

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Thursday, 24 October 2024</b>
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Draft Capital Investment Strategy 2025/26 and Initial Capital Programme Proposals 2025/26 to 2029/30
Purpose of Report:	To gain approval for the Initial Capital Programme Proposals for 2025/26 to 2029/30 so that they may be submitted to Scrutiny Committees for consultation and to set out the Draft Capital Investment Strategy for Cabinet Members to consider.
Report Owner:	Executive Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Matt Bowmer, Head of Finance/S151 Officer
Elected Member and Officer Consultation:	All Scrutiny Committees will be consulted as part of the budget cycle.
Policy Framework:	This report follows the procedure laid down in the constitution for the making of the budget. The final 2025/26 budget proposals will require the approval of Full Council.
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>The report provides the Council's Draft Capital Investment Strategy for 2025/26 at Appendix 1. The Capital Strategy provides a framework which outlines how capital expenditure, capital financing and treasury management activity contribute to the provision of corporate objectives, along with an overview of how associated risk is managed and the implications for future financial sustainability.</li> <li>This report also sets out for Members the current 5 year Capital Programme for the period 2025/26 to 2029/30.</li> <li>The Council is facing significant pressures in relation to price inflation which has seen increases in the costs of materials and labour. This has had an impact on the current schemes and the funding available to fund new schemes within the Capital Programme.</li> <li>The total value of capital schemes over the next 5 years is £343.782M. This includes £67.133M for the Sustainable Communities for Learning schemes, and £219.619M for the Housing Improvement Programme and £9M (£12M in total, £3M included in 2024/25) for the Non-Treasury Investment Strategy subject to approval of schemes.</li> </ul>	

Table 1 – Summary of 5-year Capital Programme

Directorate	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Learning and Skills	7,102	4,060	4,435	2,000	2,000
Social Services	975	100	100	100	100
Environment	6,229	3,685	3,685	3,685	3,510
HRA	38,209	41,970	39,634	47,217	52,589
Place	1,637	1,305	1,305	1,150	1,150
Corporate Resources	250	355	544	441	504
City Deal	810	2,286	807	2,053	1,100
Pipeline Schemes	46,643	17,057	3,000	0	0
<b>Total</b>	<b>101,855</b>	<b>70,818</b>	<b>53,510</b>	<b>56,646</b>	<b>60,953</b>

Table 2 – Summary of funding of the schemes in the Capital Programme

Funding	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
General Capital Funding	6,878	6,772	6,668	6,565	6,464
Capital Receipts	2,044	1,166	2,346	2,191	3,762
Reserves	10,830	7,862	7,460	7,262	6,661
Unsupported Borrowing	37,758	33,334	28,931	35,058	38,496
Grants and Contributions (Including S106)	44,345	21,684	8,105	5,570	5,570
<b>Total</b>	<b>101,855</b>	<b>70,818</b>	<b>53,510</b>	<b>56,646</b>	<b>60,953</b>

- Since the Final Capital Programme proposals 2024/25 report in February, a number of changes have been made including a reduction in projected general capital funding going forward, an increase to the budget for the St Richard Gwyn Re-development, a re-profile for Ysgol Y Deri and the inclusion of a new grant under Woodland Investment. The detail of these changes is covered later in the report.

## **Recommendations**

1. That Cabinet approve the Draft Capital Strategy 2025/26 as set out in Appendix 1.
2. That the Initial Capital Programme for 2025/26 to 2029/30 is considered by Cabinet.

## **Reasons for Recommendations**

1. To approve the Draft Capital Strategy for 2025/26.
2. To consult Members on the Capital Programme for 2025/26 to 2029/30.

### **1. Background**

- 1.1 Full Council on 6th March 2024 (Minute No 892) approved the Capital Programme for 2024/25 onwards.
- 1.2 The Local Government Act 2003 sets out a framework for the financing of capital investments in Local Authorities which came into operation from April 2004. Alongside this, the Prudential Code was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice to support Local Authorities' decision making in the areas of capital investment and financing. Authorities are required by regulation to have regard to the Prudential Code.
- 1.3 CIPFA released an updated version of the Prudential Code in December 2017. The revised code includes a requirement for authorities to produce a Capital Strategy. To comply with the requirements, a Capital Strategy was produced for 2023/24 and was approved at Council on 6th March 2024. The first of the bi-annual review of the 2025/26 Capital Investment Strategy has been produced and can be found at Appendix 1 to this report.
- 1.4 CIPFA published revised codes of Practice on 20th December 2021 and formal adoption was required in financial year 2023/24. The Council has to have regard to these codes of practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and any other related reports during the financial year, which are required to be taken to Full Council for approval. The implications of the revised code are detailed in the Treasury Management Strategy.
- 1.5 The Capital Strategy provides a framework which outlines how capital expenditure, capital financing and treasury management activity contribute to the provision of corporate objectives, along with an overview of how associated risk is managed and the implications for future financial sustainability. It therefore outlines the Council's need to acquire, dispose or enhance assets such as land, buildings, roads, vehicles and plant to provide sustainable service provision to support its objectives. As resources available to meet the capital requirements of the Council are limited, the Strategy explains how priorities are set and outlines the sources of funding available, including the level of borrowing it will need and can afford to undertake and its investment strategy.

## 2. Key Issues for Consideration

### Capital Strategy

**2.1** A Summary of the 2025/26 to 2029/30 Capital Programme and how it is funded is included in the tables below.

Table 3 – Summary of 5-year Capital Programme and funding sources

Directorate	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Learning and Skills	7,102	4,060	4,435	2,000	2,000
Social Services	975	100	100	100	100
Environment	6,229	3,685	3,685	3,685	3,510
Housing	38,209	41,970	39,634	47,217	52,589
Place	1,637	1,305	1,305	1,150	1,150
Corporate Resources	250	355	544	441	504
City Deal	810	2,286	807	2,053	1,100
Pipeline Schemes	46,643	17,057	3,000	0	0
<b>Total</b>	<b>101,855</b>	<b>70,818</b>	<b>53,510</b>	<b>56,646</b>	<b>60,953</b>

Funding	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
General Capital Grant	3,485	3,431	3,379	3,326	3,275
General Fund (GF) Reserves/Revenue	3,346	800	800	800	800
HRA Revenue/Reserves	7,484	7,062	6,660	6,462	5,861
Capital Receipts	2,044	1,166	2,346	2,191	3,762
Grants	42,545	19,334	5,570	5,570	5,570
S106	1,800	2,350	2,535	0	0
<b>Total</b>	<b>60,704</b>	<b>34,143</b>	<b>21,290</b>	<b>18,349</b>	<b>19,268</b>
<b>Borrowing Requirement</b>					
Supported Borrowing	3,393	3,341	3,289	3,239	3,189
Unsupported Borrowing GF	13,803	5,596	3,807	2,053	1,100
Unsupported Borrowing HRA	23,955	27,738	25,124	33,005	37,396
<b>Total Borrowing Requirement</b>	<b>41,151</b>	<b>36,675</b>	<b>32,220</b>	<b>38,297</b>	<b>41,685</b>
<b>Total Capital Programme</b>	<b>101,855</b>	<b>70,818</b>	<b>53,510</b>	<b>56,646</b>	<b>60,953</b>

### Capital Investment Strategy

**2.2** The Capital Investment Strategy looks at a longer term view of the Council's capital investment requirements. This is the sixth year that the Capital Strategy has been produced, the strategy will continue to be updated biannually and will evolve over future years.

**2.3** There are a number of factors that will influence the Council's priority areas of spend and its future capital investment. The Capital Investment Strategy outlines the various Council strategies which identify the priority areas for capital

investment and the external factors that result in the need to incur capital expenditure.

- 2.4** It is difficult to predict capital resources over a long term period as the level of general capital funding provided by Welsh Government is usually advised on a year by year basis and their priority areas of spend, which it will influence by the provision of specific grants, will change over time. Capital receipts are difficult to predict albeit the Council will strive to maximise receipts where possible, there is uncertainty due to the current economic climate and this could have an impact on developments.
- 2.5** Condition surveys were completed for the majority of schools in early 2022; based on these surveys and further deterioration in the condition of a number of buildings since, it is estimated that capital investment of circa £25M to £30M is required over the next 5 years to fund required improvement work.
- 2.6** In the near future, subject to revenue funding, condition surveys are planned to be carried out on the Council's other buildings (excluding HRA). An initial high-level assessment has been undertaken to identify the possible requirements for capital investment over the next 5 years and this is estimated to require capital investment of between £30M to £40M.
- 2.7** Unsupported borrowing could be an option to bridge any funding gap however a full financial appraisal will need to be undertaken to ensure that the financial consequences are affordable and sustainable.
- 2.8** The Strategy confirms the importance of ensuring the efficient, effective and sustainable use of land and buildings to deliver fit for purpose property to support the Council's service delivery.
- 2.9** The Council's appetite for risk needs to be discussed as part of the Strategy. The Council has always been prudent with regard to its borrowing and does not take risks when investing. The Treasury Management Strategy for 2024/25 sets out the Council's intentions to place investment with the UK Government or other Local Authorities or AAA rated money market funds. £12M has been set aside for the Non-Treasury Investment Strategy. The Council will ensure that all the organisation's investments of this nature are covered in the Capital Strategy, Investment Strategy or equivalent and will set out, where relevant, the organisation's risk appetite and specific policies and arrangements for non - treasury investments.
- 2.10** The Council has developed a Non Treasury Investment Strategy which is intended to address opportunities identified in the Council's Recovery Strategy to support innovative business and economic regeneration, increase capital programme investment and focus on green jobs and green infrastructure. The Investment and Growth Fund is to be funded using up to £12M Prudential Borrowing. £200K has been earmarked for feasibility and due diligence costs and the initial costs associated with specialist Non Treasury Investment advice. Further information can be found at [Non Treasury Investment Strategy](#) and [Regeneration Governance Report](#).

- 2.11** The split of schemes will be brought to Cabinet at a later date once known. The scheme is profiled as shown in the table below:-

Table 4 – Non-Treasury Investment Strategy profile of funding

	2024/25	2025/26	2026/27	2027/28	Total
	£000	£000	£000	£000	£000
Non-Treasury Investment Strategy	3,000	3,000	3,000	3,000	12,000
Funding					
Prudential Borrowing	3,000	3,000	3,000	3,000	12,000
Total	3,000	3,000	3,000	3,000	12,000

- 2.12** As part of the Strategy, confirmation of any material commercial activities needs to be detailed. On 1st January 2020, the Council set up a Local Authority Trading Company to deliver catering services called the Big Fresh Catering Company. The Council owns 100% of the company shares. This Council does not have any other material commercial activities.
- 2.13** In considering this Strategy the Council will need to undertake several actions in order to make the most of potential funding and to meet the requirement to invest in assets. These are detailed in Section 11 of the Strategy.

#### **Capital Resources Available and the 2025/26 to 2029/30 Capital Programme**

- 2.14** Details of the different sources of funding available to finance capital expenditure are outlined in section 3 of the Capital Strategy.
- 2.15** On 27th February 2024, the Welsh Government announced the Final 2024/25 General Capital funding settlement which was £6.986M, being made up of £3.540M grant and £3.446M of supported borrowing. This is a decrease of £11K from the 2023/24 funding of £6.997M.
- 2.16** No further information has been made available from Welsh Government however according to Cardiff University's Fiscal Analysis the capital settlement is expected to reduce by 7.7% over the next five year period. Therefore, it has been assumed that the £6.986M 2024/25 settlement will be reduced by 1.54% each year for the next five years, a total of 7.7% over the period.
- 2.17** On this basis, the following table represents the capital funding from the Welsh Government assumed as part of the 5 year programme.

Table 5 – Projected General Capital Funding from Welsh Government

<b>WG Funding</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Supported Borrowing	3,393	3,341	3,289	3,239	3,189
General Fund					
General Capital Grant	3,485	3,431	3,379	3,326	3,275
<b>TOTAL</b>	<b>6,878</b>	<b>6,772</b>	<b>6,668</b>	<b>6,565</b>	<b>6,464</b>

- 2.18** Another means of financing capital expenditure is through capital receipts resulting from the sale of assets. Capital receipts are difficult to predict albeit the Council will strive to maximise receipts where possible. The uncertainty in the current economic climate could have an impact on projections and therefore the Council needs to be prudent when allocating capital receipts to be used a capital funding.
- 2.19** Receipts from the sale of Housing Revenue Account (HRA) assets can only be spent in the HRA and cannot be used to finance General Fund capital schemes.
- 2.20** The Council has taken the decision to ringfence vehicle capital receipts for the vehicle replacement programme. Capital receipts will be utilised in the year that they are received to reduce the requirement to use reserves or unsupported borrowing.
- 2.21** Projected use and income generated from the sale of assets for the next 5 years is shown in the following table:

Table 6 – Capital receipt projection

<b>Capital Receipts</b>	<b>General</b>	<b>Ring-fenced Social Services</b>	<b>Ring- fenced Education</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance as at 31st March 2025	2,044	1,339	171
Anticipated Requirements – 2025/26	(1,123)	0	(321)
Anticipated Receipts – 2025/26	0	0	150
Balance as at 31st March 2026	921	1,339	0
Anticipated Requirements – 2026/27	(166)	0	0
Anticipated Receipts – 2026/27	0	0	0
Balance as at 31st March 2027	755	1,339	0
Anticipated Requirements – 2027/28	(166)	0	(1,000)
Anticipated Receipts – 2027/28	1,000	0	1,000
Balance as at 31st March 2028	1,589	1,339	0
Anticipated Requirements – 2028/29	(11)	0	0
Anticipated Receipts – 2028/29	0	0	0
Balance as at 31st March 2029	1,578	1,339	0
Anticipated Requirements – 2029/30	0	0	0
Anticipated Receipts – 2029/30	0	0	0
Balance as at 31st March 2030	1,578	1,339	0

- 2.22** Capital expenditure can also be funded by revenue contributions or the utilisation of existing reserves.

**2.23** Due to the current financial situation, there is an increasing pressure upon all internal sources of funding which is resulting in a significant use of reserves within year and over the next five years. The Council needs to safeguard the remaining reserves to be able to mitigate risks should unforeseen expenditure occur. Projected reserve balances at the end of March 2025 can be found in the table below. A five year reserve projection will be provided in the Medium Term Financial Plan report which is being taken to Cabinet in November.

Table 7 – Projected reserve balances

<b>As at</b>	<b>Estimated Balance 31/03/25</b>
General Fund	11,106
Insurance	4,878
Service Reserves	7,271
Risk and Smoothing Reserves	17,939
Capital	5,255
Schools	748
Housing Revenue Account	3,448
<b>Total</b>	<b>50,645</b>

**2.24** The Major Repairs Allowance (MRA), which is the grant that provides capital funding to the Housing Revenue Account (HRA) has been set at £2.770M for 2024/25. As no further indication has been received for future years it has been assumed within the strategy and the initial proposals that the grant remains at £2.770M throughout the period.

**2.25** Schemes are also included in the programme that have funding under S106 planning obligations.

**2.26** Outside of the above, the Council is heavily dependent on specific grant funding to supplement its own resources if certain capital schemes are to be progressed. It is estimated that over the next 5 years, the level of specific grant funding for General Fund capital schemes is approximately £50.739M which is £17.392M more than the level of General Capital Funding for the same period (£33.347M). The grants include the Sustainable Communities for Learning programme grants.

**2.27** The Council is also able to borrow to finance capital expenditure. This can be supported where funding is received from Welsh Government to fund the cost of borrowing or unsupported where the Council must finance the full cost of the debt. When considering options for capital financing, the ability of the Council to finance the repayment of any loan it raises for the funding of capital schemes must be evaluated. Section 3 of the Capital Strategy provided further detail regarding borrowing and Section 5 provides information and indicators regarding the Council's level of borrowing.



- 2.28** There is a balance within the Council’s Vehicle Replacement Reserve of £567k, in order to maintain the Council’s Vehicle Replacement Programme, it is requested to increase the scheme budget by £567k in the 2025/26 Capital Programme.
- 2.29** In view of the anticipated reduction in general capital funding, highlighted earlier in the report, it is requested to reduce the budget for Disabled Facilities Grant by £108k to reflect likely levels of spend in year. The revised budget in the 2025/26 will be £1.17M.
- 2.30** Since the final proposals were approved at Council on 29th February 2024, several amendments have been made to the five year Capital Programme, either through Delegated Authority, Emergency Powers or Cabinet Reports and these are outlined in the paragraphs below and have been reflected in Appendix 2.
- 2.31** Approval was given to include a new scheme under Free School Meals at Victoria Primary. The Council has been awarded additional grant from Welsh Government through Sustainable Communities for Learning Free School Meals funding in the sum of £975k to deliver new kitchen and dining facilities. It was requested to increase the Council’s Capital Programme by £825k in 2024/25 and £150k in 2025/26.
- 2.32** St Richard Gwyn RC High School – The original cost to deliver the scheme was £62.039M. Due to an increase in market conditions and construction costs, the cost to deliver this scheme rose to £64.932M. Further details can be found in the approved Emergency Powers.
- 2.33** Band B – Ysgol Y Deri - The project started on site in April 2024 and recently the steel work has been erected. Due to a number of delays, including the Welsh Government call-in and planning conditions, it was necessary to slip the spend on the project into future years. A request was approved to reflect the revised programme of works as per the table below:

Table 8 - Reprofile for Ysgol Y Deri

<b>Year</b>	<b>Current Profile</b>	<b>Revised Profile</b>
	<b>£’000</b>	<b>£’000</b>
2019/20	41	41
2020/21	170	170
2021/22	40	40
2022/23	537	537
2023/24	533	533
2024/25	21,248	16,360
2025/26	360	4,938
2026/27	0	310
<b>Total</b>	<b>22,929</b>	<b>22,929</b>

- 2.34** A scheme at Victoria Primary in relation to work on the boundary wall with a budget of £14k was included in the 2024/25 Capital Programme. The works to the wall are unable to proceed until the works to the new kitchen and dining facility under the Free School Meal Grant are complete as access to the rear of the site is

required. It was therefore requested to carry forward the £14k into the 2025/26 Capital Programme.

- 2.35** The Council has received a funding award of £204k (Capital) and £45k (Revenue) from The National Lottery Heritage fund in partnership with Welsh Government to fund works to the woodlands at Porthkerry Country Park. The funding start date is July 2024 and must be spent by June 2026. The grant is 100% funded and no match funding is required. It was requested to increase the 2024/25 Capital Programme by £64k and the 2025/26 Capital Programme by £140k, a total of £204k across the two financial years.

### Capital Bids 2025/26 to 2029/30

- 2.36** Given the scarce capital financial resources available and the fact that much of the predicted future General Capital funding from Welsh Government has already been allocated within the current five year programme, the Council has decided that a different approach to capital bids will be taken this financial year. Each directorate was asked to submit a list of potential capital bids indicating the scheme name, anticipated cost, brief scheme description, decarbonisation considerations, links to the Council’s Wellbeing Objectives, Annual Delivery Plan and any revenue implications as a result of the bid. Each directorate has prioritised the list of bids and have indicated any risks with not progressing specific bids.
- 2.37** The long list of Capital bids will be reviewed and prioritised by the Strategic Insight Board during October and are detailed in Appendix 3 of this Cabinet report. No bids have been included in the five year Capital Programme proposals at this time as the Welsh Government provisional settlement has not been announced, the provisional settlement is anticipated to be announced in December 2024.
- 2.38** In total 46 bids were received - 6 from Learning and Skills, 10 from Social Services, 25 from Environment and Housing, 0 from Place, and 5 from Resources. The value of the long list of bids submitted is summarised in the table below by directorate:

Table 9 – Directorate summary of long list of Capital Bids

	2025/26	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000	£000
Learning and Skills	2,910	1,985	1,835	800	900
Social Services	470	425	130	0	0
Neighbourhood Services and Transport	10,172	8,067	5,727	5,727	5,727
Place	0	0	0	0	0
Corporate Resources	295	44	744	48	48
Total	13,847	10,521	8,436	6,575	6,675

- 2.39** Bids will be shortlisted by Strategic Insight Board in October. For shortlisted bids, officers will be asked to complete full capital bid form which will be taken back to Strategic Insight Board in November. A risk assessment is undertaken for each bid, in line with the Council's Corporate Risk Management Strategy. The bids are

then reviewed to assess corporate priority, schemes that are required on a statutory or health and safety basis are prioritised alongside any invest to save schemes. All bids are also assessed for the contribution they make towards the 5 ways of working to demonstrate commitment to the Well-being of Future Generations Act. The Sustainability of the scheme proposals are also self assessed as part of the capital bid process.

