

Meeting of:	COUNCIL
Date of Meeting:	21 OCTOBER 2026
Report Title:	CAPITAL PROGRAMME QUARTER 2 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 quarter 2 spend and projected spend for 2026-27 as at 30 September 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, spend to date and projected year end spend as at 30 September 2026 for the individual schemes in 2026-27. • Appendix B shows the revised capital programme for 2026-27 to 2035-36. • Appendix C 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 position for 2026-27 as at 30 September 2026 (**Appendix A**).

- Ask Council to note the budget reprofiling of £21.733 million into 2027-28 as detailed in **Appendix A** and **Appendix B**.
- Seek Council's approval for the virements between schemes as detailed in **Appendix A** and **Appendix B**.
- Seek Council's approval of the new schemes/additions to the 2026-27 capital programme totalling £6.324 million as detailed in **Appendix A** and **Appendix B**.
- Seek Council's approval of a revised capital programme for 2026-27 to 2035-36 (**Appendix B**).
- Ask Council to note the actual Prudential and Other Indicators for 2025-26 and the projected Prudential and Other Indicators for 2026-27 (**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 2026-27, incorporating the Prudential Indicators for 2026-27, was approved by Council on 25 February 2026.
- 2.4 On 25 February 2026 Council approved a capital budget of £121.822 million for 2026-27 as part of a capital programme covering the period 2026-27 to 2035-36. The programme was last updated and approved by Council on 22 July 2026.
- 2.5 Following Council approving an update to the Senior Management Structure in November 2025 with the view to the new structure being fully rolled out and implemented throughout 2026, there have been some changes to the structure of Directorates. The previous Chief Executive Directorate has been renamed Corporate Services and now includes; Chief Executive Unit, Performance and Workforce, Legal, Democratic and Regulatory Services, Electoral Services, and Communications, Marketing and Corporate Policy. A new directorate has been created called Finance and Transformation to include Finance, Transformation, Partnerships, Customer Services and Engagement, ICT and Business Support. Housing and Homelessness has moved from the Chief Executive Directorate to the Social Services and Wellbeing Directorate to strengthen prevention and early intervention by bringing housing, homelessness, adult social care, and wellbeing services closer together, and improve

support for vulnerable residents, particularly people experiencing homelessness, older people, people with disabilities, care leavers, and those with complex needs.

3. Current situation / proposal

3.1 Capital Programme Quarter 2 Update 2026-27

- 3.1.1 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 £86.752 million, of which £41.473 million is met from Bridgend County Borough Council (BCBC) resources, including capital receipts, revenue contributions from earmarked reserves and borrowing, with the remaining £45.279 million coming from external resources, including Welsh Government General Capital Grant. **Table 1** below shows the capital programme for each Directorate from the July 2026 approved Council position to Quarter 2:

Table 1 – Capital Programme per Directorate 2026-27

Directorate	Approved Council July 2026 £'000	New Approvals/ (Reductions) £'000	Virements £'000	Reprofiling to future years £'000	Revised Budget 2026-27 £'000
Education, Early Years and Young People (EEYYP)	27,813	5,906	21	(7,063)	26,677
Social Services and Wellbeing	7,846	-	125	(1,730)	6,241
Communities	63,202	418	898	(12,940)	51,578
Finance & Transformation	1,244	-	-	-	1,244
Council Wide	2,056	-	(1,044)	-	1,012
Total	102,161	6,324	-	(21,733)	86,752

3.1.2 **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
<i>BCBC Resources:</i>	
Capital Receipts	13,101
Earmarked Reserves	17,097
Unsupported Borrowing	4,640
Supported Borrowing	3,849
Other Loans	2,370
Revenue Contribution	416
Total BCBC Resources	41,473
<i>External Resources:</i>	
S106	1,631
Grants	43,648
Total External Resources	45,279
TOTAL RESOURCES	86,752

- 3.1.3 **Appendix A** 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 September 2026. There are currently no projected under or over spends on any of the schemes at year end.
- 3.1.4 However, a number of schemes have been identified as requiring a reprofiling of the budget to future years (2027-28 and beyond).

Bridgend West (£7.063 million)

Following Welsh Government's approval of a funding variation request noted in 3.1.5, a revised budget profile has been established and a total of £7.063 million has been reprofiled to 2027-28 and 2028-29.

Homelessness and Housing (£0.530 million)

In July 2022 Council approved £0.530 million to V2C to bring long term void properties back into use to assist with the increase demand for social housing. Due to technicalities with Welsh Government funding subsequently received by V2C, V2C were unable to utilise the funding for the properties originally identified, therefore, 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.

Community Sports Facilities (£1.200 million)

A Community Sports & Leisure Strategic Board has been established, and the board will be responsible for identifying schemes and allocating budget from the Community Sports Facilities capital budget. It is anticipated that £0.300 million will be spent in 2026-27, therefore £1.200 million has been reprofiled to 2027-28.

Waste Vehicles (£2.500 million)

Orders for replacement refuse and recycling vehicles have been placed, but due to the specialised nature and longer lead times of some of these vehicles, it is anticipated they will be delivered in 2027-28. Therefore, £2.500 million of has been reprofiled to 2027-28.

