Meeting of:	**COUNCIL**
Date of Meeting:	**22 JULY 2026**
Report Title:	**CAPITAL PROGRAMME OUTTURN 2025-26 AND QUARTER 1 UPDATE 2026-27**
Report Owner / Responsible Chief Officer / Cabinet Member:	**CABINET MEMBER FOR FINANCE AND TRANSFORMATION** **CORPORATE DIRECTOR – FINANCE AND TRANSFORMATION**
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:	• **The report provides an update on the capital programme outturn position for 2025-26, the quarter 1 spend and projected spend for 2026-27 as at 30 June 2026, the revised capital programme for 2026-27 to 2035-36 and the projected Prudential and Other Indicators for 2026-27.** • **Appendix A shows the budgets and spend for the individual schemes for 2025-26.** • **Appendix B shows the budgets, spend to date and projected year end spend as at 30 June 2026 for the individual schemes in 2026-27.** • **Appendix C shows the revised capital programme for 2026-27 to 2035-36.** • **Appendix D provides details of the actual Prudential and other Indicators for 2025-26 and projected Prudential and Other Indicators for 2026-27.**

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 outturn for 2025-26 **(Appendix A)**.
- Provide an update to Council on the capital programme position for 2026-27 as at 30 June 2026 **(Appendix B)**.
- Ask Council to note the net slippage of £32.363 million into 2025-26 as detailed in **Appendix B and Appendix C**.
- Seek Council's approval for the virements between schemes as detailed in **Appendix B and Appendix C**.
- Seek Council's approval of the new schemes/additions to the 2026-27 capital programme totalling £15.077 million as detailed in **Appendix B and Appendix C**.
- Seek Council approval of a revised capital programme for 2026-27 to 2035-36 **(Appendix C)**.
- Ask Council to note the actual Prudential and Other Indicators for 2025-26 and the projected Prudential and Other Indicators for 2026-27 **(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 2026-27, incorporating the Prudential Indicators for 2026-27, was approved by Council on 25 February 2026.

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 25 February 2026.

3. Current situation / proposal

3.1 Capital Programme Outturn 2025-26

3.1.1 The original budget approved by Council on 26 February 2025 has been revised and approved by Council during the year to incorporate budgets brought forward from 2024-25 and any new schemes and grant approvals during 2025-26. The revised programme for 2025-26, approved by Council on 25 February 2026 totalled £75.367 million, of which £37.140 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 £38.227 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 2025-26 compared to the actual spend. Since the last report presented to Council on 25 February 2026 there have been a few amendments to the 2025-26 programme. The main changes are:

- New approvals of £3.064 million, as a result of additional grant funding awards including £0.681 million for the School Maintenance Grant, £0.672 million for the CESP/Arbed scheme, £0.678m for the Porthcawl Grand Pavilion and £0.263 million for the Disabled Facilities Grant, as well as £0.165 million of s106 funding for Highways and £0.301 million from an earmarked reserve for the acquisition of the Rhiw shopping centre.

- These additions are offset by reductions of £0.254 million in the programme due to expenditure on the Public Rights of Way Improvement (£0.013 million) and Local Places for Nature (£0.241 million) grant funded schemes being deemed to be revenue in nature. This expenditure as well as the equivalent amount of funding has been transferred to the revenue budget.

- £5.196 million of funding has been brought forward from 2026-27 to reflect revised spend profiles.

This brings the revised budget for 2025-26 to £83.373 million.

3.1.3 Total expenditure as at 31 March 2026 was £44.919 million which, after slippage of £37.559 million into 2026-27, and adjustments to grant funded schemes of £0.512 million, results in a total under spend of £0.383 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.

3.1.4 The slippage of £37.559 million is forecast to be spent in 2026-27, the main schemes being:

- £2.011 million Land Purchase Band B Schools. The programme for Heronsbridge School has slipped, and land will be acquired to deliver the project in line with revised programme. Therefore £2.011 million has been slipped to 2026-27.

- £0.531 million Heronsbridge Replacement. Due to additional design and technical work being needed before progressing to the next stage of the project, £0.531 million has been slipped to 2026-27.

- £0.504 million Y G Bro Ogwr Replacement. Ecological mitigation requirements have resulted in a delay in the progression of the planning application, therefore £0.504 million has been slipped to 2026-27.

- £2.551 million Bridgend West. Additional site investigations and design development were required to satisfy planning approval requirements and associated conditions. In addition, agreement of the proposed land swap with the site owner has taken longer than anticipated. As a result, the start of works on site has been delayed and £2.551 million has been slipped to 2026-27.

