

Report

Cabinet



Part 1

Date: 17 July 2024

Subject **Capital Programme Monitoring and Additions Report – March 2024**

Purpose To provide Cabinet with a forecast of capital outturn against budget based on the activity incurred up to the end of March 2024

To submit to Cabinet, for approval, requests for new capital projects to be added to the Council's Capital Programme.

To note the amendments to the capital programme

To update Cabinet on the current available capital resources ('headroom').

To update Cabinet on the position in relation to Treasury Management prudential indicators as at March 2024.

Author Chief Accountant / Assistant Head of Finance

Ward All

Summary The Council has an extensive capital programme, investing across the authority in areas such as schools, heritage assets, energy efficiency schemes, invest to save programmes and in the regeneration of the city centre. This report updates the Cabinet on its capital programme and the outturn for the 2023/24 financial year, and specifically:

- The original capital programme budget for 2023/24 as received by Cabinet in January was £93,171k. Subsequent additions/revisions for 2023/24 financial year have amounted to £4,481k, taking the overall programme to a final budget of £97,652k for the year.
- Against that revised budget, final costs were £79,452k introducing a £18,200k net variance.
- Of this variance, service managers and budget holders have confirmed that £17,702k relates to delayed progress with schemes (slippage).
- At outturn, there was a net £498k underspend in relation to completed projects.

Proposal

1. **To approve the additions to the Capital Programme requested in the report (Appendix A)**
2. **To note the capital expenditure outturn position for 2023/24 and approve the slippage of the budgets highlighted.**
3. **To note the amendments to the capital programme**

4. To note the available remaining capital resources ('headroom') and the earmarked usage of that resourcing.
5. To note the inclusion of the Treasury Management prudential indicators, included within the report.

Action by Assistant Head of Finance

Timetable Immediate

This report was prepared after consultation with:

- Service Budget Holders and Project Managers
- Capital Assurance Group
- Norse Representatives
- Head of Finance

Signed

Background

The Council has a 5-year capital programme, with the current one beginning in 2023/24. Going forward, the Capital Programme will be a rolling 5 year programme, with a new year added on each year. Cabinet receive monitoring updates throughout the financial year and the Capital Programme is updated to reflect changes as they are received i.e. additions and amendments. Approval of slippage, and associated revisions to budgets, are sought at the end of the financial year when the outturn is known.

The changes to the programme to date are shown in summary form in the table below, the detail of which is shown in Appendix A.

Table 1: Current Capital Programme

	2022/23 Budget Outturn	2023/24 Budget Budget	2024/25 Budget Budget	2025/26 Budget Budget	2026/27 Budget Budget	2027/28 Budget Budget	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Initial Budget	61,225	94,783	53,627	14,645	8,441	18,448	251,169
Revisions / Reprofiling		(15,833)	2,495	13,017	351	(30)	0
Additions/deletions/ Amendments		5,917	(150)	(2,901)	0	(12,649)	(9,783)
Revised July 2023 Budget	61,225	84,867	55,972	24,761	8,792	5,769	241,386
Additions/deletions Amendments		8,170 (2,706)	2,096 (1,177)	0 (1,718)	0 (1,374)	0 0	10,266 (6,975)
Revised September 23	61,225	90,333	56,891	23,043	7,418	5,769	244,677
Additions/deletions Amendments		2,757 81	127 0	0 0	0 0	0 0	2,884 81
Revised November 23	61,225	93,171	57,018	23,043	7,418	5,769	247,642
Additions/deletions Additions - Already approved Amendments		3,216 1,264	18,611 718 -3,351	8,360 718 1,114	1,591 718 0	0 718 0	31,778 2,872 -973
Revised Budget March 24	61,225	97,652	72,996	33,235	9,727	6,486	281,319
Slippage Underspend		-17,702 -498	17,702				0 -498
Final Outturn March 24	61,225	79,452	90,698	33,235	9,727	6,486	280,821

Additions

The growth to the programme is materially affected by the volume of extra grants secured by Council officers throughout the year, some of which are the outcome of bidding processes that occur, predominantly with Welsh Government. The table below summarises the source of funding for the additions requiring approval from Cabinet, with Appendix A providing a detailed list of all additions.

Nature	Value £'000
New Grants and Contributions	21,173
Section 106 funding	4,120
Service/Council funding	1,135
Capital Receipts funding	0
Reserve / Provision funding	3,510
Revenue Budget / Contribution	1,716
External Contributions	124
Total	31,778

The additions which have been funded from Council funding, relate to borrowing which the Council will take out, but that will be repaid from either savings generated from energy budgets to repay salix loans, or regional contributions, this will mean that the headroom has not been affected by these projects.

Spending/Outturn 2023/24

Against a revised budget of £97.652m, the final costs incurred totalled £79.452m, introducing a £18.2m net variance, of which the majority relates to slippage in delivering schemes.

The following table reflects the activity per service area, with a more detailed scheme by scheme analysis in Appendix B.

Services	Capital Expenditure 2023/24					
	23/24 Budget approved January Cabinet	Additions / Amendments	23/24 Budget to be approved	Outturn	Slippage	Over / Underspend
Education	36,531	2,281	38,813	34,814	(3,956)	(42)
Environment & Public Protection	13,342	435	13,777	11,236	(2,599)	58
Housing & Communities	104	0	104	0	(104)	0
People, Policy & Transformation	3,840	594	4,433	2,759	(1,618)	(56)
Prevention & Inclusion	3,669	(49)	3,620	3,728	111	(3)
Regeneration & Economic Development	19,386	1,163	20,549	11,900	(8,291)	(358)
Social Services	2,610	0	2,610	2,265	(272)	(73)
Infrastructure	10,551	15	10,566	9,568	(973)	(25)
Non Service	3,140	42	3,182	3,182	0	(0)
Total	93,171	4,481	97,652	79,452	(17,702)	(498)

The column of "true" over and underspends are reflected in the last column and total a £498k net underspend, which is largely the net effect of grant that could not be used in full and will need to be returned to the grant awarding body.

