Report

Cabinet

Part 1

Date: 13 November 2024

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

Purpose To provide Cabinet with a forecast of capital outturn against budget based on the activity incurred up to the end of September 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 and indicative slippage for 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 September 2024.

Author Chief Accountant / 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 forecast for the 2024/25 financial year, and specifically:

- The starting capital programme budget for 2024/25 was £90.7m. This was revised to £82.7m at the September Cabinet meeting. This report requests approval to increase the 24-25 budget by a net £4.8m to now be £87.5m.
- Against this revised budget, costs are predicted to be £83.5m introducing a £4.0m net variance, predominantly slippage.

Proposal

1. **To approve the additions to the Capital Programme requested in the report (Appendix A)**

2. **To note the predicted capital expenditure outturn position for 2024/25**

3. **To note the amendments and indicative slippage for 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.**

6. **To note the use of the headroom as noted in the report**

Action by 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 rolling 5-year capital 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. Following previous years approaches, approval of slippage, and associated revisions to budgets, will only be sought as part of any reprofiling exercises that are completed in-year, with final approval for slippage being sought at the end of the financial year when outturn is known.

The changes to the 2024/25 year of the programme to date are shown in summary form in the table below, the detail of which is shown in Appendix A and which also includes the additions/adjustment over the full programme period.

Table 1: Current Capital Programme

	2023/24 Outturn £'000	2024/25 Forecast £'000	2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000	2028/29 Budget £'000	Total £'000
July Budget agreed in September Cabinet	**79,452**	**82,715**	**50,317**	**8,136**	**6,486**	**7,564**	**155,217**
Additions/deletions/ Amendments		4,830	894	387	0	0	6,111
Revised Sept 2024 Budget	**61,225**	**87,546**	**51,211**	**8,523**	**6,486**	**7,564**	**161,328**

Additions

Appendix A confirms that total additions are £12,100k with amendments of £5,989k; a net addition in the programme of £6,111k.   Within the 2024/25 current year, additions, net of amendments are £4,828k.

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 above requiring approval from Cabinet with Appendix A providing a detailed list of all additions.

Nature	Value £'000
(External) New Grants and Contributions	1,440
(External) Section 106 funding	577
(Council resources) Service/Council funding	494
(Council resources) Capital Receipts funding	0
(Council resources) Reserve / Provision funding	3,600
(Council resources) Revenue Budget / Contribution	0
(External) External Contributions	0
Total	**6,111**

Forecast 2024/25

Against a revised budget of £87,546k, the costs are predicted to total £83,472k, introducing a £4,070k net variance.

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

Services	Capital Expenditure 2024/25					
	24/25 Budget approved July Cabinet	Additions / Amendments (net)	24/25 Budget to be approved	Forecast	Slippage	Over / Underspend
Education	30,573	216	30,789	30,813	24	0
Environment & Public Protection	15,075	782	15,857	15,819	(34)	(4)
Housing & Communities	225	(120)	105	105	0	0
People, Policy & Transformation	3,952	(32)	3,920	3,797	(124)	0
Prevention & Inclusion	2,533	198	2,731	2,731	0	0
Regeneration & Economic Development	16,489	3,662	20,150	18,600	(1,550)	0
Social Services	1,376	0	1,376	1,386	10	0
Infrastructure	10,430	94	10,524	9,718	(688)	(118)
Non Service	2,064	27	2,091	505	(1,586)	0
Total	**82,715**	**4,828**	**87,545**	**83,472**	**(3,948)**	**(122)**

The column of “true” over and underspends are reflected in the last column and total a £122k net underspend at the moment, which is largely the net effect of grant that is expected to not be able to be used in full, and potentially will be returned to the grant awarding body.

The main areas of particular note for the monitoring of September 2024 are as follows.

- **Education**
    - **Sustainable Communities for learning – Band B –** the capital programme has been updated following the reprofiling report which was presented to Cabinet in October 24. This report removed two projects from the programme and moved two other projects, Caerleon and Llanwern into the new rolling programme. It also asked for approval to reprofile the remaining budgets in line with expected costs.
        - **Bassaleg** – All works were complete by the end of September and the official opening of the new building took place on 3rd October 2024.
        - **Whiteheads –** Good progress is being made with an expected handover date for the end of November 2024.
        - **St Andrews –** The project is now expected to be completed for December 2024 with full spend currently anticipated
    - **St Mary's Urgent Capital repairs grant** – The main contractor has been appointed however work is not due to commence until December 2024, due to delays on permissions being received. The slippage projected reflects the delays and the anticipated expenditure for 24-25 and 25-26. It is important to note that the Council is not directly responsible for this scheme.
    - **Welsh Medium School Nant Gwenlli –** Although some refurbishment works have progressed over the summer the remainder of the works will need to be completed within 25-26 once the school is vacated. Slippage has been forecast of £313k.
    - **Welsh Medium Ysgol Gymraeg Gwent Is Coed Sports Hall** – Although the majority of the project is expected to be completed in 24-25, issues with underground/piling works have caused a delay therefore anticipated to be completed May 25-26. Slippage has been forecast of £531k.
    - **Education Accessibility Projects** – Due to ALN grant funding being awarded again in 24-25 any accessibility works will be looked to be covered under this grant before utilising this budget therefore slippage forecast of £527k.