- 2.40** The recommendations of the Strategic Insight Board will be reviewed by the Senior Leadership Team and the Budget Working Group which comprises the Leader and Deputy Leader, the Chief Executive and the Head of Finance. A draft Capital Programme 2025/26 to 2029/30 inclusive of proposed successful bids will be taken to Cabinet in January 2025 and will be submitted to Scrutiny Committees for consultation. Corporate Performance and Resources Scrutiny Committee is the lead Scrutiny Committee and considers the capital proposals and any recommendations that other Scrutiny Committees have made.
- 2.41** Ultimately having considered the significant amount of asset maintenance backlog, the significant rise in construction costs and the limited amount of available funding, the funding that is available will need to be allocated to maintenance of the Council's existing assets including road resurfacing and schools maintenance.
- 2.42** After considering the results of the public consultation and the Final Settlement from Welsh Government, Cabinet will make its final proposals during February, which will then be presented to full Council for final approval in March 2024.
- 2.43** The available funding approved in the Capital Programme that could potentially be used to fund the capital bids is set out in the table below:

Table 10 – Potential Available Funding for Capital Bids

Available Funding	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Rolling Asset Renewal Allocations					
Schools Asset Renewal	1,950	1,950	1,950	1,950	1,950
Education Asset Renewal - contingency	50	50	50	50	50
Social Services Asset Renewal	100	100	100	100	100
Social Services Invest to Save Scheme	625	0	0	0	0
Neighbourhood Services and Transport Asset Renewal	500	500	500	500	500
Resurfacing Asset Renewal	2,000	2,000	2,000	2,000	2,000
Flood Risk Management and Coast Protection and Land Drainage	187	210	210	210	210
Disabled Facility Grants	1,197	1,305	1,305	1,150	1,150
All Services Asset Renewal	0	105	294	191	504
<b>Total</b>	<b>6,609</b>	<b>6,220</b>	<b>6,409</b>	<b>6,151</b>	<b>6,464</b>

**2.44** Other internal sources of funding that could be used towards funding the bids include capital receipts, reserves and borrowing. The projected capital receipts and capital reserve balances as at 31st March 2030 are detailed below:

Table 11 – Other internal sources of funding

Source of funding	Projected Balance as at 31/03/2030
	£'000
Capital Receipts - General	1,578
Capital Receipts – Social Services	1,339
Capital Schemes Reserve	56
<b>Total</b>	<b>2,973</b>

**2.45** Any funding gap would need to be funded through redirecting existing reserves or borrowing.

**2.46** Vehicles will be purchased throughout the five year Capital Programme using the Vehicle Reserve. This will be replenished yearly through vehicle capital receipts and revenue provision for the replacement of vehicles as part of the scheme.

**2.47** The process for analysing capital bids is detailed in section 4 of the Draft Capital Strategy.

**2.48** Various allocations for Asset Renewal have currently been included in Appendix 2 over the 5-year period of the programme. Asset Renewal budgets for each Directorate will be reviewed and schemes will be identified prior to the approval of the Final Capital proposals for 2025/26 to ensure that funding is allocated to priority schemes.

### **Schools Investment Programme**

**2.49** The Sustainable Communities for Learning programme is a unique collaboration between the Welsh Government and Local Authorities, for long term strategic capital investment with the aim of creating a generation of Sustainable Communities for Learning in Wales.

**2.50** The first tranche of schemes under Band A was delivered between 2013/14 and 2018/19. Band B schemes commenced in 2018/19 and there is now a move towards a rolling programme on investment in schools.

**2.51** Great progress has been made in the Sustainable Communities for Learning Programme, nine schools within the Band B Programme are now operational, this includes St David's CiW Primary, South Point Primary, Whitmore High School, Ysgol Gymraeg Bro Morgannwg, Pencoedtre High School, Ysgol St Baruc, St Nicholas Primary, Y Bont Faen (Cowbridge Primary Provision) and Derw Newydd (Centre for Learning and Wellbeing). The Ysgol Y Deri scheme started on site in April 2024.

**2.52** The total of the Band B programme is currently £150.724M.

**2.53** The Rolling Programme was submitted and approved by Cabinet on 7th March 2024. Welsh Government approved the Vale of Glamorgan's Rolling Programme

8th August 2024. The next wave of investment will see new schemes developed over the next 9 years, subject to funding and business case approval.

- 2.54** There are currently three schemes within the Capital Programme that are part of the Sustainable Communities for Learning rolling programme, St Richard Gwyn redevelopment, Cowbridge Primary Phase 2 (Ysgol Iolo Morgannwg) and Penarth Cluster - Review Primary Provision to Include Cosmeston. These schemes are subject to the approval of full business cases and further Cabinet reports.
- 2.55** The budget profiles and further information can be found in section 2 of the Capital Strategy, the budget totals £89.7M over 2018/19 to 2027/28.

### Housing Improvement Programme

- 2.56** The Council achieved Welsh Housing Quality Standard (WHQS) at the end of March 2018. The five-year Capital Programme therefore reflects the level of works required to maintain WHQS and the Council's aspirations as part of the Housing Asset Management Plan, which includes the building of new houses. This is further detailed in the 30 year Housing Improvement Plan, the most recent version of which was brought to Cabinet in January 2023. The Housing Improvement Programme is reviewed annually and as part of this process the expenditure will be re-profiled in line with the revised work programme. The next Housing Improvement Plan will be taken to Cabinet in January 2025. Further details are contained in section 2 of the Capital Strategy.
- 2.57** The sources of funding to be used to finance HRA expenditure in 2025/26 to 2029/30 are detailed in the table below.

Table 12 – Sources of funding for the Housing Improvement Programme

<b>Funding</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>2028/29 £000</b>	<b>2029/30 £000</b>
Revenue/Reserves	7,484	7,062	6,660	6,462	5,861
HRA Capital Receipt	600	1,000	2,180	2,180	3,762
MRA Grant	2,770	2,770	2,770	2,770	2,770
Unsupported Borrowing	23,955	27,738	25,124	33,005	37,396
Other Grant/S106	3,400	3,400	2,900	2,800	2,800
<b>Total Budget</b>	<b>38,209</b>	<b>41,970</b>	<b>39,634</b>	<b>47,217</b>	<b>52,589</b>

### Next Steps

- 2.58** The next stage is for full bids to be submitted for all of the shortlisted capital bids, full bids will be reviewed by Strategic Insight Board during November and the revised programme will be submitted to Cabinet and then on to Scrutiny Committees for consultation in January/February 2025. Each Scrutiny Committee will be asked to first consider the Initial Capital Programme proposals as shown in Appendix 2 and to make any recommendations for changes and to consider the capital bids which will be detailed in the report. If changes are requested or specific bids are supported, then the reasons need to be recorded in order to assist the Cabinet and the Budget Working Group in drawing up the final proposals. Corporate Performance and Resources Scrutiny Committee is the lead

Scrutiny Committee and will consider both the Initial Capital Budget Proposals and any recommendations that other Scrutiny Committees have made. The responses of Scrutiny Committees must be referred to Corporate Performance and Resources Scrutiny Committee in February 2025.

- 2.59** Senior officers will also be reviewing and prioritising the bids as part of the programme of work to balance the budget. This work will also be part of the internal challenge process.
- 2.60** The Council is currently working to balance the revenue budget for 2025/26, it is a very challenging year due the current economic climate and the cost of living crisis and significant cost pressures have been submitted and are currently being reviewed. The level of acceptable borrowing will be dependent on the resources that are available within the revenue budget which will not be known until January. No further unsupported borrowing will be added to the Capital Programme, although the pipeline schemes are subject to further approvals but are included at this stage for planning purposes. The revenue costs including the borrowing costs will need to be taken into consideration as part of the Medium Term Financial Plan.
- 2.61** The Treasury Management mid-year report is due to be taken to Cabinet in November 2024. The Treasury Management Strategy will be updated to reflect the budget proposals and reported to Audit Committee, Cabinet and Council before 11th March 2025 deadline.

### **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1** The Capital Strategy and Capital Programme focuses capital investment to deliver the outcomes identified as part of the Corporate Plan. Some examples are:
- **To work with and for our communities** - Consultations are carried out as part of the budget setting process, with the community on capital projects. Building Stronger Communities capital grants are being issued to support projects being carried out by members of the community.
  - **To support learning, employment and sustainable economic growth** - Further investment in schools through the School Investment Programme. Contributing as a partner in the Cardiff Capital Region City Deal will bring economic prosperity to the area. There will be continued investment in environment and regeneration programmes to support economic growth and further investments supported as part of the proposed Non-Treasury Service Investment Strategy - Investment and Growth Fund.
  - **To support people at home and in their community** - Investment in housing through the Housing Improvement Programme will maintain the Welsh Housing Quality Standard, consideration of alternative heating measures and new developments. Disabled Facility Grant and Enable schemes that support Vale of Glamorgan residents in their homes. Investment in leisure centres and playgrounds will encourage more use and activity.

- **To respect, enhance and enjoy our environment** - St David's CIW Primary School was designed to be low (in-use) carbon through improved building fabric, maximising renewables and its only energy source is electric. The design has been utilised for the new build for South Point Primary School which is the first net-zero carbon primary school in Wales. The Council has also successfully applied for additional Welsh Government funding to support further decarbonisation across the Sustainable Learning Communities Programme. Investing in the introduction of LED street lighting will bring environmental benefits. vehicle charging infrastructure has been installed at the Alps Depot and the Civic Offices. The school decarbonisation programme consists of a variety of energy reduction measures and renewable energy installations have been identified across several assets within the school portfolio. Recycling is now to be sorted into separate containers, the change is aimed at improving the quality of the materials that are collected for recycling which is better for the environment and will help the Council to recycle more.
- 3.2** The Capital Strategy considers the Five Ways of Working.
- 3.3 Looking to the long term** - The development of the capital programme is a means of planning for the future and takes a strategic approach to ensure services are sustainable and that investments are affordable over the longer term and that future need and demand for services is understood.
- 3.4 Taking an integrated approach** – The Capital Strategy recognises that in setting the capital programme, working with partners is encouraged, as it allows the utilisation of funding from various sources, such as Welsh Government and S106 contributions, to deliver schemes.
- 3.5 Involving the population in decisions** – As part of the annual budget setting process there is engagement with residents, customers and partners. Prior to the implementation of certain capital schemes, consultation may also take place with the public which may in some cases be statutory.
- 3.6 Working in a collaborative way** – The Capital Strategy recognises that more can be achieved, and better services can be provided by collaboration, and it encourages this as a way of working in the future which includes providing funding to work with local communities.
- 3.7 Understanding the root cause of issues and preventing them** – The Capital Strategy and the process for setting and monitoring the capital programme is proactive and allows an understanding of the financial and operational issues to be considered together so that issues can be tackled at the source.

## 4. Climate Change and Nature Implications

- 4.1** The Council understands the importance of decarbonisation to help protect and sustain the environment over the long term and in line with its Climate emergency declaration is working and investing in measures to reduce its CO2 emissions. The Draft Capital Strategy details the work the Council is undertaking

as part of Project Zero and commitments in the Council's Climate Challenge Plan and this can be found in section 6.

## **5. Resources and Legal Considerations**

### **Financial**

- 5.1** The total net capital expenditure of the proposed programme in Appendix 2, over the 5 years, is £258.507M. The total gross capital expenditure is £343.782M.
- 5.2** In line with the overall Financial Strategy, in order to resource the Capital Programme, £6.546M of general fund reserves will be utilised over the period of the Capital Programme 2025/26 to 2029/30, however this should be balanced with the need to utilise reserves to support the revenue budget in the context of the current cost of living and revenue pressures.
- 5.3** Capital receipts are also utilised to fund the Capital Programme. The Education Capital Programme utilises general capital receipts in addition to capital receipts ring fenced for Education. The capital receipt balance for Social Services has been ring fenced for Social Services capital expenditure for Older Persons Accommodation.

### **Employment**

- 5.4** Some of the work included in the capital programme will be undertaken by Council staff and the relevant costs will be recharged to the capital scheme.

### **Legal (Including Equalities)**

- 5.5** There are no legal implications.

## **6. Background Papers**

Local Government Final Revenue Settlement letter dated 27th February 2024.





VALE of GLAMORGAN COUNTY BOROUGH COUNCIL

# DRAFT CAPITAL INVESTMENT STRATEGY

2025/26



# DRAFT CAPITAL INVESTMENT STRATEGY 2025/26

## CONTENT

	Page No.
<b>1. INTRODUCTION AND AIMS OF THE CAPITAL STRATEGY</b>	<b>2</b>
<b>2. LINKS TO STRATEGIC PLANS AND FUTURE CAPITAL REQUIREMENTS</b>	<b>4</b>
<b>3. RESOURCES TO FINANCE CAPITAL EXPENDITURE</b>	<b>11</b>
<b>4. PRIORITISATION OF CAPITAL REQUIREMENTS</b>	<b>14</b>
<b>5. TREASURY MANAGEMENT</b>	<b>15</b>
<b>6. DECARBONISATION</b>	<b>17</b>
<b>7. COMMERCIAL ACTIVITIES</b>	<b>20</b>
<b>8. OTHER LONG TERM LIABILITIES</b>	<b>21</b>
<b>9. MAKING THE BEST USE OF RESOURCES</b>	<b>21</b>
<b>10. ENVIRONMENTAL, SOCIAL &amp; GOVERNMENT</b>	<b>23</b>
<b>11. RISKS TO THE STRATEGY</b>	<b>25</b>
<b>12. CAPITAL STRATEGY KEY ISSUES AND RECOMMENDATIONS</b>	<b>26</b>

## 1. INTRODUCTION AND AIMS OF THE CAPITAL INVESTMENT STRATEGY

### Introduction

- 1.1 The Council's Capital Investment Strategy sets out how the Council aligns its capital spending with its Corporate Plan objectives, Annual Delivery Plan and provides assurance that the spending proposals are affordable and align with the asset management strategies. As part of this the document sets out how new proposals are added to the Capital Investment Programme in the context of the limited resources available.
- 1.2 The Council's Capital Investment Programme totals £343.8M over the five year period and draws funding from a variety of sources including Welsh Government grant, contributions from developers and borrowing.

### Looking Back

- 1.3 It is important to look back and recognise the work undertaken in Capital Programme, detailed below are paragraphs highlighting some of the schemes that have been delivered over recent years.
- 1.4 Knap Skate Park - Construction of the Richard Taylor Memorial skatepark in Cold Knap Gardens is complete and the skatepark opened on 7<sup>th</sup> October 2023. The project was delivered by a specialist skatepark contractor with close liaison with the key stakeholders and user groups to deliver a fantastic new facility that has been well received by the wheeled sports community. A number of match funders were secured alongside internal funds including that from Sports Wales, UK GOV Shared Prosperity Fund, The Lottery and the Richard Taylor Memorial Trust.

#### Knap Skate Park Opening



- 1.5 Sustainable Communities for Learning – A joint funded scheme between Welsh Government and the Council aimed at ensuring the standard of learning environments are fit for purpose, that there are sufficient places available for learners when considering the rapid development and regeneration within the Vale, and that our priorities enable key outcomes within both the Welsh Government's national strategies and the Council's own local strategies. To date, considerable progress has been made, nine schools within the Band B Programme are now operational.

## Derw Newydd



- 1.6 HRA Hayes Road - In 2022 the Council completed a scheme of 23 new homes for social rent at Lon y Felin Wynt off Hayes Road, Barry and tenants from the Council's Homes4U waiting list have moved in. The Scheme consists of 19 four person two bedroom houses and 4 five person three bedroom houses. This was the Council's first package deal contract, completed successfully by a development partner using local subcontractors and suppliers, many based on the adjacent Trading Estate. The scheme was constructed using modern methods of construction and utilises a structurally insulated timber panelised system, with all windows also pre-installed.

### Hayes road social rent development



### Aims

- 1.7 The Capital Investment Strategy provides a framework which outlines how capital expenditure, capital financing and treasury management activity contribute to the provision of corporate objectives, along with an overview of how associated risk is managed and the implications for future financial sustainability. It therefore outlines the Council's need to acquire, dispose of or enhance assets such as land, buildings, roads, vehicles & plant to provide sustainable service provision to support its objectives. As resources available to meet the capital requirements of the Council are limited, the Strategy explains how priorities are set and outlines the sources of funding available,

including the level of borrowing it will need and can afford to undertake and its investment strategy.

- 1.8 The Strategy should look to the longer term and is supported by a detailed Capital Programme for five years covering the period 2025/26 to 2029/30. This is the sixth year that the Capital Strategy has been produced. The strategy will be updated bi-annually and evolve over future years.
- 1.9 The Council's capital expenditure is reflected in the Balance Sheet of its Statement of Accounts ensuring stewardship of assets is demonstrated. The Statement of Accounts is externally audited at the end of each financial year to certify that it presents a true and fair view of the financial position of the Council. The Council's assets at the 31 March 2024 have a net book value of £820M (excluding Infrastructure) which includes £213M relating to housing stock.

### **Definition of Capital and Capitalisation Policy**

- 1.10 Capital expenditure is defined by the Code of Practice on Local Authority Accounting in the United Kingdom - A Statement of Recommended Practice (SORP) as "Expenditure on the acquisition, creation or enhancement of an asset". The Local Authorities Capital Finance and Accounting (Wales) Regulations also provides for other items to be defined as capital expenditure. These are:
- Expenditure on computer programs.
  - The making of a grant or other financial assistance to any person towards expenditure that would be capital expenditure if incurred by the authority.
  - The acquisition of share and loan capital.
  - The repayment of grant given for capital purposes; and
  - Expenditure on works on land and buildings and on assets not owned by the authority.
- 1.11 The Council also uses a de minimus level of £10,000 to classify expenditure as capital or proceeds from the sale of an asset as a capital receipt, with expenditure or income below this level being classed as revenue.

### **Prudential Code**

- 1.12 The Local Government Act 2003 set out a framework for the financing of capital investments in local authorities which came into operation from April 2004. Alongside this, the Prudential Code was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice to support local authorities' decision making in the areas of capital investment and financing. Authorities are required by regulation to have regard to the Prudential Code. CIPFA released an updated version of the Prudential Code in December 2017 and published revised codes of Practice on 20th December 2021. Further information on the Prudential Code can be found in Appendix 1a.

## **2. LINKS TO STRATEGIC PLANS AND FUTURE CAPITAL REQUIREMENTS**

- 2.1 There are a number of factors that will influence the Council's priority areas of spend and its future capital investment. This section outlines the various Council strategies which

identify the priority areas for capital investment and the external factors that result in the need to incur capital expenditure.

### **Corporate Plan**

- 2.2 The Council's Corporate plan can be found at [Vale of Glamorgan Council Corporate Plan 2020-25](#). An updated Draft Corporate Plan has been taken to Cabinet on 10th October, 2024 to approve an eight week consultation. The new Corporate Plan will go back to Cabinet in February 2025 and to Council in March 2025 for approval.
- 2.3 The current Corporate Plan effectively acts as the driver, setting the focus and direction for the delivery of all Council services. In this way, future requirements can be predicted and future areas of significant expenditure can be identified and prioritised, not only in the light of service developments and the competing demands between different services, but also in pursuit of pre-defined corporate priorities.
- 2.4 The Council had set out its vision for 2020-2025 in its 'Vale of Glamorgan Council Corporate Plan 2020-25'. This plan set out a vision and values and details 4 well-being objectives. The Capital Programme should be set having regard to the Council's corporate priorities, which are included in the Corporate Plan through the 4 objectives. These are as follows:
- To work with and for our communities.
  - To support learning, employment and sustainable economic growth.
  - To support people at home and in their community; and
  - To respect, enhance and enjoy our environment.
- 2.5 These objectives demonstrate the Council's commitment to the Well-being of Future Generations Act which aims to improve the social, economic, environmental and cultural well-being of Wales and ensures that the needs of the present are met without compromising the ability of future generations to meet their own needs.
- 2.6 To support the five year Corporate Plan the Council produces an [Annual Delivery Plan \(ADP\)](#) each year which sets out the priorities for the year ahead and how the Corporate Plan commitments will be translated into action for the year ahead. The actions in the ADP are detailed against the four Well-being Objectives and detail key activities across the organisation. The 2024-25 ADP includes three critical challenges, identified as significant areas of focus for Council Services, Organisational Resilience, cost of living, climate and nature emergencies.

