

The Vale of Glamorgan Council

Cabinet Meeting: 20 November, 2017

Report of the Leader

Initial Capital Programme Proposals 2018/19

Purpose of the Report

1. To gain approval for the Initial Capital Programme Proposals for 2018/19 so that they may be submitted to Scrutiny Committees for consultation.
2. To advise Cabinet of the progress on the 2017/18 Capital Programme for the period 1st April 2017 to 30th September 2017 and where necessary, to request changes to the Programme.

Recommendations

It is recommended:-

1. That the Initial Capital Programme Proposals for 2018/19 to 2022/23 be approved for consultation with the relevant Scrutiny Committees.
2. That any recommendations of Scrutiny Committees are passed to Corporate Performance and Resources Scrutiny Committee as the lead Scrutiny Committee in order for their views to be forwarded to Cabinet.
3. That Cabinet approves the following changes to the 2017/18 Capital Programme:
 - Cogan Primary Reception Area - Include a new scheme into the Capital Programme £113k, to be funded by a revenue contribution from the school.
 - Holton Primary Outdoor Shelter - Include a new scheme into the Capital Programme £14k, to be funded by a revenue contribution from the school.
 - Youth Service Software - Include a new scheme into the Capital Programme £28k, to be funded by a contribution from revenue.
 - Southway Elderly Persons Home, asbestos removal - Increase the 2017/18 capital programme by £3k to be funded by a contribution from the Social Services revenue budget.
 - Additional Resurfacing - Amalgamate this budget with the Visible Services Highway Improvements budgets.
 - St Paul's Church - Reduce this budget by £233k within the 2017/18 Capital Programme.

- Pedestrian Crossing across Thompson Street/Holton Road - Remove this £24k budget from the 2017/18 Capital Programme.
 - Welsh Government Rural Communities, Rural Development Programme (RCDF) Go Wild - Include a new scheme into the 2017/18 Capital Programme of £105k, to be funded by £84k grant from Welsh Government and £21k contribution from the Regeneration and Planning reserve.
 - Refurbishment of Car Park and Toilets at Dunraven Bay - Include a new scheme into the 2017/18 Capital Programme of £100k, to be funded by £80k grant from Welsh Government and £20k contribution from Dunraven Estates.
 - Feasibility Studies in Penarth Including the Esplanade - Request to reduce the 2017/18 Capital programme by £47k.
 - Nell's Point Former Toilet Block - Request to reduce the 2017/18 capital programme by £155k.
 - Civic Offices Re-wire/ Space Project - Increase the 2017/18 capital programme by £45k to be funded from the Council Building Fund.
4. That Cabinet note the use of Delegated Authority to amend the 2017/18 Capital Programme:
- Parks and Grounds Asset Renewal budget - Vire £9.5k from the Resurfacing Works budget to the Fencing Works budget within the Parks and Grounds Asset Renewal budget.
 - 'Profihopper - Wildflower and wild area flail mowing cutter-collector - Include a new scheme with a budget of £30k to be funded from s106 monies
 - Improve Pedestrian movements along Old Port Road - Include a new scheme with a budget of £180k to be funded from s106 monies.
 - Improve pedestrian movements along Treharne Road - Include a new scheme with a budget of £170k to be funded from s106 monies.
 - Improve pedestrian movements along Dock View Road - Include a new scheme with a budget of £24k to be funded from s106 monies.
 - Barry Regeneration Partnership Project Fund - Vire £26.5k from the Barry Regeneration Partnership Project Fund to the High Street/Broad Street Traffic Management Scheme and reduce the Barry Regeneration Partnership Project Fund budget by £20k to be reclassified as revenue.
5. That Cabinet approves the following changes to the 2017/18 and future years Capital Programme:
- Rhoose Primary New School - Request to reprofile this scheme as proposed in the table within paragraph 5.
 - Llantwit Major Learning Community - Request to bring £29K budget forward into the 2017/18 Capital Programme.
 - Romilly Primary - The carry forward of £858k into the 2018/19 Capital Programme.
 - Victoria Schools - The carry forward of £1,388k into the 2018/19 Capital Programme.