- **Transporter Bridge** – The project to refurbish the Transporter Bridge and construct a new visitor centre on the adjacent land, is ongoing. The project is extremely challenging, due to the constrained marine environment, age and condition of the structure. These factors will remain an influence throughout the lifespan of the project with all complexities being carefully managed. The behaviour of the bridge, as it reacts to environmental conditions and under additional load, must be continuously monitored and assessed. Nevertheless, the project progresses, and the Council's project managers at Newport Norse have confirmed the visitor centre construction will be completed in Oct/Nov 2024. However, given the significant challenges associated with this complex project, officers are working to reprofile project expenditure and secure further external resources to mitigate any potential overspends, ensuring that the project delivers its planned objectives.

- **Leisure and Wellbeing –** Enabling works have been completed, and preferred contractor has been identified with contracts due to be award soon. It is expected that the site will be handed over to the contractors in November for work to commence, therefore further slippage is now profiled of £1,800k. Cabinet approved officer commencing with the delivery in September.

- **Annual Sums (Infrastructure)** - Slippage is forecast of £450k, some costs have now been confirmed from the last monitoring report and are less than anticipated, freeing up some more of the budget to move to other schemes. Slippage is being shown but work is ongoing to see if this money can be used on other projects that can be completed before the end of the financial year.

- **Cardiff City Region Deal** – Confirmation received that no contribution will be required this year therefore slippage requested of £1,586k

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.

The level of capital headroom currently is per the table below. The level of headroom available is significantly higher than what was available a year ago due to investment in the Council's capital financing budget for 2024/25, though demand for capital resources is much more significant and with the scope for additional borrowing over and above that now available here limited by the on-going financial challenges facing the Council. The size of the current programme will be challenging to deliver itself anyhow 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	2,366
Unallocated Capital Receipts	1,790
Borrowing Headroom	8,759
Potential Commitment - Ysgol Bryn Derw Expansion	(200)
Total	**12,715**

The headroom has reduced by £2,600k since the last monitoring and additions report to Cabinet in September due to the additions agreed in this report funded from Council resources.

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 – September 2024/25

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 30th September 2024, the Council has complied with all of its treasury management indicators, with the exception of the 'Proportion of financing costs to net revenue stream' prudential indicator. This is due to the increase in financing costs which has arisen from a change in the accounting for leases and does not represent additional cost to the Authority

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	Corporate Directors / Heads of Service / Head of Finance

			Group has been created and will regularly review progress against schemes and hold officers to account for delivery.	

* 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 for the Transporter Bridge project, officers are working to reprofile project expenditure and secure further external resources to mitigate any potential overspends, ensuring that the project delivers its planned objectives.

- To note the current available headroom and prioritise future capital expenditure to maintain spend within the current affordability envelope.

- The Cabinet has the option not to take forward some or all 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 and the potential commitment from the headroom.

- 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 2024/25 Capital Programme monitoring position, as at September 2024. This report details the forecast and the indicative slippage of £3.9m, although approval will be sought now at the outturn report as per the practice in previous years.

The report also outlines the level of capital headroom available, which now stands at £12.715m. Whilst the level of available headroom is significantly 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. Identifying new capital resources is challenging and limited to additional capital receipts, use of revenue underspends to increase the Capital Expenditure Reserve and external grants. The scope to undertake additional projects funded from 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 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.

This report also confirms a technical breach of one of the Council's prudential indicators which is the percentage of the Councils capital financing budget of its net budget. This has arisen due to a technical/accounting aspect associated with this indicator and has no financial cost or impact. The capital financing budget is inclusive of annual lease costs which are currently changing in terms of their accounting treatment so that they are classed as capital financing costs and not any other revenue budget type. This is a change in the accounting for leases and does not represent an additional cost to the Council. The breach therefore does not represent a significant financial issue and has no financial impact. On that basis, the HoF considers it a minor and technical breach and as such, will be reported to the full Council in line with the normal timetabled mid-year updates on the treasury strategy and these indicators.

Comments of Monitoring Officer
The Cabinet has the power to approve any additions to the Capital Programme as set out within the report and at Appendix A.

There are no legal implications arising from the remainder of the report, which is for noting by Cabinet.

Comments of Head of People, Policy & Transformation
The report provides Cabinet with a forecast of the Council's Capital Programme up to the end of September 2024 and predicted outturn for the 2024/25 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 programme supports the Council's Corporate Plan 2022-27 vision of 'an ambitious, fairer, greener Newport for everyone', and supports its four Well-being Objectives.

