

<b>Meeting of:</b>	<b>COUNCIL</b>
<b>Date of Meeting:</b>	<b>19 NOVEMBER 2025</b>
<b>Report Title:</b>	<b>CAPITAL PROGRAMME QUARTER 2 UPDATE 2025-26</b>
<b>Report Owner / Responsible Chief Officer / Cabinet Member:</b>	<b>CABINET MEMBER FOR FINANCE AND PERFORMANCE CHIEF OFFICER – FINANCE, HOUSING AND CHANGE</b>
<b>Responsible Officer:</b>	<b>HUW POWELL CAPITAL ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>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.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• The report provides an update on the quarter 2 spend and projected spend for 2025-26 as at 30 September 2025, the revised capital programme for 2025-26 to 2034-35 and the projected Prudential and Other Indicators for 2025-26.</li> <li>• Appendix A shows the budgets, spend to date and projected year end spend as at 30 September 2025 for the individual schemes in 2025-26.</li> <li>• Appendix B shows the revised capital programme for 2025-26 to 2034-35.</li> <li>• Appendix C provides details of the actual Prudential and Other Indicators for 2024-25 and projected Prudential and Other Indicators for 2025-26.</li> </ul>

## **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 Council on the capital programme position for 2025-26 as at 30 September 2025 (**Appendix A**).

- Ask Council to note the net slippage of £84.515 million into 2026-27 as detailed in **Appendix B**.
- Seek Council's approval for the virements between schemes as detailed in **Appendix B**.
- Seek Council's approval of the new additions /reductions to the capital programme in 2025 totalling £6.119 million as outlined in **Appendix B**.
- Ask Council to note the actual Prudential and Other Indicators for 2024-25 and the projected Prudential and Other Indicators for 2025-26 (**Appendix C**).

## **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 26 February 2025 Council approved a capital budget of £124.863 million for 2025-26 as part of a capital programme covering the period 2025-26 to 2034-35. The programme was last updated and approved by Council on 23 July 2025 with a revised budget of £156.643 million.

## **3. Current situation / proposal**

### **3.1 Capital Programme Quarter 2 Update 2025-26**

- 3.1.1 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 £78.247 million, of which £39.837 million is met from Bridgend County Borough Council (BCBC) resources, including capital receipts, revenue contributions from earmarked reserves and borrowing, with the remaining £38.410 million coming from external resources, including Welsh Government General Capital Grant. Table 1 below shows the capital programme for each Directorate from the July 2025 approved Council position to Quarter 2:

**Table 1 – Capital Programme per Directorate 2025-26**

Directorate	Approved Council July 2025 £'000	New Approvals/ (Reductions) £'000	Virements £'000	Slippage to future years £'000	Revised Budget 2025-26 £'000
Education, Early Years and Young People (EEYYP)	99,426	2,530	-	(78,414)	23,542
Social Services and Wellbeing	961	75	-	-	1,036
Communities	48,616	3,201	-	(6,101)	45,716
Chief Executive's	5,151	313	500	-	5,964
Council Wide	2,489	-	(500)	-	1,989
<b>Total</b>	<b>156,643</b>	<b>6,119</b>	<b>-</b>	<b>(84,515)</b>	<b>78,247</b>

3.1.2 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
<b><i>BCBC Resources:</i></b>	
Capital Receipts	11,994
Earmarked Reserves	13,281
Unsupported Borrowing	7,035
Supported Borrowing	3,810
Other Loans	3,385
Revenue Contribution	332
<b>Total BCBC Resources</b>	<b>39,837</b>
<b><i>External Resources:</i></b>	
S106	1,770
Grants	36,640
<b>Total External Resources</b>	<b>38,410</b>
<b>TOTAL RESOURCES</b>	<b>78,247</b>

- 3.1.3 **Appendix A** 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 September 2025. There are currently no projected under or over spends on any of the schemes at year end.
- 3.1.4 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 (£0.900 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 £0.900 million has been slipped to 2026-27.

Héronsbridge Replacement (£37.921 million)

Subsequent to Welsh Government's approval of the revised Outline Business Case and Council's approval of the additional BCBC funding required to deliver the scheme, Cabinet approval was received to tender the project via the South East and Mid Wales Collaborative Construction Framework. The tender process concluded, and Cabinet approval was received to appoint Keir Construction under a professional services contract to complete the design of the school. This work has commenced, and good progress is being made. £37.921 million has been slipped to 2026-27 in order to progress the project, and subject to obtaining the necessary Cabinet and Welsh Government approvals, construct the school.

