

THE VALE OF GLAMORGAN COUNCIL

CABINET: 22ND JANUARY, 2018

REFERENCE FROM CORPORATE PERFORMANCE AND RESOURCES
SCRUTINY COMMITTEE: 14TH DECEMBER, 2017

“559 INITIAL CAPITAL PROGRAMME PROPOSALS 2017/18 (MD) –

The Council’s Scrutiny Committees had previously considered the above proposals at its meetings held on the following dates:

- Environment and Regeneration Scrutiny Committee – 30th November, 2017
- Healthy Living and Social Care Scrutiny Committee – 4th December, 2017
- Homes and Safe Communities Scrutiny Committee – 6th December, 2017
- Learning and Culture Scrutiny Committee – 11th December, 2017.

Details of each of the Scrutiny Committees’ recommendations if made on the Initial Capital Programme Proposals were included in the agenda. Homes and Safe Communities and Learning and Culture Scrutiny Committees made no recommendations on the above budget proposals.

Environment and Regeneration Scrutiny Committee recommended –

“..... In considering the report, Members raised a number of queries as outlined below:

- *Paragraph 12 of the report referred to a 20mph zone for Treharne Road with it being noted that this would improve facilities such as access to local parks and schools. A Member queried the schools referred to being advised that they were Barry Comprehensive and Bryn Hafren due to the significant footfall in those areas, together with Oakfield Primary School, Jenner Park and Cadoxton. A number of Surveys had shown significant congestion with the issues also having been highlighted by the local Councillor and the community.*
- *In referring to improvements on Dock View Road and whether the funding required was to be vired, it was agreed that clarity of wording be pursued and reported to Members via e-mail.*
- *In considering the Five Mile Lane project, Members were advised CPOs had been agreed and that the contractors would be on site in the New Year. Members were reassured that there appeared to be no hold up now and that work would commence.*
- *In referring to a query in relation to the bridge at Dinas Powys library, Members were advised that it had been put forward due to the fact that it was*

structurally unsound. The local Member asked for further detail to be sent to him on the project via email.

- In noting that a number of schemes were not being proposed, the issue of street lighting in Dinas Powys was raised with a local Member advising that a number of local residents had complained about the state of repair of the street lighting columns and the need for replacements. The officer agreed to look into the issue and advise the Member accordingly.
- Cross Common Bridge road when was this likely to be removed. The Head of Service advised that her intention was hopefully within the next three to six months, however she had had resource issues in the Engineering Section and unfortunately had to prioritise other works in advance of the Cross Common Bridge, but it was certainly on the list to be addressed.
- In referring to the time taken for a cycleway on the ash path (between 9 to 18 months), Committee was informed that this was as a result of the legal process as this included any objections which could take some time to address.
- Following a query in respect of feasibility studies in Penarth including the Esplanade and why it had been requested to reduce the Capital Programme by £47k, the officer advised they would speak to the Head of Service for Regeneration and Planning and the Director of Environment and Housing with a view to seeking a response that could be e-mailed to all Members.
- Ham Lane – when was the work to be completed – Head of Service agreed to provide email update.
- Waste recycling site at Llandow – the officer advised that it was her intention to provide another site in the area when she could.

In conclusion, the Chairman referred to resurfacing in and around the Vale, advising that not spending sufficiently on road resurfacing was actually a false economy. The officer advised that the department would need at least £2.5m - £3m to stay on top of all its roads. The Chairman, in noting the healthy position of the reserves, suggested that the Council should consider utilising some of the reserves for resurfacing purposes.

Following full consideration of the report, it was subsequently

RECOMMENDED –

(1) T H A T

(2) T H A T in noting the healthy position of the reserves, the Corporate Performance and Resources Scrutiny Committee be requested to recommend to Cabinet that the use of further reserves for resurfacing throughout the Vale of Glamorgan be considered.

(3) T H A T

Reasons for recommendations

- (1)
- (2) *To request that Cabinet consider further funding for resurfacing throughout the Vale of Glamorgan as it could be a false economy not to address the situation.*
- (3)"

Healthy Living and Social Care Scrutiny Committee recommended –

“..... A Member queried the allocation of £300k to St. Paul’s Church and was advised that the £233k that had been originally programmed in the budget was no longer required as officers were pursuing the new project proposals from Newydd Housing Association and further detail was awaited pending the outcome of the planning process.