The amount of slippage now reported as part of the Council's outturn is £17.702m. Whilst as a percentage of the overall capital programme which has slipped into future years has improved from previous years, the amount of budget slipped has still almost doubled since the position was last reported. The majority of slippage forms part of the 2024/25 financial year programme, further inflating the programme for that year, such that the budget now sits at £90.698m. The programme will need to be reviewed over the Summer/early Autumn and project budgets re-profiled in line with more realistic and deliverable spending profiles, this will be reported in the regular capital monitoring updates to Cabinet as the year progresses.

The main areas of particular note for the 2023/24 outturn are as follows.

- **Education**

- **Bassaleg** – Most of the works have now been completed, although there is still some minor works still outstanding which have been delayed due to poor weather conditions.
- **Whiteheads** - Remediation of the grounds caused a significant delay at the start of the contract, these works are now completed but slippage of £1.053m is requested. The project is now progressing well with an anticipated completion date of November 2024.
- **St Andrews** – The project has slipped approximately two months due to the contractual negotiations between NCC and the main contractor, leading to slippage being requested of £564k. The project is now expected to be completed by November 2024.
- **St Mary's Urgent Capital repairs grant** - Works are progressing on site, however, design and procurement works caused delays as well as Planning and SABS, therefore slippage of £567k is requested. It is important to note that the Council is not directly responsible for this scheme.
- **Welsh Medium Ysgol Gymraeg Gwent Is Coed Sports Hall** – Delays in gaining statutory approvals has meant that work was not able to commence until Spring leading to slippage of £1.180m being reported. Works are scheduled to be completed by the end of 24-25.
- **Asset Maintenance Programme** – Whilst this programme has reported slippage of £555k, the majority of this is due to a late grant received from Welsh Government in regards to School maintenance. The grant was used to displace funding within the Asset maintenance programme in 2023/24, but this additional slippage will be ringfenced for Education maintenance projects in 2024/25.
- **Shared Prosperity Fund (SPF) Mon & Brecon Canal 14 Locks** – The final slippage requested for this project was £527k, as only design and minimal works were able to be completed in 23-24.
- **Transporter Bridge** – Given the listed status of the bridge and the ecological sensitivities of the river Usk, the project remains one of the most complex and constrained schemes undertaken by Newport City Council and in recognition of market conditions the Heritage Fund has made an award of an additional £486k to support the scheme. There has also been an additional SPF grant of £250k.
- **Clarence House** – The underspend reported of £700k is due to the developer no longer requiring the additional loan, which was funded by borrowing.
- **Newport Centre Demolition** – This scheme has overspent by £460k – This was due to delays caused because of a nesting seagull, and additional costs that had to be paid above the agreed contract price. The overspend of this will be funded by Coleg Gwent and a revenue budget contribution from the Councils in 2023/24.
- **Annual Sums (Infrastructure)** - Slippage is requested of £816k as projects identified within this programme were not able to be completed within 23/24.
- **Vehicles Mitigation (Placemaking)** – Tender preparation and procurement process delayed award of tender. The contract has now awarded, but the scheme has reported slippage of £554k.

Policy on available capital resources ('Capital Headroom')

Since February 2018, the Council has been working within a framework which maximises capital expenditure funded from sources other than borrowing, in order to minimise the pressure upon the Council's Medium Term Financial Plan. This was updated in the Capital and Treasury Management Strategy agreed in February 2023. The framework agreed that:

- a. Funding from sources other than borrowing needs to be maximised, by securing grant funding whenever possible and maximising capital receipts.

- b. Any change and efficiency schemes requiring capital expenditure, and generating savings as a consequence, would be funded by offsetting the capital financing costs against the savings achieved.
- c. Schemes and projects which generate new sources of income would need to fund any capital expenditure associated with those schemes.

The framework seeks to limit the revenue pressures resulting from increased borrowing as far as possible, whilst maximising capacity to generate capital resources for use.

As approved in the 2023/24 Capital and Treasury Management Strategy, because of the extremely challenging financial context facing the Council, the scope for additional borrowing over and above that approved in previous years is severely limited. Therefore, unless the financial outlook improves, it is possible that the only available capital resources will be limited to those outlined in the table below. Because of that, the new capital programme comprises annual sums, for activity such as asset maintenance, and unfinished schemes carried forward from the previous programme, which are detailed within Appendix B in the report. The size of the current programme will be challenging to deliver itself and any further additions, via the headroom, will add to the overall deliverability challenge of the programme.

Borrowing, Capital Reserves & Receipts Headroom to 2024/25	£'000
Unallocated Capital Expenditure Reserve	5,966
Unallocated Capital Receipts	1,790
Borrowing Headroom	8,759
Potential Commitment - Northern Gateway regeneration match funding	(1,000)
Total	15,515

The headroom has increased by £7.3m since what was reported as part of the November monitoring report. This includes £595k of revenue funding approved as part of the 25/24 budget which equates to £7m of borrowing, £193k of Capital Receipts, £700k decommitment for Clarence House loan and £450k decommitment for Millbrook Demolition following approval from the Sustainable Communities for Learning Programme to match fund the project. This has been offset by £1.085m being allocated towards Infrastructure Annual sums from the capital expenditure reserve.

Update on Capital Receipts

Appendix D provides details of the receipts received this year to date, which, together with the unallocated balance brought forward, provides headroom of £1.8m to afford new capital aspirations.

That table also shows capital receipts held for the NCC/WG 'Joint Venture funds' totalling £2.2m. In relation to these receipts, the Council does not have unilateral decision making power in their use. Commonly, it will involve engagement with Welsh Government and, as previously reported to Cabinet, these funds tend to be "ringfenced" for city centre regeneration given the original asset sales involved. There have been no further receipts received since the last monitoring report.

Prudential Indicators April – March 2023/24

The 2021 Treasury Management Code introduced a new requirement that monitoring of the treasury management indicators and non-treasury management indicators should be reported on a quarterly basis. These are detailed in Appendix D. As at 31st March 2024, the Council has complied with all of its treasury management indicators.