- Wick Primary Nursery and Remodel of Building - Include a new scheme within the Capital Programme with a budget of £800k, split £52k in 2017/18 and £748k in 2018/19.
- St Joseph's Nursery and EIB - The carry forward of £964k into the 2018/19 Capital Programme.
- WHQS Environmental Improvements – The carry forward of £373k into the 2018/19 Capital Programme.
- Vehicle Replacement Programme - Request to amend the Vehicle Replacement Programme budget profile as proposed in the table within paragraph 17.
- Coldbrook Flood Risk Management - Request to bring forward £77K into the 2017/18 Capital Programme.
- Boverton Flooding - Request to bring forward £100k into the 2017/18 Capital Programme.
- Llanmaes Flood Management Scheme - Request to carry forward £746k into the 2018/19 Capital Programme.
- Ashpath Footpath Improvements - The carry forward of £63k into the 2018/19 Capital Programme.
- Cemetery Approach - Request to increase this budget by £124k, £94k in 2017/18 and £30k in 2018/19 to be funded from s106 monies.
- Leisure Centre Improvements - The carry forward of £1,679k into the 2018/19 Capital Programme.
- Maes Dyfan Open Space Improvements - Include a new scheme into the Capital programme £41k, split £5k in 2017/18 and £36k in 2018/19 to be funded from s106 monies.
- Five Mile Lane - The carry forward of £4,365k into the 2018/19 Capital Programme.
- Court Road Depot - Survey, Feasibility and Infrastructure Budget - The carry forward £300k into the 2018/19 Capital Programme.
- ICT Allocation - Request to bring forward £295k of the 2019/20 ICT allocation into the 2018/19 Capital Programme.

Reasons for the Recommendations

1. In order to gain the views of Scrutiny Committees.
2. In order that Cabinet be informed of the comments of Scrutiny Committees before making a final proposal on the 2018/19 Capital Programme.
3. To make amendments to the 2017/18 Capital Programme.
4. To advise Cabinet of the use of Delegated Authority.
5. To amend the 2017/18 and future years Capital Programme and to seek approval from Cabinet.

Relevant Issues and Options

2017/18 Capital Programme

3. [Appendix 1](#) details financial progress on the Capital Programme as at 30th September 2017.
4. The changes detailed below have been reflected in [Appendix 2](#).

Director of Learning and Skills

5. Rhoose Primary New School - It is requested that the Rhoose scheme is reprofiled as shown below in line with the 21st Century Schools Band B proposals set out in paragraph 67 of this report:-

Rhoose Primary New School

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

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

6. Llantwit Major Learning Community - The 2018/19 budget for this scheme is £29k, it is requested to bring this budget forward into the 2017/18 Capital Programme as retention has to be accrued into the year that the works are carried out.
7. Romilly Primary - The design of the new classroom block at Romilly Primary has been delayed due to the discovery that a 200mm water main running under the site was nearly 5m away from the location shown on the Welsh Water plans. The original plans had been completed before this was discovered. The water main runs under the proposed location of the building and due to the need to retain 4.5m distance from the main, the scheme has to be completely redesigned to enable the building to fit on the site. It is therefore requested to carry forward £858k into the 2018/19 Capital Programme.
8. Victorian Schools - Due to the extent of preparatory investigative works required, the Property Section were not able to undertake the full programme of Victorian Schools works during the 2017 summer holidays. Works at Ysgol St Curig, Romilly, Cogan and Gladstone Primary will be completed by December 2017. It will not be cost effective to undertake the remaining work during the winter due to contractor time lost due to poor weather conditions. The tender documentation for the remaining schemes will be completed during the winter for the schemes to be completed during the summer of 2018. It is therefore requested to carry forward £1,388k from 2017/18 into the 2018/19 Capital Programme.
9. Cogan Primary Reception Area - Works include the conversion of the Caretaker's house into a new reception area. It is requested that a new scheme is included

within the 2017/18 Capital Programme with a budget of £113k to be funded by a revenue contribution from the school.