The Chairman, referring to Appendix 3, expressed disappointment in relation to the replacing playground schemes not being included in the Capital Programme and asked whether there was any potential for Section 106 funding. The Cabinet Member advised that the department was currently looking into the issue of Section 106 funding, in particular for the Rhoose play area. The Operational Manager for Leisure Services also advised that other funding opportunities e.g. grants were being considered.

Following a query with regard to the Southway project, it was noted that this project was now complete.

Having considered the report, it was subsequently

RECOMMENDED –

- (1) **T H A T**
- (2) **T H A T** *the Corporate Performance and Resources Scrutiny Committee be requested to ask Cabinet to reconsider the priority bids to include the not proposed replacement playgrounds schemes and that every opportunity and option be explored in order to resource such facilities.*
- (3) **T H A T**

Reasons for recommendations

- (1)
- (2) *To seek Corporate Performance and Resources Scrutiny Committee support in relation to funding allocations for playgrounds and play areas.*

(3)

Set out in Appendix 1 were details of the financial progress on the Capital Programme as at 30th September, 2017. In addition, the report also addressed the following changes to the Programme:

Rhose Primary New School – It had been requested that the Rhose scheme be reprofiled as indicated below in line with the 21st Century Schools Band B proposals set out in paragraph 66 of this report:-

Rhose Primary New School

| Year | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|-----------------------------------|----------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Currently Approved Profile | 1,500 | 1,762 | 0 | 0 |
| Proposed Profile | 0 | 349 | 1,981 | 1,855 |

This would maximise the opportunity to draw down on the available Section 106 and utilise potential 21st Century Schools Band B funding for the scheme.

Llantwit Major Learning Community – The 2018/19 budget for this scheme was £29,000, it had been requested to bring this budget forward into the 2017/18 Capital Programme as retention had to be accrued into the year that the works are carried out.

Romilly Primary – The design of the new classroom block at Romilly Primary had been delayed due to the discovery that a 200mm water main running under the site was nearly 5m away from the location shown on the Welsh Water plans. The original plans had been completed before this was discovered and the scheme has had to be redesigned to enable the building to fit on the site. It had therefore been requested to carry forward £858,000 into the 2018/19 Capital Programme.

Victorian Schools – Due to the extent of preparatory investigative works required, the Property Section were not able to undertake the full programme of Victorian Schools works during the 2017 summer holidays. Works at Ysgol St. Curig, Romilly, Cogan and Gladstone Primary would be completed by December 2017. The tender documentation for the remaining schemes would be completed during the winter for the schemes to be completed during the summer of 2018. It had therefore been requested to carry forward £1,388,000 from 2017/18 into the 2018/19 Capital Programme.

Cogan Primary Reception Area – Works included the conversion of the Caretaker's house into a new reception area. It had been requested that a new scheme be included within the 2017/18 Capital Programme with a budget of £113,000 to be funded by a revenue contribution from the school.

Holton Primary Outdoor Shelter – Works included the purchase and installation of an outdoor shelter. It has been requested that a new scheme be included within the

2017/18 Capital Programme with a budget of £14,000 to be funded by a revenue contribution from the school.

Wick Primary Nursery and Remodel Building – This scheme would include a new nursery and would allow for the remodelling of the existing building. It had been requested that a new scheme be included in the Capital Programme with a budget of £800,000, split £52,000 in 2017/18 and £748,000 in 2018/19. This scheme would be funded from Section 106 monies.

St. Joseph's Nursery and Early Intervention Base – The design process for the scheme had been delayed therefore it had been requested to carry forward £964,000 into the 2018/19 Capital Programme.

Youth Service Software – This scheme was to purchase an add on module to the Council's Management Information System 'One'. It had been requested to include a new scheme within the 2017/18 Capital Programme with a budget of £28,000 to be funded by a contribution from revenue.

Southway Asbestos Removal – As part of this scheme catering equipment had to be removed, which revealed that the flooring was in very poor condition and needed replacing. This flooring was not within the original budget allocation and therefore a £3,000 contribution from revenue was required.

The proposal to amend the funding for the 2017/18 Housing Improvement Programme was set out in paragraph 72 of the report and included those amendments identified below.

WHQS Environmental Improvements – Work on the Buttrills Environmental Scheme started in July 2017 and it was estimated to take 18 months to complete. The scheme was to be completed in three phases: roofing, walls and internal / external communal areas, with the communal areas unlikely to be completed until the 2018/19 financial year. It had therefore been requested to carry forward £373,000 into the 2018/19 Capital Programme.

