

THE VALE OF GLAMORGAN COUNCIL

CABINET: 17TH OCTOBER, 2016

REFERENCE FROM CORPORATE PERFORMANCE AND RESOURCES
SCRUTINY COMMITTEE: 20TH SEPTEMBER, 2016

“345 CAPITAL MONITORING REPORT FOR THE PERIOD 1ST APRIL TO
31ST JULY 2016 (MD) –

The Head of Finance provided the Scrutiny Committee with an update on the 2016/17 Capital Programme for the above period.

It was noted that Appendix 1 detailed the financial progress on the Capital Programme as at 31st July, 2016.

Appendix 2 provided non-financial information on capital construction schemes with a budget over £100,000. Where a budget shown in Appendix 1 was more than £100,000 but was made up of several schemes that individually were less than £100,000, the scheme was not included in Appendix 2.

The following matters were noted:

Learning and Skills

Gwenfo Primary Expansion – Delegated authority had been used to approve a virement of £40,000 to this scheme from the Education Asset Renewal Contingency budget, in order to allow the project to be completed and to meet all the educational needs of the school.

Social Services

A new capital scheme to the value of £219,000 had been approved from the Intermediate Care Fund (ICF) for two step down units as Longmeadow Court. It had been requested that the Capital Programme be increase accordingly.

Environment and Housing

Visible Services Asset Renewal – The Visible Asset Renewal budget was agreed by Cabinet on 22nd February, 2016, minute number C3080. Recommendation 3 stated "THAT delegated authority be granted to the Managing Director and the Head of Finance, in consultation with the Cabinet Member responsible for Finance, to make additions, deletions or transfers to or from the 2016/17 to 2020/21 Asset Renewal

budgets as appropriate." This delegated authority had been used to allocate the Visible Services Asset Renewal as follows: -

Coastal Infrastructure £50,000
Public Conveniences Refurbishment £25,000
Highway Structures £159,000
Traffic Management Measures £116,000
Parks and Grounds Maintenance £150,000.

Boverton Flooding – A Welsh Government grant of £1.9m had been accepted for this scheme on 4th August, 2016. The Council now needed to increase its match funding budget, which was already included in the Capital Programme, by £28,000. It had therefore been requested that this amount be vired from the Additional Highways/Environmental Improvement scheme which was not currently fully committed.

Managing Director and Resources

Ogmore By Sea Sustainable Transport Improvements – It had been requested that £30,000 of Section 106 funding be included in the Capital Programme for this scheme. This was to fund the relocation and improvement works to the bus stop serving St. Brides Primary School.

Salisbury Road Play Area – It had been requested that £50,000 be transferred from the Visible Services Reserve in order to fund works to this Play Area, in line with project brief and community expectations. Funding for play areas was set aside as part of the 2015/16 closing process.

Barry Regeneration Project Development Fund – Delegated Authority had been used to apportion funding to the following schemes:

- Project Management Unit £49,000
- Landscape Design Service £16,000
- Salisbury Road Play Area £20,000
- Alexandra Gardens Play Area £1,000
- Holton Road Commercial Renewal Area Grant Programme £51,000.

Discussion ensued regarding the Council's current tender procedure and arrangements in place. The Committee acknowledged that they were unaware of the Council's current tendering arrangements. Reference was made to external contractors' alleged practices.

The position of the Council's DSOs capability to undertake additional contracted work on behalf of the Council was discussed. The Head of Finance confirmed that the Council's DSO was included in the Council's tendering process in relation to the select list of tenderers. Indeed, she indicated that the position of the Council's DSO was currently being assessed to see if they represented Value for Money. She suggested that an analysis of contractor expenditure could be undertaken based on

a sample of contracts linked to the Council's School Improvement Programme with a view to providing Members a better understanding of the Council's tender arrangements.

Discussion then turned to the existing capability of the Council's DSO to undertake additional contracted work and a Member alluded to the Council's Reshaping Services programme and referred to the possibility of a combined Authority approach within the region for DSOs to tender for Local Authority work. In addition, discussion also touched upon the feasibility of combining the Council's current Property Services and DSO.

The Chairman referred to the progress in regard to the Victorian Schools Programme and requested that the Head of Finance submit to the next meeting an update report on this matter.

Having regard to the above, it was

RECOMMENDED –

(1) T H A T the following changes to the 2016/17 Capital Programme be noted:

- ICF Longmeadow Court – An increase of £219,000 to be funded from the Intermediate Care Fund.
- Boverton Flooding – Virement of £28,000 from the Additional Highways / Environmental Improvement scheme to this scheme.
- Ogmore By Sea Sustainable Transport – An increase of £30,000 to be funded from Section 106 monies.
- Salisbury Road Play Area – An increase of £50,000 to be funded from the Visible Services Reserve

(2) T H A T the Head of Finance submit a further report to the next meeting as part of the capital monitoring arrangements on progress in delivering the Victorian Schools Programme.

(3) T H A T the Head of Finance submit a further report in relation to a cost analysis of contract work in relation to certain aspects of the Council's School Improvement Programme.

(4) T H A T the Cabinet be requested to consider exploring, under the Council's Reshaping Services programme, the establishment of a combined Authority approach within the region in regard to Council DSOs.

(5) T H A T the Cabinet be requested to explore the feasibility of integrating the Council's existing Property Services Division and the DSO.

Reasons for recommendations

- (1) To make the Committee aware of progress and amendments to the Capital Programme.
- (2) To monitoring progress in regard to the related Capital Programme.
- (3) To improve Members' understanding of the Council's contract / tender arrangements.
- (4) Exploration of potential future efficiencies.
- (5) To assess if the Council was achieving value for money.”

Attached as Appendix – [Report to Corporate Performance and Resources Scrutiny Committee: 20th September, 2016](#)