10. Holton Primary Outdoor Shelter - Works include the purchase and installation of an outdoor shelter. It is requested that a new scheme is included within the 2017/18 Capital Programme with a budget of £14k to be funded by a revenue contribution from the school.
11. Wick Primary Nursery and Remodel Building - This scheme will include a new nursery at Wick Primary and will allow for the remodelling of the existing building. It is requested that a new scheme is included in the Capital Programme with a budget of £800k, split £52k in 2017/18 and £748k in 2018/19. This scheme will be funded from s106 monies.
12. St Joseph's Nursery and Early Intervention Base - The design process for the scheme has been delayed therefore it is requested to carry forward £964k into the 2018/19 Capital Programme.
13. Youth Service Software - This scheme is to purchase an add on module to the Council's Management Information System 'One'. The module is called Integrated Youth Support Service (IYSS) and replaces the current Quality Education Systems (QES). It is requested to include a new scheme within the 2017/18 Capital Programme with a budget of £28k to be funded by a contribution from revenue.

Director of Social Services

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

Director of Environment and Housing

15. The proposal to amend the funding for the 2017/18 Housing Improvement Programme is set out in paragraph 73 of this report and includes those amendments listed in paragraph 16 below.
16. WHQS Environmental Improvements – Work on the Buttrills Environmental Scheme started in July 2017 and it is estimated to take 18 months to complete. The scheme is to be completed in three phases: roofing, walls and internal/external communal areas, with the communal areas unlikely to be completed until the 2018/19 financial year. It is therefore requested to carry forward £373k into the 2018/19 Capital Programme.
17. Vehicle Replacement Programme - There have been some delays in procuring certain vehicles programed to be replaced in 2017/18 and these will now be carried forward and replaced in 2018/19. The Vehicle replacement programme budget profile has been reviewed and is shown below :-

Vehicle Replacement Fund

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

It is requested to amend the Vehicle Replacement Programme budget profile as proposed above. This is funded by £1.2m prudential borrowing and £7.175m Vehicle fund reserve.

18. Additional Resurfacing - Both this budget and the Visible Services Highway Improvements budget are used to fund the Highways resurfacing 3 year plan. It is therefore requested to amalgamate this budget with the Visible Services Highway Improvements budgets, with the amended budget totalling £1.3m.
19. Coldbrook Flood Risk Management - The 2018/19 budget for this scheme is £77k. It is requested that this budget is brought forward into the 2017/18 Capital Programme as retention has to be accrued into the year that the works are carried out.
20. Boverton Flooding - The 2018/19 budget for this scheme is £100k. It is requested that this budget is brought forward into the 2017/18 Capital Programme as retention has to be accrued into the year that the works are carried out.
21. Llanmaes Flood Management Scheme - It is requested to carry forward £746k into the 2018/19 Capital Programme. This is because it has recently been agreed that a combined storage area below the village will now be delivered by WG Transport Branch this financial year with an estimated contribution for this element from the Council of £100k. The current design work for the village element of the scheme indicates that a change of design philosophy will be necessary. Therefore, whilst we will incur some costs directly for the design of the village element of the scheme, e.g. ground investigation, topographic surveys, etc. estimated at £100k this financial year, the remainder of the significant construction costs will not be incurred until 2018/19 and will be subject to WG funding approval.
22. Ashpath Footpath Improvements - The Council is in the process of applying for a Cycle Way order which can take up to 9-18 months depending on objections. It is therefore requested to carry forward £63k into the 2018/19 Capital Programme.
23. Parks and Grounds Asset Renewal - A delegated authority request has been approved to vire £9.5k from the Resurfacing Works budget to the Fencing Works budget. These budgets are both within the Parks and Grounds Asset Renewal budget. Fencing Work costs at Belle Vue and Romilly Park were higher than originally anticipated and as the resurfacing works programme is yet to commence, the virement of the budget is not detrimental to any current projects.
24. Cemetery Approach - A specific report for Cemetery Approach is elsewhere on this Cabinet agenda. As detailed within that report it is requested to increase this budget by £124k, £94k in 2017/18 and £30k in 2018/19 to be funded from s106 monies. Delegated authority has been requested to increase the Capital Programme for a £25k contribution from Barry Town Council once the addendum to the Funding Agreement has been signed.