The principles of the Well-being of Future Generations (Wales) Act 2015 and its five ways of working are supported, with current and future budget additions needing to be considerate of the requirements for financial planning, which balances short-term priorities with the need to safeguard the ability to meet long-term needs.

A Fairness and Equalities Impact Assessment was not required but are considered as part of service delivery and will feature in annual finance reports. There are no staffing or HR related issues arising directly from this report.

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 2024
Capital Monitoring and Additions report – March 2024
Capital Monitoring and Additions report – July 2024

Dated: 6 November 2024

Appendix A – Additions and changes to the Programme

Funding Source	Narrative	2023/24 Budget £'000	2024/25 Budget £'000	2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000	2028/29 Budget £'000	TOTAL Budget for this Capital Plan Duration £'000
	Jul Budget as agreed by Sept Cabinet	**79,452**	**82,715**	**50,317**	**8,136**	**6,486**	**7,564**	155,217
	ADDITIONS / DELETIONS							
	-							
	Education							
Borrowing / Service Area Payback	St Michaels Primary IT Bid		15					15
S106	Lliswerry Demountables		159					159
S106	Mount Pleasant Reburbishment		43					43
								0
								0
	Environment and Public Protection							
S106	St Julians Ward Play Area Improvement S106		78					78
S106	Lliswerry Ward Play Area Improvement 106		297					297
Borrowing / Service Area Payback	Gwent Crematorium replacement FTIII Cremator		679	75				754
	-							
	Prevention and Inclusion							
Grant	Carnegie Childcare Refurbishment		198					198
	-							
	Regeneration & Economic Development							
Reserves	Transporter Bridge		3,000					3,000
Grant	NCH Ringland housing scheme		1,200					1,200
Grant	Kings Chambers		288					288
Grant / Borrowing	Leisure and Wellbeing			5,947				5,947
								0
	Infrastructure							
Grant	20 mph		94					94
								0

	Non Service							0
Borrowing / Service Area Payback	Coroner - Lighting		27					27
	Total Additions and Deletions	**0**	**6,078**	**6,022**	**0**	**0**	**0**	**12,100**
	Amendments							
	IERP - LED Malpas Church School & Charles Williams		(148)					**(148)**
	IERP - LED Lighting Phase 3		(123)					**(123)**
Borrowing	Library (info station move)		(31)					**(31)**
Grant	SPF - Various projects		(946)					**(946)**
	Sustainable Communities for Learning - Wrap up paper			(5,128)	387			**(4,741)**
	Sub Total Amendments	**0**	**(1,248)**	**(5,128)**	**387**	**0**		**(5,989)**
	REVISED BUDGET	**0**	**87,545**	**51,211**	**8,523**	**6,486**	**7,564**	**161,328**
	Indicative Slippage		(3,948)	3,948				0
	BUDGET INCLUDING SLIPPAGE		**83,597**	**55,159**	**8,523**	**6,486**	**7,564**	161,329

