

Meeting of:	Environment and Regeneration Scrutiny Committee
Date of Meeting:	Tuesday, 14 December 2021
Relevant Scrutiny Committee:	Environment and Regeneration
Report Title:	Initial Capital Programme Proposals 2022/23 to 2026/27
Purpose of Report:	To submit the Initial Capital Programme Proposals for 2022/23 to 2026/27 to Scrutiny Committee for consultation .
Report Owner:	Report of the Director of Environment and Housing
Responsible Officer:	Carolyn Michael Deputy S151 Officer
Elected Member and Officer Consultation:	All Scrutiny Committees will be consulted on the proposals.
Policy Framework:	This report follows the procedure laid down in the constitution for the making of the budget. The final 2022/23 budget proposals will require the approval of Council.
Executive Summary:	<ul style="list-style-type: none"> This report submits the Initial Capital Programme Proposals for the 2022/23 to 2026/27 to Scrutiny Committee for consultation.

Recommendations

It is recommended :-

1. That Scrutiny Committee considers the Initial Capital Programme Proposals for 2022/23 to 2026/27 and forwards its recommendations to Corporate Performance and Resources Scrutiny Committee as the lead Scrutiny Committee.

Reasons for Recommendations

1. In order to gain the view of Scrutiny Committees.

1. Background

- 1.1 Council on 10th March 2021 (minute no 471) approved the Capital Programme for 2021/22 onwards.

2. Key Issues for Consideration

- 2.1 Any changes made to 2022/23 onwards that have been requested in the April to September 2021 Capital Monitoring report, which is on the same agenda as this report, have been reflected in Appendix 1.

2022/23 to 2026/27 Capital Programme

- 2.2 The Provisional General Capital Funding for 2022/23 has not yet been announced by Welsh Government (WG) and is expected on 21st December 2021 with the Final Settlement due on 1st March 2022.
- 2.3 The level of capital funding included in this report has assumed the Council will receive the same amount of General Capital Funding in 2022/23 as in 2021/22 and will then remain constant for the remainder of the period of this programme. General Capital Funding has therefore been assumed as £6.867m for 2022/23 which is made up of £3.438m General Capital Grant and £3.429m Supported Borrowing.
- 2.4 Appendix 1 sets out the Initial Proposals for the Capital Programme for this Committee between 2022/23 and 2026/27 as approved on 10th March 2021, including any subsequent approvals.
- 2.5 In addition to external funding, the Council will finance part of the Capital Programme from its own resources, e.g. capital receipts and reserves.

2.6 The table below details the General Capital Funding and internal resources required to fund the proposed schemes for the Council as a whole.

Analysis of Net Funding Required for the Indicative 2022/23 Capital Programme

GENERAL FUND	£'000	£'000
Welsh Government Resources		
Supported Borrowing	3,429	
General Capital Grant	3,438	
Total Welsh Government Resources		6,867
Council Resources		
General Capital Receipts	2,661	
Reserves/Revenue	4,195	
City Deal Unsupported Borrowing	2,817	
Unsupported Borrowing	6,294	
Total Council Resources		15,967
HOUSING REVENUE ACCOUNT		
Housing Reserves/Revenue	6,438	
Housing Unsupported Borrowing	32,951	
Total HRA Resources		39,389
Total Net Capital Resources		62,223

Capital Bids 2022/23 to 2026/27

- 2.7** New capital bids were invited for return by 24th September 2021 and the number of bids received were 40 (2 from Learning and Skills, 25 from Neighbourhood and Transport Services, 9 from Regeneration and Planning, 2 from Social Services and 2 from Managing Director and Resources). Departments were requested to rank and assess their own bids in order of importance before submission and bids from each Department were forwarded to the Insight Board for evaluation.
- 2.8** A number of criteria are used to assess the Capital Bids. The first criterion used is to classify the nature of the bids.
- 2.9** 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 should also be prioritised. The criteria used is set out below:-

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

- 2.10** In addition, in accordance with the criteria set out in the Budget Strategy, the bids were prioritised in terms of their corporate priority and the risk they pose to the Council if they are not pursued. The risk assessment element was undertaken in line with the Council's Corporate Risk Management Strategy as follows;

Possible Impact or Magnitude of Risk	Catastrophic	MEDIUM	MEDIUM/HIGH	HIGH	VERY HIGH
	High	MEDIUM/LOW	MEDIUM	MEDIUM/HIGH	HIGH
	Medium	LOW	MEDIUM	MEDIUM	MEDIUM/HIGH
	Low	VERY LOW	LOW	MEDIUM/LOW	MEDIUM
Risk Matrix		Very Unlikely	Possible	Probable	Almost Certain
		Likelihood/Probability of Risk Occurring			