- £3.334 million School Capital Maintenance Grant. There have been a number of delays on the individual projects within the scheme due to capacity and timing issues, plus an additional £0.681 million was awarded by Welsh Government in February 2026 for use in 2025-26 which increased the available budget. The remaining budget has been slipped forward for use in 2026-27.

- £1.243 million Community Focused Schools Grant. Projects approved for completion in 2025-26 are at various stages of development, delivery and completion. The remaining budget has been slipped forward to 2026-27 to ensure the approved projects are completed.

- £1.227 million Addition Learning Needs Grant. Projects approved for completion in 2025-26 are at various stages of development, delivery and completion. The remaining budget has been slipped forward to 2026-27 to ensure the approved projects are completed.

- £0.543 million Nantymoel Flying Start. The tender documents are currently being reviewed by Procurement and will be issued shortly. The budget has been slipped forward to fund the works which will commence once the tender process has been concluded.

- £0.540 million Bryntirion Comprehensive 3G Pitch. Works have commenced at Bryntirion Comprehensive on the replacement 3G pitch, and the grant funding from Cymru Football Foundation and Sport Wales has been slipped forward to fund the remaining works in 2026-27.

- £1.238 million Community Play Areas. The refurbishment of Community Play Areas is progressing well, with works at sites included in phase 5 of the programme now being undertaken. £1.238m has been slipped forward to 2026-27 to fund the completion of phases 5 and 6.

- £0.741 million Parks/Pavilions/Other Community Asset Transfers. £0.741 million has been slipped forward to fund any approved Community Asset Transfer requests received in 2026-27.

- £1.179 million Fleet Vehicles. Following a report to Council on 12 March 2025, the fleet budget was increase to £1.971 million to recommence the fleet replacement programme. £1.179 million has been slipped to 2026-27 to continue the replacement of fleet vehicles.

- £1.970 million Porthcawl Regeneration Project. The £1.970 million budget has been slipped forward to support the on-going regeneration works in Porthcawl.

- £1.633 million Porthcawl Grand Pavilion. The addition and use of the Arts Council funding of £2.178m was prioritised in the 2025-26 financial year as the funding had to be spent by 31 March 2026. Therefore, £1.633m of funding has slipped forward into the 2026-27 financial year. The project is progressing well, with completion anticipated Winter 2027-28.

- £1.500 million Pride In Place. The Pride in Place funding application and funding award process is now nearing completion and the total grant allocation of £3.000 million has been allocated to projects from both BCBC and local groups/organisations. The funding award is for the period 2025-27 and £1.500 million has been slipped to 2026-27 to fund the approved projects.

- £0.912 million Hillsboro South Public Realm. The contractor was appointed in March 2026, and the scheme is progressing well. The works are anticipated to be completed in Winter 2026-27.

- £1.510 million Minor Works. Due to delays in completing a number of minor works schemes across all directorates, funding has been slipped for use in 2026-27.

- £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.

- £0.773 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 Team approval. This will be monitored during 2026-27 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.

3.2 Capital Programme Quarter 1 Update 2026-27

3.2.1 This section of the report provides Members with an update on the Council's capital programme for 2026-27 since the budget was last approved by Council and incorporates any new schemes and grant approvals. The revised programme for 2026-27 currently totals £102.161 million, of which £52.687 million is met from

Bridgend County Borough Council (BCBC) resources, including capital receipts, revenue contributions from earmarked reserves and borrowing, with the remaining £49.474 million coming from external resources, including Welsh Government General Capital Grant. **Table 1** below shows the capital programme for each Directorate from the February 2026 approved Council position to Quarter 1:

Table 1 – Capital Programme per Directorate 2026-27

Directorate	Approved Council February 2026 £'000	Net Slippage (to) / from 2025-26 £'000	New Approvals/ (Reductions) £'000	Virements £'000	Slippage to future years £'000	Revised Budget 2026-27 £'000
Education, Early Years and Young People (EEYYP)	76,046	14,980	4,137	(249)	(67,101)	27,813
Social Services and Wellbeing	2,000	745	98	-	-	2,843
Communities	39,639	13,062	10,252	249	-	63,202
Chief Executive's	2,950	2,707	590	-	-	6,247
Council Wide	1,187	869	-	-	-	2,056
Total	**121,822**	**32,363**	**15,077**	**-**	**(67,101)**	**102,161**

3.2.2 **Table 2** below summarises the current funding assumptions for the capital programme for 2026-27. 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 2026-27 Resources

CAPITAL RESOURCES	£'000
BCBC Resources:	
Capital Receipts	18,186
Earmarked Reserves	18,410
Unsupported Borrowing	9,456
Supported Borrowing	3,849
Other Loans	2,370
Revenue Contribution	416
Total BCBC Resources	**52,687**

External Resources:	
S106	1,751
Grants	47,723
Total External Resources	**49,474**
TOTAL RESOURCES	**102,161**

3.2.3 **Appendix B** provides details of the individual schemes within the capital programme, showing the budget available in 2026-27 compared to the projected year end spend at 30 June 2026. 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 (2027-28 and beyond).