Risks

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s)	Risk Owner
Overspend against approved budget	M	L	Regular monitoring and reporting of expenditure in accordance with the timetables set by Cabinet/Council should identify any issues at an early stage and allow for planned slippage of spend.	Corporate Directors / Heads of Service / Head of Finance
Programme growing due to unforeseen events	M	M	Good capital monitoring procedures and effective management of the programme should identify issues and allow for plans to defer expenditure to accommodate urgent works. Priority asset management issues are now being dealt with through a specific programme allocation. Capital headroom exists and can be accessed where absolutely necessary.	Corporate Directors / Heads of Service / Head of Finance
Excessive levels of slippage between financial years	M	H	Regular monitoring of capital expenditure takes place and slippage is identified at the earliest stage possible. A more robust approach will be taken when schemes are added to the programme to ensure that a realistic profile is initially captured in the programme. An internal Capital Assurance Group has been created and will regularly review progress against schemes and hold officers to account for delivery.	Corporate Directors / Heads of Service / Head of Finance

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The programme supports a large number of the Council's aims and objectives.

Options Available and considered

- To approve the changes to the Capital Programme and note the projected outturn position as set out in the report, including the use of capital receipts.
- To note the current available headroom and prioritise future capital expenditure in order to maintain spend within the current affordability envelope.
- The Cabinet has the option not to take forward some or all of the changes to the Capital Programme set out in the report.

Preferred Option and Why

- To approve the changes to the Capital Programme and note the projected outturn position as set out in the report, including the use of capital receipts.
- Agree to prioritise capital expenditure to maintain spend within the current affordability envelope, recognising that the revenue pressures from future borrowing can add to any budget gap reflected in the MTFP.

Comments of Chief Financial Officer

This report provides an overview of the final Capital Programme outturn, confirming the total amount of budget required to be slipped forward into future years in order to enable the full programme to be delivered. Although the overall level of expenditure incurred in the year is higher than previous years, and represents positive progress in the delivery of the programme, the overall amount of slippage being requested for approval is still high, especially considering the reprofiling exercise undertaken earlier in the year which was intended to limit the level of variance by the end of the year.

The report also outlines the level of capital headroom available, which now stands at £15.515m. Although it has recently been usefully boosted by £7m, following Cabinet in February 2024. Whilst the level of available headroom is significant higher than it was a year ago, it should be noted that it would only take a handful of significant issues to arise for this to be fully consumed. In addition, supplementing this headroom is limited to additional capital receipts and any use of revenue underspends to increase the Capital Expenditure Reserve. As well as this, the scope to undertake new borrowing is extremely limited, when considering the challenging medium term outlook the Council is facing, exacerbated by the increasing cost of actual borrowing resulting from high interest rates.

Because of these factors, approving commitments from the headroom needs to be done only where absolutely necessary and unavoidable. Where pressures do emerge, alternative funding sources, such as external grants, should be pursued, with new Council borrowing being the absolute last resort and only where it is clearly affordable, prudent and sustainable to do so. As a result, the Council will need to be very careful in its use of capital resources and clear prioritisation of issues and aspirations is required.

Comments of Monitoring Officer

The Cabinet is requested to exercise its power to approve the additions and amendments to the Capital Programme as set out in Appendix A. Other than that, the report is for noting and comment and there are no legal implications arising from it.

Comments of Head of People, Policy & Transformation

The report provides Cabinet with a forecast of the Council's Capital Programme and predicted outturn for the 2023/24 financial year, with any additions to the programme submitted for approval. Good capital monitoring procedures and effective management of the programme form the basis for sound and sustainable investment in Council assets and the estate. The report notes that much of the underspend relates to delayed progress in capital schemes and updates on the current position with those schemes.

Current and further budget additions will need to continue to be considerate of the requirements of the Well-being of Future Generations Act for public bodies to apply the five ways of working to financial planning, which balances short-term priorities with the need to safeguard the ability to meet long-term needs.

There are no direct HR implications associated with the report. A Fairness and Equality Impact Assessment is not required but are considered as part of service delivery and will feature in annual finance reports

Scrutiny Committees

N/A

Fairness and Equality Impact Assessment:

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

For this report, a full Fairness and Equality Impact Assessment has not been undertaken. This is because this report is not seeking any strategic decisions or policy changes, with its purpose being to update Cabinet on the prior year financial performance against the approved Capital Programme. However, fairness and equality are considered as part of service delivery and will feature in annual finance reports, such as the Budget Report and Capital Strategy.

An effective capital programme enables the Council to support long term planning in line with the sustainable development principle of the Wellbeing of Future Generation (Wales) Act

Long-term - This capital programme looks at both short and long term and links with the Corporate Plan and its priorities. It considers the overall capital programme in terms of the Council's Treasury Management activities and its associated costs, both short and long term to the Council.

Prevention – The capital programme, where possible, acts to prevent problems occurring or getting worse by considering the overall Council estate and how that can best be managed and maintained.

Integration - This report meets several wellbeing goals and, in addition, supports three of Newport City Council's wellbeing objectives.

- To promote economic growth and regeneration while protecting the environment
- To enable people to be healthy, independent and resilient
- To build cohesive and sustainable communities

Collaboration - The capital programme is developed and updated through engagement across the Council and certain projects are also being delivered in collaboration with other external bodies which helps the Council meet its Wellbeing objectives.

Involvement – Due to the variety of projects which are within the capital programme, there is involvement from a variety of stakeholders across the Council and the city which seeks to ensure that there is a key focus on sustainability, community benefit and wellbeing of citizens.

The Equality Act 2010 contains a Public Sector Equality Duty, which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better-informed decision-making and policy development and services that are more effective for users.

The development and the monitoring of the Capital programme will ensure it does not discriminate but promotes equality and delivers the objectives of the corporate plan.