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

	Spend 18-19 - 23/24 £'000	July Budget £'000	Additions / Amendments	Sept Budget 24/25 £'000	Sept Forecast 24/25 £'000	Slippage/ reprofiling £'000	Under / Overspend	Budget 25/26 £'000	Budget 26/27 £'000	Budget 27/28 £'000	Budget 27/29 £'001
Sustainable Communities for Learning - Band B	66,302	16,034	-	16,034	19,687	3,653	-	3,236	1,059	-	-
Welsh Medium Primary School	1,816	1,326	-	1,326	1,013	- 313	-	2,972	-	-	-
ED Tech Grant	311	50	-	50	50	-	-	-	-	-	-
Charles Williams Renovations	3,097	999	-	999	999	-	-	-	-	-	-
Pentrepoeth - site accessibility	511		-	-	-	-	-	-	-	-	-
St Mary's Urgent Capital repairs grant	260	2,551	-	2,551	510	- 2,041	-	5,561	-	-	-
Education Maintenance Grant - 19/20	1,732	496	-	-	-	-	-	-	-	-	-
Education Maintenance Grant - 20/21	2,020	22	22	519	519	0	-	-	-	-	-
Education Maintenance Grant - 21/22	2,793	618	- 22	-	-	-	-	-	-	-	-
Education Maintenance Grant - 22/23	2,321	-	-	618	618	-	-	-	-	-	-
Education Maintenance Grant - 23/24	22	1,251	-	-	-	-	-	-	-	-	-
Education Maintenance Grant - 24/25	23	350	-	1,251	1,251	-	-	-	-	-	-
St Julians School Safeguarding	43	-	-	350	350	-	-	-	-	-	-
Education Accessibility Studies - Phase 1	282	16	-	16	16	-	-	-	-	-	-
Education Accessibility Studies - Phase 2	4	628	-	628	101	- 527	-	527	-	-	-
Free school meals capital works	3,117	-	-	-	-	-	-	-	-	-	-
Open Schools Outside Hours	792	230	-	230	230	-	-	-	-	-	-
Supporting Learners with Additional Learning Needs	951	-	-	-	-	-	-	-	-	-	-
23-24 ALN Grant Funding	1,202	1,079	-	1,079	1,079	-	-	200	-	-	-
Millbrook Demolitions	52	442	-	442	226	- 217	-	217	-	-	-
Gwent Is Coed Sports Hall	73	3,592	-	3,592	3,061	- 531	-	531	-	-	-
Lliswerry High IT Bid	-	64	-	64	64	-	-	-	-	-	-
John Frost Windows	708	-	-	-	-	-	-	-	-	-	-
Lliswerry demountables		580	159	739	739	-	-	-	-	-	-
St Michaels IT		-	15	15	15	-	-	-	-	-	-
Mount Pleasant Classroom Reburbishment			43	43	43	-	-				
St Julians Classroom Refurbishment	-	245	-	245	245	-	-	-	-	-	-
Education - Sub total		**30,573**	**216**	**30,789**	**30,813**	**24**	**-**	**13,244**	**1,059**	**-**	**-**
	-										
Refit	1,634	447	-	447	447	-	-	-	-	-	-
Kingsway Solar Panels	390	-	-	-	-	-	-	-	-	-	-
Tredegar Park Cycle improvements	137	-	-	-	-	-	-	16	-	-	-
Local Places for Nature Grant	626	467	-	467	467	-	-	-	-	-	-
Parks Improvements	367	733	-	733	635	- 34	- 64	34	-	-	-
Cemeteries Improvements	1,039	361	-	361	425	-	64	-	-	-	-
Gwent Green Grid GI Project	76	-	-	-	-	-	-	-	-	-	-
Gwent Green Grid Trees Project	5	-	-	-	-	-	-	-	-	-	-
Gwent Green Grid Access Project	50	-	-	-	-	-	-	-	-	-	-
Gwent Green Grid 2024/25	-	49	-	49	49	-	-	-	-	-	-
St Julians High LED Lighting Upgrade	-	-	-	-	-	-	-	-	-	-	-
Brilliant basics - Installation of EV chargers at Tourist Sites	371	4	-	4	-	-	- 4	-	-	-	-
Docksway Landfill Capping Works	2,057	-	-	-	-	-	-	-	-	-	-

	Spend 18-19 - 23/24 £'000	July Budget £'000	Additions / Amendments	Sept Budget 24/25 £'000	Sept Forecast 24/25 £'000	Slippage/ reprofiling £'000	Under / Overspend	Budget 25/26 £'000	Budget 26/27 £'000	Budget 27/28 £'000	Budget 27/29 £'001
Public EV Charging	208	62	-	62	62	-	-	-	-	-	-
Schools LED Lighting	480	-	-	-	-	-	-	-	-	-	-
Three Weekly Containers+ULEV Vehicles	1,169	-	-	-	-	-	-	-	-	-	-
Pill Mill and Ruperra Street Play Area	93	-	-	-	-	-	-	-	-	-	-
City Centre Green Infrastructure	28	152	-	152	152	-	-	-	-	-	-
Wales Coast Path Improvements	-	-	-	-	-	-	-	-	-	-	-
Low Carbon Heat Grant 257	3,298	6,062	-	6,062	6,062	-	-	6,098	-	-	-
Low Carbon Heat Grant 234	-	1,116	-	1,116	1,115	0	- 0	-	-	-	-
23/24 LED Lighting	141	-	-	-	-	-	-	-	-	-	-
Onstreet Residential Chargepoint Scheme	-	401	-	401	401	-	-	-	-	-	-
Onstreet Residential Chargepoint Scheme 24/25	-	200	-	200	200	-	-	-	-	-	-
Carbon Reduction Lighting - Riverfront Theatre	150	-	-	-	-	-	-	-	-	-	-
NCAG Grant 23/24	19	-	-	-	-	-	-	-	-	-	-
Gwent Crematorium replacement FTIII Cremator	20	-	679	679	679	-	-	75	-	-	-
ATF Core Allocation 22/23	-	-	-	-	-	-	-	-	-	-	-
SPF -Community Building decarbonisation/energy efficiency	246	250	-	250	250	-	-	-	-	-	-
SPF - Business Buildings Decarbonisation	183	250	-	250	250	-	-	-	-	-	-
SPF - Mon+Brecon Canal 14 Locks	709	989	-	989	989	-	-	-	-	-	-
SPF - Tredegar Park	752	1,565	-	1,565	1,565	-	-	-	-	-	-
Lliswerry Ward Play Area Improvement 106		-	297	297	297	-	-				
St Julians Ward Play Area Improvement S106		-	78	78	78	-	-				
IERP - LED Malpas Church School & Charles Williams Church School	-	148	- 148	-	-	-	-	-	-	-	-
IERP - LED Lighting Newport High School	-	173	-	173	173	-	-	-	-	-	-
IERP - LED Lighting Phase 3	-	123	- 123	-	-	-	-	-	-	-	-
SPF - other misc projects	-	405	-	405	405	-	-	-	-	-	-
Prior year Schemes	- 0	-	-	-	-	-	-	-	-	-	-
Ultra Low Emission Vehicle Transformation Fund	-	1,118	-	1,118	1,118	-	-	-	-	-	-
Environment & public protection - Sub total		**15,075**	**782**	**15,857**	**15,819**	**- 34**	**- 4**	**6,224**	**-**	**-**	**-**
	-										
Gypsy/Traveller Site Development	3,111	44	-	44	44	-	-	-	-	-	-
SPF - Food resilience programme	-	120	- 120	-	-	-	-	-	-	-	-
Food Poverty	-	61	-	61	61	-	-	-	-	-	-
Housing & communities - Sub total	**-**	**225**	**- 120**	**105**	**105**	**-**	**-**	**0**	**0**	**0**	**0**
	-										
IT Replacement Schemes	667	219	-	219	219	-	-	482	150	150	150
Flexi Print	27	-	-	-							
Asset Management Programme	9,366	2,459	-	2,459	2,459	-	-	1,700	1,700	1,700	1,700
Civic Centre / Info Station Service Relocations	236	-	-	-	-	-	-	-	-	-	-
Information Station	316	-	-	-	-	-	-	-	-	-	-
Library (infostation move)	1,438	135	- 32	104	-	- 104	-	104	-	-	-
Boundary Wall	72	-	-	-	-	-	-	-	-	-	-

