

Meeting of:	CABINET
Date of Meeting:	22 JULY 2025
Report Title:	CAPITAL PROGRAMME OUTTURN 2024-25 AND QUARTER 1 UPDATE 2025-26
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, HOUSING AND CHANGE
Responsible Officer:	HUW POWELL CAPITAL ACCOUNTANT
Policy Framework and Procedure Rules:	Paragraph 3.5.3 of the Financial Procedure Rules requires that the Chief Finance Officer shall report quarterly to Cabinet and Council with an update on the Capital Strategy and the Prudential Indicators. This report fulfils that requirement. There is no impact on the policy framework or procedure rules.
Executive Summary:	<ul style="list-style-type: none"> • The report provides an update on the capital programme outturn position for 2024-25, the quarter 1 spend and projected spend for 2025-26 as at 30 June 2025, the revised capital programme for 2025-26 to 2034-35 and the projected Prudential and Other Indicators for 2025-26. • Appendix A shows the budgets and spend for the individual schemes in 2024-25. • Appendix B shows the budgets, spend to date and projected year end spend as at 30 June 2025 for the individual schemes in 2025-26. • Appendix C shows the revised capital programme for 2025-26 to 2033-35. • Appendix D provides details of the actual Prudential and other Indicators for 2024-25 and projected Prudential and Other Indicators for 2025-26.

1. Purpose of Report

1.1 The purpose of this report is to:

- Comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) 'The Prudential Code for Capital Finance in Local Authorities' requirement to report performance against all forward looking indicators on a quarterly basis.

- Provide an update to Cabinet on the capital programme outturn for 2024-25 (**Appendix A**).
- Provide an update to Cabinet on the capital programme position for 2025-26 as at 30 June 2025 (**Appendix B**).
- Seek agreement from Cabinet to present a report to Council for approval of a revised capital programme for 2025-26 to 2034-35 (**Appendix C**).
- Ask Cabinet to note the actual Prudential and Other Indicators for 2024-25 and the projected Prudential and Other Indicators for 2025-26 (**Appendix D**).

2. Background

- 2.1 The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 as amended, contain detailed provisions for the capital finance and accounting controls, including the rules on the use of capital receipts and what is to be treated as capital expenditure. They modify accounting practice in various ways to prevent adverse impacts on authorities' revenue resources.
- 2.2 As well as the legislation, the Council manages its Treasury Management and Capital activities in accordance with the following associated guidance: -
- CIPFA's Treasury Management in the Public Services: Code of Practice
 - CIPFA's The Prudential Code for Capital Finance in Local Authorities
 - Welsh Government (WG) revised Guidance on Local Authority Investments
- 2.3 The Prudential Code for Capital Finance in Local Authorities requires Local Authorities to have in place a Capital Strategy 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. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out a number of Indicators that must be set and monitored each year. The Council's Capital Strategy 2025-26, incorporating the Prudential Indicators for 2025-26, was approved by Council on 26 February 2025.
- 2.4 On 28 February 2024 Council approved a capital budget of £110.537 million for 2024-25 as part of a capital programme covering the period 2024-25 to 2033-34. The programme was last updated and approved by Council on 26 February 2025.

3. Current situation / proposal

3.1 Capital Programme Outturn 2024-25

- 3.1.1 The original budget approved by Council on 28 February 2024 has been revised and approved by Council during the year to incorporate budgets brought forward from 2023-24 and any new schemes and grant approvals during 2024-25. The revised programme for 2024-25, approved by Council on 26 February 2025 totalled £56.110 million, of which £27.343 million was to be met from Bridgend County Borough Council (BCBC) resources, including capital receipts, revenue contributions from earmarked reserves and borrowing, with the remaining £28.767 million coming from external resources.
- 3.1.2 **Appendix A** provides details of the individual schemes within the capital programme, showing the budget available in 2024-25 compared to the actual spend.