Consultation

N/A

Background Papers

Capital Strategy and Treasury Strategy – February 2023

Capital Outturn report 2022/23

Capital Monitoring and Additions report – July 2023

Capital Monitoring and Additions report – September 2023

Capital Monitoring and Additions report – November 2023

Capital Strategy and Treasury Strategy – February 2024

Dated: 9 July 2024

Appendix A – Additions and changes to the Programme

Funding Source	Narrative	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	TOTAL Budget for this Capital Plan Duration £'000
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Nov Budget as agreed by Jan Cabinet	61,225	93,171	57,018	23,043	7,418	5,769	247,642
	ADDITIONS / DELETIONS							
	- Education							
School Contribution / Grant	St Gabriels		74					74
Borrowing paid back by School	Lliswerry High IT bid		64					64
Revenue Contribution	Bassaleg		93					93
Revenue Contribution	John Frost Windows		707					707
S106	Whiteheads - New build			2,792				2,792
S106	Lliswerry Demountables			580				580
Grant	Gwent Iscoed Variation			327				327
Grant	School Maintenance		20					20
S106	St Julian's Roof		384					384
S106	St Julian's Classroom Refurbishment			245				245
S106 / Grant	St Andrews Primary			1,209				1,209
Grant	St Marys				994			994
Grant	ALN Funding - 24/25			1,042				1,042
Grant	Charles Williams			752				752
	- Environment and Public Protection							
Borrowing via Salix	IERP - LED Malpas Church School & Charles Williams Church School			148				148
Borrowing via Salix	IERP - LED Lighting Newport High School			172				172
Borrowing via Salix	IERP - LED Lighting Phase 3			123				123
Grant	Onsite Residential Charging			200				200

Grant / Revenue Contribution	Low Carbon Heat Pump		230	5,441	1,591	7,262
Salix Funding	Rivermead LED and Solar	108				108
Grant	Public EV Charging	143				143
Grant	Business Buildings Decarbonisation	125				125
Grant	NGAG offer	99				99
Grant	SPF	58	711			769
Grant	Gwent Green Grid		49			49
	Housing and Communities					
Grant	Food Poverty		61			61
	People, Policy & Transformation					
Grant / Revenue Contribution	Gwent Assistive Technology in Social Care	38				38
Grant	Asset Maintenance	555				555
Reserves	Civic Centre Emergency Works		500	1,925		2,425
	Prevention and Inclusion					
Grant	SMAFT	(48)				(48)
Grant	Small Grant Claims		470			470
Grant	Project Management costs		50			50
Grant	Enable Funding & HCF Capital Funding for DFG		309			309
	Regeneration & Economic Development					
Grant	Low Carbon Heat Grant	86	1,430			1,516
Grant	SPF	250	310			560
	Social Services					
Grant	VAWDASV 24 25 16		240			240
	Infrastructure					
Grant	Welsh Government Energy Service ZEV and EVCI Grant Programme 23/24	246				246
Grant	Active Travel Fund		2,046			2,046
Grant	Resilient Road Fund		1,200			1,200
Grant	Road Safety		412			412
Grant	20mph		272			272
Grant	Safe routes in communities		50			50
Grant	Ultra Low Emission Vehicle Transformation Fund		1,118			1,118

Revenue Contribution Reserves	Fleet		172					172
	Annual Sums			1,085				1,085
Borrowing / service paid back	Non Service							
	Coroner		42	478				520
	Sub total Additions and Deletions		3,216	18,611	8,360	1,591	0	31,778
	Additions approved as part of Revenue budget - Feb 2024			718	718	718	718	2,872
	Total Additions and Deletions		3,216	19,329	9,078	2,309	718	34,650
	Slippage		(17,702)	17,702				0
	Underspend		(498)					(498)
	Amendments							
	St Julians High LED Lighting Upgrade		(99)					(99)
	Public EV Charging		(3)					(3)
	ALN Grant		1,049	(1,049)				0
	Free school meals capital works		(110)					(110)
	Band B			1,200	(1,412)			(212)
	SPF		827	(827)				0
	Core Allocation		(400)					(400)
	Millbrook			(149)				(149)
	St Marys reprofiling			(2,526)	2,526			0
	Sub Total Amendments	0	1,264	(3,351)	1,114	0	0	(973)
	OUTTURN / REVISED BUDGET	61,225	79,452	90,698	33,235	9,727	6,486	280,821