25. Leisure Centre Improvements

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

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

26. St Paul's Church - The original Capital Programme allocation of £233k is no longer required as officers are pursuing the new project proposal (subject to statutory consents) from Newydd Housing Association in accordance with Cabinet Minute C3480 (Cabinet Meeting of 20th Feb 2017), which will be financed by the Housing Association, Welsh Government (in the form of Housing Finance Grant and Social Housing Grant) for the proposed affordable dwellings and by S106 funds (if approved by the S106 process) for the Community Facility. It is requested to remove this budget of £233k from the 2017/18 Capital Programme.

Managing Director and Resources

27. Profihopper - Wildflower and wild area flail mowing cutter-collector - A delegated authority has been approved to include a new scheme of £30k into the Capital Programme to be funded from s106 monies. This piece of equipment will assist and improve the maintenance of the wild flowers/wilder areas surrounding Penarth Heights and the wider Vale of Glamorgan.
28. Improve pedestrian movements along Old Port Road - A delegated authority has been approved to include a new scheme of £180k into the Capital Programme to be funded from s106 monies. The proposed scheme seeks to improve pedestrian movements where appropriate, by introducing dropped kerbs and replacing footpaths, in compliance with Active Travel design guidance. This will improve access to the local park and school.
29. Improve pedestrian movements along Treharne Road - A delegated authority has been approved to include a new scheme of £170k into the Capital Programme to be funded from s106 monies. The proposed scheme seeks to improve pedestrian movements by extending the 20mph zone along the length of Treharne Road, introducing dropped kerbs at all junctions and implementing new crossing facilities where appropriate in compliance with Active Travel Design Guidance. This will improve facilities such as access to local parks and schools.
30. Improve pedestrian movements along Dock View Road - A delegated authority has been approved to include a new scheme of £24k into the Capital Programme to be funded from s106 monies. The proposed scheme seeks to improve pedestrian movements by introducing dropped kerbs at all junctions and implement new crossing opportunities where appropriate in compliance with Active Travel design guidance. This will improve access to the train station.
31. Maes Dyfan Open Space Improvements - It is requested that a new scheme is included in the Capital programme to enhance and undertake landscaping improvements at the public open space adjacent to the recent re-development of

Ysgol Maes Dyfan. The total budget for these works is £41k, split £5k in 2017/18 and £36k in 2018/19 to be funded from s106 monies.

32. Pedestrian Crossing Across Thompson Street/Holton Road - Consultation was unsuccessful for a crossing across Thompson Street/Holton Road and the funding is now being used to improve pedestrian movements along Dock View Road. It is requested to remove this £24k budget from the 2017/18 Capital Programme.
33. Barry Regeneration Partnership Project Fund - A delegated authority has been approved to vire £26.5k to the High Street/Broad Street Traffic Management scheme This is for additional works to pedestrian routes on the approaches to the District Shopping Centre. The work involves new path edging, dropped kerbs and surfacing at various locations on Canon Street, East Street and Market Street. The delegated authority also approves £20k from this scheme to be classified as revenue. This is made up of £4.5k for Holton Road Street Furniture Upgrade Phase 2, £8.5k for Barry Sense of Play and £7k for High Street Springboard.
34. Welsh Government Rural Communities, Rural Development Programme (RCDF) Go Wild - The Council have been awarded a grant of £84k from Welsh Government for the above scheme. The Council are required to contribute £21k match funding to the scheme. Works will include a new outdoor educational facility in Cosmeston which will be a unique destination for schools and educational bodies throughout the Vale of Glamorgan and South Wales area. It is requested to include a new scheme into the 2017/18 Capital Programme of £105k. This is to be funded by £84k grant from Welsh Government and £21k contribution from the Regeneration and Planning reserve.
35. Refurbishment of Car Park and Toilets at Dunraven Bay - The Council have been awarded a grant of £80k from Welsh Government for the above scheme under the Rural Development Programme 2014-2020. The Council are required to contribute £20k match funding to the scheme. This grant is to refurbish the car park and toilets at Dunraven Bay. It is requested that a new scheme is included in the 2017/18 Capital Programme of £100k. This is to be funded by £80k grant from Welsh Government and £20k contribution from Dunraven Estates.
36. Five Mile Lane - Due to unforeseen delays regarding the Compulsory Purchase Order and letting the main works contract the full budget will not be spent this financial year. It is requested to carry forward £4,365k into the 2018/19 Capital Programme.
37. Feasibility Studies in Penarth Including the Esplanade - The original scheme was not viable and therefore this budget is not required within the 2017/18 Capital Programme. It is requested to reduce the Capital programme by £47k, this Capital Receipt funding will be used towards funding the 2018/19 Capital Bids.
38. Nell's Point Former Toilet Block - The Council has received a report detailing interim works required to this building and up to £100k of this budget will be required for these works. Therefore the full budget of £255k will not be spent and it is requested to reduce the 2017/18 capital programme by £155k and this Capital Receipt funding will be used to fund 2018/19 Capital Bids.
39. Civic Offices Re-wire/ Space Project - Reduced Office accommodation - Additional works to the Civic Offices to make improvements to the security and operation of the main reception areas have been identified as being more cost effective to undertake as part of the already approved Space project works. It is requested to increase this budget by £45k to be funded from the Council Building Fund.

40. Court Road Depot - Survey, Feasibility and Infrastructure Budget - The Reshaping Services Programme is slightly behind schedule and will not be fully implemented in 2017/18. It is therefore requested to carry forward £300k into the 2018/19 Capital Programme.

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

-Storage Infrastructure Refresh £200k

-Server Infrastructure Refresh £100k

-Direct Access £40k

It is therefore requested to bring forward £295k of the 2019/20 ICT allocation into the 2018/19 Capital Programme in order to progress with the projects listed above.

2018/19 to 2022/23 Capital Programme

42. The Welsh Government (WG) announced the provisional 2018/19 General Capital Funding, on 10th October 2017. The 2018/19 Capital Settlement is a flatlined capital settlement which for the Vale of Glamorgan Council equates to General Capital Funding of £5.505m which is made up of £2.083m General Capital Grant and £3.422m Supported Borrowing.

43. There is no indication of the level of funding likely beyond 2018/19 and therefore in line with the approach adopted in the Medium Term Financial Plan the proposals assume a reduction of 5% for each year of the programme from 2019/20.

44. [Appendix 2](#) sets out the Initial Proposals for the Capital Programme between 2018/19 and 2022/23.

45. The Council will seek to mitigate the projected deteriorating funding situation by looking to progress only those schemes which are deemed to be a key Corporate Priority and make a clear impact to the Wellbeing and Future Generation priorities. The Council will seek assurances that schemes included in the capital programme can be delivered on time and within budget.

46. The Major Repairs Allowance (MRA), which is the grant that provides capital funding to the Housing Revenue Account (HRA), has not yet been announced by the Welsh Government for 2018/19. Cabinet will be advised once the announcement is made. An assumption has been made in [Appendix 2](#) that the grant will continue at the 2017/18 allocation of £2.779m in 2018/19 and throughout the period of the Capital Programme.

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

48. The table below details the General Capital Funding and internal resources required to fund the proposed schemes which are detailed in [Appendix 2](#).

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

GENERAL FUND	£'000	£'000
Welsh Government Resources		
Supported Borrowing	3,422	
General Capital Grant	2,083	
Total Welsh Government Resources		5,505
Council Resources		
General Capital Receipts	3,633	
Reserves	4,869	
Total Council Resources		8,502
Net Capital Resources		
HOUSING REVENUE ACCOUNT		
Housing Reserves	4,566	
Housing Unsupported Borrowing	5,420	
Net Capital Resources		9,986
Total Net Capital Resources		23,993

49. The indicative 2018/19 Capital Programme shown in [Appendix 2](#) includes allocations already approved by Council. [Appendix 2](#) also reflects the amendments requested within this report.

Capital Bids 2018/19 to 2022/23

50. New capital bids were invited for return by 30th September 2017 and the number of bids received was in line with previous years since the 5 year capital programme was introduced (1 from Learning and Skills, 10 from Environment and Housing and 4 from Managing Director and Resources). Departments were requested to rank and assess their own bids in order of importance before submission and bids from each Department were forwarded to the Insight Group for evaluation.
51. The Insight Group used a number of criteria to assess the Capital Bids. The first criteria used was to classify the nature of the bids.
52. 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

53. 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			

54. 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

55. The bids were also reviewed for the contribution that they made to the Wellbeing and Future Generations criteria as set out below;
- Long Term
 - Integration
 - Collaboration
 - Prevention
 - Involvement
56. Each scheme was awarded one point for every one of the outcomes that it met to a maximum of 5.
57. Only those schemes assessed as corporate priority 1 or higher and medium risk or higher are included in these proposals. In addition the schemes put forward should contribute to at least three Wellbeing and Future Generations outcomes and should have a scheme priority factor of either A/B/Ci/Cii/Ciii. The bids that did not meet these criteria were excluded from consideration as there was insufficient funding available and these bids are detailed in [Appendix 3](#) with a reason for their exclusion. The exception to this is the bid for the New Household Waste Recycling Centre and Old Hall Cowbridge, renewal of roof coverings. These bids did meet the criteria however the Council has insufficient funds at this time to progress these schemes. The Council is looking at funding opportunities from Welsh Government in order to progress the New Household Waste Recycling Centre. Old Hall Cowbridge is not being progressed at this time as the scheme priority is not A or B.
58. The bids that have been funded are set out below with the proposed funding profile;

Successful Bids	2018/19	2019/20	2020/21	2021/21	2022/23	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Carriageway resurfacing/Surface treatments	500	0	0	0	0	500
Electrical Rewiring - Barry & Penarth Leisure Centres	1,107	387	36	0	0	1,530
Disabled Facility Grants	150	150	150	150	150	750
Community Centres	15	15	15	15	15	75
Alps (A Block) Internal Network	105	0	0	0	0	105
Docks Office Internal Network	130	0	0	0	0	130
Total	2,007	552	201	165	165	3,090

59. It is proposed that the All Services Asset Renewal budget of £200k in 2018/19 and 2019/20, funded from general capital funding, will be used to fund the above bids. It is also proposed that two budgets totalling £202k as outlined in paragraphs 37 and 38, which are no longer required in the 2017/18 Capital Programme funded by Capital Receipts are used to fund the above bids.

60. It is proposed that The Alps (A Block) Internal Network and the Docks Office Internal Network are funded from the existing ICT allocation within the five year Capital Programme.
61. The funding of the bids is set out in the table below :-

Funding	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Capital Receipts					
General Capital Receipts	1,000	0	0	0	0
Nell's Point Toilet Block	155	0	0	0	0
Feasibility Studies in Penarth Including the Esplanade	47	0	0	0	0
Total Capital Receipts	1,202	0	0	0	0
General Capital Funding					
General Capital Funding	370	352	201	165	165
All Services Asset Renewal	200	200	0	0	0
ICT Allocation	235	0	0	0	0
Total General Capital Funding	805	552	201	165	165
Total	2,007	552	201	165	165

62. The changes detailed above have been reflected in [Appendix 2](#).
63. In addition to bids meeting the criteria for inclusion in the Capital Programme, there have been a number of changes approved by Cabinet since the final budget proposals 2017/18 to 2021/22 were approved in February 2017. These changes include capital sums carried forward which have been included in [Appendix 2](#).