Since the last report presented to Council on 26 February 2025 there have been a few minor amendments to the 2024-25 programme. The main changes are:

- New approvals of £0.491 million, as a result of additional Housing with Care funding of £0.091 million and a revenue contribution of £0.391m for Disabled Facilities, as well as £0.009 million revenue contributions for Breakaway and Bridgend Business Support Network as a result of revised expenditure profiles.
- These additions are offset by reductions of £0.115 million in the programme, including £0.100 million for the Bryntirion Comprehensive New Classroom scheme. Due to the school's current budget position, they are unable to contribute their funding as originally planned. Although the schools funding has been removed from the programme, the overall budget for the scheme is unaltered and the funding has been replaced by a virement from the Schools Capital Maintenance Grant. £0.015 million for the community Focused Schools Grant has also been removed from the programme as some items of expenditure on the scheme were deemed to be revenue in nature. This expenditure as well as the equivalent amount of funding has been transferred to the revenue budget.
- £1.895 million of funding has been brought forward from 2025-26 to reflect revised spend profiles.

This brings the revised budget for 2024-25 to £58.381 million.

3.1.3 Total expenditure as at 31 March 2025 was £29.331 million which, after slippage of £27.265 million into 2025-26, and adjustments to grant funded schemes of £1.768 million, results in a total under spend of £0.017 million. Slippage has arisen for a number of reasons, including delays in starting projects due to the need to undertake more detailed survey works, supply chain issues and ongoing discussions with funding bodies and other general programme delays.

3.1.4 The slippage of £27.265 million is forecast to be spent in 2025-26, the main schemes being:

- £0.695 million Bryntirion Comprehensive New Classrooms. Construction is now complete and the final snagging issues are being addressed. The handover of the building from the contractor is scheduled for July 2025 and the budget has been slipped to 2025-26 to fund the remaining costs of the scheme.
- £3.061 million School Capital Maintenance Grant. There have been a number of delays on the individual projects within the scheme due to capacity issues, plus an additional £0.730 million was awarded by Welsh Government in January 2025 for use in 2024-25 which increased the available budget. The remaining budget has been slipped forward for use in 2025-26.
- £0.953 million Community Focused Schools Grant. Projects approved for completion in 2024-25 are at various stages of development, delivery and completion. The remaining budget has been slipped forward to 2025-26 to ensure the approved projects are completed.

- £0.672 million Addition Learning Needs Grant. Projects approved for completion in 2024-25 are at various stages of development, delivery and completion. The remaining budget has been slipped forward to 2025-26 to ensure the approved projects are completed.
- £0.771 million Fleet Vehicles. The delivery of 3 vehicles expected in 2024-25 has been delayed until 2025-26. One recycling vehicle was delivered in April 2025 and two Highways vehicles are now expected by September 2025. £0.771m has been slipped to 2025-26 to fund the new vehicles.
- £1.268 million CESP/Arbed Phase 1. Remedial works are progressing with work ongoing on all homes enrolled in the scheme to remove all original insulation material. Installation of new insulation or cement render has been delayed by walls taking longer to dry out than initially expected and the delivery plan provided by the main contractor has been updated to adjust for this. £1.268 million has therefore been slipped to fund the works to be completed in 2025-26.
- £0.929 million Shared Prosperity Fund. There have been delays in the construction of the industrial starter units at Village Farm industrial estate due to poor weather conditions and ecological issues at the site. The construction phase is almost complete, and the units are expected to be transferred from the contractor to the Council at the end of August 2025.
- £0.989 million Grand Pavilion. The initial tender process for the project undertaken in June 2024 was unsuccessful, with the only bid received being considerably above the budget available. This led to a value engineering exercise, which reduced the scheme delivery scope to align the delivery with available budget. A second tender process has now been completed and the main construction contract has been awarded. The contractor is now on site, and £0.989 million has been slipped to 2025-26 to fund the works being undertaken.
- £0.530 million Homelessness and Housing. In July 2022 Council approved £0.530 million to match fund Welsh Government grant monies received by V2C to bring long term void properties back into use to assist with the increase demand for social housing. Due to technicalities with the Welsh Government funding, V2C were unable to utilise the funding for the properties originally identified, therefore, in July 2024 Council approved that the allocation should be refocused to fund other works undertaken by V2C to manage voids and to bring houses back into use. Work is ongoing with V2C to identify how this funding can be allocated.
- £0.802 million Affordable Housing. The Council was successful in purchasing a property on Coity Road in July 2024, adding to the property purchased on Park Street in 2023-24. The remaining budget has been slipped to 2025-26 to purchase additional properties, and the suitability of two properties is currently being assessed.
- £0.773 million Corporate Capital Fund. The Corporate Capital Fund was established in 2019, and was intended to be used to provide, amongst other things, match funding for new grant schemes, ICT and equipment replacement and to meet unanticipated pressures. It was included in the capital programme as an annual allocation of £0.200 million. However, in November 2024, Council