	Spend 18-19 - 23/24 £'000	July Budget £'000	Additions / Amendments	Sept Budget 24/25 £'000	Sept Forecast 24/25 £'000	Slippage/ reprofiling £'000	Under / Overspend	Budget 25/26 £'000	Budget 26/27 £'000	Budget 27/28 £'000	Budget 27/29 £'001
Civic Centre Fire Remedial Works	-	144	-	144	141	-3	-	3	-	-	-
Central Library - Structural Works	169	494	-	494	477	-16	-	16	-	-	-
Assistive Technology in Social Care	193	-	-	-	-	-	-	-	-	-	-
Civic Centre Emergency works	-	500	-	500	500	-	-	1,925	-	-	-
People, policy & transformation - Subtotal		**3,952**	**-32**	**3,920**	**3,797**	**-124**	**-**	**4,231**	**1,850**	**1,850**	**1,850**
	-										
Disabled Facilities	5,816	1,072	-	1,072	1,072	-	-	1,000	1,000	1,000	1,000
Safety at Home	2,236	292	-	292	292	-	-	300	300	300	300
ENABLE Adaptations Grant	1,228	197	-	197	197	-	-	-	-	-	-
DFG Top Sliced Funding	112	112	-	112	112	-	-	-	-	-	-
Childcare - Flying Start	1,879	-	-	-	-	-	-	-	-	-	-
Small Grant Scheme Childcare Offer	332	-	-	-	-	-	-	-	-	-	-
Small Grants Funding Childcare Offer	492	470	-	470	470	-	-	-	-	-	-
Flying Start Project Management Costs	48	50	-	50	50	-	-	-	-	-	-
Carnegie Childcare Refurbishment	49	-	198	198	198	-	-	-	-	-	-
SMAPF	2,322	340	-	340	340	-	-	-	-	-	-
GDAS - Outreach Service provision,	37	-	-	-	-	-	-	-	-	-	-
Prior Year Scheme	0	-	-	-	-	-	-	-	-	-	-
Prevention & inclusion - Sub total		**2,533**	**198**	**2,731**	**2,731**	**-**	**-**	**1,300**	**1,300**	**1,300**	**1,300**
	-										
Market Arcade Townscape Heritage Scheme	2,656	-	-	-	-	-	-	-	-	-	-
Mill Street Development Loan	3,739	261	-	261	261	-	-	-	-	-	-
TRI Thematic Funding	456	-	-	-	-	-	-	832	-	-	-
Clarence House Loan	48	-	-	-	-	-	-	-	-	-	-
Transforming Towns Placemaking	90	332	-	332	332	-	-	143	-	-	-
Transforming Towns Business Fund	27	-	-	-	-	-	-	-	-	-	-
Kings Chambers	28	-	288	288	538	250	-	-	-	-	-
Transporter Bridge - Phase 2 Delivery	12,250	5,651	3,000	8,651	8,651	0	-	181	-	-	-
Medieval Ship	11	-	-	-	-	-	-	-	-	-	-
Placemaking capital projects	-	500	-	500	500	-	-	-	-	-	-
Leisure and Wellbeing	3,596	7,800	-	7,800	6,000	-1,800	-	20,914	-	-	-
Coleg Gwent Demolition Costs	1,707	-	-	-	-	-	-	-	-	-	-
Newport Museum and Art Gallery - NCAG Offer	-	80	-	80	80	-	-	-	-	-	-
HVGF - Ringland	2	-	1,200	1,200	1,200	-	-	-	-	-	-
Shared Prosperity Fund	200	1,865	-826	1,039	1,039	0	-	-	-	-	-
Regeneration & economic development - Sub total		**16,489**	**3,662**	**20,150**	**18,600**	**-1,550**	**-**	**22,070**	**-**	**-**	**-**
	-										
Telecare Service Equipment	231	20	-	20	30	10	-	32	30	30	30
Equipment for Disabled Grant (GWICES)	990	165	-	165	165	-	-	165	165	165	165
Rosedale Annexes	640	-	-	-	-	-	-	-	-	-	-
Disbursed accommodation and Covid-19 equipment	855	-	-	-	-	-	-	-	-	-	-
Cambridge House - HCF Grant	699	951	-	951	951	-	-	0	0	0	0
Forest Lodge HCF grant funding	662	-	-	-	-	-	-	0	0	0	0
VAWDASV Target Hardening Equipment	46	240	-	240	240	-	-	0	0	0	0
Social Care - Sub total		**1,376**	**-**	**1,376**	**1,386**	**10**	**-**	**197**	**195**	**195**	**195**