2.11 Taking into account the nature of capital schemes, the following criteria were applied to assess corporate priority:

Corporate Priority	Score
Commitments and areas where the Council has no control over the expenditure, e.g. contractual and legal commitments, absolute minimum statutory service, taxes, etc.	3
Very high priority (publicly announced commitment e.g. items included in the Community Strategy, Corporate Plan etc.)	2
“Invest to Save” and preventative expenditure	2
Statutory expenditure above the absolute minimum and other priorities	1
Low Priority	0

2.12 The bids are also reviewed for the contribution that they make to the Wellbeing and Future Generations criteria as set out below;

- Long Term
- Integration
- Collaboration
- Prevention
- Involvement

2.13 Each scheme is awarded one point for every one of the outcomes that it meets to a maximum of 5.

2.14 In previous years, only those schemes assessed as corporate priority 1 or higher and medium risk or higher were included in the capital programme. In addition, successful bids had also contributed to at least three Wellbeing and Future Generations outcomes and should have had a scheme priority factor of either

A/B/Ci/Cii/Ciii. Usually bids that did not meet these criteria were excluded from consideration.

- 2.15** This year's bids have been considered by the Insight Board where it was agreed that, when agreeing the final programme, consideration should also be given to those schemes that meet the requirements of the Coronavirus Recovery Strategy.
- 2.16** The value of capital bids received for the Council as a whole totalled £16.583m in 2022/23 and £30.791m over the 5-year period. While the evaluation process has been carried out this year for all capital bids in the normal manner, the settlement for 2022/23 has not been confirmed. It was therefore proposed that at this point, due to the uncertainty in the level of funding that will be provided, no schemes will be approved for inclusion in the Capital Programme and further assessment will be carried out by the Budget Working Group once the level of funding is known and consultation has taken place. A list of capital bids received for this Committee is shown in Appendix 2.
- 2.17** An allocation for Asset Renewal has currently been included in Appendix 1 over the 5 year period of the programme. Asset Renewal budgets will be reviewed and schemes will be identified prior to the approval of the Final Capital proposals for 2022/23 to ensure that funding is allocated to priority schemes.
- 2.18** There have been a number of changes approved by Cabinet since the final budget proposals 2021/22 to 2025/26 were approved in March 2021. These changes including capital sums carried forward have been included in Appendix 1.

Next Steps

- 2.19** The next stage is for the capital bids and programme to be submitted to Scrutiny Committees for consultation. Each Scrutiny Committee will be asked to first consider the Initial Capital Programme proposals as shown in Appendix 1 and to make any recommendations for changes and to consider the capital bids shown in Appendix 2. If changes are requested or particular 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 made no later than the 22nd December 2021.
- 2.20** Managers will be asked to revisit the recommended schemes contained in the final proposals prior to presentation to Cabinet and to confirm final costs and spend profiles.

- 2.21** Currently, the approved timetable requires Cabinet to approve the final budget proposals by no later than the 14th February 2022 and that Cabinet's final Capital Programme proposals will be considered by Council at a meeting to be held on 7th March 2022 to enable the Council Tax to be set by 11th March 2022.
- 2.22** Due to the late announcement of the final settlement it is proposed that the draft final budget will be considered by Cabinet on 14th February 2022, referred to Corporate Performance and Resources on 17th February and then finally considered by Cabinet on 28th February 2022 with a recommended budget to be considered by Council on 7th March 2022.

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

- 3.1** The 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 with the community on capital projects e.g. Band B and park schemes. 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 with Band A complete and development under Band B which commenced in 2019/20. 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.
 - **To support people at home and in their community** - Investment in housing through the Housing Improvement Programme will maintain the Welsh Housing Quality Standard and there is a new build programme. Disabled Facility Grants are also issued to residents. Investment in leisure centres and playgrounds will encourage more use and activity. The core active travel fund allocation grant from Welsh Government is used to implement active travel schemes.
 - **To respect, enhance and enjoy our environment** - In response to the climate emergency, the Council launched a project to explore how construction practices could be adapted to support decarbonisation as part the 21st Century Schools Programme. 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. This model was further developed to deliver net-zero (in-use) carbon school buildings for South Point Primary School and St Nicholas CIW Primary School. The South Point Primary School scheme is due to be completed early 2022 which will make it the first net-zero carbon primary school building in Wales. Investing in the introduction of LED street lighting will bring environmental

benefits. Funding has been made available for the installation of vehicle charging infrastructure and for the purchase of electric pool cars. The school decarbonisation programme consists of a variety of energy reduction measures and renewable energy installations have been identified across a number of 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 setting and the monitoring of the Capital programme follows 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** – 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** – It 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 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. Resources and Legal Considerations

Financial

- 4.1 The total net capital expenditure of the proposed programme for the Council as a whole over the 5 years, is £168.472m. If all these schemes are approved, the effect on General Fund useable capital receipts will be as shown in the following table.

Capital Receipts	General
	£'000
Anticipated Balance as at 1st April 2022	3,540
Anticipated Requirements – 2022/23	-934
Anticipated Receipts – 2022/23	0
Balance as at 31st March 2023	2,606
Anticipated Requirements – 2023/24	0
Anticipated Receipts – 2023/24	0
Balance as at 31st March 2024	2,606
Anticipated Requirements – 2024/25	0
Anticipated Receipts – 2024/25	0
Balance as at 31st March 2025	2,606
Anticipated Requirements – 2025/26	0
Anticipated Receipts – 2025/26	0
Balance as at 31st March 2026	2,606
Anticipated Requirements – 2026/27	0
Anticipated Receipts – 2026/27	0
Balance as at 31st March 2027	2,606

- 4.2** In line with the overall strategy and specific suggestions proposed by the Budget Working Group, in order to resource the Capital Programme, reserves will be utilised over the period of the Capital Programme 2022/23 to 2026/27.

Employment

- 4.3** 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)

- 4.4** There are no legal implications.

5. Background Papers

Bids received from departments

Correspondence received from the Welsh Government

Scheme Title	2022/23		2023/24		2024/25		2025/26		2026/27		Total	Scheme Priority Rating	Risk Assessment	Corporate Priority	WFGA Score
	NET	GROSS	NET	GROSS	NET	GROSS	NET	GROSS	NET	GROSS					
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000					
Neighbourhood & Transport Services															
Carriageway resurfacing/Surface treatments - Rolling programme of resurfacing and treatment works in accordance with the Council's Highways and Engineering 3 year plan.	2,250	2,250	2,350	2,350	2,450	2,450	2,550	2,550	2,650	2,650	12,250	A	H	2	5
Resource Recovery Facility Atlantic Trading Estate (Phase 2) - To complete the construction of the Resource Recovery Facility, by erecting the green waste and residual waste barns for bulking waste collections.	2,151	2,151	-	-	-	-	-	-	-	-	2,151	Ci	H	2	5
Atlantic Trading Estate- Operations Fleet Parking - Additional funding for existing scheme (£600k) to develop land on Atlantic Trading Estate, (ATE) Barry to accommodate Neighbourhood Services: Operations Waste and Recycling collection vehicles.	2,917	2,917	-	-	-	-	-	-	-	-	2,917	Ci	H	3	5
Footway Renewal - Renewal of footways under the requirements set out in Section 36-61 of the Highways Act 1980. Footway renewal to maintain the highway network in a safe and useable condition.	250	250	250	250	250	250	250	250	250	250	1,250	B	H	2	5
Eastern Shelter Remedial Works to concrete repairs - Remedial works to all defective concrete repairs, including the bridge across the access from roundabout fronting Nells Point car park to promenade.	650	650	-	-	-	-	-	-	-	-	650	A,Ci,Cii	M/H	2	5
Kymin – Wind and Water proof works - Works to the Kymin to protect the building from further deterioration due to wind and water penetration have been identified as being short term/urgent priority. The work will consist of patch repairs to the roof, chimney and external walls (including stonework), clearance of all debris from the rainwater goods, and redecoration of the fascias and soffits to prevent them deteriorating further. Some internal works will be required to prevent some of the worst identified damp issues getting worse	50	50	-	-	-	-	-	-	-	-	50	A,Ci,D	M/H	2	4
Traffic signal Infrastructure Renewals - Replacement of traffic signal equipment which has exceeded its design life and require replacement.	250	250	250	250	250	250	250	250	250	250	1,250	A	M	2	5
Boverton Road-Removal of retaining wall. The removal of a 60m length of defective retaining wall and numerous mature trees which have exacerbated the wall's deterioration, and the battering back of the retained ground of the public open space to a stable gradient along a line that will provide sufficient width to improve the existing footway.	120	120	-	-	-	-	-	-	-	-	120	A,B,Ci,Ciii	M/H	3	5
Resource Recovery Facility ATE Baler - To install a second baler at the Resource Recovery Facility, ATE which will assist with improving the efficiency of the baling process of the loose recyclable material such as card, aluminium, steel and food and drink cartons.	250	250	-	-	-	-	-	-	-	-	250	Ci	L	0	2
Howe Mill Bridge Deck replacement. Replacement of existing deck that currently has a 7.5T weight limit with a new deck capable of carrying normal traffic loading.	720	720	-	-	-	-	-	-	-	-	720	A,B,Ci,Cii	M	3	5
Court Road Multi Storey Car Park Remedial works - Painting the grey areas of concrete white and upgrading the lighting throughout with LED type units, fire doors and creating an inviting environment where patrons would feel safer using the facility.	150	150	-	-	-	-	-	-	-	-	150	Ci	H/M	2	5