agreed to cease this annual allocation from 2025-26 as very little had been spent from it. The balance at that time from previous years was retained in the capital programme. Allocation of this funding is subject to Corporate Management Board approval. This will be monitored during 2025-26 and, if it is deemed that it is not needed in part or full, an element of this budget could be allocated to other capital schemes.

- £2.998 million Minor Works. Due to delays in completing a number of minor works schemes across all directorates, funding has been slipped for use in 2025-26.

3.2 Capital Programme Quarter 1 Update 2025-26

- 3.2.1 This section of the report provides Members with an update on the Council's capital programme for 2025-26 since the budget was last approved by Council and incorporates any new schemes and grant approvals. The revised programme for 2025-26 currently totals £156.643 million, of which £71.279 million is met from Bridgend County Borough Council (BCBC) resources, including capital receipts, revenue contributions from earmarked reserves and borrowing, with the remaining £85.364 million coming from external resources, including Welsh Government General Capital Grant. Table 1 below shows the capital programme for each Directorate from the February 2025 approved Council position to Quarter 1:

Table 1 – Capital Programme per Directorate 2025-26

Directorate	Approved Council February 2025 £'000	Net Slippage (to) / from 2024-25 £'000	New Approvals/ (Reductions) £'000	Slippage to future years £'000	Revised Budget 2025-26 £'000
Education, Early Years and Young People (EEYYP)	82,781	9,247	29,491	(22,093)	99,426
Social Services and Wellbeing	-	458	503	-	961
Communities	37,724	13,037	13,837	(15,982)	48,616
Chief Executive's	2,930	1,567	654		5,151
Council Wide	1,428	1,061	-		2,489
Total	124,863	25,370	44,485	(38,075)	156,643

- 3.2.2 Table 2 below summarises the current funding assumptions for the capital programme for 2025-26. The capital resources are managed to ensure that maximum financial benefit for the Council is achieved. This may include the realignment of funding to maximise government grants.

Table 2 – Capital Programme 2025-26 Resources

CAPITAL RESOURCES	£'000
<i>BCBC Resources:</i>	
Capital Receipts	23,898
Earmarked Reserves	26,700
Unsupported Borrowing	13,384
Supported Borrowing	3,810
Other Loans	3,180
Revenue Contribution	307
Total BCBC Resources	71,279
<i>External Resources:</i>	
S106	4,241
Grants	81,123
Total External Resources	85,364
TOTAL RESOURCES	156,643

3.2.3 **Appendix B** provides details of the individual schemes within the capital programme, showing the budget available in 2025-26 compared to the projected year end spend at 30 June 2025. There are currently no projected under or over spends on any of the schemes at year end.

3.2.4 However, a number of schemes have been identified as requiring slippage of budget to future years (2026-27 and beyond).

Highways/Other Offsite Works Sustainable Communities for Learning Band B Schools (£2.392 million)

The highways budget in relation to Band B schemes will be expended once works have been designed and commissioned. It is anticipated that the majority of costs will be incurred in future years and therefore £2.392 million has been slipped to 2026-27.