### **Budget Strategy and Medium Term Financial Plan (MTFP)**

- 2.7 The Council produces a rolling Budget Strategy and Medium Term Financial Plan as a mechanism which allows the Council to forecast the level of funding available in future years and to match this against the likely expenditure. It links both the planning process with the budget process and ensures consistency between them. The MTFP is therefore of crucial importance for the development of a plan for capital investment. The revenue consequences of any capital investment have to be determined and built into the planning process and needs to ensure that they are affordable going forward. The latest MTFP is being brought to the Cabinet in November 2024.

## **Corporate Asset Management Plan (CAMP)**

2.8 The way the Council manages its properties and other assets has a direct impact on the services it provides and the CAMP seeks to ensure that the Council achieves the optimum use of its assets whilst supporting service delivery across the Council and achieving the aims of its Corporate Plan. Asset management is not merely about how to make financial savings, it is about ensuring that the Council achieves the maximum efficiency from its assets. Realising the CAMP's objectives requires a long term strategy and the CAMP is therefore updated regularly. The latest CAMP covers the period 2023 to 2028 and was taken to [Cabinet on the 27<sup>th</sup> February 2023](#).

2.9 The objectives of the CAMP are:

- To ensure an efficient, effective, and sustainable use of land and buildings to deliver fit for purpose property to support the council's service delivery.
- To identify and pursue opportunities to generate capital receipts and revenue generating opportunities from surplus property.
- To ensure that Premises Managers / Duty Holders manage Council assets so that they comply with appropriate statutory, regulatory and corporate standards, and are maintained to an appropriate level.
- To ensure that all asset information held is in a user-friendly form which is accessible to service providers; and
- To work in partnership and collaborate with other public sector bodies within the Vale of Glamorgan to achieve efficiencies in the use of property assets.

## **Highways Asset Management Plan**

2.10 The Vale of Glamorgan Council's Highway Asset Management Plan (HAMP) is currently in the process of being finalised. When complete it will provide an integrated framework through which the Council delivers highways maintenance across the Council's Road network in a manner that optimises resources for the management of the highway infrastructure.

## **Housing Improvement Programme**

2.11 As of 31st March 2024, the Council's housing stock stood at 3,977 dwellings.

2.12 The Housing Investment Programme continues to balance developing new homes whilst remaining focused on investing in existing tenants' homes and neighbourhoods, directly contributing to maintaining compliance with the Welsh Housing Quality Standard (WHQS). The current Housing Asset Management Strategy is being reviewed to set out the Council's ongoing vision for investment in the housing stock and our estates to comply with the continued and additional requirements of WHQS 2023, along with developing new homes to meet the needs of tenants of the Housing service. Tenants of the Council will be consulted on the Housing Asset Management Strategy.

2.13 The key areas of investment for the Council will be the continued compliance with the new updated WHQS, development of new Council homes to meet increased housing demand in the social rented sector and improvement of the existing housing stock to meet the challenges of zero carbon emissions by 2035.

- 2.14 To support this Strategy and to comply with Welsh Government's requirements, a 30-year Housing Business Plan is produced each year. The current Housing Business Plan was approved at Council on 15th of January 2024. This Plan forms the basis of the Compensation Award (formerly Major Repairs Allowance), Optimised Retrofit Programme (ORP) and Social Housing Grant (SHG) grant applications, which are pivotal financing components for the Housing Improvement Programme. The total capital spend in the HRA between 2025/26 to 2029/30, is anticipated to be £220M.
- 2.15 By the end of March 2025, the Housing Development Team will have completed and handed over 102 much needed new Council homes. Additionally, the Council will have completed 90 units of temporary accommodation in Llantwit Major which will address the growing international and domestic housing crisis. During 2024/25, The Housing Development Team will continue to acquire empty homes to add to the housing stock and explore the acquisition and repurposing of local hotels, HMO's and vacant public buildings for temporary accommodation. In April 2025, the Cardiff and Vale Housing Partnership will be in operation, which will see the Council increase the scale and pace of its house building programme, with a minimum of 770 new homes planned over following seven years.
- 2.16 The current Housing Business Plan also commits £119m of capital investment over the next 5 years to ensure the continued expansion and acceleration of the Council's housebuilding ambitions. Not only will this meet the ever-growing needs of those on our waiting list but also looks to provide much needed temporary and permanent accommodation to address the current housing crisis affecting many of our residents and those who are homeless.
- 2.17 Further detail can be found at [Housing Asset Management Strategy](#). This strategy will now be reviewed to reflect Welsh Government's launch of the new revised WHQS 2023.

### **Digital Strategy**

- 2.18 The Council's Digital Strategy 2023-2028 was approved by Cabinet on 16th November 2023. It has the overall aim to enable opportunities for improvement through the innovative use of Digital, now and in the future. To deliver this aim, four themes have been identified as follows:

#### **THEME 1 - COMMUNITY AND INVOLVEMENT**

- Commitment 1 - Listen to the community to understand their needs in order to transform digital services.
- Commitment 2 - Create accessible, inclusive and sustainable digital services for residents to support innovation using ICT.

#### **THEME 2 – ORGANISATION AND PROCESSES To provide a quality ICT**

- Commitment 1 - Create & embed reliable processes, so that digital projects are delivered successfully.
- Commitment 2 - Develop a digital culture, where digital is seen as a key enabler of all services in the organisation.

#### **THEME 3 – PEOPLE AND SKILL**

- Commitment 1 - Equip colleagues with the tools to deliver services effectively for residents



- Commitment 2 - Support and empower colleagues to develop and use their digital skills

#### THEME 4 – DATA AND INSIGHT

- Commitment 1 - Invest in & harness data insights to inform and improve decision-making.
  - Commitment 2 - Use clear standards to ensure effective data sharing
- 2.19 Capital expenditure is currently being reviewed in light of the organisation’s commitment to both Project Zero and the Digital Strategy. Historically, capital has been utilised for the delivery of infrastructure within corporate buildings and whilst some of this will remain, i.e. the refresh of networking infrastructure, the IT function is currently evaluating a path to reducing the amount of server provision on-premise and consideration of a transition to co-located facilities and/or cloud computing.
- 2.20 Further detail can be found within the [Digital Strategy 2023-2028](#).

#### **Waste Management Strategy**

- 2.21 The draft 10-year Recycling and Waste Management Strategy and Business Plan was initially presented to Cabinet, 28th March 2022 and agreed in principle subject to consultation over the summer of 2022. The results were presented to Cabinet 19<sup>th</sup> January 2023 and they were reviewed by the Environment and Regeneration Scrutiny Committee 14th February 2023. There were no further recommendations, and the Strategy was agreed. As part of this strategy is an ongoing commitment and investment into new infrastructure necessary to ensure the delivery of the new strategy and to accommodate the ongoing services changes namely the introduction of the ‘collections blueprint’ a collection service that collects sustainable, high quality, recycling material separately at source.
- 2.22 As part of the service changes, grants were provided by Welsh Government’s (WG) Collaborative Change Programme (CCP) to financially support the services changes, specifically for the purchase of all necessary recycling receptacles, vehicles and the construction of a Resource Recovery Facility (RRF) where recycling material would be prepared for resale and reuse, as well as all the necessary plant and equipment.
- 2.23 Additionally, a further grant of £2.6M was awarded to the Council in 2022/23, of which £2.2M was to construct phase 2 of the RRF and £400K to fund an additional Baler. After the initial design of the RRF, construction was split into two phases as a result of Covid-19, and the global impacts of material availability and the increased costs associated with the construction industry. The plant has been operational since April 2023.
- 2.24 Additionally further grant has been allocated for source separating recycling and, to construct a reuse shop on the Household Waste Recycling Centre site in Barry.
- 2.25 [Waste and Recycling - What are we Doing](#)

#### **School Investment Programme**

- 2.26 The Sustainable Communities for Learning programme is a unique collaboration between the Welsh Government and local authorities, for long term strategic capital investment with the aim of creating a generation of Sustainable Communities for Learning in Wales.

- 2.27 The Programme is aimed at ensuring the standard of learning environments are fit for purpose, that there are sufficient places available for our learners when considering the rapid development and regeneration within the Vale, and that our priorities enable key outcomes within both the Welsh Government's national strategies and our own local strategies.
- 2.28 Band B schemes commenced in 2018/19 and there is now a move towards a rolling programme on investment in schools. Intervention rates range between 65-85% dependant on the nature of the scheme.
- 2.29 Considerable progress has been made to date, nine schools within the Band B Programme are now operational, this includes St David's CiW Primary, South Point Primary, Whitmore High School, Ysgol Gymraeg Bro Morgannwg, Pencoedtre High School, Ysgol St Baruc, St Nicholas Primary, Y Bont Faen (Cowbridge Primary Provision) and Derw Newydd (Centre for Learning and Wellbeing). The Ysgol Y Deri scheme started on site in April 2024.
- 2.30 Overall the projected cost of the Band B programme totals £150.724m.
- 2.31 The Rolling Programme was submitted and approved by Cabinet on the 7th March 2024. Welsh Government approved the Vale of Glamorgan's Rolling Programme 8th August 2024. The next wave of investment will see new schemes developed over the next 9 years, subject to funding and business case approval.
- 2.32 There are currently three schemes within the Capital Programme that are part of the Sustainable Communities for Learning rolling programme, St Richard Gwyn redevelopment, Cowbridge Primary Phase 2 (Ysgol Iolo Morgannwg) and Penarth Cluster - Review Primary Provision to Include Cosmeston. These schemes are subject to the approval of full business cases and further Cabinet reports.
- 2.33 The [Learning and Skills Investment Strategy 2022-2027](#) was presented to Cabinet on Thursday, 17<sup>th</sup> November 2022 and is linked here
- 2.34 The latest budget profiles can be found in Appendix 2.

### **City Deal**

- 2.35 The Vale of Glamorgan Council is a participant in the Cardiff Capital Region City Deal (CCR) which has been established between the UK Government, the Welsh Government and 10 local authorities in South East Wales. The agreement with the UK and Welsh Governments provides £1.2 billion of which £734m is ringfenced for Metro development.
- 2.36 CCRD has four key objectives - 5% Gross Value Added growth, 25,000 high-order jobs, £4 billion leverage of public and private sector investment and demonstration of economic inclusion. It is designed to build on the region's sectoral strengths, its high skill base and three successful universities and accelerate economic growth and productivity through a series of considered targeted investments in skills, infrastructure, innovation-led scalable projects and priority industry sectors and businesses.
- 2.37 Key highlights showing investment to date include:
- £45m investment in Ogi to boost digital connectivity for South East Wales.
  - £6.6m programme to drive business and economic development across South East Wales

- Co-sponsorship of the National Eisteddfod's Science and Technology Village with the University of Wales
- £36.4m purchase and remediation of Aberthaw.

For more detail on 2024/25 news and events please see the following link:

[Latest News - Cardiff Capital Region](#)

- 2.38 Following the approval of the SEW Corporate Joint Committee 2023/25 Business Plan, the Vale of Glamorgan have reprofiled the City Deal Scheme in the Capital Programme. The Vale of Glamorgan's share of the estimated total costs (8.5%) is projected to be in the order of £10.171m and will be funded by unsupported borrowing with a 25 year repayment period.
- 2.39 Total expenditure to date for CCR by Local Authorities is £38.518M. The Vale of Glamorgan's contribution to date has been £3.265M, with our next expected contribution of £697k in 2024/25.
- 2.40 Further detail can be found at [Cardiff Capital Region City Deal](#)

#### **External Influences – Welsh Government**

- 2.41 Capital priorities can be established by the Welsh Government which are subsequently backed by additional resources via specific grants. Some recent examples of these are the Sustainable Communities for Learning programme, flood prevention schemes, Transport schemes and Shared Prosperity Fund schemes.

#### **External Influences – Legislation**

- 2.42 Legislative changes can also impact future capital development as the Council may need to change the way in which it provides services and this may require the purchase of additional assets or the reconfiguration of existing assets.
- 2.43 The Energy Efficiency (Private Rented Sector) (England and Wales) Regulations 2015 made it unlawful from April 2018 to let residential or commercial properties with an energy performance certificate (EPC) rating of 'F' or 'G' (the lowest grades of energy efficiency) unless exemption(s) for that property have been registered. The regulations are enforced by trading standards. The scheme was extended on 1<sup>st</sup> April 2023 to cover all leases, including where a lease is already in place. There are certain exemptions however the majority of the Council's leased out portfolio will be within scope.
- 2.44 The Council has a duty to ensure that buildings under its control comply with appropriate statutory, regulatory and corporate standards. The Council has a dedicated Corporate Compliance Service whose role is to monitor building compliance across the corporate estate and to highlight any non-compliance issues to the relevant Premise Managers To protect both workers and the public the Council regularly inspects its premises and monitors compliance with Health & Safety legislation.

#### **External Influences – Collaboration**

- 2.45 Of growing importance both nationally and locally is collaborative and joint working as a driver to improving service delivery and reducing costs. There are several ways in which the Council is driving the collaborative agenda. The Community Asset Transfer (CAT) Protocol identifies when the Council can consider the transfer of an asset and how local

communities could register an interest in taking over a Council owned property. The Council's CAT protocol was revised and approved by Cabinet on 16th December 2019.

2.46 Further details can be found at [Community Asset Transfer Guidance 2019-23](#).

### External Influences – Consultation

2.47 The Council's annual budget consultation exercise ran from 18<sup>th</sup> January 2024 to 15<sup>th</sup> February, 2024. There were 299 responses to the online survey in total, this is lower than previous budget consultation exercises which have received around 600 responses, on average, over the past five years. The lower response rate could be due to other exercises that took place prior to the budget consultation, namely the Let's Talk About Life in the Vale Survey, which reached over 3,000 residents and was used to inform the budget proposals. The next consultation exercise will commence in January 2025 but will consider broader results of other consultations received as part of the preparation of the budget proposals.

### 3 RESOURCES TO FINANCE CAPITAL EXPENDITURE

3.1 There is a variety of funding available to finance capital expenditure. This section outlines the different types of funding available, potential providers and any financial implications of that method of financing.

#### General Capital Funding – Welsh Government

3.2 This consists of two elements. Welsh Government provides the Council with a General Capital Grant. In addition, the Council is advised of a level of borrowing that the Welsh Government is prepared to fund via the Revenue Support Grant settlement, this allowance is known as supported borrowing.

3.3 On 27<sup>th</sup> February 2024, the Welsh Government announced the Final 2024/25 General Capital funding settlement which was £6.986M, being made up of £3.540M grant and £3.446M of supported borrowing. This is a decrease of £11K from the 2023/24 funding of £6.997M.

3.4 No further information has been made available from Welsh Government however according to Cardiff University's Fiscal Analysis the capital settlement is expected to reduce by 7.7% over the next five years period. Therefore it has been assumed that the £6.986M 2024/25 settlement will be reduced by 1.54% each year for the next five years, a total of 7.7% over the period.

3.5 On this basis, the following table represents the capital funding from the Welsh Government assumed as part of the 5 year programme.

WG Funding	2025/26	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000	£000
Supported Borrowing	3,393	3,341	3,289	3,239	3,189
General Fund					
General Capital Grant	3,485	3,431	3,379	3,326	3,275
<b>TOTAL</b>	<b>6,878</b>	<b>6,772</b>	<b>6,668</b>	<b>6,565</b>	<b>6,464</b>

## Compensation Award – Welsh Government

3.6 The Welsh Government issues a Compensation Award (formally Major Repairs Allowance) to the Council as a grant which is to be used for any capital expenditure on Housing Revenue Account (HRA) assets. The Compensation Award for 2024/25 is £2.770M. As no further indication has been received for future years it has been assumed within the strategy that the grant remains at £2.770M per annum as awarded in 2024/25.

## Specific Grants – Welsh Government

3.7 The Welsh Government provides the Council with specific grants for priority areas. These grants are allocated to the Council either as a result of submission of specific bids or via a formula allocation.

3.8 It is estimated that over the next five years the Council will receive grant funding from Welsh Government, UK Government, Heritage Lottery, Sports Wales and other bodies. Some of these schemes may require a match funding contribution to be made by the Council which is built into the capital programme. It is not possible to predict and plan for any other grants beyond this period.

## Unsupported/Prudential Borrowing

3.9 If the Council decides to borrow in excess of the amount specified by the Welsh Government, then it may do so and this type of borrowing is known as unsupported or “Prudential Borrowing”. The cost of this borrowing must be funded through the Council’s revenue budget and therefore will need to be identified prior to the approval and inclusion of a scheme into the capital programme. The Council currently uses unsupported borrowing to fund the Schools Investment Programme, Housing Improvement Programme, the purchase of specialist vehicles, Salix Street Lighting Energy Reduction Strategy, City Deal, the Non Treasury Investment Strategy and the schemes financed under the Local Government Borrowing Initiative. The table below sets out the anticipated new Prudential Borrowing the Council will undertake over the next 5 years.

Scheme	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£000	£000	£000	£000	£000	£000
<b>General Fund</b>						
Sustainable Communities for Learning Programme (Inc Pipeline projects)	9,993	310	0	0	0	10,303
City Deal	810	2,286	807	2,053	1,100	7,056
<b>Non Treasury Investment Strategy</b>	3,000	3,000	3,000	0	0	9,000
<b>Total General Fund</b>	13,803	5,596	3,807	2,053	1,100	26,359
Housing Revenue Account	23,955	27,738	25,124	33,005	37,396	147,218
<b>Total New Borrowing</b>	<b>37,758</b>	<b>33,334</b>	<b>28,931</b>	<b>35,058</b>	<b>38,496</b>	<b>173,577</b>

3.10 After allowing for repayments, the balance of Prudential Borrowing as at 31st March 2024 was £39.682M of which £27.737M is HRA. At the end of the Capital Programme period (31st March 2030) the outstanding prudential borrowing taking into account repayments

is expected to be £27.485M for the General Fund and £192.636M for the Housing Revenue Account.

### **Contributions from Revenue and Reserves**

- 3.11 Capital expenditure can also be funded by revenue contributions or the utilisation of existing reserves. Reserves are sums of money that have been set aside by the Council for a specific purpose. The Council has recently undertaken a review of its reserves, this has resulted in fewer reserves but a greater alignment to key risks of the Council.
- 3.12 A number of reserves are used to fund the Capital Programme, it is anticipated that over the next five years (2025/26 to 2029/30) reserves of circa £6.5M (excluding HRA reserves) will be used to fund capital expenditure.

### **Capital Receipts**

- 3.13 Capital expenditure is also financed through receipts resulting from the sale of Council assets.
- 3.14 Receipts from the sale of HRA assets can only be spent within the HRA and cannot be used to finance General Fund capital schemes. HRA receipts have been assumed in the Housing Business Plan in relation to open market sales and the share of the sale of new build schemes. However, any HRA capital receipts received in year are used to fund capital expenditure in that year and therefore as at 31st March 2024 the Council did not hold a balance of HRA receipts. The reason for this is to reduce the level of borrowing within the HRA.
- 3.15 Currently, the Council only uses receipts from the sale of vehicles to fund the purchase of other vehicles. Any capital receipts from the sale of vehicles received in year will be used to part fund the purchase of vehicles within that financial year. The reason for this is to reduce the level of borrowing used to fund the purchase of vehicles. Therefore as at 31<sup>st</sup> March 2024 the balance of vehicle capital receipts was zero.
- 3.16 Council Fund receipts are normally held for use across all non HRA service areas however they may be approved by Cabinet to be ringfenced for specific purposes. Receipts have been specifically ring fenced for Social Services and the School Improvement Programme.
- 3.17 In order to support the generation of capital receipts, the Council has a Disposal Protocol which sets out the key determinants for identifying an asset as surplus which are:
- Evidence that a higher value for an alternative use can be achieved.
  - The asset no longer contributes to service delivery; and
  - The asset has no potential for a regeneration use.
- 3.21 It is a challenging time to dispose of surplus assets and predicting future capital receipts remains a difficult and uncertain process, especially with the current economic uncertainty. This is particularly the case with higher value development sites which require property expertise to exploit the potential a site may offer and ensure we achieve best consideration in line with our statutory and fiduciary duties. Three Council Fund capital receipts are anticipated going forward. Work will be undertaken to dispose of surplus assets when they become available.

## **Other External Contributions**

3.22 The current Capital Programme includes various sources of external funding which are not from UK Government or Welsh Government, the main being contributions received via S106 agreements. Funding and contributions to capital schemes can also be made available from other bodies including Natural Resources Wales, Sports Wales, Community Councils and Lottery.

## **4 PRIORITISATION OF CAPITAL REQUIREMENTS**

4.1 The requirement for capital investment will always be greater than the funding available to the Council, particularly in times of reducing funding. This section outlines the process the Council has adopted to prioritise funding so that it is directed to support the key priorities of the Council.

### **Capital Programme Approval Process**

- 4.2 Given the scarce capital financial resources available and the fact that much of the predicted future General Capital funding from Welsh Government has already been allocated within the current five year programme, the Council has decided that a different approach to capital bids will be taken this financial year. Each directorate has been asked to submit a list of potential capital bids indicating the scheme name, anticipated cost, brief scheme description, decarbonisation considerations, links to the Council's Wellbeing Objectives, Annual Delivery Plan and any revenue savings as a result of the bid. Each directorate are required to prioritise the list of bids and indicate the risk of not progressing the bids prior to submission late September.
- 4.3 The long list of Capital bids will be reviewed and prioritised by the Strategic Insight Board during October are also detailed in the Cabinet report along with this Strategy. No bids have been included in the proposals at this time as the Welsh Government provisional settlement had not been announced. For bids that are shortlisted, officers will be asked to complete full capital bid forms which will be taken to Strategic Insight Board in November. A risk assessment is undertaken for each bid, in line with the Council's Corporate Risk Management Strategy. The bids are then reviewed to assess corporate priority, schemes that are required on a statutory or health and safety basis are prioritised alongside any invest to save schemes. All bids are also assessed for the contribution they make towards the 5 ways of working to demonstrate commitment to the Well-being of Future Generations Act. The Sustainability of the scheme proposals are also self assessed as part of the capital bid process and reviewed by Strategic Insight board in November.
- 4.4 The Strategic Insight Board is a group of senior officers covering all service areas who oversee the delivery of the Council's range of integrated planning activity. The Strategic Insight Board uses a number of criteria to prioritise the capital bids detailed in Appendix 1b.
- 4.5 The recommendations of the Strategic Insight Board will then be reviewed by the Senior Leadership Team and also the Budget Working Group which comprises the Leader and Deputy Leader, the Chief Executive and the Head of Finance. A draft Capital Programme 2025/26 to 2029/30 inclusive of proposed successful bids will be taken to Cabinet in January 2025 and will be submitted to Scrutiny Committees for consultation. Corporate Performance and Resources Scrutiny Committee is the lead Scrutiny Committee and

considers the capital proposals and any recommendations that other Scrutiny Committees have made.

- 4.6 Consultation regarding budget issues is also undertaken with the Vale's residents and other partners e.g., Town and Community Councils.
- 4.7 After considering the results of consultation and the Final Settlement from Welsh Government, Cabinet will make its final proposals during February, which will then be presented to full Council for final approval in March 2024.
- 4.8 The Assessment process of capital bids is detailed in Appendix 1b.

## **5 TREASURY MANAGEMENT**

- 5.1 Treasury Management is the management of an organisation's borrowing, investments and cashflows, its banking, money and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. This section outlines the governance process followed by the Council, a long term projection of the required level of borrowing, both internal and external and the assessment of its affordability.
- 5.2 The Council's Treasury Management and Investment Strategy for 2025/26 will be presented to Cabinet in February 2025.
- 5.3 CIPFA published revised codes of Practice on 20<sup>th</sup> December 2021 and formal adoption was required in 2023/24 financial year. This Council has to have regard to these codes of practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and any other related reports during the financial year, which are required to be taken to Full Council for approval. The implications of the revised code are set out in the Treasury Management Strategy.

### **Treasury Management Governance**

- 5.4 Before 31st March each year the Section 151 Officer presents to Audit Committee, Cabinet and full Council, the Treasury Management Strategy, which includes the Treasury Management Prudential Indicators for the forthcoming three years, the Annual Investment Strategy for the following year and monitoring as at 31st December. A mid year review report is also presented to Cabinet during November. As soon as possible after the end of the financial year a report outlining the out-turn for the previous year is presented to Audit Committee, Cabinet and Full Council.
- 5.5 Quarterly Reporting to Members is now also required. The Head of Finance/Section 151 Officer is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly. The Head of Finance is expected to establish a measurement and reporting process that highlights significant actual or forecast deviations from the approved indicators. However, monitoring of prudential indicators, including forecast debt and investments, is not required to be taken to Full Council and should be reported as part of the authority's integrated revenue, capital, and balance sheet monitoring.
- 5.6 Decisions on Treasury Management are made daily and therefore delegation is given to the Section 151 Officer. Under the Council Constitution delegated authority has been granted to the Section 151 Officer to:



- Take all Executive decisions on borrowing, investment, or financing in accordance with the Council's Treasury Management policy.
- To borrow and lend money to maintain the Council's bank balance within the overdraft limit agreed with the Council's bankers.
- The use of supported and unsupported borrowing; and
- The amount of money to be charged to revenue, above the minimum required, relating to the repayment of debt, and to finance capital expenditure.

### **Borrowing Strategy**

- 5.7 Capital expenditure will be funded from a mixture of internal and external borrowing. The Council had a balance of internal borrowing of £55.480M as of 31st March 2024, with external borrowing at that point in time being £143.312M.
- 5.8 The Council is currently maintaining an under borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy.
- 5.9 The balance of the Authority's usable reserves and working capital can be utilised for internal borrowing or investment. The Council's reserves are now depleting and the position will need to be monitored carefully, the level of external borrowing required to finance the capital expenditure will increase. During the first half of 2024/25 the Council has commenced borrowing externally from the Public Works Loan Board (PWLB). Due to current high borrowing costs all borrowing has been kept shorter term (5-7 years) in a hope that interest rates will fall during this period. The PWLB is the UK's largest lender to Local Authorities.
- 5.10 The current Bank Rate remains elevated through to the second half of 2024 with the Monetary Policy Committee making only one base rate cut of 25 basis points in August. A further 2 cuts are currently forecast by the end of March 2025.

### **Prudential Indicators**

- 5.11 In setting the Capital Programme, the Council must ensure that the Prudential Code is complied with, which has been developed by CIPFA as a professional code of practice.
- To comply capital investment plans should be:
- Affordable.
  - All external borrowing and long-term liabilities are within a prudent and sustainable level; and
  - Treasury management decisions are taken in accordance with good professional practice.
- 5.12 To demonstrate the Council has fulfilled these objectives, the Code sets out prudential indicators that should be used and the factors that must be considered. The Prudential Indicators are detailed in Appendix 1c.

## **Investment Strategy**

- 5.13 The Council's Investment Strategy is low risk, the priorities being security first, portfolio liquidity second and then yield (return). The Investment Strategy sets criteria to determine suitable organisations with which cash may be invested and limits on the amount of cash that may be invested with any one organisation. In 2024/25 the Council will/can place investments with the Debt Management Account Deposit Facility (DMADF) of the Bank of England and UK Treasury Bills which are guaranteed by the UK Government, with UK Local Authorities (including Police and Fire Authorities), in Money Market Funds and in Instant Access Accounts. The Council may consider the use of other deposit arrangements in accordance with the investment limits and counterparties set out within this strategy will continually review the financial stability of all parties with whom it places investments.
- 5.14 The Council will seek to maintain a minimum £30m investment balance in addition to any working capital surplus during the period. Should this not be possible it is intended that any shortfall would be rectified in the following financial year. Investments across the portfolio as at 31st March 2024 totalled £34.195M.

## **IFRS 16 Leasing**

- 5.15 The CIPFA LAASAC Local Authority Accounting Code Board set the much-delayed implementation of IFRS16 which deals with the way the Council accounts for its lease arrangements for the 1st April 2024, the 2024/25 financial year. IFRS16 is an accounting standard that will bring the assets and liabilities associated with the Council's lease assets on balance sheet. In the context of this delay the Council continues to undertake an assessment of the likely right of use assets and liabilities associated with the Council's leases and embedded lease arrangements. Work is underway to value know leases that meet the criteria set out in the standard and identify and assess the value of embedded leases within the Council's contractual arrangements, the Treasury Management Strategy for 2024/25 will be revised in year to include the impact of these long term liabilities as part of the Mid Year Report. The liability will increase the Council's CFR and the Council will need to charge MRP which will in practice be equivalent to the principal of the lease. Despite the extensive accounting requirements and disclosures, this change of accounting policy will not impact the bottom line of the accounts. It will however have an impact on the Prudential indicators and MRP estimates included in the Treasury Management Strategy.

## **6 DECARBONISATION**

- 6.1 The Council understands the importance of decarbonisation to help protect and sustain the Environment over the long term and in line with its Climate Emergency declaration is working and investing in measures to reduce its CO<sub>2</sub> emissions. The projects detailed below reflect the work the Council is undertaking as part of Project Zero and commitments in the Council's Climate Challenge Plan. The Plan details eighteen challenges and eighty underlying steps framed around the need to demonstrate strong leadership, fulfil our responsibility to current and future generations and to make a difference now, including transport, planning and regeneration, our land and buildings, housing and schools.
- 6.2 The Council is carrying out the following measures to take steps towards decarbonisation:

- 6.3 The Council continued to improve the energy efficiency of its housing stock to meet the requirements of Welsh Government legislation in relation to decarbonisation. The Welsh Government has launched the revised Welsh Housing Quality Standard (WHQS) 2023, which supports the government climate change goals laid out in the Net Zero Wales strategic plan published in 2021 (and updated in 2022). The council continues working towards the following decarbonisation targets set out in the revised standard i.e. Carrying out a whole stock assessment and producing Target Energy Pathways for our homes to reach SAP 92 - EPC A by 31 March 2027, in the interim, we are working towards all our homes meeting a minimum of SAP 75 – EPC C by 31 March 2030. This investment is further outlined in the Housing Business Plan that was reported to Cabinet on the 11th of January 2024.
- 6.4 Welsh Government announced in November 2021 that all new school projects within the Sustainable Communities for Learning Programme will be required to meet net zero carbon (in operation) from January 2022 onwards. This excluded projects which had already received Outline Business Case approval at the time of the announcement. Following this announcement Welsh Government committed to fund 100% of all net zero carbon costs on projects within Band B of the programme. To achieve net zero school designs have been amended to maximise solar gain, improve insulation, increase use of renewables (including battery storage), and install air source heat pumps. This commitment is expected to continue in the rolling programme and has been announced on the Welsh Government Sustainable Communities for Learning webpage as seen in the link: [Sustainable Communities for Learning rolling programme.](#)
- 6.5 The Council has organised a decarbonisation sub-group to drive the reduction of carbon emissions as part of the Sustainable Communities for Learning Programme and wider Education investments. This group has created a Sustainable Building Project - Materials Elements to monitor costs for carbon reduction measures, undertaking a school energy review to identify where carbon reduction measures would be of most benefit and the costs required to implement the measures and a Schools Sustainability Forward Plan has been created to help direct progress on carbon reduction measures.
- 6.6 Decarbonisation Programme - A variety of energy reduction measures and renewable energy installations have been identified across several assets within the council's portfolio. A delivery programme which complements the Welsh Government zero carbon by 2030 target and the council's own Climate Change Challenge Plan is being prepared which will lever in as much funding as possible from various external sources including Salix funding. £731k has been included in the 2024/25 Capital Programme. Funding totalling £250k each year from 2025/26 to 2028/29 has also been included within the five year programme. Schemes have been presented to and approved by the Project Zero Board and some of these schemes are highlighted below:
- Penarth Learning Community PV Panels
  - Cogan Primary PV
  - Llangan Primary PV
  - Ty Dewi Sant Residential Home PV

- Oakfield Gas Boliers to air source heat pump
  - Ysgol Sant Curig LED Lighting
- 6.7 The UK Government Shared Prosperity Fund has specific allocations to address decarbonisation schemes in the local community and the programme will develop schemes to deliver against this commitment over the three-year period of the funding envelope.
- 6.8 [Restore the Thaw Landscape Project](#) has begun, a three-year programme of work to make biodiversity improvements along the River Thaw, its tributaries, and surrounding landscapes. Alongside monies from the Vale of Glamorgan Council's Project Zero reserves, the project received funding from the Waterloo Foundation and Nature Networks, a fund delivered by the National Lottery Heritage Fund.
- 6.9 A cyclical program of tree maintenance is being introduced to our mature highway street trees within the urban environment to reduce the decline in canopy cover within our towns and to optimise the life expectancy of these mature trees. This scheme will run alongside a program of tree planting. Through appropriate management of existing trees and targeted tree planting programmes, the Council will seek to reverse the trend of the continuing loss of tree canopy cover. The tree stock will be managed in such a way that continuity of tree cover will be safe-guarded, and improved, for future generations. It is recognised that the continued maintenance and tree planting of trees is an essential aspect of sustainable development and will assist in reduction in carbon emission.
- 6.10 The Council continues to work with the Welsh Government Energy Services to increase the number of electric vehicles into its fleet, specifically applying for grants to pay for a percentage of the difference between diesel and electric. Although the difference in cost between petrol/diesel vehicles and electric vehicles is reducing the cost is still much higher. The current replacement budget has been set up to fund 'like for like' replacements, in order to purchase electric vehicles additional financial contributions is required.
- 6.11 In 2022/23 a grant was awarded to the Council by Welsh Government to cover 80% of the difference in cost between a diesel and electric recycling vehicle. The two Romaquip recycling vehicles are nearing completion and will be delivered by the end of the 2024. In 2023/24, four electric vans were purchased with financial support from WGES for the difference in cost, to replace diesel vans and have successfully been integrated into the fleet. The Shared Prosperity Funding has supported the purchase of an electric mobile education facility.
- 6.12 The Council has installed its first air source heat pump at the BSC2 in order to reduce its carbon footprint by shifting away from fossil fuels. A further scheme is currently being delivered at Ysgol Bro Morgannwg. Air source heat pumps are powered using electricity and are considered a form of low carbon or renewable heat source offering efficiencies of up to 300% depending on conditions. The systems use larger radiators which operate at lower temperatures to heat the building more efficiently. Further air source heat pumps will be installed over the next few years within some education.
- 6.13 The Council has a number of earmarked reserves that can be utilised to support the delivery of Project Zero as set out below.
- Energy Management Reserve – includes the Salix recyclable fund.

- Project Zero Reserve - Any schemes committed from reserve have to be approved by the Project Zero Board.
- Energy Pressures Reserve – this includes the budget for decarbonisation schemes.

6.14 All schemes progressed as part of the Capital Programme proposals set out the decarbonisation considerations that will be taken into account as part of progressing the bids. The Council now includes explicit consideration of the impact on climate and nature emergencies as part of all Cabinet reports.

6.15 A Non Treasury service investment programme sets out a £12M investment fund over four years focussed on developing property and infrastructure in the Vale of Glamorgan. The schemes progressed under this scheme should comply with the PWLB permitted borrowing purposes and generate a return that covers the costs of borrowing. The key principles for this service investment fund are to:

- 1) Deliver economic growth
- 2) Tackle inequality
- 3) Improve our environment, and
- 4) Create change in the area to benefit all residents, businesses and visitors.

6.16 All of these will have positive impacts for communities across the Vale of Glamorgan and should all be in line with the Council's Climate Emergency declaration and carbon reduction plans. Investment decisions should align with Council Priorities as set out in the Corporate Plan. Some examples of the resultant activity could include Renewable Energy schemes and support for development which will help the Council reach net zero emissions by 2030 (Project Zero); and use of Council land for environmental, green infrastructure or other biodiversity issues connected to either the declared climate or nature emergencies.

6.17 More detail can be found within the [Project Zero update report](#)

## **7 COMMERCIAL ACTIVITIES**

7.1 The Prudential Code has expressed concern that an authority's approach to commercial activities should be proportional to its overall resources.

7.2 On 1st January 2020, the Council set up a Local Authority Trading Company to deliver Catering services called the Big Fresh Catering Company. The Council owns 100% of the company shares.

7.3 The Council currently has no other material commercial activity however it is looking to explore proportionate regeneration and green infrastructure opportunities as appropriate through the Non Treasury Investment Strategy. The Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans, supporting service outcomes, investments in subsidiaries and investment property portfolios. The Council will ensure that all the organisation's investments of this nature are covered in the capital strategy, investment strategy or equivalent and will set out, where relevant, the organisation's risk appetite and specific policies and arrangements for non treasury investments.

- 7.4 The Non Treasury Investment programme will support regeneration and recovery through economic development and green infrastructure schemes is being developed which is intended to address opportunities identified in the Council’s Recovery Strategy to support innovative business and economic regeneration, increase capital programme investment and focus on green jobs and green infrastructure. This is to be funded using up to £12M of Prudential Borrowing. £200K is earmarked for feasibility and due diligence costs and the initial costs associated with specialist Non Treasury Investment Advice and this is being funded from the Risk and Reshaping reserve. Further information can be found at [Non Treasury Investment Strategy \(valeofglamorgan.gov.uk\)](http://valeofglamorgan.gov.uk) and [Regeneration Governance Report \(valeofglamorgan.gov.uk\)](http://valeofglamorgan.gov.uk).
- 7.5 The current profile and funding is set out below. The split of schemes will be brought to Cabinet at a later date once known.

	2024/25	2025/26	2026/27	2027/28	Total
	£000	£000	£000	£000	£000
<b>Non-Treasury Investment Strategy</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>12,000</b>
<b>Funding</b>					
Prudential Borrowing	3,000	3,000	3,000	3,000	12,000

## 8 OTHER LONG TERM LIABILITES

- 8.1 The Council has discretion to make loans for several reasons, primarily for economic development. These loans should be treated as capital expenditure. In making loans the Council would be exposing itself to the risk that the borrower defaults on repayments. The Council, in making loans, must therefore ensure they are prudent and has fully considered the risk implications, with regard to both the individual loan and that the cumulative exposure of the Council is proportionate and prudent. The Council will ensure that a full due diligence exercise is undertaken and adequate security is in place. All such loans would require the approval of Cabinet.
- 8.2 The Council currently has no soft loans. A soft loan is made interest free or at a rate less than the market rate, usually for policy reasons. Such loans are often made to individuals or organisations that the Council considers benefits the local population.

## 9 MAKING THE BEST USE OF RESOURCES

- 9.1 Given the financial constraints currently facing the Council, it is of fundamental importance that the best use is made of its resources. This section outlines the ways in which the Council is achieving value for money, monitoring performance and ensuring that it has access to appropriate knowledge and skills for decision making.

### Procurement Strategy

- 9.2 The Council recognises the need to have efficient and effective methods of procurement. The Council has updated its Procurement Policy & Strategy which seeks to ensure its objectives for the delivery of social value, equality, supporting the local economy and climate action are all met as well having effective and efficient practices. It is intended to encourage everyone to think about their actions in support of the corporate vision of being a greener Council. The Council has a Procurement Code of Practice and Contract

Procedure Rules which will be reviewed following approval of the new Policy & Strategy. These documents support effective and sustainable procurement throughout the Council.

### **Project Management Methodology**

- 9.3 The Council recognises that all major projects must be led by an officer with appropriate project management and technical skills. As such a Project Management Methodology is in place to ensure that all projects are correctly managed. The methodology follows the principles of PRINCE2 (Projects in Controlled Environments) and considers the capital bidding process and sustainability considerations.

### **Programme Monitoring**

- 9.4 Once the Capital Programme is approved, managers are advised of their successful bids and each project is allocated to a named responsible Project Manager and Project Sponsor. On a monthly basis monitoring statements showing expenditure to date are sent to managers and meetings are held with Heads of Service, Operational Managers and other relevant officers to discuss progress on schemes.
- 9.5 Monitoring reports are presented to Cabinet and Scrutiny Committee on a regular basis to advise members of progress on each approved scheme. The reports also identify any changes to the programme to reflect additions, virements and rescheduling of schemes.

### **Performance Indicators**

- 9.6 The Council subscribes to a number of benchmarking schemes and produces annual returns, which are evaluated by the Welsh Government.

### **Performance Management Framework**

- 9.7 The Council utilises its Performance Management Framework to help realise the aspirations that it identifies in the Corporate Plan and Services Plans. This includes the management of the Capital programme. The Council achieves this by monitoring performance against targets, comparing performance against others, identifying actions for improvement and delivering change. This approach helps to measure how the Council is meeting its vision and objectives and demonstrates accountability to the Council's stakeholders.

### **Knowledge and Skills**

- 9.8 In order for the Council to make the best use of its resources, it must ensure that it has in place robust decision making and effective management of its assets and capital investment. This can only be achieved by employing suitably qualified and experienced staff with up to date knowledge and by engaging with members who have the necessary skills and understanding.
- 9.9 The Council employs professionally qualified and experienced staff across the Council to make capital expenditure, borrowing and investment decisions. However, where the Council requires specialist advice it procures external support and in September 2018 the Council appointed Link Asset Services as its Treasury Management advisor and their contract was renewed in September 2023.
- 9.10 The Accountancy Section has a range of professionally qualified staff in key positions who are involved in Capital and Treasury Management roles. They have had many years local government experience including the Head of Finance (CIPFA over 30 years), Operational Manager Accountancy (CIPFA Over 10 years), Finance Support Manager (CIPFA over 9

years), Capital Accountant (ACCA 4 years) and Senior Accountancy Technician (AAT over 30 years).

- 9.11 It is a requirement of the CIPFA Code of Practice that the Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Head of Finance/Section 151 Officer will recommend and implement the necessary arrangements, including the specification of the expertise, knowledge and skills required by each role or member of staff. The Head of Finance/Section 151 Officer will ensure that members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities. Those charged with governance must recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively. The Council's treasury advisor Link Asset Management provides training for members where appropriate but at least annually. The training needs of treasury management officers are periodically reviewed and are assessed as part of the staff appraisal process and from the frequent in house meetings between the Treasury Management Team and the Section 151 Officer. Link Asset Management and CIPFA also provide regular online training seminars to ensure that changes to the Codes of Practice are implanted and adhered to and were appointed to deliver the Treasury Management induction training for Members in February this year.
- 9.12 The Strategic Property Section is responsible for providing strategic property advice and the preparation and implementation of the Corporate Asset Management Plan. Staff have again had many years local government experience including the Operational Manager Property (over 20 years) and the Commercial and Consultancy Manager (over 30 years) and they are both members of the Royal Institute of Chartered Surveyors. The Operational Manager is also a registered valuer. When required, external support would be sourced e.g., external valuers.
- 9.13 As part of the Council's contract with the external Treasury Management Advisor, the provision of training for members of Audit Committee is included to ensure they have the required knowledge and skills and that these are kept up to date. This training is also attended by Accountancy staff.
- 9.14 The Council establishes project teams from all the professional disciplines as and when required to deliver specific projects.
- 9.15 Members also gain knowledge of the strategic decision making process for asset management as members of various project boards, which would cover the use and disposal of surplus property and other key asset management issues.

## **10 Environmental, Social & Governance (ESG)**

- 10.1 Project Zero is the Vale of Glamorgan Council's response to the climate change emergency. Project Zero brings together the wide range of work and opportunities available to tackle the climate emergency, reduce the Council's carbon emissions to net zero by 2030 and encourage others to make positive changes. In July 2019, The Council joined Welsh Government and other Local Authorities across the UK in declaring a Climate Emergency in response to the United Nations' Intergovernmental Panel on Climate



Change report into the impact of global warming. Since then, the Council has continued to make changes across the organisation embarking on ambitious projects to reduce the Council's carbon emissions and to send a clear message that we must all work together to adapt to and mitigate the effects of climate change.

- 10.2 Further information on the Council's decarbonisation schemes within the capital strategy can be found in section 6.
- 10.3 Ethical investing is a topic of increasing interest to members, and one that is also being raised through officers. However, investment guidance, both statutory and from CIPFA, makes clear that all investment activities must adopt the principles of security, liquidity and yield and therefore ethical issues must play a subordinate role to those priorities. Most of the Council's investments are placed with the UK Government or Local Authorities. As the majority have declared a climate and nature emergency, the Council are accepting that they are following ESG principles and therefore will continue to place investments with them. Should the Council become aware of any Local Authority that goes against these principles the Council will no longer consider the organisation for investment purposes.
- 10.4 The remainder of the Council's investments are placed with the CCLA & Federated Hermes money market funds domiciled in the UK. Both are AAA rated by the three main credit rating agencies. Credit rating agencies now incorporate ESG risks alongside more traditional financial risk metrics when assessing counterparty ratings both money market funds recognise their responsibilities concerning ESG and their approach to and policies for ESG are summarised in the Treasury Management Policy Statement in Appendix 2 to the Treasury Management Strategy.
- 10.5 The Council's appointed banker is Lloyds Bank PLC and has two interest yielding deposit accounts. Lloyds Bank's approach to ESG is as follows:
- 'Lloyd's strategy focuses on building an inclusive society and supporting the transition to a low carbon economy as this is where we can make the biggest difference, whilst creating new avenues for our future growth. It is only by doing right by our customers, colleagues, and communities that we can achieve higher, more sustainable returns for investors, and generate value for all our stakeholders. ESG performance measures to continue to drive progress towards our environmental sustainability and our diversity and inclusion ambitions.'
- 10.6 The Procurement and Policy Strategy 2022/23 to 2026/27 seeks to ensure the Council's procurement decisions are consistent with its Project Zero commitments and take account of the climate and nature emergencies and to make procurement spend more accessible to local small businesses and the third sector by stimulating the local economy and promote the attainment of social and environmental benefits through the procurement process.
- 10.7 Procurement has an important role to play in strengthening and growing the local economy and supporting local employment. As a major procurer in the county, the Vale of Glamorgan Council recognises the need to leverage its purchasing power to support residents to secure good employment and to help local businesses and voluntary and community organisations to thrive.
- 10.8 Contractors, suppliers and service providers engaged to work for the Council must show a commitment to the county, its residents and businesses. Suppliers are encouraged to

support the local economy through the use of local businesses in their supply chains and by building social value into their contracts, including using local labour wherever possible to fulfil contract obligations.

## **11 RISKS TO THE STRATEGY**

11.1 An important part of any strategy is the assessment of risk. This section outlines the Council's attitude to risk, identifies potential risks when producing the Capital Strategy and possible means of mitigation.

### **Risk Strategy**

11.2 As part of the Council's integrated planning framework, the Council has a Risk Strategy. Effective Risk Management allows the Council to make the most of its opportunities, make the right decisions and achieve its objectives once those decisions are made. The Council embeds risk management in every aspect of the organisation. A knowledge and awareness of risks creates an environment in which continuous improvement can be achieved and where the Council takes informed decisions. Corporate risks need to be considered in judgements about the medium to long term goals and objectives of the Council.

### **Resource Risks**

11.3 As part of this Strategy future capital resources have been projected. However, Welsh Government has not provided an indication of the future General Capital Funding they will provide and therefore this does not provide certainty for planning for the future. This is particularly problematic as capital projects may need substantial planning prior to work commencing on site and schemes can take several years to complete.

11.4 Capital schemes which are reliant on capital receipts for funding need to be carefully profiled as the timing and value of receipts could vary significantly, particularly with the affect that the uncertainty created by the exit from the European Union, together with the instability across many parts of Eastern Europe is having on the development sector.

### **Treasury Management Risks**

11.5 The Council has borrowed and invested significant sums of money and is therefore exposed to financial risks such as the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's Treasury Management Strategy.

### **Expenditure Risks**

11.6 Due to the nature of capital works it is sometimes difficult to project the final costs of the scheme and they can outturn at a higher cost than planned. Adverse weather conditions are increasing the cost of maintaining the Council's infrastructure and increasing the risk of natural disasters such as flooding. The Council is also at this time carrying out large scale capital investment in the Sustainable Communities for Learning projects and also through the Cardiff Capital Region City Deal and the Council's Housing Improvement Programme. These capital schemes will require significant investment and the Council needs to ensure that it has allocated and has access to sufficient funding to see these schemes through to completion.

11.7 The uncertainty created by current economic climate instability and conflicts ongoing globally also bring risk to the cost of future capital schemes as there may be changes to

the value of contracts due to staffing issues and supply and pricing of materials. Also, any legislative changes could affect the procurement of goods and services and also may affect the service provision regulations e.g., waste, environmental issues, which may have an impact on assets.

11.8 In the current economic climate capital schemes are encountering significant inflationary pressures on construction costs which can necessitate scheme re-engineering or re-tendering. Project officers are also reporting long lead time on the delivery of materials and a shortage of skills in some areas. This impact will be monitored closely as part of the regular monitoring arrangements with project managers and sponsors.

### **Mitigating Risk**

11.9 With scarce capital resources, funding will only be allocated to priority capital schemes that meet corporate priorities or meet legal obligations, with schemes being fully evaluated prior to approval. If capital projects overspend, the capital programme will be reviewed to identify other schemes that could be postponed or cancelled until further funding is identified. It is therefore important that capital projects are adequately planned and are effectively project managed and the Council needs to prudently reflect the future capital funding that will be available. The use and level of reserves will be critical to ensure that committed capital projects can be delivered. When costing major or complex capital projects risk analysis should be undertaken to inform the adjustments for optimism bias and identification of risk management. A Risk Register, which identifies each relevant risk and compares how it impacts should be completed.

11.10 Commissioning and procuring for capital schemes must comply with the requirements set out in the Council's Constitution, Financial Regulations and Contract Standing Orders.

11.11 In the past, the Council has taken a prudent view with regard to unsupported borrowing. It is therefore considered that the Council will be able to maintain the currently approved levels of borrowing.

11.12 The Council does not currently invest beyond 364 days to minimise the investment risk and invests with Debt Management Office (DMO), in Treasury Bills and other local authorities. The DMO is an Executive Agency of Her Majesty's Treasury. The Council introduced the use of AAA rated Money Market Funds during 2020/21 as the risk has been assessed as the same as investing in the DMO. The Council also introduced the use of deposit accounts with Lloyds Bank (the Council's bankers) up to a maximum value of £10M. These arrangements will be kept under review in consultation with Link Asset Managers the Council's Treasury Management Advisers.

11.13 The Council has not undertaken any material commercial activities.

## **12 CAPITAL STRATEGY KEY ISSUES AND RECOMMENDATIONS**

12.1 This section summarises the key issues arising from the Capital Strategy and also provides recommendations to be taken forward.

## Priority Areas for Capital Spend

12.2 The Council’s ability to deliver its priorities has been impacted by increasing demographic and funding changes which have placed increasing pressure on budgets. This underlying theme of resource constraints has had a major influence on the Council’s strategies and delivery plans and is reflected in its financial planning activities. The Council’s financial framework therefore aims to balance expenditure with current levels of funding and has a robust method of prioritisation and allocation of capital resources to key schemes.

12.3 Key priority areas currently identified where funding is available over the life of this Plan are shown in the following table and also how they contribute to the Council’s wellbeing objectives:

<b>To work with and for our communities</b>
<ul style="list-style-type: none"> <li>• Sustainable Communities for Learning programme</li> </ul>
<ul style="list-style-type: none"> <li>• Highways improvement</li> </ul>
<ul style="list-style-type: none"> <li>• Building Stronger Communities</li> </ul>
<ul style="list-style-type: none"> <li>• UK Government Shared Prosperity Fund</li> </ul>
<b>To support learning, employment and sustainable economic growth</b>
<ul style="list-style-type: none"> <li>• Sustainable Communities for Learning programme</li> </ul>
<ul style="list-style-type: none"> <li>• Cardiff Capital Region City Deal</li> </ul>
<ul style="list-style-type: none"> <li>• UK Government Shared Prosperity Fund</li> </ul>
<b>To support people at home and in their community</b>
<ul style="list-style-type: none"> <li>• Maintenance of WHQS in Council houses</li> </ul>
<ul style="list-style-type: none"> <li>• Building new homes in the Vale for social rent</li> </ul>
<ul style="list-style-type: none"> <li>• Disabled Facilities Grants and Discretionary Adaptions Grant</li> </ul>
<ul style="list-style-type: none"> <li>• Investment in Leisure Centres</li> </ul>
<ul style="list-style-type: none"> <li>• Empty Homes Grant</li> </ul>
<b>To respect, enhance and enjoy our environment</b>
<ul style="list-style-type: none"> <li>• Supporting decarbonisation as part of the Sustainable Communities for Learning Programme.</li> </ul>
<ul style="list-style-type: none"> <li>• Investing in PV panels on Council buildings.</li> </ul>
<ul style="list-style-type: none"> <li>• Investment in Electric Pool Cars and charging points</li> </ul>
<ul style="list-style-type: none"> <li>• Investing in the introduction of LED street lighting</li> </ul>
<ul style="list-style-type: none"> <li>• Carbon Management reduction using SALIX</li> </ul>
<ul style="list-style-type: none"> <li>• Revised Waste collection service and new Transfer Station</li> </ul>
<b>Council Wide</b>
<ul style="list-style-type: none"> <li>• Implementation of ICT and Digital Strategy</li> </ul>
<ul style="list-style-type: none"> <li>• Ensuring properties are fit for purpose for delivering services</li> </ul>
<ul style="list-style-type: none"> <li>• Requirements of external factors such as legislation changes</li> </ul>

## **Closing the Funding Gap**

- 12.4 Condition surveys for the majority of schools were completed in early 2022 have previously indicated that capital investment of circa £25M to £30M is required over the next 5 years to Schools in order to finance improvement work. In the near future, subject to funding, condition surveys are planned to be carried out on the Council's other buildings (excluding HRA). An initial high-level assessment has been undertaken to identify the possible requirements for capital investment over the next 5 years across the remainder of the Council's non HRA assets and it is estimated further investment of circa £30M to £40M may be required. Any reduction in resources in the future will restrict the number and size of capital schemes that the Council is able to fund. It can be seen that there is significant requirement for capital investment which will not be possible to fund. This includes the backlog of school, highway and buildings repairs which in time could expand beyond issues associated with repairs and maintenance to those of 'fit for purpose' considerations. This risk will have to be managed and funding identified as a priority for service critical works.
- 12.5 A significant sum in the Capital Programme relates to Asset Renewal items which may be viewed as essential areas of spend if the existing portfolio of Council assets, including its infrastructure, is to be maintained to even a basic level to prevent further deterioration.
- 12.6 The Council will continue to assess its assets to identify whether any are surplus and can achieve a capital receipt. Certain properties have already been identified where the receipt will be used to fund the Sustainable Communities for Learning Programme.
- 12.7 Where possible the Council will try to identify grant funding and will strive to provide match funding if the grant can be used to finance Council priorities.
- 12.8 The Council has previously undertaken unsupported borrowing for investment in Schools, vehicles, Housing stock and the Cardiff Capital Region City Deal. This decision has been taken after a full assessment of the affordability of taking on such debt and as part of a full business plan. The Council could consider using unsupported borrowing to close the future funding gap, however, given the expected reduction in revenue budgets the potential for servicing debt not funded by Welsh Government from existing revenue budget going forward is extremely limited. The Council will therefore need to ensure that capital spending plans are affordable and decisions do not place additional pressure on the level of Council Tax or the Medium Term Financial Plan.

## **Longer Term Planning**

- 12.9 The Council's current Corporate Plan covers the period 2020 to 2025. An updated Draft Corporate Plan has been taken to Cabinet on 10th October 2024 for consultation.
- 12.10 For major projects and investment that cover a longer-term period the funding and financial implications need to be planned well in advance. Long term planning has been undertaken for projects such as the Housing Business Plan, the Sustainable Communities for Learning programme and the Cardiff Capital Region City Deal which all cover a longer term need for investment.
- 12.11 Long term forecasts are not easily predicted and the accuracy of all financial estimates will be limited however it is an invaluable tool in consideration future issues and anticipating the necessary requirements. It will also allow time for funding to be identified for key priorities and projects.

## Actions

12.12 In considering this Strategy the Council will need to undertake a number of actions in order to make the most of potential funding and the requirement to invest. Some of these actions will be taken forward as part of other approved strategies and will need to be continually monitored and assessed.

<b>CAPITAL STRATEGY ACTION POINTS</b>
<b>Setting the Capital Programme</b>
<ul style="list-style-type: none"> <li>• Only capital bids that are deemed to meet the criteria of highest corporate priority and/or risk should be progressed.</li> <li>• Robust project appraisal and understanding of full life costs and risk are required for large capital investment.</li> </ul>
<b>Review Process</b>
<ul style="list-style-type: none"> <li>• Maintain comprehensive and robust procedures for managing and monitoring the Capital Programme.</li> <li>• Continue to review the Corporate and Service Asset Management Plans.</li> <li>• Update Condition Survey data to ensure the Council is fully aware of future commitments.</li> <li>• The Council will strive to reduce carbon emissions and improve energy efficiency and positively encourage waste reduction initiatives.</li> <li>• In line with the Reshaping Services Programme, the Council's assets and Capital Programme will be reviewed to ensure they support the implementation of the programme objectives and are suitable for alternative delivery models if required, including exploring options for Community Asset Transfer.</li> <li>• Ensure staff involved in the capital and Treasury Management process and the delivery of capital projects have the relevant experience and training.</li> <li>• Ensure members involved in the capital and Treasury Management process receive relevant training.</li> </ul>
<b>Maximising Capital Funding</b>
<ul style="list-style-type: none"> <li>• Maximising grant-funding opportunities for capital schemes, where such schemes are compatible with Council objectives.</li> <li>• The identification of underperforming / inefficient assets and prioritising the sale of surplus land and properties as a means of generating capital receipts to fund capital schemes.</li> <li>• Reviewing the options for unsupported borrowing under the Prudential Code in the light of future financial projections for capital funding and expenditure in line with the Medium-Term Financial Plan.</li> <li>• Use of reserves where appropriate to finance capital investment.</li> <li>• Develop partnerships with the public and private sectors as a means of unlocking additional resources.</li> <li>• Provide support for invest to save initiatives where it is appropriate.</li> </ul>

## Prudential Code

- The Local Government Act 2003 set out a framework for the financing of capital investments in local authorities which came into operation from April 2004. Alongside this, the Prudential Code was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice to support local authorities' decision making in the areas of capital investment and financing. Authorities are required by regulation to have regard to the Prudential Code.
- CIPFA released an updated version of the Prudential Code in December 2017. The revised code includes a new requirement for authorities to produce a Capital Strategy. To comply with the requirements, a Capital Strategy has been produced for 2025/26 and will be updated on a biannual basis. This Strategy will also need to be submitted to full Council for approval.
- CIPFA published revised codes of Practice on 20th December 2021 which stated that formal adoption was required for the 2023/24 financial year. This Council has to have regard to these codes of practice when it prepares the Capital Strategy, Treasury Management Strategy Statement and Annual Investment Strategy, and any other related reports during the financial year, which are required to be taken to Full Council for approval. The revised codes have the following implications:
  - a requirement for the Council to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement;
  - clarify what CIPFA expects a local authority to borrow for and what they do not view as appropriate. This will include the requirement to set a proportionate approach to commercial and service capital investment;
  - address Environmental, Social & Governance (ESG) issues within the Capital Strategy;
  - require implementation of a policy to review commercial property, with a view to divest where appropriate;
  - create new Investment Practices to manage risks associated with non treasury investment (similar to the current Treasury Management Practices);
  - ensure that any long term treasury investment is supported by a business model;
  - a requirement to effectively manage liquidity and longer term cash flow requirements;
  - amendment to Treasury Management Practice (TMP)1 (to address ESG policy within the treasury management risk framework);
  - amendment to the knowledge and skills register for individuals involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each council;

- a new requirement to clarify reporting requirements for service and commercial investment, (especially where supported by borrowing/leverage).
- In addition, all investments and investment income must be attributed to one of the following three purposes, Treasury Management, Service Delivery, Commercial Return.



### Assessment of Capital Bids

1. When setting the capital programme, the following principles are applied.
  - Only capital bids that are deemed to meet the criteria of higher corporate priority and/or risk should be progressed.
  - All bids need to reflect full costs including purchase costs and a level of fees as appropriate.
  - Bids need to include all lifetime revenue implications e.g., maintenance, management costs and potential income.
  - The Capital Programme is set with regard to the key themes as outlined in the Corporate Plan.
  - The Capital Programme proposals should maximise the availability of resources to address the Council's priorities; and
  - Only bids that are for specific schemes will be included into the Capital Programme, general bids will not be included. This will help to reduce the slippage within the programme.

### Risk

2. A risk assessment is undertaken for each bid, in line with the Council's Corporate Risk Management Strategy using the following matrix.

		Likelihood/Probability of Risk Arising			
		Very Unlikely	Possible	Probable	Almost Certain
Possible Impact or magnitude of risk	Catastrophic	Medium	Medium/High	High	Very High
	High	Medium/Low	Medium	Medium/High	High
	Medium	Low	Medium/Low	Medium	Medium/High
	Low	Very Low	Low	Medium/Low	Medium

### Corporate Priority

3. The bids are then reviewed against the following criteria to assess corporate priority. Where bids are rated an A or B on the criteria listed below there would clearly be a legal obligation to ensure that works are progressed in a timely manner within the confines of the funding available. Schemes that represent an invest to save opportunity or support the achievement of corporate priorities are also prioritised using the criteria.

Priority Level	Criteria
A	Health and Safety legislation
B	Other Legislation/Statutory Requirement
Ci	Economic Sense/Invest to Save/Decarbonisation response to climate/nature emergency
Cii	Corporate Plan
Ciii	Sufficiency
D	Condition/Suitability
E	Welsh Government Requirements
F	Low Priority

#### **Future Generations Act**

4. Bids are also reviewed for the contribution they make towards the 5 ways of working to demonstrate commitment to the Well-being of Future Generations Act. Each scheme is awarded one point for every one of the outcomes that it meets to a maximum of 5.

#### **Sustainability**

5. Sustainability is one of the main strands of the financial strategy for capital and bids are also evaluated by the Insight Board for Sustainable Development, with a view to ensuring that wherever possible the sustainable targets are addressed. The four areas of Sustainable Development considered are:
  - Living within environmental limits.
  - Ensuring a strong, healthy and just society.
  - Achieving a sustainable economy; and
  - Promoting good governance.
6. The Council will ensure that all large Council Capital Projects are BREEAM (the design and assessment method for sustainable buildings) excellent rated.

## Prudential Indicators

### Capital Expenditure

1. A five year capital programme has been proposed covering 2025/26 to 2029/30 as shown in the following table.

Table 1 – Five Year Capital Programme

Capital Expenditure	2025/26	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000	£000
Learning & Skills	7,102	4,060	4,435	2,000	2,000
Social Services	975	100	100	100	100
City Deal	810	2,286	807	2,053	1,100
Environment	6,229	3,685	3,685	3,685	3,510
Place	1,637	1,305	1,305	1,150	1,150
Resources	250	355	544	441	504
Pipeline Schemes	46,643	17,057	3,000	0	0
HRA	38,209	41,970	39,634	47,217	52,589
<b>Total</b>	<b>101,855</b>	<b>70,818</b>	<b>53,510</b>	<b>56,646</b>	<b>60,953</b>

### Capital Financing Requirement

2. The Capital Finance Requirement (CFR) is the total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure, which has not immediately been paid for through a revenue or capital resource, will increase the CFR. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used. The table below shows that the Council's CFR is expected to increase over the next five years.

Table 2 – Capital Financing Requirement

CFR at 31st March	2025/26	2026/27	2027/28	2028/29	2029/30
	£M	£M	£M	£M	£M
Non HRA CFR	138.974	143.302	145.721	146.385	145.898
HRA CFR	130.510	155.271	176.858	205.822	238.512
<b>Total CFR</b>	<b>269.484</b>	<b>298.573</b>	<b>322.579</b>	<b>352.207</b>	<b>384.410</b>

3. The Council should ensure that gross external debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. The table below shows the projected Gross External Debt.

Table 3 - Gross External Debt

Gross External Debt	2025/26	2026/27	2027/28	2028/29	2029/30
	£M	£M	£M	£M	£M
<b>Brought forward 1 April</b>	<b>195.210</b>	<b>233.000</b>	<b>269.323</b>	<b>293.342</b>	<b>331.541</b>
<b>Carried forward 31 March</b>	<b>233.000</b>	<b>269.323</b>	<b>293.342</b>	<b>331.541</b>	<b>373.178</b>
In Year Requirement	(37.79)	(36.323)	(24.019)	(38.199)	(41.637)

4. The Council expects to maintain some internal borrowing during the period of this strategy when affordable and the Council will take advice from the independent Treasury Management advisors as required.

#### **Affordable Borrowing Limits**

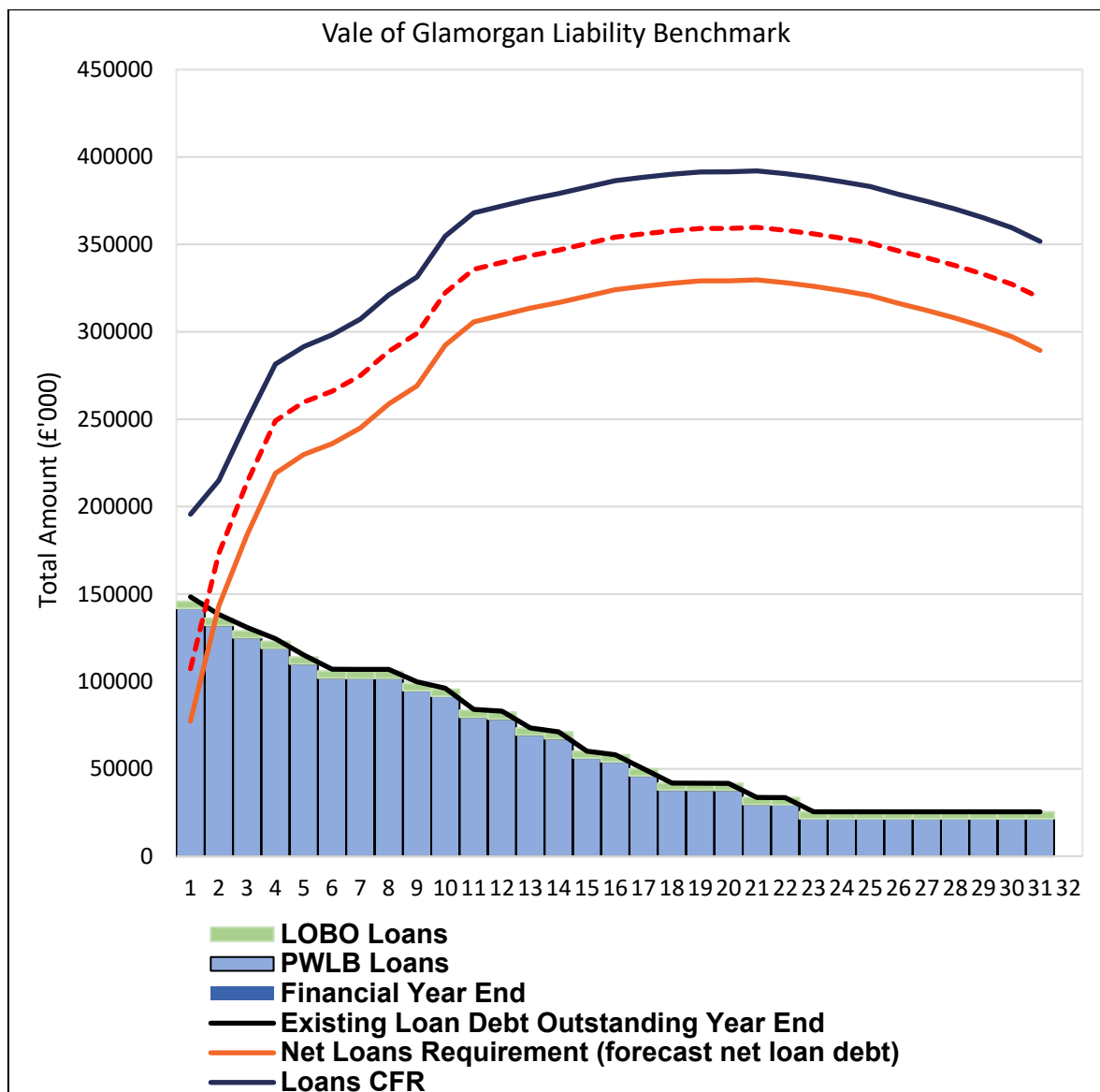
5. The Council will set an affordable borrowing limit each year in compliance with the Local Government Act 2003 and will have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities when setting that limit. It will also set limits on its exposure to changes in interest rates and limits on the maturity structure of its borrowing in the Treasury Management strategy report each year. The Council must set its authorised limit for external debt each year and also a lower Operational Boundary.
6. The proposed Operational Boundary for external debt is based upon estimates of the most likely, prudent, but not worst case scenario. The Operational Boundary links to the authority's plans for capital expenditure, estimates of capital financing requirement and the estimate of cashflow requirements for the year. This is the expected maximum limit for external debt. It acts as a warning level should debt start approaching this limit. The Operational Boundary for external debt is shown in the following table:

Table 4 – Operational Boundary

<b>Operational Boundary</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
	<b>£m</b>	<b>£M</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Borrowing	284.876	321.483	344.915	371.885	404.384
Other long term liabilities	0	0	0		
<b>Total</b>	<b>284.876</b>	<b>321.483</b>	<b>344.915</b>	<b>371.885</b>	<b>404.384</b>

7. As part of the new Prudential Code there is a requirement for the Council to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement. The Council is required to provide a comparison of the existing loan portfolio against the committed borrowing needs. This is to provide evidence that it has a strong grasp of both its existing debt maturity profile and how MRP and other cash flows affect the future debt requirement. The Liability Benchmark is effectively the Net Borrowing Requirement of a local authority plus a liquidity allowance. In its simplest form, it is calculated by deducting the amount of resources available for investment on the balance sheet (reserves, cash flow balances) from the amount of outstanding external debt and then adding the minimum level of investments required to manage day to day cash flow.
8. The chart below shows the long term borrowing impact of the current 30 year capital programme. For illustration, the assumption here is that no new external borrowing is undertaken during this period under review which would not be the case.

9. Table 5 – Liability Benchmark



10. The chart above illustrates the 30 year projection of the Authority’s Liability Benchmark. For the first year Councils external debt (the shaded area) exceeds the liability benchmark (the dotted line). This shows the Council in an overborrowed position and not making maximum use of its reserves and balances. This can be explained as follows:

- The Council has reserves that are ringfenced and cannot be used to fund capital expenditure.
- Some Council reserves need to be cash backed e.g. Housing Revenue Account (HRA)
- Higher than forecast reserve balances as the use of reserves in recent years was less than projected due to the slippage of the capital programme.
- The Council took PWLB funding in the last two years at favourable rates to mitigate interest rate risk with the Council’s borrowing need.

11. From year two onwards the chart shows that external borrowing falls below the Council's Capital Financing Requirement. For as long as usable reserve balances are available the Council will maintain an under borrowed position, i.e. the capital borrowing need of the Council will not be fully funded with external loan debt as cash supporting the Council's reserves, balances and cash flow will be used as an interim measure to finance the Council's borrowing requirement. This is considered prudent as interest rates are predicted to fall over the short term. Council reserve balances are projected to reduce over the period under review and the Council will need to borrow externally to finance the capital programme it has committed to throughout the 30 year period.
12. The Council currently holds significant investments, but these are expected to reduce as reserves are spent. The Council will maintain a £30M investment buffer as part of the treasury management liquidity benchmark, the value of this buffer will need to be kept under review in the context of the current inflationary factors.
13. The Authorised Limit is the affordable borrowing limit determined in compliance with section 3 (1) of the Local Government Act 2003. It is not a limit that the Council will expect to borrow up to on a regular basis and provides headroom over and above the Operational Boundary. These authorised limits set out below are consistent with the Council's current commitments and proposals for capital expenditure and financing and with its Treasury Management Policy. The estimates are based on most likely prudent but not the worst-case scenario for external debt with sufficient headroom over and above this to allow for operational management (e.g. unusual cash movement).

Table 6 – Authorised Limit

<b>Authorised Limit</b>	<b>2025/26 £M</b>	<b>2026/27 £M</b>	<b>2027/28 £M</b>	<b>2028/28 9£M</b>	<b>2029/30 £M</b>
Borrowing	305.252	338.394	362.243	389.500	422.291
Other long term liabilities	0	0	0	0	0
<b>Total</b>	<b>305.252</b>	<b>338.394</b>	<b>362.243</b>	<b>389.500</b>	<b>422.291</b>

#### **Minimum Revenue Provision (MRP)**

14. The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge which is known as the Minimum Revenue Provision (MRP). Additional voluntary payments can also be made above this level. The MRP can be calculated in a variety of ways. Welsh Government regulations have been issued which require the full Council to approve an MRP Statement in advance of each year and this is achieved as part of the Treasury Management Strategy.
15. The Council's method for calculating MRP differs depending on whether the borrowing is supported or unsupported. For supported capital expenditure the Council will implement the "Asset Life Method". MRP will be determined by charging the expenditure over the expected useful life of the average asset lives (40 years) of the (Non HRA) Council Assets in equal instalments, starting in the year after the asset becomes operational.

16. MRP will be charged at 2% of the outstanding Housing Revenue Account (HRA) Capital Financing Requirement in respect of housing assets. For debt incurred from 2021/22 onwards the HRA will move to an Asset Life method (50 years) for calculating the Minimum Revenue Provision.
17. For unsupported capital expenditure incurred after 31st March 2008, the Council will also implement the "Asset Life method". MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments, starting in the year after the asset becomes operational.
18. Loans advanced for Affordable Housing, Band B Schools and the Highway Net Resurfacing Programme under LGBI schemes are the exception where MRP is calculated on an annuity basis.
19. For the Pipeline schemes it has been assumed that MRP will not be charged until the schemes have completed.
20. As part of the draft Revenue Budget Proposals for 2025/26 there are plans to review the MRP policy with potential resulting savings. Work is ongoing to refine these proposals and a report outlining the proposed change will be brought to Governance and Audit Committee in the mid year Treasury Management report being submitted to Cabinet in November following discussions with our Treasury Management Advisors and Audit Wales to ensure the revised policy is prudent.
21. Further detail is contained in the Council's Treasury Management and Investment Strategy for 2024/25.



Schemes	2025/26		2026/27		2027/28		2028/29		2029/30	
	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Learning and Skills	3,901	7,102	2,310	4,060	2,000	4,435	2,000	2,000	2,000	2,000
Social Services	975	975	100	100	100	100	100	100	100	100
Environment	6,229	6,229	3,685	3,685	3,685	3,685	3,685	3,685	3,510	3,510
HRA	32,039	38,209	35,800	41,970	33,964	39,634	41,647	47,217	47,019	52,589
Place	1,222	1,637	1,305	1,305	1,305	1,305	1,150	1,150	1,150	1,150
Resources	250	250	355	355	544	544	441	441	504	504
City Deal	810	810	2,286	2,286	807	807	2,053	2,053	1,100	1,100
Pipeline Schemes	12,084	46,643	3,292	17,057	3,000	3,000	0	0	0	0
<b>TOTAL CAPITAL PROGRAMME</b>	<b>57,510</b>	<b>101,855</b>	<b>49,133</b>	<b>70,818</b>	<b>45,405</b>	<b>53,510</b>	<b>51,076</b>	<b>56,646</b>	<b>55,383</b>	<b>60,953</b>

**RESOURCES USED TO FINANCE PROGRAMME****GENERAL FUND CAPITAL RECEIPTS POSITION**

	Net	Gross	Update	General	SS	Ed
	£000	£000		£000	£000	£000
<b>Resources from Welsh Government</b>			<b>Balance as at 31st March 2024</b>	<b>6,305</b>	<b>1,339</b>	<b>0</b>
Supported Borrowing - General Fund	3,393	3,393	Anticipated Required in 2024/25	-4,261	0	-384
General Capital Grant	3,485	3,485	Anticipated Receipt in 2024/25	0	0	555
<b>Total Resources from Welsh Government</b>	<b>6,878</b>	<b>6,878</b>	<b>Balance as at 31st March 2025</b>	<b>2,044</b>	<b>1,339</b>	<b>171</b>
			Anticipated Required in 2025/26	-1,123	0	-321
			Anticipated Receipt in 2025/26	0	0	150
<b>Other Available Resources</b>			<b>Balance as at 31st March 2026</b>	<b>921</b>	<b>1,339</b>	<b>0</b>
General Fund Revenue/Reserves	3,346	3,346	Anticipated Required in 2026/27	-166	0	0
Housing Reserves/Revenue	7,484	7,484	Anticipated Receipt in 2026/27	0	0	0
Housing Capital Receipts	600	600	<b>Balance as at 31st March 2027</b>	<b>755</b>	<b>1,339</b>	<b>0</b>
Education Capital Receipts	321	321	Anticipated Required in 2027/28	-166	0	-1,000
General Fund Capital Receipts	1,123	1,123	Anticipated Receipt in 2027/28	1,000	0	1,000
S106	0	1,800	<b>Balance as at 31st March 2028</b>	<b>1,589</b>	<b>1,339</b>	<b>0</b>
Other External Grants	0	39,775	Anticipated Required in 2028/29	-11	0	0
Major Repairs Allowance	0	2,770	Anticipated Receipt in 2028/29	0	0	0
Unsupported (Prudential) Borrowing	36,948	36,948	<b>Balance as at 31st March 2029</b>	<b>1,578</b>	<b>1,339</b>	<b>0</b>
City Deal Borrowing	810	810	Anticipated Required in 2029/30	0	0	0
<b>TOTAL RESOURCES</b>	<b>57,510</b>	<b>101,855</b>	Anticipated Receipt in 2029/30	0	0	0
			<b>Balance as at 31st March 2030</b>	<b>1,578</b>	<b>1,339</b>	<b>0</b>



Schemes	2025/26		2026/27		2027/28		2028/29		2029/30	
	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Parks and Grounds Maintenance</b>										
<b>Capital Bids 2024/25</b>										
Tree Planting	100	100	100	100	100	100	100	100	0	0
Cyclical Tree Maintenance	75	75	75	75	75	75	75	75	0	0
<b>Total Neighbourhood Services &amp; Transport</b>	<b>6,229</b>	<b>6,229</b>	<b>3,685</b>	<b>3,685</b>	<b>3,685</b>	<b>3,685</b>	<b>3,685</b>	<b>3,685</b>	<b>3,510</b>	<b>3,510</b>
<b>HRA</b>										
<b>Housing Improvement Programme</b>										
<b>Total Housing Improvement Programme</b>	<b>32,039</b>	<b>38,209</b>	<b>35,800</b>	<b>41,970</b>	<b>33,964</b>	<b>39,634</b>	<b>41,647</b>	<b>47,217</b>	<b>47,019</b>	<b>52,589</b>
<b>Place</b>										
Restore the Thaw	25	300	0	0	0	0	0	0	0	0
The Woodland Investment Grant (TWIG)	0	140	0	0	0	0	0	0	0	0
<b>Private Sector Housing</b>										
Disabled Facility Grants	1,197	1,197	1,305	1,305	1,305	1,305	1,150	1,150	1,150	1,150
<b>Total Place</b>	<b>1,222</b>	<b>1,637</b>	<b>1,305</b>	<b>1,305</b>	<b>1,305</b>	<b>1,305</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>
<b>Resources</b>										
All Services Asset Renewal	0	0	105	105	294	294	191	191	504	504
Decarbonisation Scheme	0	0	0	0	0	0	145	145	0	0
Barry Leisure Centre PV Panels	63	63	0	0	0	0	0	0	0	0
Oakfield Gas boilers to air source heat pumps	187	187	209	209	0	0	0	0	0	0
Ysgol y Ddraig Gas boilers to air source heat pumps	0	0	41	41	250	250	105	105	0	0
<b>Total Resources</b>	<b>250</b>	<b>250</b>	<b>355</b>	<b>355</b>	<b>544</b>	<b>544</b>	<b>441</b>	<b>441</b>	<b>504</b>	<b>504</b>
<b>City Deal</b>										
City Deal	810	810	2,286	2,286	807	807	2,053	2,053	1,100	1,100
<b>Total City Deal</b>	<b>810</b>	<b>810</b>	<b>2,286</b>	<b>2,286</b>	<b>807</b>	<b>807</b>	<b>2,053</b>	<b>2,053</b>	<b>1,100</b>	<b>1,100</b>
<b>Pipeline Schemes</b>										
St Richard Gwyn Redevelopment	5,664	34,612	90	13,855	0	0	0	0	0	0
Extension to Cowbridge Primary Phase 2 (Iolo)	3,420	9,031	202	202	0	0	0	0	0	0
Non-Treasury Investment Strategy	3,000	3,000	3,000	3,000	3,000	3,000	0	0	0	0
<b>Total Pipeline Schemes</b>	<b>12,084</b>	<b>46,643</b>	<b>3,292</b>	<b>17,057</b>	<b>3,000</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Value of Capital Programme</b>	<b>57,510</b>	<b>101,855</b>	<b>49,133</b>	<b>70,818</b>	<b>45,405</b>	<b>53,510</b>	<b>51,076</b>	<b>56,646</b>	<b>55,383</b>	<b>60,953</b>

Bid Priority	Scheme Name	Anticipated Cost £					Brief Scheme Description	Links to revenue saving	Decarbonisation Considerations	Links to the Councils Wellbeing Objectives	Links to the Council's Annual Delivery Plan	Risk Rating of not progressing
		2025/26	2026/27	2027/28	2028/29	2029/30						
<b>Learning and Skills</b>												
joint 1	Repairs & Maintenance Works Identified in the Condition Surveys	500,000	600,000	700,000	800,000	900,000	The primary schools' condition surveys undertaken in 2022 identified the repairs and maintenance that is required across the education estate. The sums included are the minimum required to keep the schools estate safe and operational. This capital bid reflects the requirement to provide alternative funding for maintenance works to schools if the WG funding is not received. This is in addition to the £2m asset renewal already allocated within the Capital Programme.	There will be a significant reduction in the cost of on-going repairs to the building as well as a reduction in the energy related running costs of the building.	The proposed works reduce the need for ongoing maintenance over the coming years which will save on the carbon impacts of regular contractor travel to site and the carbon costs in producing building materials. Many of the works identified will result in more energy efficient buildings thus reducing energy usage for the schools.	LongTerm and Prevention	Investing in our school assets to ensure the Council has the right infrastructure	High
joint 1	Llantwit Major Library Roof Renewal	140,000	0	0	0	0	The roof coverings and associated rainwater goods at Llantwit Major Library need replacement as they have reached the end of their economic life. There are also some associated works required to make good water damaged areas of the building. The building has had to close on several occasions as a result of Health & Safety concerns caused by significant water ingress.	A significant reduction in the cost of on-going repairs to the building as well as a reduction in the energy related running costs of the building.	Proposed upgrade provides new roof coverings and insulation to current Building Regulation standards which will improve building efficiency leading to reduced energy consumption. The new roof will allow for the installation of PV panels (subject to a separate bid to Project Zero Board)	LongTerm and Prevention	Investing in our assets to ensure the Council has the right infrastructure to support social and cultural well-being	Medium
2	Safeguarding & Security of School Boundaries Phase 3	200,000	0	0	0	0	Recent Estyn inspections have raised safeguarding and security issues associated with incomplete and/or unsuitable external boundary walls and fencing at several schools.	No direct revenue savings for the Council but schools' maintenance liabilities would be reduced	N/A	LongTerm and Prevention	Investing in our school assets to ensure the Council has the right infrastructure	Medium/High
3	Romilly Primary New Dining Block	1,350,000	0	0	0	0	Provision of new dining facilities to enable delivery of UFSM without impacting operational function of the school	There will be a reduction in the cost of on-going repairs to the building as well as a reduction in the energy related running costs of the building.	New building will be delivered to current Building Regulation standards which will improve building efficiency leading to reduced energy consumption.	LongTerm and Prevention	Investing in our school assets to ensure the Council has the right infrastructure	Medium
4	Sully Primary School	700,000	1,300,000	1,135,000	0	0	Sully PS is planned to be delivered in the short term investment of Sustainable Communities for Learning programme. The school condition and suitability is poor. The school has multiple demountables located over the site and the school itself does not flow well. There is also section 106 that is due to expire in December 2026 which needs to be utilised. The total cost of the scheme is currently estimated at £19M. £6.090M of internal funding is needed to deliver this scheme. £2.956M section 106 is available for the scheme subject to members approval. £3.135M is needed as an additional contribution in order to deliver the scheme.	There will be a reduction in the cost of on-going repairs to the building as well as a reduction in the energy related running costs of the building. Backlog maintenance of school would be removed if the scheme was developed.	The new building will be delivered in line with BB99 and would be developed to achieve net zero carbon.	Objective 1 - To work with and for our communities - Improve how we involve, engage and communicate with others about our work and decisions. Objective 2 - To support learning, employment and sustainable economic growth - Invest in our schools to provide the right learning environment for the 21st Century and facilities which benefits the wider community. Objective 3 - To support people at home and in their community - Encourage and support people of all ages to have active and healthy lifestyles to improve and maintain their physical and mental well-being. Provide more opportunities for everyday cycling and walking and work with our partners to develop a range of travel options to encourage people out of their cars. Objective 4 - To respect, enhance and enjoy our environment - Work to reduce the organisation's carbon emissions to net zero before 2030 and encourage others to follow our lead as part of minimising the negative impact of our activities on the environment. Protect, preserve and where possible enhance our natural and built environment and cultural heritage. Work with the community, developers and others to ensure that new developments are sustainable and that developers mitigate their impacts, integrate with local communities and provide necessary infrastructure.	Develop a new school investment programme. - Invest in carbon reduction measures across our building assets including the school estate - Deliver our Public Participation Strategy including the use of place making to improve how we involve, communicate and consult with people and ensure citizens have the opportunity to have their voices heard. - Work with schools and other partners to ensure schools are effectively supported to maximise outcomes for all learners.	High
5	Condition Surveys for Schools	20,000	85,000	0	0	0	The next round of school condition surveys is due in late 2026/early 2027. This is a key activity as it informs where urgent works (including H&S issues) are required to maintain the operation of the assets and determines the priorities for future expenditure of the asset renewal and maintenance grant funding. Several of the newer school built post 2010 have not had a condition survey at all to date and should be undertaken	Many of the works identified from the condition surveys will reduce the running costs and maintenance liabilities of the assets.	The works identified in the surveys reduce the need for ongoing maintenance over the coming years which will save on the carbon impacts of regular contractor travel to site and the carbon costs in producing building materials. Many of the works identified will result in more energy efficient buildings thus reducing energy usage for the schools.	LongTerm and Prevention	Investing in our school assets to ensure the Council has the right infrastructure	High
<b>Learning and Skills</b>		<b>2,910,000</b>	<b>1,985,000</b>	<b>1,835,000</b>	<b>800,000</b>	<b>900,000</b>						
<b>Social Services</b>												
1	Equalities Act Compliant Toilets at Cartref Porthceri and Southway	95,000	0	0	0	0	Reconfiguration and refurbishment of 13 Nr toilet areas that are not compliant with the Equalities Act.	N/A	N/A	LongTerm and Prevention	Investing in our assets to ensure the Council has the right infrastructure to support social and cultural well-being	High
2	Ty Jenner Boiler Replacement	160,000	0	0	0	0	The heating and hot water to Ty Jenner is provided by three very old fashioned and uneconomic boilers. One has failed completely and the other two break down on a regular basis and are repaired by using parts from the defunct boiler as it is virtually impossible to source new parts for them. The remaining boilers are beyond their planned economic life.	There will be a significant reduction in the cost of the energy related running costs of the building.	The new boilers will be far more energy efficient than the existing system, using considerably less energy in operation.	LongTerm and Prevention	Investing in our assets to ensure the Council has the right infrastructure	Medium
3	Ty Robin Goch Refurbishment & Renewal Works	100,000	40,000	0	0	0	Replacement of flat roofing and rooflights, repairs to pitched roof, replacement of windows and doors.	There will be a reduction in the cost of the energy related running costs of the building	The new flat roof, rooflight and windows and doors will significantly improve the thermal efficiency of the building resulting in a reduction in energy required to heat the building.	LongTerm and Prevention	Investing in our assets to ensure the Council has the right infrastructure to support social and cultural well-being.	Medium/High
4	Southway Access Improvements	65,000	0	0	0	0	Extension of the foyer in Southway to ensure it is large enough to be fully compliant for wheelchair access.	N/A	N/A	LongTerm and Prevention	Investing in our assets to ensure the Council has the right infrastructure to support social and cultural well-being.	Medium
5	Rondell House Roof Renewal	0	205,000	0	0	0	The existing roof coverings and associated rainwater goods at Rondell House need to be replaced as they have reached the end of their economic life.	There will be a reduction in the cost of the energy related running costs of the building	The new roof will improve the thermal efficiency of the building resulting in a reduction in energy required to heat the home	LongTerm and Prevention	Investing in our assets to ensure the Council has the right infrastructure to support social and cultural well-being.	Medium
6	Phased Programme of Window Replacements to Residential Homes	50,000	75,000	75,000	0	0	Replacement of all faulty and blown double glazed window units across the residential homes, as well as associated integral panels where present.	There will be a reduction in the cost of the energy related running costs of the building	The new window units will improve the thermal efficiency of the building resulting in a reduction in energy required to heat the homes.	LongTerm and Prevention	Investing in our assets to ensure the Council has the right infrastructure to support social and cultural well-being.	Low
7	Remodel and Refurbishment of Specialist Disabled Bathrooms at Residential Homes	0	0	40,000	0	0	The disabled bathroom equipment and facilities at Ty Dyfan and Cartref Porthceri residential homes has reached their end of their economic life and need to be replaced.	N/A	N/A	LongTerm and Prevention	Investing in our assets to ensure the Council has the right infrastructure to support social and cultural well-being.	Low
8	Landing Spaces and Access Paths for Wheelchair Users	0	45,000	0	0	0	The landing spaces and access paths from existing rear fire exits to fire assembly areas at both Ty Dyfan and Cartref are not appropriate for wheelchair users.	N/A	N/A	LongTerm and Prevention	Investing in our assets to ensure the Council has the right infrastructure to support social and cultural well-being.	Low

Bid Priority	Scheme Name	Anticipated Cost £					Brief Scheme Description	Links to revenue saving	Decarbonisation Considerations	Links to the Councils Wellbeing Objectives	Links to the Council's Annual Delivery Plan	Risk Rating of not progressing
		2025/26	2026/27	2027/28	2028/29	2029/30						
9	Flat Roof Repair at Cartref Porthceri	0	0	15,000	0	0	The flat roof over the kitchen at Cartref Porthceri has reached the end of its economic life and needs to be replaced.	There will be a reduction in the cost of the energy related running costs of the building.	The new roof will improve the thermal efficiency of the building resulting in a reduction in energy required to heat the home.	LongTerm and Prevention	Investing in our assets to ensure the Council has the right infrastructure to support social and cultural well-being.	Low
10	Kitchen Refurbishments to Residential Homes	0	60,000	0	0	0	Refurbishment of kitchens at Cartref Porthceri, Southway and Ty Dewi Sant residential homes.	N/A	N/A	LongTerm and Prevention	Investing in our assets to ensure the Council has the right infrastructure to support social and cultural well-being	Low
<b>Total Social Services</b>		<b>470,000</b>	<b>425,000</b>	<b>130,000</b>	<b>0</b>	<b>0</b>						
<b>Neighbourhood Services &amp; Transport</b>												
1	Carriageway Resurfacing	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	Carriageway renewal / resurfacing/surface treatment works in accordance with the Council's 3-year plan.	The adopted highway network is one of the Council's most valuable assets and the more invested in best practice carriageway resurfacing, the less will be spent fixing smaller scale carriageway defects, and as such, less spent revenue budget spent.	The effective maintenance of the Council's adopted highway network contributes towards the prevention agenda by assisting in improving accessibility and opportunities to reduce our carbon provides a wider beneficial impact to the environment as we, the Council are less likely to continually maintaining a poor condition asset.  The contract works require the external contractor to consider recycling of materials generally as part of the contract and any milled material as a result of carriageway resurfacing is all recycled by many asphalt plants in the South Wales region.	Links to Service/Corporate Plan: Links to Service/Corporate Plan: Collaboration with others: It is necessary to review the status of contracts in the Vale of Glamorgan on a regular basis to ensure best value for the Council. This review is undertaken in the context of the Wellbeing of Future Generations Act which requires the Council to consider five ways of working when making decisions.  Involving People: We listen to our stakeholders and customers when they've reported poor condition carriageways and officers within the Highway Maintenance team will assess to ensure our assets are sustainable for future generations (Wellbeing objective No.1 Corporate Plan 20-25), feeding this into the Cabinet approved scoring matrix for carriageway resurfacing. The team will also consider the impacts of contributing and delivering on the involvement agenda by addressing community and other stakeholder priorities to ensure that the Council can successfully continue to work towards the delivery of its identified wellbeing objectives.  Looking to the long term: The Council will continue to work towards the Well-being Outcome, An Environmentally Responsible and Prosperous Wales and in particular contribute towards the Council's objective of promoting regeneration, economic growth and employment by identifying the effective use of resources to providing and maintain good transport links for commuters and business. (National goals and Council Wellbeing Objective No.4 Corporate Plan 20-25)  Taking an integrated approach: The effective maintenance of the Council's local highway network contributes towards the prevention agenda by assisting in improving accessibility, road safety and opportunities to reduce our carbon footprint by providing a wider beneficial impact to the environment. (Wellbeing Objective No.4 Corporate Plan 20-25)  It also balances short-term needs to maintain good highway infrastructure whilst contributing to the longer-term policy of promoting economic growth and reducing future impact on local communities by having improved footways. (Wellbeing Objective No.2 Corporate Plan 20-25)	Project Zero : Failure to invest significantly and upgrade the adopted highway network highway asset will result in more reactive maintenance budget being invested into what is already a deteriorating and aging asset. The revenue budget for maintaining of highways is continually overspent which shows that investment is needed now more than ever.	High
2	Penarth Marina Landslip - Slope Stabilisation Works	500,000	0	0	0	0	Additional £500k required for current bid already approved within the Capital Programme (£4.5m). There have been a number of recent major landslips affecting the escarpment at Penarth Marina and impacting safety within the existing boatyard and car parks, stabilisation works are required to rectify and make safe.	Future maintenance costs are estimated at £50k per annum.	A robust scheme designed and delivered following an appropriate business case will identify the most advantageous and economically viable slope stabilisation works to minimise ongoing maintenance and repair works and therefore in the long-term reduce the carbon emissions associated with construction / maintenance activities.	Long term, prevention, involvement, Collaboration	Project Zero The scheme will identify the most economic and cost effective slope stabilisation works are progressed to address the further risk of landslips and risk for those using the land beneath the escarpment and this will minimise ongoing maintenance and repair works and therefore in the long-term reduce the carbon emissions associated with ongoing construction / maintenance activities. Organisational Resilience by carrying out the appropriate stabilisation works to the escarpment, this will ensure the long-term viability of the assets and businesses within Penarth marina and reduce overall long-term maintenance costs.	High
3	Fleet Parking, Atlantic Trading Estate	1,500,000	1,340,000	0	0	0	To develop Council owned land on Atlantic Trading Estate, (ATE) Barry to accommodate Neighbourhood Services: Operations Waste and Recycling collection vehicles.	It is estimated cost avoidance savings of over £350k per annum attributed to this project that will see an enhanced performance of the service. This will be captured from reduced down time saving on the discharging of loads and travelling time, back to the Council's depot in Wenvoe. This will involve the whole team on every vehicle which will be considerable unproductive time.	There is a modest carbon benefit attributed to the project of 50 tonnes of CO2e per annum. Overall, the fleet parking proposal demonstrates positive credentials delivering operational efficiencies, revenue savings and carbon benefits ensuring the long-term resilience and sustainability of the front-line service.	The provision of fleet parking is linked to the Council's Health and well-being objectives.  Objective Four: To respect, enhance and enjoy our community. - By working to reduce the organisation's carbon emissions to net zero before 2030 and encourage others to follow our lead as part of minimising the negative impact of our activities on the environment. Minimise pollution recognising the detrimental impact it may have on the environment and people's well-being.	Aligns with the Council's Annual Delivery Plan:  By responding to our critical challenges - Adapting our services and how they are provided in response to local priorities, financial pressures and workforce challenges.	High
4	Nell's Point Car Park - Retaining Wall	55,000	0	0	0	0	The retaining wall along the entry access adjacent the pedestrian footway has failed and requiring the footway to be closed to protect public safety. The failure also causes an aesthetic issue within the car park detracting from the Barry Island resort area. Works are urgently required to remove and replace the existing wall to address safety issues and car park aesthetics.	Parking is a valuable asset and when managed properly can benefit the economic activity of areas that it serves. It provide good access to the Barry Island resort and an important revenue income supporting other highways and transport services.	Scheme provides a safe parking area for the public which they can drive straight into and park rather than driving in search of on-street parking spaces, the facility also allows coach parking which helps reduce the number of journeys being carried out to access the Council's Barry Island Resort area.	Working with communities to provide good access to facilities through safe and attractive parking facilities. Enabling people to access and enjoy the local environment and in doing so be more active and encourage more healthy lifestyles. It also supports economic growth of the Barry area by facilitating access to business and leisure activities.	The car park facility allows public access the Council's Barry Island Resort which provides economic continuity, social communication and a sense of well-being. The facility provides direct access to parking avoiding driving in search of on-street spaces and accommodates coach parking to reduce private car journeys assisting in the goals and aims of Project Zero. The proposed works will ensure longevity of the asset and reduce long-term maintenance costs.	The attractiveness and use of car park declines, reducing income and environmental pollution. The asset declines further with increasing maintenance cost to manage public safety. The reputation of the council diminishes given the visibility and impact of the failure and failure to resolve.
5	Alley Gates	50,000	50,000	0	0	0	Replacement and repair of alley gates located throughout the Vale of Glamorgan to allow the alley gates to continue to serve their purpose of reducing crime, antisocial behaviour fly tipping and litter. The remedial works will prolong the life of the existing gates; repairs and paintwork will improve the appearance of the gates which will add to the uplift of the affected areas. The Anti-social Behaviour, Crime and Policing Act 2014 allows local authorities the power through a Public Space Protection Order (PSPO) to restrict public right of way over a highway to reduce crime and anti-social behaviour (ASB). Alley gating has been an effective tool to combat these issues with the installation of steel gates to the ends of back streets and alleyways. This provides a safe and clean environment for residents and dramatically reduces the threat of crime such as burglary and criminal damage by securing previously vulnerable areas.	If the alley gates are not refurbished / replaced within the coming years they will either fail / get to end of life or incur extremely high maintenance costs year on year.	The effective maintenance and provision of the alley gates will assist a reduction in the carbon footprint by limiting access to the back lanes where there has been previous litter, and fly tipping issues.	The provision of this alley gates are linked to the Council's Health and well-being objectives.  Objective 3: Support People at home and in their community – By undertaking our safeguarding duties to protect people from harm, and work in partnership to develop cohesive communities and promote community safety.  Objective 4: Respect, enhance, and enjoy our environment – When progressing with refurbishments we work with the community and partners to ensure the local environment is clean, attractive and well managed.	Aligns with the Council's Annual Delivery Plan:  By working with the community, developers and others to ensure that new and existing developments are sustainable and that developers mitigate their impacts, integrate with local communities and provide necessary infrastructure.	Low
6	Refurbishment of playground equipment	120,000	120,000	120,000	120,000	120,000	A number of key Playgrounds are in urgent need of replacement. The sites prioritised would be based upon the annual independent play area inspection report, the sites priority could change due to unknown issues that may arise at other play area sites over the coming years.	Limited budget will always be a factor, however replacement of these play areas and the regular inspections regime will identify regular maintenance works which will ensure the play areas have an appropriate life-span prior to future replacement.	The effective maintenance and provision of quality play areas (LAPS, LEAPS and NEAPS) throughout the Vale of Glamorgan will assist a reduction in the carbon footprint by ensuring residents have local access to these provisions thus reducing the need for travel.  The project and each play area tender require the external contractor to consider recycling of materials and materials used generally as part of the contract.  Each project / play area tender will consider the incorporation of local initiatives to benefit the community.	The provision of quality play facilities is heavily linked to the Council's Health and well-being objectives.  Objective 3: Support People at home and in their community – BY providing quality play areas we encourage & support people of all ages to have active and healthy lifestyles to improve and maintain their physical and mental well-being  Objective 4: Respect, enhance, and enjoy our environment – When progressing play area refurbishments / play area provision we work with the community and partners to ensure the local environment is clean, attractive and well managed.	Aligns with the Council's Annual Delivery Plan:  By working with local organisations and communities to sustain local facilities such as sports grounds, community halls, parks, allotments, and public conveniences.  By Work in partnership to promote leisure, play and sports opportunities and support young people's well-being.  By working with children and their families to improve well-being	High