Vehicle Replacement Programme – There had been delays in procuring certain vehicles programed to be replaced in 2017/18 and these would now be carried forward and replaced in 2018/19. The Programme budget profile had been reviewed as set out below:

Vehicle Replacement Fund

| Year | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Currently Approved Profile | 3,235 | 1,756 | 1,250 | 901 | 922 | 0 |
| Proposed Profile | 2,235 | 2,256 | 1,184 | 900 | 900 | 900 |

Consequently, it had been requested to amend the Programme budget profile as proposed above. This was to be funded by £1.2m prudential borrowing and £7.175m Vehicle Fund reserve.

Additional Resurfacing – Both this budget and the Visible Services Highway Improvements budget were used to fund the Highways resurfacing three year plan. It had been requested to amalgamate both budgets with the Visible Services Highway Improvements budgets, with an amended budget totalling £1.3m.

Coldbrook Flood Risk Management – The 2018/19 budget for this scheme was £77,000. It had been requested that this budget be brought forward into the 2017/18 Capital Programme as retention has to be accrued into the year that the works were carried out.

Boverton Flooding – The 2018/19 budget for this scheme was £100,000. It had been requested that this budget be brought forward into the 2017/18 Capital Programme as retention had to be accrued into the year that the works were carried out.

Llanmaes Flood Management Scheme – It had been requested to carry forward £746,000 into the 2018/19 Capital Programme as the remainder of the significant construction costs would not be incurred until 2018/19 and would be subject to Welsh Government (WG) funding approval.

Ashpath Footpath Improvements – The Council was in the process of applying for a Cycle Way order which could take up to 9-18 months depending on objections. It had been requested to carry forward £63,000 into the 2018/19 Capital Programme.

Parks and Grounds Asset Renewal – A delegated authority had been approved to vire £9,500 from the Resurfacing Works budget to the Fencing Works budget. These budgets were both within the Parks and Grounds Asset Renewal budget. Fencing Work costs at Belle Vue and Romilly Park were higher than originally anticipated and as the resurfacing works programme was yet to commence, the virement of the budget was not detrimental to any current projects.

Cemetery Approach – It had been requested to increase this budget by £124,000, £94,000 in 2017/18 and £30,000 in 2018/19 to be funded from Section 106 monies. Delegated authority had been sought to increase the Capital Programme for a £25,000 contribution from Barry Town Council once the addendum to the Funding Agreement had been signed.

Barry Leisure Centre Floor – The floor type required at Barry Leisure Centre was very specialist and there was only one company who were able to carry out the works. As a result, the works were unable to be carried out until April 2018. It had therefore been requested to carry forward £187,000 into the 2018/19 Capital Programme.

Barry and Penarth Leisure Centre Upgrade Changing Rooms – It had been requested to carry forward £1,492,000 into the 2018/19 Capital Programme to align with the projected implementation plan for the scheme.

St. Paul's Church – The original Capital Programme allocation of £233,000 was no longer required as officers were pursuing the new project proposal (subject to statutory consents) from Newydd Housing Association in accordance with Cabinet Minute C3480 (Cabinet Meeting of 20th February 2017), which would be financed by the Housing Association, WG for the proposed affordable dwellings and by Section 106 funds (if approved by the Section 106 process) for the Community Facility. It had therefore been requested to remove this budget from the 2017/18 Capital Programme.

A number of delegated authorities had been granted in respect of the below:

- Profihopper – Wildflower and wild area flail mowing cutter-collector – approved to include a new scheme of £30,000 into the Capital Programme to be funded from Section 106 monies.
- Improved pedestrian movements along Old Port Road – approved to include a new scheme of £180,000 into the Capital Programme to be funded from Section 106 monies.
- Improve pedestrian movements along Treharne Road – approved to include a new scheme of £170,000 into the Capital Programme to be funded from Section 106 monies.
- Improve pedestrian movements along Dock View Road – approved to include a new scheme of £24,000 into the Capital Programme to be funded from Section 106 monies.
- Barry Regeneration Partnership Project Fund – approved to vire £26,500 to the High Street / Broad Street Traffic Management scheme This was for additional works to pedestrian routes on the approaches to the District Shopping Centre. Also approved £20,000 from this scheme to be classified as revenue. This was made up of £4,500 for Holton Road Street Furniture Upgrade Phase 2, £8,500 for Barry Sense of Play and £7,000 for High Street Springboard.

Maes Dyfan Open Space Improvements – It had been requested that a new scheme be included in the Capital Programme to enhance and undertake landscaping improvements at the public open space adjacent to the recent re-development of Ysgol Maes Dyfan. The total budget for these works was £41,000, split £5,000 in 2017/18 and £36,000 in 2018/19 to be funded from Section 106 monies.