Bridgend West (£19.701 million)

Confirmation of Welsh Government's funding for the Bridgend West scheme has now been received, has been added to the programme and is referenced in paragraph 3.2.5. The latest cost projections from the scheme's consultants show that the majority of costs will be incurred in 2025-26 and 2026-27. Therefore £19.701 million has been slipped to fund expenditure in 2026-27.

Grand Pavilion (£15.982 million)

Following a successful tender process, the contractor is now on-site, and they have provided a projected cashflow for the scheme through to completion. Therefore, £15.982 million has been slipped forward to fund the costs incurred in future years.

- 3.2.5 There are a number of amendments to the capital programme for 2025-26, such as new and amended schemes, since the capital programme was last approved, including:

Bridgend West (£28.628 million)

Following submission of the Full Business Case, Welsh Government have confirmed that the application for funding from the Sustainable Communities for Learning programme for Bridgend West has been successful. £28.628 million and has been added to the previously approved funding in the programme.

Coety Primary School Extension / Pencoed Primary School Extension (£0.616 million) virement

Capital Programme Board recently considered the anticipated £0.180 million funding shortfall in respect of the proposed two-classroom extension at Pencoed Primary School and determined that committing an additional £0.180 million to the £0.900 million approved by Council in 2022 for the scheme does not represent the most efficient use of resources. The nearby Croesty Primary School currently has a significant surplus of available pupil places (2 entire classrooms unused). As such, it is considered that it would be a more efficient use of resources to explore the possibility of using the s106 funding towards improving facilities at Croesty Primary School and/or Pencoed Comprehensive rather than to progress the Pencoed extension scheme. The removal of the £0.226 million s106 funding is shown as a negative approval in Appendix B. The s106 funding will be reinstated in the capital programme once confirmation is received that it can be used for future schemes at Croesty Primary School and/or Pencoed Comprehensive.

Following a pre-tender costing exercise, it has become evident that the current budget allocated in the capital programme in respect of the proposed Coety four-classroom extension approved by Council in 2022 is insufficient. Consequently, there is currently an anticipated shortfall of £0.711 million. The BCBC element of the funding for Pencoed Primary, £0.616 million, has been vired to the Coety extension budget and a value engineering exercise is being undertaken to reduce the scope of the scheme and reduce the cost of the scheme to fall within the revised budget.

Schools Capital Maintenance Grant (£1.089 million)

Welsh Government have awarded the Council £1.089 million from the Sustainable Communities for Learning Programme Repairs and Maintenance Grant. The funding will support capital maintenance work and will assist in reducing revenue costs by improving energy efficiency and performance of the school buildings.

All Wales Play Opportunities (£0.231 million)

The Council have been awarded £0.231 million from Welsh Government's All Wales Play Opportunities grant for 2025-26. The purpose of the funding is to respond to shortfalls identified within the Council's Play Sufficiency Assessment 2025 and allows the flexibility to purchase large scale items to improve the quality of play spaces, refurbish playgrounds and to also support the creation of inclusive and accessible play spaces. The funding will be used to upgrade the playground facilities at Bryngarw Park.

Bridgend Life Centre (£0.272 million)

Sport Wales have awarded the Council a grant of £0.240 million to part fund the installation of flexible, moveable floor space in the bowls hall at Bridgend Life Centre,

as well as the upgrading of the lighting to LED. The total cost of the scheme is £0.272 million, with BCBC's match funding of £0.032 million coming from the Sports Development team's revenue budget.

Civil Parking Enforcement (£0.045 million)

The civil parking enforcement car camera equipment has been in use since 2018 and is no longer being supported by the manufacturer. £0.045 million has been added to the capital programme to upgrade the camera equipment allowing the enforcement car to continue monitoring road safety across the borough. The new camera equipment will be funded from the existing Civil Parking Enforcement earmarked reserve.

