / Homelessness | | | | | | | | | | | | | | | | | | | |
| 116 Disabled Facilities Grants (DFG) | 19,434 | 19,434 | - | 1,934 | | | | 1,934 | 1,750 | 1,750 | 1,750 | 1,750 | 1,750 | 1,750 | 1,750 | 1,750 | 1,750 | 1,750 | 19,434 |
| 117 Target Hardening Grants | 16 | 16 | - | 16 | | | | 16 | | | | | | | | | | | 16 |
| 118 Discretionary Housing Grants | 2,400 | 2,400 | - | 400 | | | | 400 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 2,400 |
| 119 Housing Renewal / Empty Properties | 1,218 | 1,218 | - | 218 | | | | 218 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,218 |
| 120 Valleys Taskforce Empty Properties Grant | 300 | 105 | 195 | 300 | | | | 300 | | | | | | | | | | | 300 |
| 121 Enable Grant | 810 | - | 810 | 270 | | | | 270 | 270 | 270 | | | | | | | | | 810 |
| 122 Homelessness and Housing | 530 | 530 | - | 530 | | | | 530 | | | | | | | | | | | 530 |
| 123 Health and Wellbeing Village | 480 | - | 480 | | | | | - | 480 | | | | | | | | | | 480 |
| 124 Affordable Housing | 844 | - | 844 | 844 | | | | 844 | | | | | | | | | | | 844 |
| ICT | | | | | | | | | | | | | | | | | | | |
| 125 Investment in ICT | 4,698 | 4,698 | - | 698 | | | | 698 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 4,698 |
| 126 HWB Schools IT | 126 | 126 | - | 126 | | | | 126 | | | | | | | | | | | 126 |
| 127 Digital Transformation | 200 | 200 | - | 20 | | | | 20 | 180 | | | | | | | | | | 200 |
| 128 Replacement CCTV | 427 | 427 | - | 427 | | | | 427 | | | | | | | | | | | 427 |
| 129 ICT Datacentre Replacement | 1,260 | 1,260 | - | | | | | - | 1,260 | | | | | | | | | | 1,260 |
| Total Chief Executive's | 32,743 | 30,414 | 2,329 | 5,783 | - | - | - | 5,783 | 4,640 | 2,720 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 | 32,743 |
| COUNCIL WIDE CAPITAL BUDGETS | | | | | | | | | | | | | | | | | | | |
| 130 Corporate Capital Fund | 2,373 | 2,373 | - | 373 | | | | 373 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 2,373 |
| 131 Unallocated | 11,812 | 11,812 | - | 580 | | | (100) | 480 | 279 | 279 | | 1,226 | 1,458 | 1,458 | 1,458 | 1,458 | 1,858 | 1,858 | 11,812 |
| Total Council Wide Capital budgets | 14,185 | 14,185 | - | 953 | - | (100) | - | 853 | 479 | 479 | 200 | 1,426 | 1,658 | 1,658 | 1,658 | 1,658 | 2,058 | 2,058 | 14,185 |
| Total Expenditure | 268,401 | 163,255 | 105,146 | 61,732 | 3,523 | - | (6,868) | 58,387 | 69,045 | 68,741 | 24,278 | 7,883 | 6,678 | 6,678 | 6,678 | 6,678 | 6,678 | 6,678 | 268,401 |

| | Total 2022-2033 | | | 2022 - 2023 | | | | | FUTURE YEARS | | | | | | | | | | CUMULATIVE Total 2022 - 2033 |
|---|-----------------|----------------|------------------|------------------------|----------------------------|----------|----------------|-----------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------------------|
| | Total Cost | BCBC Funding | External Funding | Council Jan 23 2022-23 | New Approvals / Reductions | Virement | Slippage | Revised 2022-23 | 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 | 2027-2028 | 2028-2029 | 2029-2030 | 2030-2031 | 2031-2032 | 2032-2033 | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| EXPECTED CAPITAL RESOURCES | | | | | | | | | | | | | | | | | | | |
| General Capital Funding | | | | | | | | | | | | | | | | | | | |
| General Capital Funding - General Capital Grant | 38,195 | 38,195 | - | 8,282 | | | | 8,282 | 4,057 | 4,057 | 2,725 | 2,724 | 2,725 | 2,725 | 2,725 | 2,725 | 2,725 | 2,725 | 38,195 |