Pedestrian Crossing Across Thompson Street / Holton Road – Consultation was unsuccessful for a crossing across Thompson Street / Holton Road and the funding was now being used to improve pedestrian movements along Dock View Road. It had therefore been requested to remove this £24,000 budget from the 2017/18 Capital Programme.

Welsh Government Rural Communities, Rural Development Programme (RCDF) Go Wild – The Council had been awarded a grant of £84,000 from WG for the above scheme. The Council was required to contribute £21,000 match funding to the scheme.

Refurbishment of Car Park and Toilets at Dunraven Bay – The Council had been awarded a grant of £80,000 from WG for the above scheme under the Rural Development Programme 2014-2020. The Council was required to contribute £20,000 match funding to the scheme.

Five Mile Lane – Due to unforeseen delays regarding the Compulsory Purchase Order and letting the main works contract the full budget would not be spent this financial year. It had therefore been requested to carry forward £4,365,000 into the 2018/19 Capital Programme.

Feasibility Studies in Penarth Including the Esplanade – The original scheme was not viable and therefore this budget was not required within the 2017/18 Capital Programme. It had therefore been requested to reduce the Capital Programme by £47,000, this Capital Receipt funding would be used towards funding the 2018/19 Capital Bids.

Nell's Point Former Toilet Block – The Council had received a report detailing interim works required to this building and up to £100,000 of this budget would be required for these works. Therefore the full budget of £255,000 would not be spent and it had been requested to reduce the 2017/18 Capital Programme by £155,000 and this Capital Receipt funding would be used to fund 2018/19 Capital Bids.

Civic Offices Re-wire / Space Project – Reduced Office accommodation – Additional works to the Civic Offices to make improvements to the security and operation of the main reception areas had been identified as being more cost effective to undertake as part of the already approved Space Project works. It had been requested to increase this budget by £45,000 to be funded from the Council Building Fund.

Court Road Depot – Survey, Feasibility and Infrastructure Budget – The Reshaping Services Programme was slightly behind schedule and would not be fully implemented in 2017/18. It had therefore been requested to carry forward £300,000 into the 2018/19 Capital Programme.

ICT Allocation – The ICT allocation for 2018/19 was £280,000, £235,000 of this was being used to fund the Alps (A Block) Internal Network and the Dock Office Internal Network. Three other ICT schemes listed below were also required to be carried out within 2018/19:

- Storage Infrastructure Refresh £200,000
- Server Infrastructure Refresh £100,000
- Direct Access £40,000.

It had been requested to bring forward £295,000 of the 2019/20 ICT allocation into the 2018/19 Capital Programme in order to progress with the projects listed above.

WG announced the provisional 2018/19 General Capital Funding on 10th October, 2017. The 2018/19 Capital Settlement as in the previous financial year was a flatlined capital settlement which, for the Vale of Glamorgan Council, equated to General Capital Funding of £5.505m which was made up of £2.083m General Capital Grant and £3.422m Supported Borrowing. There was no indication of the level of funding likely beyond 2018/19 and therefore in line with the approach adopted in the Medium Term Financial Plan the proposals assumed a reduction of 5% for each year of the programme from 2019/20.

Appendix 2 to the report set out the Initial Proposals for the Capital Programme between 2018/19 and 2022/23.

The Council would seek to mitigate the projected deteriorating funding situation by looking to progress only those schemes which were deemed to be a key Corporate Priority and made a clear impact to the Wellbeing and Future Generation priorities. The Council would seek assurances that schemes included in the Capital Programme could be delivered on time and within budget.

The Major Repairs Allowance (MRA), which was the grant that provided capital funding to the Housing Revenue Account (HRA), had not yet been announced by WG for 2018/19. An assumption had been made in Appendix 2 that the grant would continue at the 2017/18 allocation of £2.779m in 2018/19 and throughout the period of the Capital Programme.

In addition to external funding, the Council would finance part of the Capital Programme from its own resources, e.g. capital receipts and reserves.

The table below sets out the General Capital Funding and internal resources required to fund the proposed schemes which were detailed in Appendix 2 to the report.

