

Meeting of:	Cabinet
Date of Meeting:	Thursday, 26 February 2026
Relevant Scrutiny Committee:	Resources Scrutiny Committee
Report Title:	Capital Strategy 2026/27 and Final Capital Programme Proposals 2026/27 to 2030/31
Purpose of Report:	The purpose of this report is to set out final proposals for Cabinet members to consider, before making their recommendations to Council, in respect of the final capital budget for the financial year 2026/27 to 2030/31 and to consider the Capital Strategy for 2026/27.
Report Owner	Executive Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Head of Finance (Section 151 Officer)
Elected Member and Officer Consultation:	Scrutiny Committees and Senior Leadership Team have been consulted on the initial budget proposals. External stakeholders were also consulted on the budget priorities
Policy Framework:	This report follows the procedure laid down in the constitution for the making of the budget. The final 2026/27 budget proposals will require the approval of Council.
<p>Executive Summary:</p> <ul style="list-style-type: none"> The report provides the Council's Capital Strategy for 2026/27 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. This report sets out the Council's proposed Final Capital Programme for the period 2026/27 to 2030/31 at Appendix 2. The Council is facing significant pressures in relation to price inflation and the cost-of-living crisis which has seen increases in the costs of materials and labour. This has had an impact on the current schemes within the Capital Programme and the funding available to fund new schemes within the Capital Programme. The total value of capital schemes over the next five years is £466.897M and this is summarised in the table below. This includes £85.562M for the Sustainable Communities for Learning 	

Programme (including the pipeline schemes), £281.248M for the Housing Improvement Programme and £21.286m for the levelling up scheme.

Table 1 – Summary of schemes in the 5-year Capital Programme

Directorate	2026/27	2027/28	2028/29	2029/30	2030/31
	£000	£000	£000	£000	£000
Learning and Skills	33,989	18,658	11,871	2,915	2,000
Social Services	2,254	1,730	2,865	2,850	2,850
Environment	18,532	6,235	4,785	5,310	5,310
HRA	45,336	73,920	79,220	45,351	37,421
Place	24,576	546	0	0	0
Corporate Resources	709	423	653	148	100
City Deal	438	640	3,313	2,515	0
Pipeline Schemes	13,092	14,050	2,292	0	0
Total	138,926	116,202	104,999	59,089	47,681

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

Funding	2026/27	2027/28	2028/29	2029/30	2030/31
	£000	£000	£000	£000	£000
General Capital Funding	7,739	7,739	7,739	7,739	7,739
Capital Receipts	4,266	2,201	2,557	452	452
Reserves	15,479	9,811	4,066	1,732	2,439
Unsupported Borrowing	34,695	64,400	72,271	41,596	29,481
LGBI Supported Borrowing	1,810	0	0	0	0
Grants and Contributions (Including S106)	74,937	32,051	18,366	7,570	7,570
Total	138,926	116,202	104,999	59,089	47,681

- Since the Draft Capital Programme proposals report in January, a number of changes have been made including changes requested in the Q3 Capital Monitoring report on the same agenda as this report, the inclusion of Sully Primary School Redevelopment and the removal of the Llanmaes Construction scheme and the Penarth Cluster - Review Primary Provision to Include Cosmeston scheme.

Recommendations

1. That Cabinet recommend to Council that the Capital Strategy 2026/27 as set out in Appendix 1 is approved.
2. That Cabinet recommend to Council that the final Capital Programme for the years 2026/27 to 2030/31 as set out in Appendix 2 is approved.
3. That Cabinet recommend to Council that officers have the authority to vire £10k or below between schemes that are already approved within the five year Capital Programme.
4. That Cabinet recommends to Full Council that the Chief Executive and the Head of Finance/Section 151 Officer, in consultation with the Executive Leader and Cabinet Member for Performance and Resources, are given delegated authority to make additions, deletions or transfers to or from the:
 - i. 2026/27 to 2030/31 Housing Improvement Programme as appropriate.
 - ii. 2026/27 to 2030/31 Asset Renewal budgets as appropriate.
 - iii. S106 funded schemes subject to Member consultation as required under the existing process.
 - iv. Decarbonisation Schemes
 - v. Sustainable Communities for Learning programme.
 - vi. Discretionary Adaption Grant Schemes.
 - vii. Pride in Place Impact fund
 - viii. Plan for Neighbourhood
 - ix. Transforming Towns
 - x. Local Growth fund
5. That the use of the urgent decision procedure as set out in Section 15.14 of the Council's Constitution is used to enable the Capital Strategy 2026/27 and Final Capital Programme Proposals 2026/27 to 2030/31 to be considered by Full Council on 9th March 2026.