| General Capital Funding - Supported Borrowing | 43,479 | 43,479 | - | 3,953 | | | | 3,953 | 3,951 | 3,951 | 3,953 | 3,953 | 3,953 | 3,953 | 3,953 | 3,953 | 3,953 | 3,953 | 43,479 |
| Capital Receipts - Schools | 2,951 | 2,951 | - | 222 | | | (72) | 150 | 187 | 1,768 | 846 | | | | | | | | 2,951 |
| Capital Receipts - General | 20,318 | 20,318 | - | 5,329 | | | (2,178) | 3,151 | 16,589 | | 57 | 521 | | | | | | | 20,318 |
| Earmarked Reserves | 42,759 | 42,759 | - | 10,209 | | | (3,780) | 6,429 | 19,102 | 14,578 | 2,651 | | | | | | | | 42,759 |
| Revenue Contribution | 1,802 | 1,802 | - | 1,500 | | | (357) | 1,143 | 603 | 56 | | | | | | | | | 1,802 |
| Prudential Borrowing (Directorate Funded) | 3,228 | 3,228 | - | 706 | | | | 706 | 2,522 | | | | | | | | | | 3,228 |
| Prudential Borrowing (Corporately Funded) | 6,300 | 6,300 | - | 2,100 | | | | 2,100 | 3,200 | 1,000 | | | | | | | | | 6,300 |
| Local Govt Borrowing Initiative (Highways Infrastructure) | - | - | - | - | | | | - | | | | | | | | | | | - |
| Local Govt Borrowing Initiative (Coastal defence) | 1,559 | 1,559 | - | 1,559 | | | | 1,559 | | | | | | | | | | | 1,559 |
| SALIX Interest Free Loan - WG | 487 | 487 | - | 487 | | | | 487 | | | | | | | | | | | 487 |
| Llynfi Development Site Loan - WG | 2,177 | 2,177 | - | 2,177 | | | | 2,177 | | | | | | | | | | | 2,177 |
| Sub-Total General Capital Funding | 163,255 | 163,255 | - | 36,524 | - | - | (6,387) | 30,137 | 50,211 | 25,410 | 10,232 | 7,198 | 6,678 | 6,678 | 6,678 | 6,678 | 6,678 | 6,678 | 163,255 |
| External Funding Approvals | | | | | | | | | | | | | | | | | | | |
| WG - Other | 19,799 | - | 19,799 | 7,995 | 3,440 | | (646) | 10,789 | 3,252 | 5,758 | | | | | | | | | 19,799 |
| WG - 21st Century Schools | 45,950 | - | 45,950 | | 67 | | 165 | 232 | 6,228 | 24,759 | 14,046 | 685 | | | | | | | 45,950 |
| WG - Enable Grant | 810 | - | 810 | 270 | | | | 270 | 270 | 270 | | | | | | | | | 810 |
| WG - Integrated Care Fund (ICF) | 1,088 | - | 1,088 | 608 | | | | 608 | 480 | | | | | | | | | | 1,088 |
| WG - Welsh Medium Capital Grant | 2,751 | - | 2,751 | 1,431 | | | | 1,431 | 1,320 | | | | | | | | | | 2,751 |
| Westminster | 18,958 | - | 18,958 | 485 | | | | 485 | 5,977 | 12,496 | | | | | | | | | 18,958 |
| S106 | 2,528 | - | 2,528 | 1,240 | | | | 1,240 | 1,240 | 48 | | | | | | | | | 2,528 |
| Cardiff Capital Region (CCR) | 5,000 | - | 5,000 | 5,000 | | | | 5,000 | | | | | | | | | | | 5,000 |
| Transport Grant | 5,792 | - | 5,792 | 5,792 | | | | 5,792 | | | | | | | | | | | 5,792 |
| Heritage Lottery Fund (HLF) | 682 | - | 682 | 682 | | | | 682 | | | | | | | | | | | 682 |
| Sport Wales | 99 | - | 99 | 99 | | | | 99 | | | | | | | | | | | 99 |
| EU | - | - | - | - | | | | - | | | | | | | | | | | - |
| Other | 1,689 | - | 1,689 | 1,606 | 16 | | | 1,622 | 67 | | | | | | | | | | 1,689 |
| Sub-Total External Funding Approvals | 105,146 | - | 105,146 | 25,208 | 3,523 | - | (481) | 28,250 | 18,834 | 43,331 | 14,046 | 685 | - | - | - | - | - | - | 105,146 |
| Total Funding Available | 268,401 | 163,255 | 105,146 | 61,732 | 3,523 | - | (6,868) | 58,387 | 69,045 | 68,741 | 24,278 | 7,883 | 6,678 | 6,678 | 6,678 | 6,678 | 6,678 | 6,678 | 268,401 |
| Funding Shortfall/(Surplus) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |