

Meeting of:	COUNCIL
Date of Meeting:	4 FEBRUARY 2026
Report Title:	CAPITAL PROGRAMME QUARTER 3 UPDATE 2025-26
Report Owner / Responsible Chief Officer / Cabinet Member	CABINET MEMBER FOR FINANCE AND PERFORMANCE 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 quarter 3 spend and projected spend for 2025-26 as at 31 December 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, spend to date and projected year end spend as at 31 December 2025 for the individual schemes in 2025-26. • Appendix B shows the revised capital programme for 2025-26 to 2034-35. • Appendix C 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 Council on the capital programme position for 2025-26 as at 31 December 2025 (Appendix A).**

- Ask Council to note the net slippage of £3.392 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 £1.888 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 19 November 2025 with a revised budget of £78.247 million.

3. Current situation / proposal

3.1 Capital Programme Quarter 3 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 £76.743 million, of which £39.337 million is met from Bridgend County Borough Council (BCBC) resources, including capital receipts, revenue contributions from earmarked reserves and borrowing, with the remaining £37.406 million coming from external resources, including Welsh Government General Capital Grant. Table 1 below shows the capital programme for each Directorate from the November 2025 approved Council position to Quarter 3:

Table 1 – Capital Programme per Directorate 2025-26

Directorate	Approved Council November 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)	23,542	726	-	-	24,268
Social Services and Wellbeing	1,036	-	1,120	-	2,156
Communities	45,716	1,162	-	(3,392)	43,486
Chief Executive's	5,964	-	-	-	5,964
Council Wide	1,989	-	(1,120)	-	869
Total	78,247	1,888	-	(3,392)	76,743

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
<i>BCBC Resources:</i>	
Capital Receipts	11,494
Earmarked Reserves	13,281
Unsupported Borrowing	7,035
Supported Borrowing	3,810
Other Loans	3,385
Revenue Contribution	332
Total BCBC Resources	39,337
<i>External Resources:</i>	
S106	2,152
Grants	35,254
Total External Resources	37,406
TOTAL RESOURCES	76,743

- 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 31 December 2025. There are currently no projected under or over spends on any of the schemes at year end.
- 3.1.4 One scheme has been identified as requiring slippage of budget to future years (2026-27 and beyond).

Porthcawl Grand Pavilion (£3.392 million)

The contractor commenced work on site in August 2025 and an updated projected cashflow has been provided for the scheme through to completion, which is projected to be Autumn 2028. In line with the revised cashflow £3.392 million has been slipped for use in 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:

School Capital Maintenance Grant (£0.726 million)

Welsh Government has awarded the Council an additional £0.726 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.

Children's Residential Home (£1.120 million)

On 14 January 2026, Council approved £1.620 million to be included in the Council's Capital Programme for the acquisition and refurbishment of a children's residential home. The budget will initially be funded from BCBC resources, on the assumption that some or all the costs will be recovered via the Welsh Government Housing with Care Fund. £1.120 million will be added in 2025-26 to fund the acquisition costs, with the remaining £0.500 million added in 2026-27 to fund refurbishment works.

Community Play Areas (£0.382 million)

Following a review of s106 developer contributions, £0.382 million has been added to the Community Play Areas budget to fund the ongoing refurbishment works at play areas in the County Borough.

Hillsboro South Public Realm (£0.600 million)

The Council has been awarded £0.600 million from Welsh Government's Transforming Towns Grant to part fund public realm works in Hillsboro South, Porthcawl. The purpose of the funding is to create a high-quality events space to enhance Porthcawl as a destination, which will improve the connection between Porthcawl town centre and the Waterfront. The project will create open space with a range of characteristics from flexible, all-weather hard public realm to softer green space. The total budget for the scheme is £1.203 million, with BCBC's match funding of £0.603 million vired from the existing Porthcawl Regeneration budget.

Low Carbon Heat (£0.200 million)

Welsh Government's Energy Service has awarded the Council £0.180 million from the 2025-26 Low Carbon Heat Grant to install energy efficient heating and hot water systems at Abercerdin Primary's Sports Block and Civic Offices. The total cost of the

works is estimated to be £0.200 million, with the Council's contribution of £0.020 million vired from the existing 2030 Decarbonisation budget.

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 3 update to 31 December 2025 (**Appendix A**)
- notes the slippage of £3.392 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 £1.888 million as outlined in **Appendix B**.
- notes the actual Prudential and Other Indicators for 2024-25 and projected indicators for 2025-26 (**Appendix C**).

Background documents

None