Reasons for Recommendations

1. To approve the Capital Strategy for 2026/27.
2. To set and approve future capital programmes to 2030/31.
3. To enable officers to progress schemes more quickly where low value virements below £10k are required.
4. To enable the Housing Capital budget, Asset Renewal budgets, S106 schemes, Decarbonisation Schemes, Sustainable Communities for Learning programme, Discretionary Adaption Grant Schemes, Pride in Place Impact fund, Plan for

Neighbourhood, Transforming Towns and Local Growth Fund to be managed effectively.

5. To allow the Capital Strategy 2026/27 and Final Capital Programme Proposals 2026/27 to 2030/31 to be referred to Full Council on 9th March 2026 for consideration and approval.

1. Background

Capital Strategy

- 1.1 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.
- 1.2 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 has been produced for 2026/27 and is attached at Appendix 1. The Strategy will also be submitted to full Council for approval.
- 1.3 CIPFA published revised codes of Practice on 20th December 2021 and stated that formal adoption was required for financial year 2023/24. The Council must 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. Further information can be found in the Council's Treasury Management Strategy which is on the same agenda as this report. The revised Treasury Management Code requires an authority to implement the following:
 - Adopt a liability benchmark treasury indicator to support the financing risk management of the capital financing requirement. This is shown in chart form for a minimum of ten years, with material differences between the liability benchmark and actual loans to be explained.
 - Class Long-term treasury investments, (including pooled funds) as commercial investments unless justified by a cash flow business case.
 - Include Pooled funds in the indicator for principal sums maturing in years beyond the initial budget year.
 - Amend the knowledge and skills register for officers and members involved in the treasury management function so that it is proportionate to the size and complexity of the treasury management conducted by the Authority.
 - Prepare quarterly reporting to members. 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 HOF 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.

- Address Environmental, social and governance (ESG) issues within the Authority's treasury management policies and practices.
- Confirm a requirement for local authorities to produce an annual Capital Strategy.

1.4 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 & 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.

Capital Programme

1.5 The Council has produced a detailed five year Capital Programme, with the proposed programme for 2026/27 to 2030/31 being included in Appendix 2.

1.6 The draft capital proposals were considered by Cabinet on 15th January 2026, the report was presented to Joint Scrutiny Committee in February 2026 for comment.

1.7 In responding to the report, the Joint Scrutiny Committee held on 11th February, made comments in relation to the report and these can be found within the draft minutes of the meeting are available at: -

https://www.valeofglamorgan.gov.uk/Documents/_Committee%20Reports/Scrutiny-New-2025/Scrutiny-Joint-Performance/2026/26-02-11/Minutes.pdf

1.8 The recommendation of the Joint Scrutiny Committees recommended that:

- T H A T the comments of the Committee be referred to Cabinet for consideration ahead of final consideration at Full Council

1.9 The Budget Working Group (BWG) have had consideration for the recommendations of the Scrutiny Committees when preparing the final 2026/27 capital programme.

2. Key Issues for Consideration

Capital Strategy

- 2.1** The Capital Strategy looks at a longer term view of the Council's capital investment requirements. This is the seventh year that the Capital Strategy has been produced in this format, it will be updated bi-annually and will evolve over future years.
- 2.2** There are several factors that will influence the Council's priority areas of spend and its future capital investment. The Capital 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.
- 2.3** 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 they influence by the provision of specific grants, will change over a period of time. Capital receipts are difficult to predict. Whilst 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.
- 2.4** Condition surveys were completed for all 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 finance required improvement work.
- 2.5** 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.
- 2.6** 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.
- 2.7** 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.
- 2.8** The Council's appetite for risk needs to be discussed as part of the Strategy. The Council has always been prudent regarding its borrowing and does not take risks when investing; the Treasury Management Strategy for 2026/27 sets out the Council's intentions to place investment with the UK Government or other local authorities or AAA rated money market funds.
- 2.9** 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.