Highways/Other Offsite Works Sustainable Communities for Learning Band B Schools (£3.300 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 £3.300 million has been slipped forward over the years 2027-28 to 2029-30.

Heronsbridge Replacement (£17.686 million)
The spend profile has slipped due to additional design and technical work being needed before progressing to the next stage of the project and further transport assessment work has been undertaken to support the planning process. As a result, some project activities have taken longer than originally planned and the budget has been realigned to reflect the programme.

Mynydd Cynffig Replacement (£7.766 million)
There has been a delay to the planning process due to ecological mitigation requirements, including measures relating to protected species. The planning application is scheduled to be considered by the Development Control Committee on 23 July 2026. As a result, the project programme has been extended. Subject to the outcome of the tender process, works are anticipated to commence on site in late spring 2027, and the budget profile has been updated to reflect the revised programme.

YG Bro Ogwr Replacement (£6.395 million)
Ecological mitigation requirements have resulted in a delay in the progression of the planning application. Good progress is being made, with reptile translocation works currently underway and site investigation works scheduled to follow. The statutory pre-application consultation will commence shortly, and the planning application is expected to be submitted in September 2026. Subject to approval, construction is anticipated to begin in late spring 2027. The budget profile has been updated to reflect the revised programme.

Bridgend West (£30.369 million)
Additional site investigations and design development were required to satisfy planning approval requirements and associated conditions. These activities were undertaken by the contractor through a Pre-Construction Services Agreement. In addition, agreement of the proposed land swap with the site owner has taken longer

than anticipated. As a result, the start of works on site has been delayed. Updated cost forecasts prepared by the project consultants indicate that the majority of expenditure will now be incurred during 2027–28, and the budget profile has been revised accordingly.

Coety Primary School Extension (£1.585 million)
The Local Planning Authority requested additional information regarding the potential highway impacts of the proposed classroom extension, which has delayed progress of the planning application. Consultants are currently developing and assessing highway design options to support the application, and this work is expected to be completed shortly. As a result, the project programme has been extended and the spend profile has been updated to reflect the revised timescales.

3.2.5 There are a number of amendments to the capital programme for 2026-27, such as new and amended schemes, since the capital programme was last approved, including:

Bridgend West (£0.616 million)
An additional £0.616 million of Council funding is required in order to progress the Bridgend West scheme, due to a revised contract sum being received from the contractor. This is predicated on Welsh Government's approval of a funding variation increase request for their scheme contribution.

Schools Capital Maintenance Grant (£1.094 million)
Welsh Government have awarded the Council £1.094 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.

Welsh Medium Childcare Provision - Bridgend (£0.555 million)
Welsh Government have awarded the Council an additional £0.555 million to fund the provision of a new Welsh medium childcare facility in the Bridgend town area. This brings the total grant award to £1.105 million, and the new facility will be co-located with the replacement Ysgol Gymraeg Bro Ogwr on land off Ffordd Cadfan, Brackla.

Community Focused Schools (£0.912 million)
The Council have been awarded £0.912 million from Welsh Government's Sustainable Communities for Learning Community Focused Schools Grant for 2026-27. 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 (ALN) Capital Grant (£0.912 million)
Welsh Government have awarded the Council £0.912 million from the Additional Learning Needs Grant for 2026-27. 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 Leaning Needs and Educational 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.

<u>Cefn Cribwr Primary School Garden (£0.048 million)</u>
A former pupil of Cefn Cribwr Primary school has donated £0.048 million to the school to fund the creation of a memorial garden in memory of his late grandmother. The works include the creation of an outdoor environment with flooring, fencing and a timber/ recycled material out building.