School Investment Programme

64. The 21st Century Schools Programme is the Welsh Government's funding initiative for investment in schools. The first tranche of schemes under Band A of the funding were submitted prior to November 2011. Band A schemes run between 2013/14 and 2018/19. Band B schemes are expected to commence in 2019/20.
65. The schemes included under the Band A submission for construction between 2013/14 and 2018/19 were as follows; Ysgol Nant Talwg, Ysgol Dewi Sant, Ysgol Gwaun Y Nant and Oakfield , Colcot, Llantwit Learning Community and Romilly Primary School. The Ysgol Nant Talwg, Ysgol Dewi Sant, Ysgol Gwaun Y Nant and Oakfield schemes are now complete. Romilly Primary School scheme is at design stage and Llantwit Learning Community is on track to complete in December 2017.
66. Band B Schemes are expected to commence in 2019/20 and in December 2014 the Council submitted proposals for a number of schemes to Welsh Government. During 2016/17 reports were taken to Cabinet regarding two key schemes to be progressed under Band B, namely, a proposal to establish new Mixed Sex Secondary Schools in Barry and a proposal to Increase Welsh Medium Secondary School Places. These schemes are included in the current Capital Programme and are funded as follows;

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

67. At the end of July 2017 the Council had to submit a Strategic Outline Programme to Welsh Government for Band B. Based on latest indications, it has been assumed that 50% funding will be available from Welsh Government to fund non faith school schemes and 85% funding will be available for faith school schemes. On the 10th of November 2017 an announcement by the Cabinet Secretary for Education appears to indicate that the level of Band B funding (circa £2.3 billion across Wales) will allow this Council to deliver its submitted proposals. A detailed business case will be required for each scheme contained in the Band B Programme. This amount will be used to inform the final budget setting in February 2018. The proposals are set out below which includes revision of the existing schemes:-

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

68. Funding for the above proposals are set out below:-

Funding	£'000
WG Grant	83,823
S106	18,211
Capital Receipts	14,972
General Capital Funding	5,430
Reserves and Revenue Contribution	13,487
Prudential Borrowing	6,494
Total	142,417

69. The new proposals above have been reflected in [Appendix 2](#) and replace that detailed in paragraph 66 above.

70. The following table shows the planned spend on the Education capital programme from 2018/19 to 2022/23 incorporating expenditure under Band A and Band B

schemes funded under 21st Century Schools Programme. Gross Expenditure totals £130.615m.

By Scheme	18/19	19/20	20/21	21/22	22/23	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Band B Preparatory Works	500	0	0	0	0	500
Band B Schemes Welsh Medium	150	9,500	11,423	0	0	21,073
Band B Schemes Mixed Sex Secondary School	100	19,750	20,000	8,840	0	48,690
Other Band B Schemes	0	4,000	10,649	7,274	25,800	47,723
Band B Rhoose Primary New School	349	1,981	1,855	0	0	4,185
Band A Romilly Primary	894	0	0	0	0	894
St Josephs' Nursery and EIB	964	0	0	0	0	964
Schools Asset Renewal/Other	600	600	600	600	600	3,000
Additional Schools Asset Renewal	400	0	0	0	0	400
Education Asset Renewal - contingency	50	0	0	0	0	50
Victorian Schools	1,388	0	0	0	0	1,388
Wick Primary Nursery and Remodel of Building	748	0	0	0	0	748
Schools IT Loans	200	200	200	200	200	1,000
Total	6,343	6,031	44,727	16,914	26,600	130,615

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

72. The Education capital programme is funded as follows;

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

Housing Improvement Plan

73. The 2017/18 Housing Improvement Programme budget currently totals £21.353m. It has been requested above that £373k is carried forward into 2018/19. The funding of the 2017/18 programme has been amended as set out in the table below: -

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

Next Steps

74. The next stage is for the estimates 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 2](#) and to make any recommendations for changes. If changes are requested, the reason for this needs to be recorded in order to assist the Cabinet and the Budget Working Group (BWG) in drawing up the final proposals. Corporate Performance and Resources Scrutiny Committee 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 14th December 2017.
75. Managers will be asked to revisit the schemes included in [Appendix 2](#) and to confirm final costs and spend profile prior to the final proposals being presented to Cabinet.
76. Currently, the approved timetable requires Cabinet to approve the final budget proposals by no later than the 19th February 2018 and that Cabinet's final Capital Programme proposals will be considered by Council at a meeting to be held on 28th February 2018 to enable the Council Tax to be set by 11th March 2018.