Road Signs 20mph Default Speed (£0.209 million)

Welsh Government have awarded the Council £0.209 million to support the implementation of the 20mph default speed limit on restricted roads across the County Borough, which came in to force on 17 September 2023.

Public Rights of Way (£0.050 million)

Welsh Government have awarded the Council £0.050 million from the Access Improvement Grant, for use in 2025-26. The purpose of the Access Improvement Grant (AIG) is to support improving access to/on the Public Rights of Way network, open access land, green and blue space in Wales. As well as the grant award for 2025-26, a further £0.066 million has been awarded for use in 2026-27.

Ultra Low Emissions Vehicle Transformation Fund 2 (£0.104 million)

The Council have been awarded £0.104 million from Welsh Government's Ultra Low Emissions Vehicle Transformation Fund, to promote electric vehicle charging infrastructure projects in alignment with Welsh Government's electric vehicle charging strategy. The funding will be used for a residential charge point pilot scheme, installing electric vehicle chargers in four streets with approximately four chargers in each street.

Fleet Vehicles (£1.200 million)

On 12 March 2025, Council approved an additional £1.200 million funding for the Fleet Vehicles budget. Due to the reallocation of capital funding to the procurement of waste fleet in June 2024 the programme for general vehicle replacement had to be temporarily halted, and this has led to issues in vehicle and plant reliability as the backlog of vehicles due for replacement increases. The additional budget will be used to purchase vehicles for Highways, Green Spaces and Building Maintenance and will be funded by prudential borrowing, with the repayments met from the directorate's revenue budget.

Coal Tip Safety (£1.795 million)

Following a grant funding application submitted by officers in January 2025, £1.795 million has been awarded by Welsh Government from 2025-26 Coal Tip Safety Grant. The funding will allow the Council to undertake the appropriate inspections, surveys and any necessary maintenance / remediation works on coal tips within the county borough.

Highways Maintenance LGBI (£2.908 million)

As outlined in the Medium-Term Financial Strategy 2025-2029 Welsh Government has introduced a Local Government Borrowing Initiative (LGBI), aimed at accelerating

highways repairs and improvements. The initiative allows local councils to borrow money to fix deteriorating roads and pavements, with the Welsh Government funding being used to fund the costs of borrowing. The LGBI scheme enables the Council to deliver £2.908 million of capital investment in 2025-26 and £1.939 million in 2026-27 to address the backlog of highways maintenance, helping to fix local roads and in doing so, delivering against Welsh Government's Connecting Communities priority.

Resilient Roads (£0.494 million)

Welsh Government have awarded the Council £0.494 million to support transport projects that mitigate and adapt to the effects of climate change, including addressing disruptions caused on the highway network by severe weather. The grant will fund works on the A4061 from Junction 36 of the M4 to Heol Canola in Sarn, and on the A4064, King Edward Street in Blaengarw.

Urban Centre Property Enhancement (£0.650 million)

Welsh Government have approved the extension of the Transforming Towns Placemaking Grant to March 2027, and have awarded the Council £0.650 million for 2025-26 and a further £0.650 million for 2026-27. Property owners can apply for the funding via the BCBC website and it can be used to enhance commercial buildings and residential accommodation above commercial units in Maesteg, Porthcawl and Bridgend town centres.

Shared Prosperity Fund (£2.148 million)

As announced in the 2024 Autumn Budget, the UK Shared Prosperity Fund has been extended for 2025-26, and Bridgend CBC has been allocated £2.148 million of capital funding from the UK Government's Ministry of Housing, Communities and Local Government. This will enable the existing projects supporting local businesses and communities funded by the Shared Prosperity Fund to continue for a further 12 months.

Local Places for Nature (£0.367 million)

The Wales Council for Voluntary Action have awarded the Council £0.367 million for 2025-26 and a further £0.367 million for 2026-27 from the Local Place for Nature Grant. The Bridgend Local Nature Partnership (LNP) is part of a nature recovery network across all of Wales. The grant is distributed directly to LNP's and their host organisations (in this case, BCBC) to enable them to plan and deliver large nature projects that will have a greater impact on the area's biodiversity. In collaboration with other members of the Bridgend LNP, the funding will help deliver nature enhancement and creation projects across Bridgend where people live, work and access public services.