Appendix B – Detailed Budget Breakdown of the 5 year capital programme

	*Spend 18/19 - 22/23 £'000	Nov Budget 23/24 £'000	Additions / Amendments	March Budget 23/24 £'000	March Outturn 23/24 £'000	Slippage/ reprofiling £'000	Under / Overspend	Budget 24/25 £'000	Budget 25/26 £'000	Budget 26/27 £'000	Budget 27/28 £'000
Sustainable Communities for Learning - Band B	43,109	23,965	93	24,058	22,541	(1,501)	(16)	20,279	7,773	672	-
ED Tech Grant	297	65	-	65	15	50	-	50	-	-	-
Charles Williams Renovations	992	2,105	-	2,105	2,104	1	-	753	-	-	-
Pentrepoeth - site accessibility	482	39	-	39	29	-	10	-	-	-	-
St Mary's Urgent Capital repairs grant	61	766	-	766	199	567	-	2,551	3,520	-	-
Education Maintenance Grant - 19/20	1,731	2	-	2	2	-	-	-	-	-	-
Education Maintenance Grant - 20/21	1,252	753	-	753	768	15	-	496	-	-	-
Education Maintenance Grant - 21/22	1,876	938	-	938	917	22	0	22	-	-	-
Education Maintenance Grant - 22/23	-	1,725	383	2,108	2,321	213	-	618	-	-	-
Education Maintenance Grant - 23/24	1	-	21	21	21	-	-	-	-	-	-
St Julians School Safeguarding	1	59	-	59	42	-	17	350	-	-	-
Education Accessibility Studies - Phase 1	279	19	-	19	3	16	-	16	-	-	-
Education Accessibility Studies - Phase 2	4	5	-	5	-	5	-	628	-	-	-
Free school meals capital works	908	2,318	110	2,208	2,208	-	-	-	-	-	-
Open Schools Outside Hours	376	646	-	646	417	230	-	230	-	-	-
Supporting Learners with Additional Learning Needs	42	980	-	980	908	-	71	-	-	-	-
23-24 ALN Grant Funding	43	-	1,123	1,123	1,158	36	71	1,079	-	-	-
Millbrook Demolitions	44	600	-	600	8	592	-	442	-	-	-
Gwent Is Coed Sports Hall	-	1,252	-	1,252	73	1,180	-	3,592	-	-	-
Lliswerry High IT Bid	-	-	64	64	-	64	-	64	-	-	-
John Frost Windows	1	-	707	707	707	-	-	-	-	-	-
Lliserry demountables	2	-	-	-	-	-	-	580	-	-	-
St Julians Classroom Refurbishment								245	-	-	-
Education - Sub total		36,531	2,281	38,813	34,814	3,956	42	33,321	13,951	672	-
Refit	415	1,440	-	1,440	1,219	221	-	447	-	-	-
Kingsway Solar Panels		347	-	347	390	0	43	-	-	-	-
Tredegar Park Cycle improvements	137	16	-	16	-	16	-	16	-	-	-
Local Places for Nature Grant	249	385	-	385	377	0	7	467	-	-	-
Parks Improvements	35	430	-	430	332	98	-	733	-	-	-
Cemeteries Improvements	375	750	-	750	664	86	-	361	-	-	-
Gwent Green Grid GI Project	2	67	-	67	74	-	7	-	-	-	-
Gwent Green Grid Trees Project		-	-	-	5	0	5	-	-	-	-
Gwent Green Grid Access Project	30	43	-	43	20	0	23	-	-	-	-
Gwent Green Grid 2024/25	-	-	-	-	-	-	-	49	-	-	-
St Julians High LED Lighting Upgrade	-	99	99	-	-	-	-	-	-	-	-
Brilliant basics - Installation of EV chargers at Tourist Sites	-	375	-	375	371	4	-	4	-	-	-
Docksway Landfill Capping Works	1,443	587	-	587	614	-	27	-	-	-	-
Public EV Charging	7	120	143	263	201	62	-	62	-	-	-
Schools LED Lighting	300	182	-	182	180	0	2	-	-	-	-
Three Weekly Containers+ULEV Vehicles		1,169	-	1,169	1,169	-	-	-	-	-	-
Pill Mill and Ruperra Street Play Area		96	-	96	93	-	2	-	-	-	-
City Centre Green Infrastructure		180	-	180	28	152	-	152	-	-	-

	*Spend 18/19 - 22/23 £'000	Nov Budget 23/24 £'000	Additions / Amendments	March Budget 23/24 £'000	March Outturn 23/24 £'000	Slippage/ reprofiling £'000	Under / Overspend	Budget 24/25 £'000	Budget 25/26 £'000	Budget 26/27 £'000	Budget 27/28 £'000
Wales Coast Path Improvements		58	-	58	-	-	58	-	-	-	-
Low Carbon Heat Grant 23/24		4,214	-	4,214	3,298	916	-	916	-	-	-
Low Carbon Heat Grant 24/25		-	-	-	-	-	-	230	5,441	1,591	-
23/24 LED Lighting		141	-	141	141	-	-	-	-	-	-
Onstreet Residential Chargepoint Scheme		401	-	401	-	401	-	401	-	-	-
Onstreet Residential Chargepoint Scheme 24/25								200	-	-	-
Carbon Reduction Lighting - Riverfront Theatre		150	56	205	150	56	-	56	-	-	-
NCAG Grant 23/24		-	99	99	19	80	-	80	-	-	-
ATF Core Allocation 22/23		-	-	-	-	-	-	-	-	-	-
SPF -Community Building decarbonisation/energy efficiency		125	52	177	246	-	69	250	-	-	-
SPF - Business Buildings Decarbonisation		-	183	183	183	0	-	250	-	-	-
SPF - Mon+Brecon Canal 14 Locks		1,236	-	1,236	709	527	-	981	-	-	-
SPF - Tredegar Park		732	-	732	752	20	-	1545	-	-	-
IERP - LED Malpas Church School & Charles Williams Church School		-	-	-	-	-	-	148	-	-	-
IERP - LED Lighting Newport High School		-	-	-	-	-	-	173	-	-	-
IERP - LED Lighting Phase 3		-	-	-	-	-	-	123	-	-	-
SPF		-	-	-	-	-	-	461	-	-	-
Prior year Schemes		-	-	-	0	-	-	0	-	-	-
Environment & public protection - Sub total		13,342	435	13,777	11,236	2,599	58	8,105	5,441	1,591	-
Gypsy/Traveller Site Development	3,111	44	-	44	-	44	-	44	-	-	-
SPF - Food resilience programme	-	60	-	60	-	60	-	120	-	-	-
Food Poverty		-	-	-	-	-	-	61	-	-	-
Housing & communities - Sub total		104	0	104	0	-104	-	225	0	0	0
IT Replacement Schemes	602	150	0	150	65	-85	-	499	202	150	150
Flexi Print		0	0	0	27	0	27				
Asset Management Programme	7,231	2414	555	2969	2135	-759	74	2,459	1,700	1,700	1,700
Civic Centre / Info Station Service Relocations	236	29	0	29	0	0	29	-	-	-	-
Information Station		157	0	157	204	0	47	-	-	-	-
Library (infostation move)	1,267	234	0	234	51	-135	47	135	-	-	-
Boundary Wall	4	47	0	47	68	0	21	-	-	-	-
Civic Centre Fire Remedial Works		144	0	144	0	-144	-	144	-	-	-
Central Library - Structural Works	153	510	0	510	16	-494	-	494	-	-	-
Assistive Technology in Social Care	-	155	38	193	193	0	-	-	-	-	-
Civic Centre Emergency works	-	0	0	0	0	0	-	500	1,925	-	-
People, policy & transformation - Subtotal		3,840	594	4,433	2,759	1,618	56	4,232	3,827	1,850	1,850