Analysis of Net Funding Required for the Indicative 2018/19 Capital Programme

| GENERAL FUND | £'000 | £'000 |
|---|--------------|--------------|
| Welsh Government Resources | | |
| Supported Borrowing | 3,422 | |
| General Capital Grant | 2,083 | |
| Total Welsh Government Resources | | 5,505 |
| Council Resources | | |
| General Capital Receipts | 3,633 | |
| Reserves | 4,869 | |

| | | |
|------------------------------------|-------|---------------|
| Total Council Resources | | 8,502 |
| Net Capital Resources | | |
| HOUSING REVENUE ACCOUNT | | |
| Housing Reserves | 4,566 | |
| Housing Unsupported Borrowing | 5,420 | |
| Net Capital Resources | | 9,986 |
| Total Net Capital Resources | | 23,993 |

New capital bids were invited for return by 30th September, 2017 and the number of bids received was in line with previous years since the five year Capital Programme was introduced (1 from Learning and Skills, 10 from Environment and Housing and 4 from Managing Director and Resources). Departments were requested to rank and assess their own bids in order of importance before submission and bids from each Department were forwarded to the Insight Group for evaluation.

The Insight Group used a number of criteria to assess the Capital Bids. The first criteria used was to classify the nature of the bids and had been unchanged from the previous year's arrangements details of which were set out in paragraph 51 of the report.

In addition, in accordance with the criteria set out in the Budget Strategy, the bids were prioritised in terms of their corporate priority and the risk they posed to the Council if they were not pursued. The risk assessment element was undertaken in line with the Council's Corporate Risk Management Strategy which had remained unchanged from the previous year and details of which were set out in paragraphs 52, 53 and 54 of the report.

The bids were also reviewed for the contribution that they made to the Wellbeing and Future Generations criteria.

Only those schemes assessed as corporate priority 1 or higher and medium risk or higher were included in these proposals. In addition, the schemes put forward should contribute to at least three Wellbeing and Future Generations outcomes and should have a scheme priority factor of either A/B/Ci/Cii/Ciii. The bids that did not meet these criteria or where it was considered that the scheme requirements could be met from within existing asset renewal allocations were excluded from consideration as there was insufficient funding available. The bids were detailed in Appendix 3 to the report with a reason for their exclusion. The exception to this was the bid for the New Household Waste Recycling Centre and Old Hall Cowbridge, renewal of roof coverings. These bids did meet the criteria however the Council had insufficient funds at this time to progress these schemes. The Council was looking at funding opportunities from WG in order to progress the New Household Waste

Recycling Centre. Old Hall Cowbridge was not being progressed at this time as the scheme priority was not A or B.

The bids that had been funded were set out below with the proposed funding profile:

| Successful Bids | 2018/19 | 2019/20 | 2020/21 | 2021/21 | 2022/23 | Total |
|--|----------------|----------------|----------------|----------------|----------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Carriageway resurfacing/ Surface treatments (Original bid £2.150m in 2018/19 increasing by an additional £100k per annum to 2022/23) | 500 | 0 | 0 | 0 | 0 | 500 |
| Electrical Rewiring - Barry and Penarth Leisure Centres | 1,107 | 387 | 36 | 0 | 0 | 1,530 |
| Disabled Facility Grants | 150 | 150 | 150 | 150 | 150 | 750 |
| Community Centres | 15 | 15 | 15 | 15 | 15 | 75 |
| Alps (A Block) Internal Network | 105 | 0 | 0 | 0 | 0 | 105 |
| Docks Office Internal Network | 130 | 0 | 0 | 0 | 0 | 130 |
| Total | 2,007 | 552 | 201 | 165 | 165 | 3,090 |

It had been proposed that the All Services Asset Renewal budget of £200,000 in 2018/19 and 2019/20, funded from general capital funding, would be used to fund the above bids. It had also been proposed that two budgets totalling £202,000 as outlined in paragraphs 36 and 37 of the report, which were no longer required in the 2017/18 Capital Programme funded by Capital Receipts were used to fund the above bids.

It had been proposed that The Alps (A Block) Internal Network and the Docks Office Internal Network be funded from the existing ICT allocation within the five year Capital Programme.

The funding of the bids was set out in the table below:

| Funding | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|--|----------------|----------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Capital Receipts | | | | | |
| General Capital Receipts | 1,000 | 0 | 0 | 0 | 0 |
| Nell's Point Toilet Block | 155 | 0 | 0 | 0 | 0 |
| Feasibility Studies in Penarth Including the Esplanade | 47 | 0 | 0 | 0 | 0 |
| Total Capital Receipts | 1,202 | 0 | 0 | 0 | 0 |
| General Capital Funding | | | | | |
| General Capital Funding | 370 | 352 | 201 | 165 | 165 |
| All Services Asset | 200 | 200 | 0 | 0 | 0 |

| | | | | | |
|--------------------------------------|--------------|------------|------------|------------|------------|
| Renewal | | | | | |
| ICT Allocation | 235 | 0 | 0 | 0 | 0 |
| Total General Capital Funding | 805 | 552 | 201 | 165 | 165 |
| Total | 2,007 | 552 | 201 | 165 | 165 |

The changes detailed above had been reflected in Appendix 2 to the report.