Resource Implications (Financial and Employment)

77. The total net capital expenditure of the proposed programme in [Appendix 2](#), over the 5 years, is £103.407m.
78. If the schemes shown in [Appendix 2](#) are approved, the effect on General Fund useable capital receipts will be as shown in the following table.

Capital Receipts	General	Ringfenced Social Services	Ringfenced Education
	£'000	£'000	£'000
Anticipated Balance as at 1st April 2018	4,764	1,339	1,299
Anticipated Requirements – 2018/19	-3,545	0	-88
Anticipated Receipts – 2018/19	0	0	0
Balance as at 31st March 2019	1,219	1,339	1,211
Anticipated Requirements – 2019/20	-215	-1,339	-3,325
Anticipated Receipts – 2019/20	0	0	4,093
Balance as at 31st March 2020	1,004	0	1,979
Anticipated Requirements – 2020/21	-313	0	-7,603
Anticipated Receipts – 2020/21	0	0	6,012
Balance as at 31st March 2021	691	0	388
Anticipated Requirements – 2021/22	-100	0	-729
Anticipated Receipts – 2021/22	0	0	2,832
Balance as at 31st March 2022	591	0	2,491
Anticipated Requirements – 2022/23	0	0	-2,290
Anticipated Receipts – 2022/23	0	0	500
Balance as at 31st March 2023	591	0	701
Anticipated Requirements – 2023/24	-2	0	-701
Anticipated Receipts – 2023/24	0	0	0
Balance as at 31st March 2024	589	0	0

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

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

81. 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 2018/19 to 2022/23.

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

Project Fund	£'000
Anticipated Balance as at 1st April 2018	2,443
Anticipated Requirements – 2018/19	0
Anticipated Receipts – 2018/19	0
Balance as at 31st March 2019	2,443
Anticipated Requirements – 2019/20	-62
Anticipated Receipts – 2019/20	0
Balance as at 31st March 2020	2,381
Anticipated Requirements – 2020/21	-150
Anticipated Receipts – 2020/21	0
Balance as at 31st March 2021	2,231
Anticipated Requirements – 2021/22	0
Anticipated Receipts – 2021/22	0
Balance as at 31st March 2022	2,231
Anticipated Requirements – 2022/23	0
Anticipated Receipts – 2022/23	0
Balance as at 31st March 2023	2,231

83. The above forecast balances need to be seen in the context of significant pressures for spending which are not yet included in the Capital Programme. These include the backlog of school, highways and buildings improvements.

Sustainability and Climate Change Implications

84. The bids have also been evaluated for Sustainable Development. The four areas of Sustainable Development to be considered are:
- Living within environmental limits
 - Ensuring a strong, healthy and just society
 - Achieving a sustainable economy
 - Promoting good governance
85. Sustainability checklists were submitted by Project Managers for each of the proposed bids included in [Appendix 2](#). These were reviewed by the Insight group, with a view to ensuring that wherever possible the four sustainable targets are addressed.

Legal Implications (to Include Human Rights Implications)

86. The Council is required to show that capital expenditure is covered by identified resources.

Crime and Disorder Implications

87. The obligations of the Council with regard to Section 17 need to be fully considered in the budget decision making process.

Equal Opportunities Implications (to include Welsh Language issues)

88. Additional finance improves the Council's opportunities for assisting disadvantaged members of society.

Corporate/Service Objectives

89. Funds allocated contribute to the wide range of corporate service objectives as set out in the Corporate Plan.

Policy Framework and Budget

90. This report follows the procedure laid down in the constitution for the making of the budget. The 2018/19 budget proposals will require the approval of Council. The proposals for amendments to the 2017/18 Capital Programme are the responsibility of Cabinet.

Consultation (including Ward Member Consultation)

91. All Scrutiny Committees will be consulted on the proposals.

Relevant Scrutiny Committee

92. The lead Scrutiny Committee is Corporate Performance and Resources.

Background Papers

Bids received from departments
Correspondence received from the Welsh Government

Contact Officer

Capital Accountant,
Resources

Officers Consulted

The following Officers have been consulted on the contents of this report:-
Corporate Management Team
Budget Working Group

Responsible Officer:

Carys Lord
Section 151 Officer