	*Spend 18/19 - 22/23 £'000	Nov Budget 23/24 £'000	Additions / Amendments	March Budget 23/24 £'000	March Outturn 23/24 £'000	Slippage/ reprofiling £'000	Under / Overspend	Budget 24/25 £'000	Budget 25/26 £'000	Budget 26/27 £'000	Budget 27/28 £'000
Disabled Facilities	4,313	1,362	-	1,362	1,503	141	-	1,072	1,000	1,000	1,000
Safety at Home	1,778	450	-	450	458	8	-	292	300	300	300
ENABLE Adaptations Grant	1,031	197	-	197	197	-	-	197	-	-	-
DFG Top Sliced Funding		112	-	112	112	0	-	112	-	-	-
Childcare - Flying Start	1,805	97	-	97	74	23	-	23	-	-	-
Small Grant Scheme Childcare Offer	332	-	-	-	-	-	-	-	-	-	-
Small Grants Funding Childcare Offer	-	484	-	484	492	0	9	470	-	-	-
Flying Start Project Management Costs	-	50	-	50	48	0	2	50	-	-	-
SMAPF	1,516	869	49	820	805	15	-	15	-	-	-
GDAS - Outreach Service provision, Prior Year Scheme	1	47	-	47	37	0	10	-	-	-	-
Prevention & inclusion - Sub total		3,669	49	3,620	3,728	111	3	2,231	1,300	1,300	1,300
Market Arcade Townscape Heritage Scheme	2,088	500	0	500	568	0	68	-	-	-	-
Cardiff City Region Deal	1,405	348	-	348	-	348	-	1,586	1,294	978	-
Cardiff City Region Deal - Cost of Carry	-	-	-	-	-	-	-	-	-	-	-
Mill Street Development Loan	3,739	-	-	-	-	-	-	261	-	-	-
TRI Thematic Funding	460	828	-	828	4	832	-	832	-	-	-
Clarence House Loan	48	702	-	702	-	-	702	-	-	-	-
Transforming Towns Placemaking	20	298	-	298	70	143	85	475	-	-	-
Transforming Towns Business Fund	27	98	-	98	-	-	98	-	-	-	-
Kings Chambers	28	250	-	250	-	250	-	250	-	-	-
Transporter Bridge - Phase 2 Delivery	4,202	11,742	250	11,992	8,047	3,944	-	4,752	-	-	-
Medieval Ship	11	1	-	1	-	-	1	-	-	-	-
Placemaking capital projects	-	500	-	500	-	500	-	500	-	-	-
Leisure and Wellbeing	2,283	1,143	913	2,056	1,313	743	-	15,490	4,086	-	-
Coleg Gwent Demolition Costs		1,246	-	1,246	1,707	0	461	-	-	-	-
Newport Museum and Art Gallery - NCAG Offer		60	-	60	-	60	-	99	-	-	-
Shared Prosperity Fund		1,670	-	1,670	200	1,470	-	3,940	-	-	-
Regeneration & economic development - Sub total		19,386	1,163	20,549	11,900	8,291	358	28,185	5,380	978	-
Telecare Service Equipment	172	62	-	62	60	2	-	32	30	30	30
Equipment for Disabled Grant (GWICES)	825	165	-	165	165	-	-	165	165	165	165
Rosedale Annexes	80	620	-	620	560	0	60	-	-	-	-
Disbursed accommodation and Covid-19 equipment	677	182	-	182	178	0	4	-	-	-	-
Cambridge House - HCF Grant	30	939	-	939	670	270	-	951	0	0	0
Forest Lodge HCF grant funding	75	596	-	596	587	0	9	0	0	0	0
VAWDASV Target Hardening Equipment		46	-	46	46	-	-	240	0	0	0
Social Care - Sub total		2,610	-	2,610	2,265	272	73	1388	195	195	195

	*Spend 18/19 - 22/23 £'000	Nov Budget 23/24 £'000	Additions / Amendments	March Budget 23/24 £'000	March Outturn 23/24 £'000	Slippage/ reprofiling £'000	Under / Overspend	Budget 24/25 £'000	Budget 25/26 £'000	Budget 26/27 £'000	Budget 27/28 £'000
Gwastad Mawr Flood Attenuation Works		36	-	36	14	-	22	-	-	-	-
City Services Annual Sums	1,690	1,687	-	1,687	871	816	-	3,772	1,000	1,000	1,000
Active Travel	1,691	740	400	340	288	-	52	2,046	-	-	-
Peterstone Sewage Scheme	908	13	-	13	15	0	2	-	-	-	-
Fleet Replacement Programme	7,831	1,978	418	2,396	2,811	415	0	2,432	2,141	2,141	2,141
Ultra Low Emission Vehicle Transformation Fund		-	-	-	-	-	-	1,118	-	-	-
Carnegie Court Emergency River Works	1,244	19	-	19	1	18	-	18	-	-	-
Private sector bus electrification	3,300	3,023	-	3,023	3,000	-	23	-	-	-	-
Placemaking capital projects (hostile vehicle)		571	-	571	18	554	-	1,125	-	-	-
Station Road Flood Alleviation Scheme		37	-	37	37	0	-	-	-	-	-
Safe Routes in Communities		130	-	130	117	-	13	50	-	-	-
20mph Core Allocation 2324		341	-	341	341	0	0	272	-	-	-
ATF Npt Central Connections		59	-	59	50	-	9	-	-	-	-
Bus Stop Infrastructure 23/24		309	-	309	312	0	3	-	-	-	-
A467 Improvements (Resilient Roads)		500	-	500	482	0	18	-	-	-	-
Resilient Roads 24/25								1,200	-	-	-
Road Safety 24/25								412	-	-	-
EV Charging Infrastructure		848	4	844	870	0	26	-	-	-	-
Herbert Road S106 Highway Works		-	-	-	-	-	-	88	-	-	-
Burns Unit		260	-	260	260	-	-	-	-	-	-
Prior Year Schemes		-	-	-	81	0	81	-	-	-	-
Infrastructure - Sub Total		10,551	15	10,566	9,568	973	25	12,533	3,141	3,141	3,141
Non Service											
Duffryn District Heating System		3,140	-	3,140	3,140	-	-	-	-	-	-
Coroners Court		-	42	42	42	-	-	478	-	-	-
Non Service - Total		3,140	42	3,182	3,182	-	-	478	-	-	-
TOTAL EXPENDITURE		93,171	4,481	97,652	79,452	17,702	498	90,698	33,235	9,727	6,486
Financed By:											
General Capital Grant		4,268	-	4,268	4,268			4,286	4,286	4,286	4,286
Supported Borrowing		4,155	-	4,155	4,155			4,173	2,906	-	-
Unsupported Borrowing		15,961	63	16,024	15,467			13,543	1,908	1,000	-
Prudential Borrowing		-	-	-	-			-	-	-	-
External Grants		48,504	3,209	51,713	37,402			50,705	17,101	2,096	-
S106		2,509	383	2,892	2,901			3,361	650	-	-
Other Contributions		510	14	524	900			142	-	-	-
Capital Receipts		3,211	110	3,101	3,225			2,349	497	-	-
Revenue Contributions		6,168	721	6,890	2,935			2,532	2,695	2,345	2,200
Reserves		7,886	200	8,086	8,171			9,607	3,192	-	-
Finance Lease		-	-	-	27			-	-	-	-
TOTAL		93,171	4,481	97,652	79,452	-		90,698	33,235	9,727	6,486