In addition to bids meeting the criteria for inclusion in the Capital Programme, there had been a number of changes approved by Cabinet since the final budget proposals 2017/18 to 2021/22 which had been approved in February 2017. These changes included capital sums carried forward which have been included in Appendix 2 to the report.

The 21st Century Schools Programme was the WG's funding initiative for investment in schools. The first tranche of schemes under Band A of the funding were submitted prior to November 2011. Band A schemes run between 2013/14 and 2018/19. Band B schemes were expected to commence in 2019/20.

The schemes included under the Band A submission for construction between 2013/14 and 2018/19 were as follows: Ysgol Nant Talwg, Ysgol Dewi Sant, Ysgol Gwaun Y Nant and Oakfield, Colcot, Llantwit Learning Community and Romilly Primary School. The Ysgol Nant Talwg, Ysgol Dewi Sant, Ysgol Gwaun Y Nant and Oakfield schemes were now complete. Romilly Primary School scheme was at design stage and Llantwit Learning Community was on track to complete in December 2017.

Band B Schemes were expected to commence in 2019/20 and in December 2014 the Council submitted proposals for a number of schemes to WG. During 2016/17 reports were taken to Cabinet regarding two key schemes to be progressed under Band B, namely, a proposal to establish new Mixed Sex Secondary Schools in Barry and a proposal to Increase Welsh Medium Secondary School Places. These schemes were included in the current Capital Programme and were funded as follows:

| Band B Scheme | WG Grant | S106 | GCF | Capital Receipts | Cont. from Reserves | Unsupp Borrowing | Total |
|----------------------------|-----------------|--------------|--------------|-------------------------|----------------------------|-------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Welsh Medium Secondary | 9,650 | 1,037 | 2,598 | 514 | 3,501 | 2,000 | 19,300 |
| Mixed Sex Secondary School | 22,000 | 986 | 1,036 | 11,685 | 8,293 | 0 | 44,000 |

At the end of July 2017 the Council had to submit a Strategic Outline Programme to WG for Band B. Based on latest indications, it had been assumed that 50% funding would be available from WG to fund non faith school schemes and 85% funding would be available for faith school schemes. On 10th November, 2017 an

announcement by the Cabinet Secretary for Education appeared to indicate that the level of Band B funding (circa £2.3 billion across Wales) would allow this Council to deliver its submitted proposals. A detailed business case would be required for each scheme contained in the Band B Programme. This amount would be used to inform the final budget setting in February 2018. The proposals were set out below which included revision of the existing schemes:

| Band B Scheme | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | Total |
|----------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Mixed Sex Secondary School | 150 | 100 | 19,750 | 20,000 | 8,840 | 0 | 0 | 48,840 |
| Welsh Medium Secondary | 350 | 150 | 9,500 | 11,423 | 0 | 0 | 0 | 21,423 |
| Other Band B Schemes | 0 | 0 | 4,000 | 10,649 | 7,274 | 25,800 | 20,246 | 67,969 |
| Band B Rhoose Primary New School | 0 | 349 | 1,981 | 1,855 | 0 | 0 | 0 | 4,185 |
| Total | 500 | 599 | 35,231 | 43,927 | 16,114 | 25,800 | 20,246 | 142,417 |

Funding for the above proposals was set out below:

| Funding | £'000 |
|-----------------------------------|----------------|
| WG Grant | 83,823 |
| Section 106 | 18,211 |
| Capital Receipts | 14,972 |
| General Capital Funding | 5,430 |
| Reserves and Revenue Contribution | 13,487 |
| Prudential Borrowing | 6,494 |
| Total | 142,417 |

The new proposals above had been reflected in Appendix 2.

The planned spend on the Education Capital Programme from 2018/19 to 2022/23 incorporating expenditure under Band A and Band B schemes funded under 21st Century Schools Programme. Gross Expenditure totalled £130.615m.

The total cost for Band B schemes was projected to be £142.417m (£83.823m WG Funding), however, of this total £122.171m related to costs up to and including 2022/23 which was the period covered by this report and was therefore included in Appendix 1 (2017/18) and 2 (2018/19 to 2022/23).