<u>Harwood House Replacement (£0.100 million)</u>
The Harwood House Replacement will deliver new fit fit-for-purpose accommodation at the new Heronsbridge site, offering 3 beds to children with disabilities. It is anticipated that new facility will be funded through Cwm Taf Morgannwg's Housing with Care fund (HCF) and the bidding process for this grant will open shortly. In order to progress the scheme, it is proposed to underwrite the scheme with Bridgend Council funding until a grant submission can be progressed, with a total of £2.000 million underwritten from 2026-27 to 2029-30.

<u>Brackla Sports Centre (£0.038 million)</u>
Due to an increase in the projected cost of the existing scheme at Brackla Sports Centre, Sport Wales have awarded an additional grant of £0.034 million to enable the works to be completed. A revenue contribution of £0.004 million has also been added to provide the required match funding.

<u>Community Play Areas (£0.298 million)</u>
£0.298 million of s106 contributions have been added to the Community Play Areas budget to fund the ongoing refurbishment works at play areas across the County Borough.

<u>Gerddi Castell Play Areas (£0.156 million)</u>
A brand-new play area will be installed at Gerddi Castell in Coety, with the £0.156 million budget for the works being fully funded from s106 contributions.

<u>Coychurch Crematorium (£0.060 million)</u>
The capital work at Coychurch Crematorium in 2026-27 will focus on the pathways within the grounds. The addition of £0.060 million will be funded from the Crematorium's accumulated balance.

<u>Road Signs 20 mph Default Speed (£0.200 million)</u>
Welsh Government have awarded the Council £0.200 million to support the 20 mph default speed limit, and will fund enhanced gateway features such as roundels, dragon's teeth, high-viz signing and vehicle activated signage.

<u>Fleet Vehicles (£0.022 million)</u>
Due to failing the MOT, Ysgol Bryn Castell has disposed of their current vehicle for transporting pupils and will source a replacement via Fleet Services at a cost of £0.028 million. The cost of the vehicle is to be met by £0.014 million of Prudential Borrowing and a revenue contribution of £0.008 million from the school. The remainder of the cost is to be met from an Earmarked Reserve used to fund the differential between an electric and fossil fuel vehicle.

Cemeteries (£0.500 million)
Capital investment is required to support the planned improvements of cemeteries across the County Borough. The £0.500 million of earmarked reserves funding will be added to the existing budget and be used to address priority infrastructure works ensuring cemeteries remain safe, meeting the needs of current and future communities.

S106 Highways Small Schemes (£0.025m)
£0.025m of Highways s106 contributions have been added to the programme to fund highways costs relating to traffic orders and small-scale works.

Unadopted Roads (£0.016 million)
Welsh Government have awarded the Council £0.016 million from their Unadopted Roads grant, which will fund works in the Porthcawl area of the County Borough.

Coal Tip Safety (£0.675 million)
The council have been awarded a total of £2.825 million from Welsh Government's Coal Tip Safety Grant to undertake works to improve and maintain coal tip land and consequently mitigate against future potential failures. The grant offer covers a 3-year period, with £1.860 million awarded for 2027-28 and £0.290 million awarded for 2028-29.

Blackmill Road Bridge (£3.500 million)
Welsh Government have awarded £3.500 million from their Regional Transport Fund for the replacement of the Blackmill road bridge deck. The replacement of the bridge deck will cost a total of £5.000 million and following the completion of a delegated power in May 2026, £1.500 million of Bridgend Council funding has been added in 2027-28 as contingency match funding subject to a further application being made to the Regional Transport Fund in 2027-28.

Penyfai to Bridgend Active Travel Route £1.696 million
Welsh Government have awarded £1.696 million from their Regional Transport Fund for the delivery of phase 1 of the Penyfai to Bridgend active travel route, creating a safe walking, wheeling and cycle route to Bridgend town centre.

Sarn Boardwalk (£0.300 million)
The Sarn boardwalk has been in place for circa 25 years and during this period has had minimal works undertaken. However, in recent years the frequency with which the deck boards on the boardwalk need to be replaced has increased substantially. Whilst currently open, it will be the case that unless addressed, the path will need to be closed in the near future. Due to the strategic nature of the boardwalk, any unplanned/sudden closure would cause significant disruption for pedestrians and cyclists using the boardwalk not only for leisure purposes but also as access to employment, educational and retail facilities within Bridgend and the gateway area to the valleys. £0.300 million has been added to replace the wooden boardwalk with elements of recycled plastic to reduce the risk of deterioration.

Road Safety Improvements (£1.250 million)
The addition of £1.250 million will support the development of road safety improvement schemes, including junction improvements, pedestrian crossing points on busy roads and safety improvements at crossing locations near schools.