Appendix C – Recent Capital Receipts Activity

Asset Disposed	Receipts Received in Year	Total Available Receipts 2023/24
	£	£
Balance b/f from 2022/23		7,613
GENERAL CAPITAL RECEIPTS		
Sale of Land	75	
Sale of Vehicles	174	
Total Sales		249
Amount used in 2023/24	- 3,225	-3,225
Commitments within the Capital Programme		
Fleet Replacement Programme	- 400	
Replacement for Education maintenance grant funding 20/21 used on general activities	- 497	
Leisure and Wellbeing	- 1,000	
St Mary's Primary School	- 950	
Total Usage		- 2,847
Total Amount Uncommitted		1,790
NEWPORT UNLIMITED		
Balance b/f from 2022/23		2,216
Total Amount Uncommitted		2,216
TOTAL NCC RECEIPTS (Uncommitted)		4,006

Appendix D - Prudential Indicators April – March 2023/24

Non Treasury Prudential Indicators

The Authority measures and manages its capital expenditure, borrowing service investments (where applicable) with references to the following indicators. It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

Capital Expenditure: The Authority has undertaken and is planning capital expenditure as summarised below.

Table 1: Prudential Indicator: Estimates of Capital Expenditure and Capital Financing in £ millions

	2022/23 Budget Outturn	2023/24 Budget Budget	2024/25 Budget Budget	2025/26 Budget Budget	2026/27 Budget Budget	2027/28 Budget Budget	Total
Additions/deletions		3,216	18,611	8,360	1,591	0	31,778
Additions - Already approved			718	718	718	718	2,872
Amendments		1,264	-3,351	1,114	0	0	-973
Revised Budget March 24	61,225	97,653	72,996	33,235	9,727	6,486	281,319
Slippage		-17,702	17,702				0
Underspend		-498					-498
Final Outturn March 24	61,225	79,452	90,698	33,235	9,727	6,486	280,821

The detail behind the movements and the changes in forecast are discussed at the beginning of the report.

Capital Financing Requirement: The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP, and capital receipts used to replace debt.

The actual CFR is calculated on an annual basis.

Table 2: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	31/03/23 Actual	31/03/24 Outturn	31/03/25 Indicative	31/03/26 Indicative	31/03/27 Indicative	31/03/28 Indicative
TOTAL CFR	270.7	282.0	288.1	273.9	265.3	260.6

Gross Debt and the Capital Financing Requirement: Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

Table 3: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	31/3/2023 Actual	31/3/2024 Outturn	31.3.2025 Budget	31.3.2026 Budget	31.3.2027 Budget

Debt (incl. PFI & leases and ST & LT borrowing)	176.5	173.2	220.0	228.8	221.3
Capital Financing Requirement	270.7	282.0	288.1	273.9	265.3

The figures included in the table above are currently draft until the work on the statement of accounts is completed.

Debt and the Authorised Limit and Operational Boundary: The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 4: Prudential Indicator: Debt and the Authorised Limit and Operational Boundary:

	2023/24 Maximum	31.13.24 Actual	2023/24 Operational Boundary	2023/24 Authorised Limit	Complied? Yes / No
Borrowing	138	137.1	150	246	ü
PFI and Finance Leases	36.1	36.1	39	39	ü
Total debt	174.1	173.2	189	285	ü

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Proportion of Financing Costs to Net Revenue Stream: Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and [MRP / loans fund repayments] are charged to revenue.

The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2023/24 Budget	2023/24 Actual	Complied Yes / No	2024/25 budget	2025/26 budget
Financing costs* (£m)	23	21.7	ü	22.8	23.2
Proportion of net revenue stream	6.10%	5.87%	ü	5.90%	5.80%

New Capital Expenditure to be funded via borrowing; The table below shows the limit of new capital expenditure that can be funded via borrowing. There have been no new capital schemes funded by borrowing so far within 2023/24.