Bid Priority	Scheme Name	Anticipated Cost £					Brief Scheme Description	Links to revenue saving	Decarbonisation Considerations	Links to the Councils Wellbeing Objectives	Links to the Council's Annual Delivery Plan	Risk Rating of not progressing
		2025/26	2026/27	2027/28	2028/29	2029/30						
7	Footway Renewals	250,000	250,000	250,000	250,000	250,000	Footway renewal to maintain and improve the highway network so that it is in a safe and useable condition and protect the authority against less third-party claims and encourage active travel.	See Carriageway Resurfacing	See Carriageway Resurfacing	See Carriageway Resurfacing	See Carriageway Resurfacing	High
8	LED Lantern Upgrades	184,000	184,000	184,000	184,000	184,000	The project involves upgrading 651 existing street lighting and 1,041 illuminated road furniture to LED technology. This initiative focuses on improving energy efficiency, reducing operational costs, and lowering carbon emissions by replacing older, less efficient lighting technologies.	LED lighting is known for its energy efficiency, consuming significantly less electricity than traditional lighting systems. This will lead to substantial reductions in energy costs across the Council's operations. LED's have a longer lifespan compared to conventional lamps, which reduces the frequency of replacements and consequently, maintenance costs.	This project directly contributes to the Council's decarbonisation goals under Project Zero by reducing the carbon footprint of street lighting. LED's emit less heat and require less power, contributing to lower overall greenhouse gas emissions.	Objective 4: Respect, enhance, and enjoy our environment - by minimising the environmental impact of public lighting and enhancing public spaces with modern, efficient lighting.	Aligns with the Council's climate emergency response initiatives, particularly in reducing energy consumption and promoting sustainability.	Moderate
9	Penarth Leisure Centre – Replacement pool pumps now at end of life	29,000	0	0	0	0	Replacement of main pool pumps	Possible significant loss of income claim when pumps fail	Replacement would provide high efficiency and energy cost savings	Once these pumps fail swimming at the site will not be possible until they are replaced that could take several months due to work involved and the time taken to deliver new pumps.	This scheme would impact on project zero but more importantly would ensure Penarth Leisure will continue to operate without further interruptions following completion of the roof works.	High
10	Traffic Signal Upgrades	100,000	100,000	100,000	100,000	100,000	This project focuses on upgrading existing traffic signals to energy-efficient LED technology. The new signals will be more reliable, consume less energy, and contribute to smoother traffic flow, reducing emissions from idling vehicles.	LED traffic signals use significantly less energy than traditional signals, leading to lower electricity costs. The longevity of LED signals reduces maintenance costs and the need for frequent replacements.	The use of energy-efficient LEDs reduces the overall carbon footprint associated with traffic signal operations. Improved traffic signal performance can reduce vehicle idling time, further lowering emissions.	Objective 4: Respect, enhance, and enjoy our environment - by reducing energy consumption and promoting smoother traffic flows that contribute to a cleaner environment.	Directly supports the Council's goals related to sustainable transport and reducing the environmental impact of infrastructure, as outlined in the Project Zero initiative.	Moderate
11	Replacement of Concrete Columns	554,000	554,000	554,000	554,000	554,000	This project involves the replacement of 2,104 aging concrete street lighting columns (outside their design life), which have deteriorated over time and pose safety risks. The existing LED lanterns will be retained and transferred to the new columns, ensuring continuity in energy-efficient lighting while improving the overall safety and reliability of the infrastructure.	By replacing deteriorating concrete columns, the Council can avoid costly emergency repairs and mitigate the risks associated with structural failures. The new columns are designed for longevity, reducing the frequency and cost of maintenance activities.	The project enhances the infrastructure's resilience, ensuring that energy-efficient LEDs continue to operate effectively, contributing to the Council's decarbonisation goals. The new columns may also provide opportunities for future upgrades to more advanced energy-saving technologies.	Objective 3: Support people at home and in their community - by ensuring that public spaces are safe and well-maintained, contributing to the overall well-being of residents.	Aligns with the Council's priority of maintaining resilient and safe infrastructure, which is critical to the community's well-being and environmental sustainability.	High
12	Replacement of Heritage style columns	515,000	515,000	515,000	515,000	515,000	This project aims to replace 549 aging heritage-style street lighting columns with modern, durable alternatives that maintain the aesthetic integrity of historic areas such as town centres and conservation areas ensuring safety and compliance with current standards. The project focuses solely on the columns; existing LED lanterns will be retained and reinstalled on the new structures where applicable otherwise, refer to LED lantern upgrades.	Replacing old, potentially dangerous columns reduces the risk of accidents or failures, thereby minimising the costs associated with emergency repairs and liabilities.	This project ensures that the infrastructure can support future advancements in energy efficiency, including potential integration with central management systems.	Objective 4: Respect, enhance, and enjoy our environment - by preserving the historic character of the area while upgrading to safer, more resilient infrastructure.	Supports the preservation and enhancement of the Vale's historic environments, aligning with placemaking initiatives and community engagement efforts outlined in the plan.	High
13	Parks & Open Spaces Assets Refurbishment	100,000	100,000	100,000	100,000	100,000	To ensure the Vale of Glamorgan's Parks & Open Spaces remain compliant with relevant regulations and to ensure that the spaces are fit for purpose. There are many asset elements within our primary parks and open spaces that require investment, e.g. pathways becoming non-compliant and infrastructure issues due to lack of investment (e.g. walls / boundaries / benches / access points etc)	Limited budget will always be a factor, however investment in the infrastructure of our parks and open spaces will future proof these sites for years to come and reduce potential ad-hoc repair costs and possible H&S issues / accidents due to failing assets.	The effective maintenance and provision of quality Parks & Open Spaces throughout the Vale of Glamorgan will assist a reduction in the carbon footprint by ensuring residents have local access to these provisions thus reducing the need for travel.	Objective 3: Support people at home and in their community - by ensuring that public spaces are safe and well-maintained, contributing to the overall well-being of residents. Objective 4: Respect, enhance, and enjoy our environment - When progressing with refurbishments we work with the community and partners to ensure the local environment is clean, attractive and well managed.	Aligns with the Council's Annual Delivery Plan: By working with local organisations and communities to sustain local facilities such as sports grounds, community halls, parks, allotments, and public conveniences. By Work in partnership to promote leisure, play and sports opportunities and support young people's well-being. By working with children and their families to improve well-being	High
14	Upgrade Aging Feeder Pillars	87,500	87,500	87,500	87,500	87,500	This project involves upgrading 125 feeder pillars that provide power to streetlights, traffic signals, and other electrical assets. The upgrades will enhance reliability and improve safety of street lighting and other electrical systems.	Upgrading to modern feeder pillars reduces the risk of electrical failures, which can result in costly repairs and service disruptions.	The materials used in the construction of upgraded feeder pillars can be selected for their low-carbon footprint. This might include using recycled materials or materials that have lower embodied carbon compared to traditional options.	Objective 1: Work with and for our communities - by ensuring reliable and efficient public services; Objective 4: Respect, enhance, and enjoy our environment - by ensuring that public lighting and other powered infrastructure operate efficiently and sustainably.	Aligns with infrastructure improvement goals in the Annual Delivery Plan, particularly in enhancing the resilience and efficiency of public services.	High
15	Replacement of deteriorating underground and overhead private cable networks	166,000	166,000	166,000	166,000	166,000	This project addresses the replacement of aging and deteriorating underground and overhead cable networks that are critical for powering streetlights and other public services. Replacing these cables will ensure continued reliability, safety, and efficiency of the electrical infrastructure.	Preventing failures in underground cables reduces the risk of costly emergency repairs and service disruptions. New, more efficient cables can reduce energy losses during transmission, leading to lower energy costs.	Replacing old cables with modern alternatives reduces energy losses, contributing to a more efficient and environmentally friendly power distribution system.	Objective 3: Support people at home and in their community - by ensuring reliable power for public lighting and other services; Objective 4: Respect, enhance, and enjoy our environment - by upgrading to more efficient infrastructure that minimises environmental impact.	Supports the Council's priorities for maintaining resilient infrastructure and reducing environmental impact, as outlined in the Annual Delivery Plan.	High
16	Infrastructure to support Moving Traffic Offences	150,000	0	0	0	0	The council have been awarded £227,000 SRIC funding for FY24/25 to implement School Street Closures (SSCs) at three school sites. To manage SSCs effectively requires the council to apply to WG for general powers to enforce Moving Traffic Offences (MTOs). This would mean the council is responsible for enforcement of all such offences on highway, including bus lanes, one-way streets, weight limits and no right turn restrictions etc. and would require additional specialist deployable cameras and mounting posts to do so effectively which is outside the scope of SRIC grant. Internal capital monies is therefore required to fund the additional equipment to ensure adequate compliance with traffic orders throughout the Vale.	The enforcement team within the Vale are generally self-financing. Whilst it is not encouraged to make surplus monies from enforcement charges, the PCN's issued in respect of MTOs would likely recover the capital investment required to fund the specialist equipment required over a 5 year period and thereafter any enforcement charges would be able to be reinvested in highways and transport spending generally. The capital funding required would therefore be an investment to improve the management of MTO's and improve safety on highway which the police have limited resources to carry out at this time and likely in the future.	The scheme would improve compliance with existing and future traffic regulation orders governing the movement of vehicles in specified circumstances. The enforcement of moving traffic offences can potentially reduce road congestion, improve journey times for public transport and emergency service vehicles and improve air quality, through a reduction in transport related emissions contributing to carbon net zero targets at enforcement locations. The school street closures will encourage active travel to and from school reducing the reliance on the private car and associated carbon emissions.	Better compliance with MTOs will improve safety on highway and reduce the potential for injury collisions. This will have a positive impact on encouraging compliance and achieving a more reliable public transport system helps accessibility for all communities. Improvement in lifestyles and well being by improving road safety including potential pedestrian and cyclist safety, thereby supporting modal shift to sustainable transport options. It would also contribute to working in collaboration with communities and parent / school groups to enhance better road safety generally and specifically for child pedestrians near school sites.	Assists with the councils statutory function in potentially reducing collisions and promoting the policy of modal shift and active travel.	Without MTOs the council will not be able to effectively implement and control school street closures resulting in reduced safety and potential for child casualties outside school sites. Furthermore, it will address the current lack of police enforcement in regard to MTOs and enable the council to improve compliance and highway safety in key areas which should in turn have a positive impact on modal shift and contribute to Project zero aspirations.
17	Howe Mill Bridge Deck Strengthening / Replacement	1,125,000	0	0	0	0	Strengthening / Replacement of existing deck with a 3T weight limit with a deck capable of carrying normal traffic loading.	Continued violation of weight limit risks damage and deterioration to bridge elements resulting in increasing revenue costs. Completion of the scheme will reduce revenue costs related to ongoing maintenance.	Continued application of 3T weight limit and restriction of local traffic with effects on local businesses requiring longer journeys increasing carbon emissions and environmental pollution to the detriment of local communities and sustainability.	Will improve wider and easier access to support employment, economic growth and community issues. Demonstrates support and collaboration with communities to enhance transport and traffic arrangements and convenience of access. Facilitates access to the rural environment encouraging more healthy lifestyles.	Assists with the organisational resilience by improving transport linkage to enhance viability and sustainability of services / support in the local community. Potential to support easier access to learning and encourage economic growth as well as enhance opportunities for volunteering and create cohesive community.	Potential further damage and deterioration of the structure increasing revenue burden and future remedial works costs. No improvement of transport access or convenience with ongoing detriment to services within the local and wider community.
18	Llantwit Major Leisure Centre Flat Roof Renewal	151,000	450,000				Replacement of flat roofs at Llantwit Major Leisure Centre. Failure to carry out these works on the roof that is already leaking could lead to extended closures and significant loss of income claims from the Parkwood Leisure. In addition the facilities are used by Llantwit Major Comp in the school day and any closure would have significant impact on their programme.	Opportunity to look at provision of PV panels. Will also prevent potentially significant loss of income claims from the management contractor.	New roofs will provide more effective insulation have a positive impact on the environment.	Significant impact on well-being objectives as closures would be expected if leaks continue at the site (prevention). Impact would also be on the school activities during termtime (Collaboration)	This bid links to the cost of living crisis as it provides access to quality Leisure activities at affordable prices. The work would also have positive impacts on both Project zero and organisational resilience.	High

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		2025/26	2026/27	2027/28	2028/29	2029/30						
19	Porthkerry Cemetery	150,000	0	0	0	0	To significantly increase the size of the Cemetery at Porthkerry by approximately 300 plots which is presently close to capacity. Currently there are no spaces available for full burials and only approx. 30 spaces remain for cremated burials.	There are no anticipated revenue savings expected from increasing the cemetery size, but without this it is anticipated that there will be no burials after 2025.	The extension and provision of additional plots at the cemetery will assist a reduction in the carbon footprint by ensuring residents have local access to these provisions and not have to travel. We could maximise the potential of Council owned land and assets and exploring ways in which this could benefit the local community within the Vale of Glamorgan.	The provision of the cemetery extension is linked to the Council's Health and well-being objectives. Objective 3: Support people at home and in their community - by ensuring that public spaces are safe and well-maintained, contributing to the overall well-being of residents. Objective 4: Respect, enhance, and enjoy our environment – When progressing with refurbishments we work with the community and partners to ensure the local environment is clean, attractive and well managed.	Aligns with the Council's Annual Delivery Plan: By working with local organisations and communities to sustain local facilities such as sports grounds, community halls, parks, allotments, and public conveniences.	Low
20	Cowbridge Leisure Centre Changing Rooms	483,000	0	0	0	0	The present facilities are not fit for purpose and badly let down the Leisure offer at this site. The Council has applied for external funding but have not been successful, despite Sport Wales recognising the need.	Possible closure of existing facilities by regulatory services leading to loss of income claims.	New toilets, lighting etc will be more efficient	This bid is about making significant improvements to a site that already has good facilities apart from the changing rooms. The refurbishment would greatly assist in attracting new customers linking it to several of the well-being objectives.	The Leisure provide access to quality activities at reasonable cost for the community during the cost of living crisis	Medium
21	Llantwit Major Changing rooms - Wet	70,000	0	0	0	0	To complete all refurbished facilities	Reduced treat of loss of income claims	New toilets, lighting etc will be more efficient	A key aspect of this scheme is preserving the long term use of this site.	This scheme will impact on the cost of living crisis as well as project zero.	Medium
22	Barry Leisure Centre First Floor Toilets	170,000	0	0	0	0	These toilets urgently need to be refurbished as they are the only toilet facilities on the first floor of the Leisure Centre.	Potential loss of income claims if Toilets are closed.	New toilets, lighting etc will be more efficient	This project would benefit all customers but particularly older customers and those with mobility issues linking it strongly to several of the well-being objectives.	The Leisure provide access to quality activities at reasonable cost for the community during the cost of living crisis.	Medium
23	Community Centres roof replacement	150,000	150,000	150,000	150,000	150,000	Several community centres mainly all constructed at the same time to the same design require new roofs. Proposals to transfer responsibilities for Community Centres to other groups will be dependant on the buildings being suitable for purpose.	New roofs will have better insulation and the possibility of PV panels.	New roofs will provide more effective insulation have a positive impact on the environment.	The potential closure of some Community Centres would have a detrimental impact on local communities in terms of health and well-being (Long term impact)	Community Centres have played a vital role for many in the cost of living crisis providing a place to go at often no cost. Many have set up food banks or access to advice on many issues as well as providing low cost activities. The roof works proposed would also impact on project zero.	High
24	Holm View security	12,000	0	0	0	0	The building is extremely vulnerable to a break-in and following. It should also be noted that the condition of the building is deteriorating quicker than expected.	Break in repairs could be significant.	None	This bid links strongly to prevention allowing an informed decision to be taken on the future of this site.	None at present but could change after decision is taken on future of the site.	Medium
25	Replacement / Refurbishment of Pencoedre Park Splash Pad	0	500,000	0	0	0	The Pencoedre Park Splash Pad is 12 years old and is now in need of replacement / refurbishment. The life span / life cycle of a Splash Pad is approximately 10 years with elements beginning to fail, needing replacing / ongoing / enhanced costly maintenance after that point. If the Splash Pad is not refurbished / replaced within the coming years it will either fail / get to end of life or incur extremely high maintenance costs year on year.	If the Splash Pad is not refurbished / replaced within the coming years it will either fail / get to end of life or incur extremely high maintenance costs year on year.	The effective maintenance and provision of this Splash Pad will assist a reduction in the carbon footprint by ensuring residents have local access to these provisions thus reducing the need for travel.	The provision of this Splash Pad is heavily linked to the Council's Health and well-being objectives. Objective 3: Support People at home and in their community – By providing quality, free to use play p[rovision we encourage & support people of all ages to have active and healthy lifestyles to improve and maintain their physical and mental well-being Objective 4: Respect, enhance, and enjoy our environment – When progressing with refurbishments we work with the community and partners to ensure the local environment is clean, attractive and well managed.	Aligns with the Council's Annual Delivery Plan: By working with local organisations and communities to sustain local facilities such as sports grounds, community halls, parks, allotments, and public conveniences. By Work in partnership to promote leisure, play and sports opportunities and support young people's well-being. By working with children and their families to improve well-being	High
<b>Total Neighbourhood Services &amp; Transport</b>		<b>10,171,500</b>	<b>8,066,500</b>	<b>5,726,500</b>	<b>5,726,500</b>	<b>5,726,500</b>						
<b>Place</b>												
<b>Total Place</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>						
<b>Resources</b>												
1	Alps - Emergency Lighting	20,000	0	0	0	0	Life Critical equipment. Replacement of defective units and removal of unrequired units including disposal. This is part of statutory compliance requirements.	Reduced maintenance costs of failing system.	More efficient modern emergency lighting will reduce overall carbon emissions.	LongTerm and Prevention		High
2	Alps Yard - car park/yard lighting	25,000	0	0	0	0	Replacement fittings/cabling on existing columns following fire in column. Lighting in this area of the Yard is poor.	Will reduce energy costs	Reduction in energy costs associated with modern replacement fittings etc	LongTerm and Prevention	Investing in our assets to ensure the Council has the right infrastructure to support staff well-being and Health & Safety	Medium
3	Civic Offices - 591 Sash Windows (Option A)	0	44,400	48,000	48,000	48,000	As above, but with survey work completed first with phases over three years to follow on. Not as cost efficient as undertaking all 591 under one contract.	As above		As above	As above	High
4	Alps - Block B (2nd phase) WC Refurbishment.	250,000	0	0	0	0	Second phase of toilet refurbishment in Block B. The current toilet facilities do not meet current standards under work place regulations 1992.	Ongoing maintenance costs associated with older failing facilities.		LongTerm and Prevention	Investing in our assets to ensure the Council has the right infrastructure to support staff well-being	Medium
5	Server Infrastructure	0	0	696,000	0	0	Replacement of servers at end of life and out of support	N/A	The server environment has a high carbon impact	LongTerm and Prevention	Servers are required for all IT Storage and On-Premise applications, without which we have no organisational IT resiliency	Very High
<b>Total Resources</b>		<b>295,000</b>	<b>44,400</b>	<b>744,000</b>	<b>48,000</b>	<b>48,000</b>						
<b>GRAND TOTAL</b>		<b>13,846,500</b>	<b>10,520,900</b>	<b>8,435,500</b>	<b>6,574,500</b>	<b>6,574,500</b>						