	Spend 18-19 - 23/24 £'000	July Budget £'000	Additions / Amendments	Sept Budget 24/25 £'000	Sept Forecast 24/25 £'000	Slippage/ reprofiling £'000	Under / Overspend	Budget 25/26 £'000	Budget 26/27 £'000	Budget 27/28 £'000	Budget 27/29 £'001
Gwastad Mawr Flood Attenuation Works	14	-	-	-	-	-	-	-	-	-	-
City Services Annual Sums	2,561	2,646	-	2,646	2,196	- 450	-	2,576	1,000	1,000	1,000
Active Travel	1,979	2,046	-	2,046	2,046	-	-	-	-	-	-
Peterstone Sewage Scheme	923	-	-	-	-	-	-	-	-	-	-
Fleet Replacement Programme	10,642	2,698	-	2,698	2,459	- 238	-	2,114	2,141	2,141	2,141
Carnegie Court Emergency River Works	1,245	18	-	18	18	-	-	-	-	-	-
Private sector bus electrification	6,300	-	-	-	-	-	-	-	-	-	-
Placemaking capital projects (hostile vehicle)	18	800	-	800	800	-	-	325	-	-	-
Station Road Flood Alleviation Scheme	37	-	-	-	-	-	-	-	-	-	-
Safe Routes in Communities	117	50	-	50	50	-	-	-	-	-	-
20mph Core Allocation 2324	341	272	94	366	366	-	-	-	-	-	-
ATF Npt Central Connections	50	-	-	-	-	-	-	-	-	-	-
Bus Stop Infrastructure 23/24	312	-	-	-	-	-	-	-	-	-	-
A467 Improvements (Resilient Roads)	482	-	-	-	-	-	-	-	-	-	-
Resilient Roads 24/25	-	1,200	-	1,200	1,200	-	-	-	-	-	-
Road Safety 24/25	-	412	-	412	412	-	-	-	-	-	-
EV Charging Infrastructure	870	-	-	-	-	-	-	-	-	-	-
Herbert Road S106 Highway Works	-	88	-	88	88	-	-	-	-	-	-
Burns Unit	260	-	-	-	-	-	-	-	-	-	-
Prior Year Schemes	81	-	-	-	-	-	-	-	-	-	-
Station Road Flood Alleviation Scheme		200	-	200	82	-	- 118	-	-	-	-
Infrastructure - Sub Total		**10,430**	**94**	**10,524**	**9,718**	**- 688**	**- 118**	**5,014**	**3,141**	**3,141**	**3,141**
	-										
Non Service	-										
Duffryn District Heating System	3,140	-	-	-	-	-	-	-	-	-	-
Coroners Court	42	478	27	505	505	- 0	-	-	-	-	-
Cardiff City Region Deal	1,405	1,586	-	1,586	-	- 1,586	-	2,880	978	-	1,078
Cardiff City Region Deal - Cost of Carry	-	-	-	-	-	-	-	-	-	-	-
Non Service - Total		**2,064**	**27**	**2,091**	**505**	**- 1,586**	**-**	**2,880**	**978**	**-**	**1,078**
	-										
TOTAL EXPENDITURE		**82,715**	**4,828**	**87,545**	**83,472**	**- 3,948**	**- 122**	**55,160**	**8,523**	**6,486**	**7,564**
	-										
Financed By:	-										
General Capital Grant	4,268	4,286	-	4,286	4,286	-	-	4,286	4,286	4,286	-
Supported Borrowing	4,155	4,173	-	4,173	4,173	-	-	4,173	-	-	-
Unsupported Borrowing	15,467	8,257	418	8,675	5,126	- 2,831	-	8,733	2,037	-	-
Prudential Borrowing	-	-	-	-	-	-	-	-	-	-	-
External Grants	37,402	50,629	834	51,463	52,651	- 96	- 122	25,454	-	-	-
S106	2,901	3,344	576	3,921	3,666	-	-	271	-	-	-
Other Contributions	900	179	-	179	179	- 306	-	-	-	-	-
Capital Receipts	3,225	2,349	-	2,349	1,448	-	-	1,399	-	-	-
Revenue Contributions	2,935	2,881	-	2,881	2,881	-	-	2,810	2,200	2,200	-
Reserves	8,171	6,616	3,000	9,616	9,063	- 716	-	8,034	-	-	-
Finance Lease	27	-	-	-	-	-	-	-	-	-	-
	-										
TOTAL		**82,715**	**4,828**	**87,545**	**83,472**	**- 3,948**	**- 122**	**55,160**	**8,523**	**6,486**	**-**