Porthcawl Grand Pavilion (£3.867 million)

On the 12 March 2025, Council approved an additional £3.867 million funding for the Porthcawl Grand Pavilion scheme. Costs for this project have increased since the original designs were costed in 2022. Despite an exercise in value engineering, two separate tender exercises have demonstrated that the market in 2025 has changed significantly and, due to market inflation and significant changes to material costs, the baseline cost of this project has changed. The additional budget will be funded from capital receipts, which have been received from Welsh Government as a result of the revised Owners Agreement for the land at Salt Lake and Hillsboro North.

Enable Grant (£0.382 million)

Welsh Government have awarded the Council £0.382 million from the Enable – Support for Independent Living 2025-26 grant. The purpose of the grant is to help older, disabled and vulnerable people by improving individual's ability to maintain independence at home, tackling preventable accidents within the home and promoting their all-round wellbeing. Priorities for expenditure and the implementation of the scheme will have regard to the views of local partners, including the Local Health Board, Registered Social Landlords, local Care & Repair agencies, the Regional Partnership Board, and service users.

Empty Property Enforcement Fund (£0.272 million)

Following Cabinet approval on 22 October 2024, officers have accessed Welsh Government's Transforming Towns Empty Property Enforcement Fund by entering into loan agreements with Rhondda Cynon Taf County Borough Council, who are the Authority responsible for the management of the enforcement fund. The Council will undertake enforcement action on two long term empty properties, to bring them back into beneficial use. The first loan of £0.250 million will fund the compulsory purchase of a long-term empty property, and the second loan of £0.022 million will fund remedial works at a different long term empty property.

3.2.6 A revised Capital Programme is included as **Appendix C**.

3.3 Prudential and Other Indicators - 2024-25 Outturn and 2025-26 Monitoring

3.3.1 The Capital Strategy is intended to give an overview of how capital expenditure; capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future sustainability. To this end a number of prudential indicators were included in the Capital Strategy which was approved by Council. In line with the requirements of the Prudential Code, the Chief Finance Officer is required to establish procedures to monitor both performance against all forward-looking prudential indicators and the requirement specified.

3.3.2 In February 2025, Council approved the Capital Strategy for 2025-26, which included the Prudential Indicators for 2025-26.

3.3.3 **Appendix D** details the actual indicators for 2024-25, the estimated indicators for 2025-26 set out in the Council's Capital Strategy and the projected indicators for 2025-26 based on the revised Capital Programme. These show that the Council is operating in line with the approved indicators.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty, and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services, and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

- 5.1 The Act provides the basis for driving a different kind of public service in Wales, with five ways of working to guide how public services should work to deliver for people. The well-being objectives are designed to complement each other and are part of an integrated way of working to improve well-being for the people of Bridgend. It is considered that there will be no significant or unacceptable impacts upon the achievement of the well-being goals or objectives as a result of this report.

6. Climate Change and Nature Implications

- 6.1 These are reflected within the report where relevant to specific schemes.

7. Safeguarding and Corporate Parent Implications

- 7.1 There are no safeguarding and corporate parent implications arising from this report.

8. Financial Implications

- 8.1 These are reflected within the report.

9. Recommendations

- 9.1 It is recommended that Cabinet:
- notes the Council's Capital Programme Outturn for 2024-25 (**Appendix A**).
 - notes the Council's Capital Programme 2025-26 Quarter 1 update to 30 June 2025 (**Appendix B**)
 - agrees that the revised Capital Programme (**Appendix C**) be submitted to Council for approval.
 - notes the actual Prudential and Other Indicators for 2024-25 and the projected indicators for 2025-26 (**Appendix D**).

Background documents

None