Maesteg Bus Station (£0.095 million)
Welsh Government have awarded £0.095 million from their Regional Transport Fund to fund the upgrading of bus shelters at Maesteg bus station, including the installation of solar powered information boards.

Shared Prosperity Fund (SPF) (£0.185 million)
Local Authorities have been given the opportunity to carry forward into 2026-27 any underspend within the SPF budgets allocated in 2025-26. As a result, £0.185 million of revenue budget underspend in 2025-26 has been carried forward into capital to complete ongoing projects.

Low Carbon Heat (£1.909 million)
The Council has been awarded £1.909 million from Welsh Government's Energy Service to replace end-of-life gas heating systems with heat pumps at Brynteg Comprehensive School, Archdeacon John Lewis Primary School, and Ysgol Cynwyd Sant. Match funding of £0.249 million is required to complete the works, which will be funded by a virement from the Schools Capital Maintenance Grant.

Community Impact Fund (£1.500 million)
The Pride in Place Fund (PiPIF) issued by UK Government already included in the Capital Programme aims to restore pride in local communities, support community cohesion and stimulate economic activity. Interest by local community organisations and the breadth of projects that were identified across the Strategic Investment in Town Centre's and the Community Infrastructure Fund demonstrated that there were a significant number of projects, and the interest far exceeded the value of the PiPIF capital allocation. The purpose of the Community Impact Fund is to respond to the demand for community projects to support community-based clubs and organisations that contribute positively to residents' lives within the Borough.

Local Growth Framework (£1.130 million)
Village Farm phase 1 which was funded through Shared Prosperity Fund (2023-25) established 8 industrial units which corporate landlord will lease to private tenants, generating rental income for BCBC of £55,000 per annum. Planning permission is in place for the commencement of phase 2, which will create a further 4 double units which are also expected to generate £55,000 rental income per year. The original proposal was to fund the works funded through Local Growth Framework (LGF), which replaced Shared Prosperity Funding in 2026-27. However, due to delays in the receipt of the award letters, there are now risks associated with the scheme not being completed within the financial year. The solution is to underwrite the value of the contract with Council funding to enable to commencement of the contract. Award letters for the LGF are to be issued imminently and once received, the Councils funding will be removed and replaced with the LGF funding.

Enable Grant (£0.390 million)
Welsh Government have awarded the Council £0.390 million from the Enable – Support for Independent Living 2026-27 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.

HWB Schools IT (£0.200 million)
£0.200 million has been added to Hwb Schools IT in relation to a range of planned ICT purchases in 2026-27. These will be funded from an existing earmarked reserve established for the purchase of ICT equipment by schools from their annual ICT Service Level Agreement contributions.

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

Bryn Y Cae (£0.040 million)
Works at Bryn y Cae are complete and the remaining budget of £0.040 million has been removed from the programme.

Bridgend Heat (£3.265 million)
The heat network as originally designed is no longer considered to be a viable scheme. Progress has been hampered by inflationary and interest rate pressures, changing scope and potential off takers progressing alternate options. Market testing has indicated that whilst interest may exist for private investment, without further feasibility work it is unclear, and based on current information the scheme is unlikely to attract investment. £3.265 million has been removed from the programme, with £1.000 million of capital funding being returned to the UK Government Heat Network Investment Programme.

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

3.3 Prudential and Other Indicators – 2025-26 Outturn and 2026-27 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 (Corporate Director – Finance and Transformation) is required to establish procedures to monitor both performance against all forward-looking prudential indicators and the requirement specified.

3.3.2 In February 2026, Council approved the Capital Strategy for 2026-27, which included the Prudential Indicators for 2026-27.

3.3.3 **Appendix D** details the actual indicators for 2025-26, the estimated indicators for 2026-27 set out in the Council's Capital Strategy and the projected indicators for 2026-27 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 Outturn for 2025-26 **(Appendix A)**.
- notes the Council's Capital Programme 2026-27 Quarter 1 update to 30 June 2026 **(Appendix B)**.
- notes the net slippage of £32.363 million into 2025-26 as detailed in **Appendix B and Appendix C**.
- approves the virements between schemes as detailed in **Appendix B and Appendix C**.
- approves the new schemes/additions to the 2026-27 capital programme as detailed in **Appendix B and Appendix C**.
- Approves the revised Capital Programme for 2026-27 to 2035-36 **(Appendix C)**.
- notes the actual Prudential and Other Indicators for 2025-26 and the projected indicators for 2026-27 **(Appendix D)**.

Background documents

None