Appendix C – Recent Capital Receipts Activity

Asset Disposed	Receipts Received in Year	Total Available Receipts 2024/25
	£	**£**
Balance b/f from 2023/24		**4,637**
GENERAL CAPITAL RECEIPTS		
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 2023/24		2,216
Total Amount Uncommitted		**2,216**
TOTAL NCC RECEIPTS (Uncommitted)		**4,006**

Appendix D - Prudential Indicators April – September 2024/25

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

	2023/24 Outturn £'000	**2024/25 Forecast £'000**	**2025/26 Budget £'000**	**2026/27 Budget £'000**	**2027/28 Budget £'000**	**2028/29 Budget £'000**	**Total £'000**
July Budget agreed in September Cabinet	**79,452**	**82,715**	**50,317**	**8,136**	**6,486**	**7,564**	**155,217**
Additions/deletions/ Amendments		4,830	894	387	0	0	6,111
Revised Sept 2024 Budget	**61,225**	**87,545**	**51,211**	**8,523**	**6,486**	**7,564**	**161,328**

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

	31/03/24 Outturn	**31/03/25 Forecast**	**31/03/26 Indicative**	**31/03/27 Indicative**	**31/03/28 Indicative**
TOTAL CFR	**282.0**	**330.3**	**329.3**	**321.0**	**313.5**

Gross Debt and the Capital Financing Requirement: Statutory guidance is that actual 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

	31/3/2024 Actual	**31/03/25 Forecast**	**31/03/26 Indicative**	**31/03/27 Indicative**
Debt (incl. PFI & leases and ST & LT borrowing)	176.6	241.9	215.0	206.0
Capital Financing Requirement	282.0	330.3	329.3	321.0

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:

	Maximum debt Q1 2024/25	**Debt at 30.9.24**	**2024/25 Operational Boundary**	**2024/25 Authorised Limit**	**Complied?** Yes/No
Borrowing	157.2	157.2	165	259	Yes
PFI and Finance Leases	**84.7**	**84.7**	**92**	**92**	Yes
Total debt	**241.9**	**241.9**	**257**	**351**	

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, resulting interest payable on external loans and MRP / loans fund repayments are charged to the revenue budget.

The net annual charge of both interest payments and MRP are known as ‘capital financing costs’; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2024/25 Forecast	**2024/25 budget**	**Complied Yes / No**	**2025/26 budget**	**2026/27 budget**	**2027/28 budget**
Financing costs* (£m)	25.2	24	Yes	24.9	25.1	25.1
Proportion of net revenue stream	6.30%	5.90%	Yes	6.00%	6.20%	6.20%

The authority has not met this prudential indicator which is due to the of increase in financing costs in arises from a change in the accounting for leases and does not represent additional cost to the Authority. It will need to be updated and approved by full Council in the half-year monitoring of these indicators

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 2024/25.