	2023/24 limit	2023/24 Actual	Complied Yes / No	2024/25 Limit	2025/26 Limit
Borrowing headroom	1.1	0	ü	7	0

Treasury Management Prudential Indicators

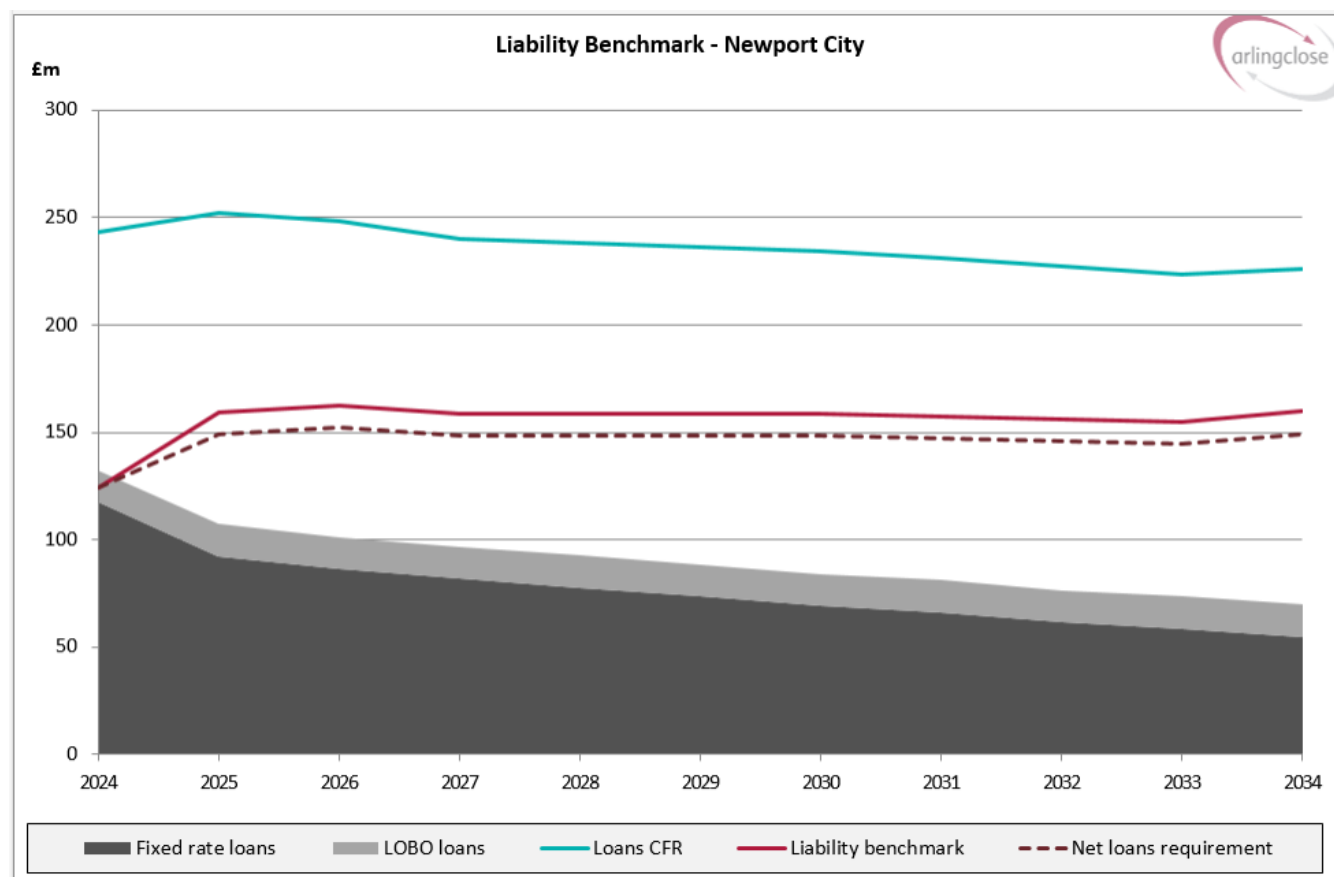
As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

1. Liability Benchmark:

This new indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £10m required.

	31.3.23 Actual	31.3.24 Actual*	31.3.25 Forecast	31.3.26 Forecast
Loans CFR	232.2	246.0	258.7	254.5
Less: Balance sheet resources	-125.3	-122.8	-103.8	-96.8
Net loans requirement	106.9	123.2	154.9	157.7
Plus: Liquidity allowance	10	10	10	10
Liability benchmark	116.9	133.2	164.9	167.7
Existing borrowing	-138.6	-137.1	-135.4	-130.9

The chart below contains several elements, which are explained below:



The blue line reflects the accumulated value of historic, and future, unfunded capital expenditure – i.e. expenditure initially funded by borrowing and then funded via the revenue budget, over time, in the form of MRP (Minimum Revenue Provision). In effect, this line represents the gross amount of borrowing required.

The solid red line is the calculated actual/real level of borrowing required, considering the Council's internal borrowing capacity (i.e. the value of balance sheet resources at any point in time). The gap between the blue and red lines represents the internal borrowing capacity.

The grey shaded areas represent the actual borrowing undertaken by the Council as of 31st March 2024 and shows how these loans reduce as they are scheduled for repayment.

The white gap between the solid red line and the grey shaded areas represents the estimated amount of new borrowing required over the next ten years. A large proportion of this new borrowing would be to replenish existing maturing borrowing, with the remainder being required as a result of the Council's capital expenditure plans.

Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	31.03.24 Actual	Upper limit	Lower limit	Complied
Under 12 months	33%	60%	0%	ü
12 months and within 24 months	4%	40%	0%	ü
24 months and within 5 years	9%	40%	0%	ü
5 years and within 10 years	14%	40%	0%	ü
10 years and within 20 years	18%	30%	0%	ü
20 years and within 30 years	3%	20%	0%	ü
30 years and within 40 years	15%	20%	0%	ü
40 years and within 50 years	4%	20%	0%	ü
50 years and above	0%	20%	0%	ü

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Long-term Treasury Management Investments: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

	2023/24	2024/25	2025/26
Limit on principal invested beyond year end	£10m	£10m	£10m
Actual principal invested beyond year end	£10m	£10m	£10m
Complied?	✓	✓	✓

Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. Bank Rate rose from 4.25% on 1st April to 5.25% by 31st March 2024.

Interest rate risk indicator	Limit	31.13.23 Actual	Complied

Upper limit on one-year revenue impact of a 1% rise in interest rates	£200,000	183,813	ü
Upper limit on one-year revenue impact of a 1% fall in interest rates	£100,000	36,750	ü