Scheme Title	2022/23		2023/24		2024/25		2025/26		2026/27		Total	Scheme Priority Rating	Risk Assessment	Corporate Priority	WFGA Score
	NET	GROSS	NET	GROSS	NET	GROSS	NET	GROSS	NET	GROSS					
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000					
Ogmore Lifeguard and toilet building - To replace existing lifeguard building and public Toilets at Ogmore-by-sea that are beyond their life expectancy and as a result are in an extremely poor condition.	50	50	950	950	-	-	-	-	-	-	1,000	A	L	-	5
Alley Gates - Rear lane access gates have been used in the Vale of Glamorgan for approximately 15 years and now require a programme of maintenance and replacement.	45	45	45	45	45	45	45	45	45	45	225	Ci	M	2	2
	9,853	9,853	3,845	3,845	2,995	2,995	3,095	3,095	3,195	3,195	22,983				
Regeneration & Planning															
Porthkerry Country Park - Road Improvements - To undertake essential resurfacing works to the main access road into Porthkerry Country Park and the access road into the main overflow car park.	96	96	-	-	-	-	-	-	-	-	96	A/Ci	H	2	4
Cosmeston Lakes – East Lake Access improvement project - Cosmeston Lakes Country Park has continually grown in popularity and is now is one of the most attended leisure/ tourist destinations within the Vale. There is a need to provide a tarmac surface to the footpath leading from the main entrance and joining the main throughfare which has a tarmac surface. The proposal will also link with the active travel route to the south of the site.	131	131	-	-	-	-	-	-	-	-	131	A/Ci	H	2	4
Country Park Ash dieback and replanting programme - Removal of affected trees and replacement.	45	45	-	-	-	-	-	-	-	-	45	A/Ci	H	2	5
All-weather parking spaces at Porthkerry Country Park - Continuation of parking scheme previously carried out. The works will involve the creation of all-weather grass crete parking surface area for up to 75 cars.	89	89	-	-	-	-	-	-	-	-	89	A/Ci	H	2	4
All-weather parking spaces at Cosmeston Lakes Country Park - Continuation of parking scheme previously carried out. The works will involve the creation of all-weather grass crete parking surface area for 50 cars within the overflow field, next to the main car park	67	67	-	-	-	-	-	-	-	-	67	A/Ci	H	2	4
Country Parks – Public toilet refurbishment - To refurbish the public toilets at both Cosmeston and Porthkerry Country Parks, ensuring that both sites maintain their Green Flag status and there status of destination venues for visitors to the Vale of Glamorgan.	76	76	-	-	-	-	-	-	-	-	76	A/Ci	H	2	4
Porthkerry – Interpretation & Signage re-branding project - To ensure that all facilities follow a clear brand identity, to ensure that visitors can easily identify Vale of Glamorgan's unique Countryside assets	30	30	-	-	-	-	-	-	-	-	30	A/Ci	H	2	4
New Rangers Accommodation – Porthkerry Country Park - Provision of a sustainable fit for use office/garage/workshop facility for use by the Countryside Service staff, incorporating space for volunteers / groups /organisations. The proposal will include energy efficient technologies to meet the Council's targets with regards to energy sustainability.	214	214	-	-	-	-	-	-	-	-	214	A/Ci	H	2	4

Scheme Title	2022/23		2023/24		2024/25		2025/26		2026/27		Total	Scheme Priority Rating	Risk Assessment	Corporate Priority	WFGA Score
	NET	GROSS	NET	GROSS	NET	GROSS	NET	GROSS	NET	GROSS					
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000				
Nightingale Cottage – Porthkerry Country Park - To convert Nightingale cottage, Porthkerry Country Park into holiday accommodation, making it a destination venue for visitors to the Vale of Glamorgan. The works to be undertaken will modernise and reconfigure the buildings layout to maximise the use of space without compromising the buildings integrity. (Consider decarbonisation measures including PV panels, lighting and insulation, at additional cost.)	140	140	-	-	-	-	-	-	-	-	140	A/Ci	H	2	4
	888	888	-	-	-	-	-	-	-	-	888				
COMMITTEE TOTAL	10,741	10,741	3,845	3,845	2,995	2,995	3,095	3,095	3,195	3,195	23,871				