The Education Capital Programme would be funded as set out below:

| By Funding Source | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | Total |
|---|--------------|---------------|---------------|---------------|---------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| General Capital Funding | 2,001 | 2,448 | 2,204 | 1,972 | 956 | 9,581 |
| Capital Receipts | 2,264 | 3,440 | 7,816 | 729 | 2,290 | 16,539 |
| Other Reserves and Revenue Contribution | 0 | 2,939 | 2,375 | 0 | 254 | 5,568 |
| School Investment Reserve | 183 | 4,316 | 2,155 | 875 | 73 | 7,602 |
| IT Fund | 46 | 200 | 200 | 200 | 200 | 846 |
| Prudential Borrowing | 0 | 0 | 1,616 | 2,000 | 1,593 | 5,209 |
| Total Internal Funding | 4,494 | 13,343 | 16,366 | 5,776 | 5,366 | 45,345 |
| S106 Agreements | 1,831 | 4,359 | 6,582 | 1,708 | 1,270 | 15,750 |
| Welsh Government Grant | 18 | 18,329 | 21,779 | 9,430 | 19,964 | 69,520 |
| Total Funding | 6,343 | 36,031 | 44,727 | 16,914 | 26,600 | 130,615 |

The 2017/18 Housing Improvement Programme budget currently totalled £21.353m. It had been requested above that £373,000 be carried forward into 2018/19. The funding of the 2017/18 Programme had been amended as set out in the table below:

| Funding | Current 2017/18 £'000 | Amended 2017/18 £'000 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Major Repairs Allowance Grant | 2,770 | 2,779 |
| Other Grant | 166 | 166 |
| CERA | 5,148 | 6,481 |
| Unsupported Borrowing | 13,269 | 9,767 |
| HRA Capital Receipts | 0 | 1,787 |
| Total | 21,353 | 20,980 |

In referring to the LED lighting programme, a Member referred to the delay in implementing the project and expressed concern given the pressure on funding within the revenue budget of the Service and therefore was particularly relevant. Another Member echoed these concerns and referred to the delivery of the Household Waste Recycling Centre given pressure on transport costs in relation to Waste Management. Another Member referred to the slippage in the Vehicle Replacement Programme and referred to implications for increased costs surrounding maintenance of the Council's existing fleet of vehicles. This in itself would put additional strain on revenue resources within the Service's revenue budget.

Separately, another Member made reference to the funding of Band B Schools and enquired of the proportionate funding from WG which had been made available for the provision of new Welsh medium schools. In response to this point, the Head of Finance indicated that WG generally awarded 50% funding for new schools under

the 21st Century Schools programme regardless to whether they were Welsh or English medium sector. Only Faith Schools received a higher funding allocation of 85%.

General discussion ensued with a number of Members raising the inclusion of schemes which had not been successful in the bidding round. A number of comments / concerns were raised in relation to specific schemes identified below, with the Committee seeking the Cabinet to revisit these so that they were included in the Programme for 2018/19:

- EH2 – new household waste recycling centre;
- EH6 – footway renewal;
- EH8 – replacement playgrounds.

In responding, the Head of Finance indicated that the funding of the Capital Programme had been extremely challenging and alluded to the potential funding opportunities to deliver street lighting (column replacement and replacement of electrical cables) via the Council's Asset Maintenance Programme and the provision of new playground facilities funded by Section 106 funding once it became available.

As in the case of the consideration of the Initial Budget Proposals, similar arrangements were in place for the Council's other Scrutiny Committees to refer their comments to this Scrutiny Committee which would on their behalf form a response to Cabinet on the proposals by no later than 14th December, 2017. Each Scrutiny Committee had been asked to first consider the Initial Capital Programme proposals as shown in Appendix 2 and to make any recommendations for changes. If changes were requested, the reason for this needed to be recorded in order to assist the Cabinet and the Budget Working Group (BWG) in drawing up the final proposals. Corporate Performance and Resources Scrutiny Committee was the lead Scrutiny Committee and would consider both the Initial Capital Budget Proposals. The total net capital expenditure of the proposed programme in Appendix 2, over the five years, was £103.407m.