Mynydd Cynffig Replacement (£13.163 million)

Officers are awaiting the outcome of the planning application for the scheme. The tender process will begin once planning approval has been received and construction will follow. Therefore, £13.163 million has been slipped to 2026-27.

Ysgol Gymraeg Bro Ogwr Replacement (£14.430 million)

Ecology issues at the Ffordd Cadfan site have impacted on the timeline for delivery of the school. An ecology mitigation strategy has been agreed, and the project will progress through the next stages of development. As a result of the delay, Cabinet approval has been received to modify the school opening date to September 2027. and £14.430 million has been slipped to 2026-27.

Bridgend West (£12.000 million)

Cabinet approvals granted on 24 June 2025 in respect of the scheme were subject to obtaining planning and Welsh Government approvals, including Welsh Government award of grant funding. The planning decision in respect of the Cornelly site, which had originally been anticipated for June 2025, was ultimately issued on 21 August 2025 (since a further consultation was required on school transport entrance arrangements). While the local authority received Welsh Government approval and confirmation of funding on 3 July 2025, it was not possible to award the construction at that time, since planning approval was not in place. The contractor's programme that was submitted as part of the tender process anticipated a start on site date of the first week in August 2025. An August 2025 start date has not been possible due to the planning decision delay. Consequently, it is necessary to slip £12.000 million to 2026-27.

#### Waste Vehicles (£3.000 million)

Orders for replacement refuse and recycling vehicles will be placed in the coming weeks. Due to the long lead times for these specialised vehicles, it is anticipated that delivery will take place in Summer 2026. Therefore, £3.000 million has been slipped forward to 2026/27 to fund the new vehicles.

#### Waterton Upgrade (£3.101 million)

Works have begun on the replacement salt barn at Waterton depot, with works on the vehicle wash facility and refuelling provision expected to commence in 2026-27. The spend on the salt barn in 2025-26 is estimated to be £0.490 million, therefore £3.101 million has been slipped to 2026-27.

- 3.1.5 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:

#### Héronsbridge Replacement (£0.133 million)

Included in the design stage for the Heronsbridge Replacement scheme is a replacement for the Harwood House residential provision, which is currently located on the existing Heronsbridge site. The Housing with Care Fund has approved funding of £0.133 million for the design and related survey works for the new Harwood House and, following completion of these works, a full business justification case and capital bid will be submitted to the regional Housing with Care Fund for Stage 2 – the construction phase.

#### School Maintenance Grant (£0.030 million)

Welsh Government have approved an application for Salix loan funding for the installation of solar PV on the sports hall roof at Porthcawl Comprehensive, providing a significant reduction in energy costs for the school. The solar PV will be installed as part of the roof replacement scheme currently being funded from the School Maintenance Grant and will be repaid by the school over 4 years.

#### Community Focused Schools (£0.910 million)

Welsh Government have awarded the Council £0.910 million from the Sustainable Communities for Learning Community Focused Schools Grant for 2025-26. The funding will be used to support the use of education assets out of normal school hours and will enable schools to build strong partnerships with families, engage with the wider community and collaborate effectively with other sectors and services.

#### Additional Learning Needs Grant (ALN) (£0.908 million)

Welsh Government have awarded the Council £0.908 million from the Additional Learning Needs Grant for 2025-26. The purpose of the grant is to optimise learning environments for disabled children and young people, and those with additional learning needs, to increase accessibility, promote inclusive practice, support learning and pupil wellbeing. This will support the objectives of ALNET (Additional Learning Needs and Education Tribunal) and ALN reform, to create a unified bilingual system for supporting children and young people from 0 to 25 with ALN, and the delivery of the Curriculum for Wales in school settings.

#### Flying Start Extension – Nantymoel (£0.065 million)

Following the submission of a funding variation request, Welsh Government have awarded the Council an additional £0.065 million from the Childcare and Early Years Capital grant to fund the additional costs of the Flying Start facility in Nantymoel.

#### Bryntirion Comprehensive 3G Pitch (£0.540 million)

On 22 July 2025, Cabinet approved the upgrading of Bryntirion Comprehensive's existing 2G pitch to a 3G pitch, benefiting both the school and wider community. BCBC will enter into a management agreement with the school for the ongoing management and maintenance of the facility, ensuring it supports our communities and the wellbeing of future generations. The Council have been awarded £0.400 million from Cymru Football Foundation and £0.140 million from Sport Wales for this project. A further £0.200 million has been allocated to the project from the Community Focused Schools grant detailed above, and is shown as a virement in **Appendix A and B**.