	2024/25 limit	**2025/26 limit**	**2026/27 limit**
Borrowing headroom	8.1	0	0

Treasury Management Prudential Indicators

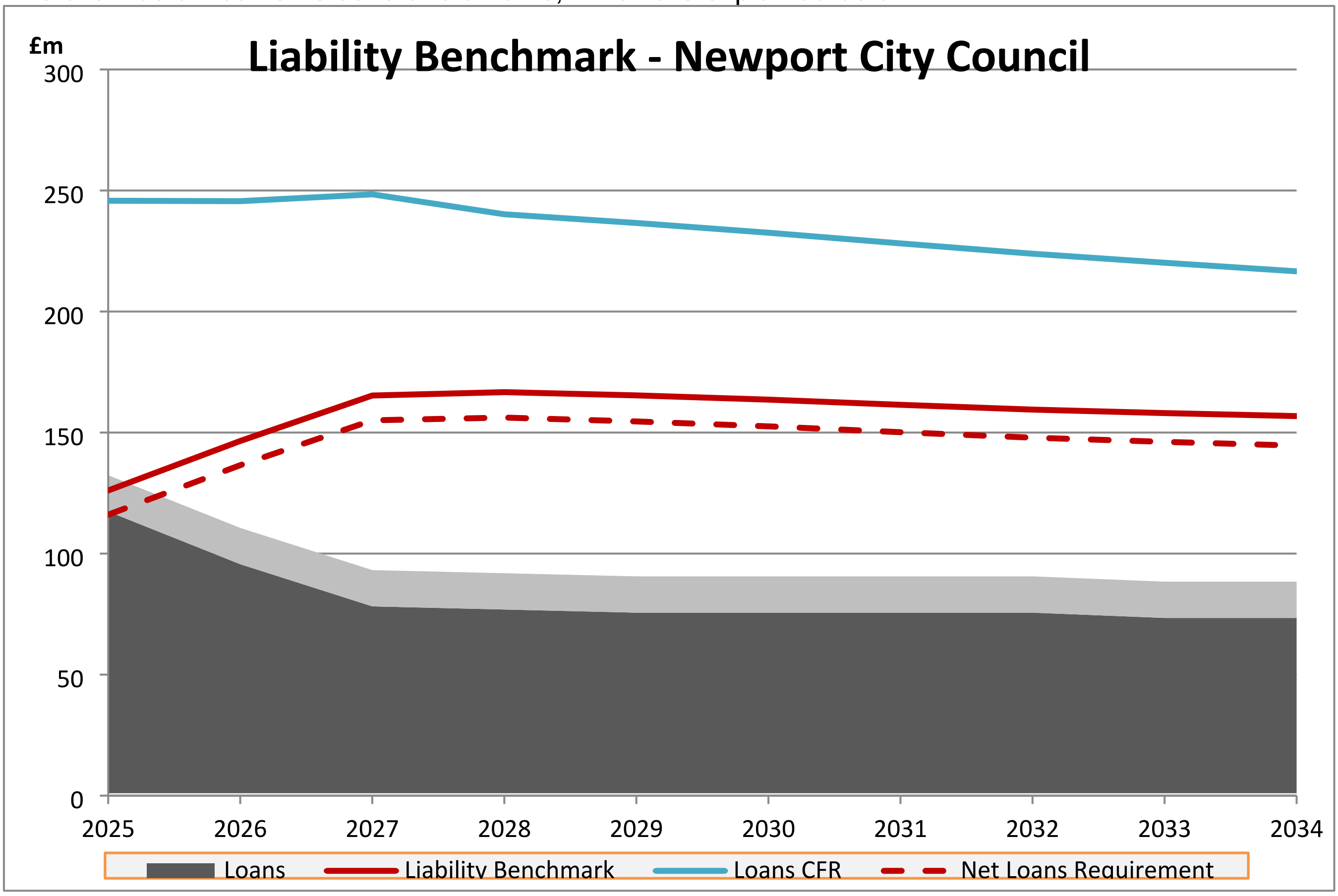
As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

1. Liability Benchmark:

This 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.

	31.3.24 Actual	**31.3.25 Forecast**	**31.3.26 Indicative**	**31.3.27 Indicative**
Loans CFR	246.0	245.6	248.4	244.4
Less: Balance sheet resources	-122.8	-109.1	-102.4	-98.7
Net loans requirement	123.2	136.5	146.1	145.7
Plus: Liquidity allowance	10	10	10	10
Liability benchmark	**133.2**	**146.5**	**164.9**	**167.7**

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 30th September 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:

	30.09.24 Actual	**Upper limit**	**Lower limit**	**Complied**
Under 12 months	35%	60%	0%	Yes
12 months and within 24 months	5%	40%	0%	Yes
24 months and within 5 years	10%	40%	0%	Yes
5 years and within 10 years	19%	40%	0%	Yes
10 years and within 20 years	12%	40%	0%	Yes
20 years and within 30 years	3%	30%	0%	Yes
30 years and within 40 years	12%	30%	0%	Yes
40 years and within 50 years	0%	20%	0%	Yes
50 years and above	3%	20%	0%	Yes

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:

	2024/25	2025/26	2026/27
Limit on principal invested beyond year end	£10m	£10m	£10m
Actual principal invested beyond year end	£10m	£10m	£10m
Complied?	Yes	Yes	Yes

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 was maintained at 5% as at the end of September.

Interest rate risk indicator	**Limit**	**30.09.24 Actual**	**Complied**
Upper limit on one-year revenue impact of a 1% rise in interest rates	£250,000	227,241	Yes
Upper limit on one-year revenue impact of a 1% fall in interest rates	£150,000	-137,241	Yes