Grand Pavilion (£5.140 million)

There have been several delays incurred with the project relating to unforeseen works, including additional asbestos removal and ground obstructions as well as a delay related to the legal agreement between the Council and National Grid for the electrical substation. These delays have impacted on the forecasted spend in the current financial year, and therefore £5.140 million has been reprofiled to 2027-28.

Pride in Place Impact Fund (£1.000 million)

The Pride in Place Impact funding of £3.000 million for 2025-27 has been allocated to projects from both BCBC and local groups/organisations, although some projects will not be completed until the 2027-28 financial year. Under the terms and conditions of the grant, any expenditure in 2027-28 is eligible if it was committed to a scheme by 31 March 2027, therefore £1.000 million has been reprofiled to fund the projects to be completed in 2027-28

Community Impact Fund (£1.000 million)

It is anticipated that £0.500 million of the Community Impact Fund will be used in 2026-27 to support schemes and projects around the County Borough. Therefore, £1.000 million has been reprofiled to 2027-28 to fund any projects that may extend past 31 March 2027, as well as any new projects that are identified in 2027-28.

Waterton Upgrade (£3.300 million)

Some preliminary expenditure will be incurred during 2026-27 but the replacement salt barn at the depot is likely to be undertaken during 2027-28 and as a result £3.3m has been reprofiled.

- 3.1.5 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 (£3.480 million)

In July 2026, Council approved an additional £0.616 million of Council funding for Bridgend West, in advance of Welsh Government's approval of a grant variation request of £3.480m to fund the increased costs of the scheme. This variation approval has now been received from Welsh Government, and £3.480 million has been added to the budget.

Schools Capital Maintenance Grant (£1.824 million)

Welsh Government have awarded the Council an additional £1.824 million from the Sustainable Communities for Learning Programme Repairs and Maintenance Grant, bringing the total award for 2026-27 to £2.918 million. The funding will support capital maintenance work and will assist in reducing revenue costs by improving energy efficiency and performance of the school buildings.

Flying Start Highways (£0.021 million)

Due to additional highways works being required to progress the Nantymoel Flying Start scheme, £0.021 million has been added to the budget to allow the works to be completed and enable the construction of the new facility.

Ysgol Cynwyd Sant Nursery Provision (£0.091 million)

Approval in principle has been received from Welsh Government to progress a scheme providing additional nursery places at Ysgol Cynwyd Sant to the next stage of development, including the preparation of a Business Justification Case (BJC). To progress the scheme through design and tender and establish the final costs required for the BJC, the Council will be required to provide funding for the design and tender costs. Subject to confirmation of Welsh Government funding, these costs will be recoverable from Welsh Government at a later stage.

Welsh Government Funded Childcare (£0.511 million)

Approval in principle has been received from Welsh Government to progress schemes providing childcare facilities at Litchard Primary (£0.225 million), Maes Yr Haul Primary (£0.210 million), Tondu Primary (£0.038 million) and Croesty Primary (£0.038 million). The Council will provide the funding to take the schemes through to the Business Justification Case (BJC) stage and once approved, these costs will be recoverable from Welsh Government.

Community Play Areas (£0.131 million)

£0.131 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.

Parks/Pavilions/Community Centres CAT (£0.012 million)

£0.012 million of s106 contributions have been added to the Parks /Pavilions/Community Centres budget to fund repairs to the pavilion at Hermon Road/Metcalfe Street in Maesteg.

Fleet Vehicles (£0.008 million)

The Welsh Government Energy Service have awarded the Council £0.008 million from their Zero Emissions Vehicles grant to fund the difference between the purchase price of electric vehicles and their diesel fuelled equivalent.

S106 Highways Small Schemes (£0.267 million)

£0.267 million of s106 contributions have been added to the s106 Highways Small Schemes budget to fund small highways schemes including road markings and bus shelter refurbishments across the County Borough.

Traffic Signals Replacement (£0.123 million)

The traffic signals on the A4043 in Tondu are in a poor condition despite regular maintenance being carried out over the years. Most of the equipment has now become obsolete and the underground cable network has several issues causing some of the pedestrian lamps not to function. To avoid the potential failure of the traffic signals and the major traffic congestion that would cause, £0.123 million has been vired from the unallocated capital budget to replace the traffic signals.

Transforming Towns Town Centre Property Acquisition (£0.900 million)

It is anticipated that the £0.900 million Town Centre Property Acquisition budget will represent match funding for schemes supported by the WG Transforming Towns (TT) Programme for wider strategic property acquisitions. The TT grant specifically funds physical and structural regeneration of town centres.

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

3.2 Prudential and Other Indicators 2026-27 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 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.
- 3.2.2 In February 2026, Council approved the Capital Strategy for 2026-27, which included the Prudential Indicators for 2026-27.
- 3.2.3 **Appendix C** 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 2026-27 Quarter 2 update to 30 September 2026 (**Appendix A**).
- notes the budget reprofiling of £21.733 million into 2027-28 as detailed in **Appendix A** and **Appendix B**.
- approves the virements between schemes as detailed in **Appendix A** and **Appendix B**.
- approves the new schemes/additions to the 2026-27 capital programme as detailed in **Appendix A** and **Appendix B**.
- approves the revised Capital Programme for 2026-27 to 2035-36 (**Appendix B**).
- notes the actual Prudential and Other Indicators for 2025-26 and the projected indicators for 2026-27 (**Appendix C**).

Background documents

None