2.10 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 the Strategy.

Capital Resources Available

2.11 Details of the different sources of funding available to finance capital expenditure are outlined in Section 3 of the Capital Strategy.

2.12 On 20th January 2026, the Welsh Government announced the final 2026/27 General Capital Funding (GCF) settlement which was £7.739m, being made up of £4.370m grant and £3.369m of supported borrowing. This is a £133k increase than the general capital funding of £7.606m that was allocated for 2025/26. This remains unchanged from the provisional settlement announced in November 2025.

2.13 As no further indication has been received from Welsh Government at this time, it has been assumed that from 2026/27 onwards, the level of capital funding will be flatlined at £7.739m and will then remain constant for the remainder of the period of this programme.

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

Table 3 – Assumption of Five-Year Funding from Welsh Government

Welsh Government Funding	2026/27	2027/28	2028/29	2029/30	2030/31
	£000	£000	£000	£000	£000
Supported Borrowing	3,369	3,369	3,369	3,369	3,369
General Fund					
General Capital Grant	4,370	4,370	4,370	4,370	4,370
TOTAL	7,739	7,739	7,739	7,739	7,739

2.15 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.

2.16 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.

2.17 The Council has taken the decision to ringfence vehicle capital receipts for the vehicle replacement programme. Capital receipts would be utilised in the year that they are received to reduce the requirement to use reserves or unsupported borrowing.

2.18 Projected use and income generated from the sale of assets for the next 5 years is shown in the following table.

Table 4 – The use of capital receipts in the 5-year Capital Programme

Capital Receipts	General	Ring-fenced Social Services	Ring-fenced Education
	£000	£000	£000
Projected Balance as at 31st March 2026	5,939	41	0
Anticipated Requirements – 2026/27	(4,225)	(41)	0
Anticipated Receipts – 2026/27	500	0	0
Balance as at 31st March 2027	2,214	0	0
Anticipated Requirements – 2027/28	(1,749)	0	0
Anticipated Receipts – 2027/28	1,136	0	0
Balance as at 31st March 2028	1,601	0	0
Anticipated Requirements – 2028/29	(1,250)	0	(1,000)
Anticipated Receipts – 2028/29	1,000	0	1,000
Balance as at 31st March 2029	1,351	0	0
Anticipated Requirements – 2029/30	0	0	0
Anticipated Receipts – 2029/30	0	0	0
Balance as at 31st March 2030	1,351	0	0
Anticipated Requirements – 2030/31	0	0	0
Anticipated Receipts – 2030/31	0	0	0
Balance as at 31st March 2031	1,351	0	0

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

2.20 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 can be found in the table below:

Table 5 – Use of Reserves

As at	Estimated Balance 31/03/26	Estimated Balance 31/03/27	Estimated Balance 31/03/28	Estimated Balance 31/03/29	Estimated Balance 31/03/30	Estimated Balance 31/03/31
	£000	£000	£000	£000	£000	£000
General Fund	11,268	11,268	11,268	11,268	11,268	11,268
Insurance	4,454	4,454	4,454	4,454	4,454	4,454

As at	Estimated Balance 31/03/26	Estimated Balance 31/03/27	Estimated Balance 31/03/28	Estimated Balance 31/03/29	Estimated Balance 31/03/30	Estimated Balance 31/03/31
Service Reserves	6,220	3,435	3,280	3,048	2,816	2,583
Risk and Smoothing Reserves	12,228	10,665	9,776	9,289	8,999	8,997
Capital Reserves	5,598	752	414	414	414	414
Schools	327	327	327	327	327	327
Housing Revenue Account	4,325	4,474	2,380	2,411	2,476	2,543
Total	44,420	35,375	31,899	31,211	30,754	30,586

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

2.22 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 £95.074M which is around £56.379M more than the level of General Capital Funding for the same period (£38.695M). The grants include the Sustainable Communities for Learning programme, Early Years and Childcare, Dinas Powys Flood Resilience, Levelling Up Fund, Transforming Towns, UK Government Pride in Pace and Plan for Neighbourhood.