#### Brackla Sports Centre (£0.075 million)

Sport Wales have awarded the Council £0.065 million to replace 2 smaller tarmac hard court areas at Brackla Sports Centre with a 2G multi-purpose multi-use games area which can be accessed by the community, local clubs and organisations. It is also planned to upgrade the existing 8 x 1 kw metal halide floodlights with 8 x 500w LED floodlights to increase the lighting level to 150 lux and provide significant energy savings. A revenue contribution from Wellbeing and Prevention will fund the remaining £0.010 million.

#### Bridgend Bus Station (£0.186 million)

Welsh Government have awarded the Council £0.186 million from the Local Transport Grant to replace the electronic bus information displays at Bridgend bus station. The existing information displays have been non-operational for a number of years, with original providers not willing / able to maintain the ageing systems. The replacement information displays will assist users of the County Borough's bus services and can provide data relevant to rail services, encouraging use of integrated public transport services.

#### Decarbonisation 2030 (£0.015 million)

Coleg Cymunedol Y Dderwen currently operates two all-weather pitches equipped with 36 halogen floodlights and these facilities are used extensively by both the school and the wider community. The halogen bulbs are inefficient and have a relatively short life, which is beginning to limit the times the pitches are available for school and community use. A revenue contribution from the school of £0.015 million is being added to the Decarbonisation 2030 budget to part fund the £0.030 million installation of energy efficient LED bulbs, which will reduce maintenance and energy costs at the school.

#### Grand Pavilion (£1.500 million)

The Arts Council for Wales awarded the Council £1.500 million to support the redevelopment of the Grand Pavilion, Porthcawl. This additional funding will allow officers to instruct works within Package C, which will include Furniture, Fixtures, and Equipment (FF&E).

#### Pride in Place Impact Fund (£1.500 million)

The Council have been awarded a total of £3.000 million from the Ministry of Housing, Communities & Local Government's Pride in Place Impact Fund, with £1.500 million allocated for 2025-26 and 2026-27. The funding has been made available to improve community spaces, to enhance the physical environment in public spaces and to revitalise high streets and town centres to encourage economic activity.

#### Empty Property Enforcement Fund (£0.175 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 access a loan of £0.075 million to undertake enforcement action on one long term empty property to bring it back into beneficial use. A second loan of £0.100 million will be accessible to members of the Council's Empty Homes Working Group for tackling problematic long term empty properties across the borough, with a maximum spend at each property of £0.030 million.

#### Digital Transformation (£0.500 million)

£0.500 million is required for the Digital Transformation scheme, which will enable the Council to continue to renew and upgrade its ICT and communication hardware. The budget will be vired from the unallocated budget within the capital programme.

#### Hwb Schools IT (0.167 million)

£0.167 million has been added to Hwb Schools IT in relation to a range of planned ICT purchases in 2025-26. These will be funded from an existing earmarked reserve established for the purchase of ICT equipment by schools from their annual ICT SLA contributions.

In addition to the above schemes, two schemes have been removed from the capital programme. These are shown as negative approvals:

#### Pencoed School Highways Works (£0.056 million)

Following the removal of the Pencoed Primary Classroom Extension scheme, highway improvements are no longer required at the site. Therefore £0.056 million has been removed from the capital programme.

#### Replacement CCTV (£0.029 million)

The works on replacing and upgrading CCTV is now complete, and the remaining budget of £0.029 million has been removed from the capital programme.

3.1.6 A revised Capital Programme is included as **Appendix B**.

### **3.2 Prudential and Other Indicators 2025-26 Monitoring**

3.2.1 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 February 2025. 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.

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

3.2.3 **Appendix C** 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 Council:

- notes the Council's Capital Programme 2025-26 Quarter 2 update to 30 September 2025 (**Appendix A**)
- notes the slippage of £84.515 million to 2026-27 as detailed in **Appendix B**.
- approves the virements between schemes as detailed in **Appendix B**.

- approves the new additions/reductions to the capital programme in 2025-26 totalling £6.119 million as outlined in **Appendix B**.
- notes the actual Prudential and Other Indicators for 2024-25 and the projected indicators for 2025-26 (**Appendix C**).

### **Background documents**

None