It was noted that if the schemes shown in Appendix 2 were approved, the effect on General Fund useable capital receipts would be as shown in the following table.

| Capital Receipts | General | Ringfenced Social Services | Ringfenced Education |
|--|----------------|---|---------------------------------|
| | £'000 | £'000 | £'000 |
| Anticipated Balance as at 1st April 2018 | 4,764 | 1,339 | 1,299 |
| Anticipated Requirements – 2018/19 | -3,545 | 0 | -88 |
| Anticipated Receipts – 2018/19 | 0 | 0 | 0 |
| Balance as at 31st March 2019 | 1,219 | 1,339 | 1,211 |
| Anticipated Requirements – 2019/20 | -215 | -1,339 | -3,325 |
| Anticipated Receipts – 2019/20 | 0 | 0 | 4,093 |

| | | | |
|---|--------------|----------|--------------|
| Balance as at 31st March 2020 | 1,004 | 0 | 1,979 |
| Anticipated Requirements – 2020/21 | -313 | 0 | -7,603 |
| Anticipated Receipts – 2020/21 | 0 | 0 | 6,012 |
| Balance as at 31st March 2021 | 691 | 0 | 388 |
| Anticipated Requirements – 2021/22 | -100 | 0 | -729 |
| Anticipated Receipts – 2021/22 | 0 | 0 | 2,832 |
| Balance as at 31st March 2022 | 591 | 0 | 2,491 |
| Anticipated Requirements – 2022/23 | 0 | 0 | -2,290 |
| Anticipated Receipts – 2022/23 | 0 | 0 | 500 |
| Balance as at 31st March 2023 | 591 | 0 | 701 |
| Anticipated Requirements – 2023/24 | -2 | 0 | -701 |
| Anticipated Receipts – 2023/24 | 0 | 0 | 0 |
| Balance as at 31st March 2024 | 589 | 0 | 0 |

The Education Capital Programme utilised general capital receipts in addition to capital receipts ringfenced for Education.

The capital receipt balance for Social Services had been ringfenced for Social Services capital expenditure. Whilst options were being explored by the Council, it had been assumed that the full capital receipt of £1.339m would be utilised for older person's accommodation in 2019/20, this was previously shown in 2018/19.

In line with the overall strategy and specific suggestions proposed by the BWG, in order to resource the Capital Programme, reserves would be utilised over the period of the Capital Programme 2018/19 to 2022/23.

The Project Fund would be used to fund schemes assessed on an invest to save basis, and in certain circumstances business critical schemes may also be funded from this reserve with the prior approval of the Head of Finance. The projected usage of this reserve over the period of the Capital Programme was detailed below:

| Project Fund | £'000 |
|--|--------------|
| Anticipated Balance as at 1st April 2018 | 2,443 |
| Anticipated Requirements – 2018/19 | 0 |
| Anticipated Receipts – 2018/19 | 0 |
| Balance as at 31st March 2019 | 2,443 |
| Anticipated Requirements – 2019/20 | -62 |
| Anticipated Receipts – 2019/20 | 0 |
| Balance as at 31st March 2020 | 2,381 |
| Anticipated Requirements – 2020/21 | -150 |
| Anticipated Receipts – 2020/21 | 0 |

| | |
|---|--------------|
| Balance as at 31st March 2021 | 2,231 |
| Anticipated Requirements – 2021/22 | 0 |
| Anticipated Receipts – 2021/22 | 0 |
| Balance as at 31st March 2022 | 2,231 |
| Anticipated Requirements – 2022/23 | 0 |
| Anticipated Receipts – 2022/23 | 0 |
| Balance as at 31st March 2023 | 2,231 |

The above forecasted balances needed to be seen in the context of significant pressures for spending which were not yet included in the Capital Programme. These included the backlog of school, highways and buildings improvements.

Having carefully considered the budget proposals, it was

RECOMMENDED –

(1) T H A T the recommendations of the Environment and Regeneration Scrutiny Committee be noted and referred to the Cabinet for further consideration.

(2) T H A T the recommendations of the Healthy Living and Social Care Scrutiny Committee be noted and referred to the Cabinet for further consideration.

(3) T H A T the Cabinet be requested to re-examine the below unsuccessful schemes with a view to their inclusion in the Capital Programme for 2018/19:

- EH2 – new household waste recycling centre;
- EH8 – footway renewal;
- EH6 – replacement playgrounds.

(4) T H A T the Cabinet be requested to emphasise to officers the need to complete the Vehicle Replacement Programme procurement exercise given the budgetary pressures experienced by Waste Management as set out in the Initial Revenue and Capital Proposals under consideration.

(5) T H A T the changes to the 2017/18 and future years' Capital Programme be noted.

Reason for decisions

(1-5) In acknowledgement of the position of the Capital Programme.”