2.23 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 2025/26. 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.

2.24 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.

Capital Programme 2026/27 to 2030/31

- 2.25** The 2026/27 to 2030/31 Capital Proposals have been made in accordance with the principles of the Capital Strategy. Clearly, limited resources will allow only those schemes of highest corporate priority and/or risk to be pursued. Section 4 of the Capital Strategy sets out the process for prioritising capital bids.
- 2.26** This year's budget setting process has been collaborative and forensic and the budget is a regular item for update and discussion at Strategic Leadership Team.
- 2.27** The Initial Capital Proposals were presented to Cabinet on the [15th January 2026](#) which included details of the capital bids proposed to be funded.

Table 6 – Capital Bids that are proposed to be funded:

Directorate	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
Social Services					
Children's Services Emergency Fostering Property	339	0	0	0	0
Rondel House - Roof Repairs	0	105	100	0	0
Residential Homes Roof and PV Panel Installation	175	0	0	0	0
Specialist Accommodation for Older People	0	100	1,500	1,500	1,500
Environment and Housing					
Windsor Road Retaining Wall, Penarth	300	700	0	0	0
Penarth Pier Refurbishment	300	0	0	0	0
LED Lantern Upgrade - Ormate, Heritage and Amenity	150	100	50	50	50
Concrete and Ormate Street Lighting Column Upgrades	150	150	150	150	150
Dingle Road Station Footbridge, Penarth	85	1,000	0	0	0
Victoria Bridge, Grove Place, Penarth	0	0	300	1,000	1,000
Resources					
Corporate Wireless Access Point Refresh	80	0	0	0	0
Civic offices - energy efficiency and low carbon heat	75	75	400	0	0

Directorate	2026/27	2027/28	2028/29	2029/30	2030/31
	£000	£000	£000	£000	£000
Photo Voltaic Panels at Stanwell School	80	0	0	0	0
LED lighting - rural schools	70	0	0	0	0
Photo Voltaic Panels at Barry Library and Town Hall	60	0	0	0	0
	1,864	2,230	2,500	2,700	2,700

2.28 The bids are being funded from a variety of sources, including some unallocated budgets that are already approved within the Capital Programme and some additional sources to be added into the programme. The funding is detailed in the table below:

Table 7 – Funding sources of Capital Bids

Funding Sources	2026/27	2027/28	2028/29	2029/30	2030/31
	£000	£000	£000	£000	£000
Budgets already approved within the Programme					
Unallocated All Services Asset Renewal	0	0	125	333	1,296
Capital Receipts Switch	61	0	0	0	0
Unallocated Decarbonisation Funding	0	0	145	0	0
Capital schemes reserve Switch	0	290	0	0	0
Social Services Asset Renewal	0	5	100	0	0
Corporate Landlord Reserve Switch	0	70	0	0	0
Neighbourhood Services Asset Renewal	200	0	0	0	0
Additional budget to be added to the programme					
Additional General Capital Funding	133	133	83	83	83
Capital Receipts	1,196	1,517	1,239	0	0
Project Zero Reserve	274	0	0	0	0
Neighbourhood Services Reserve	0	143	0	0	0
Unsupported Borrowing Structures	0	72	386	1,000	1,000
Unsupported Borrowing Decarbonisation	0	0	161	0	0
Unsupported Borrowing Social Services - Older Persons Accommodation	0	0	261	1,284	321
Total	1,864	2,230	2,500	2,700	2,700

2.29 A Summary of the Final Capital Programme Proposals 2026/27 to 2030/31 and how it is funded is included in the tables below:

Table 8 – Summary of the 5 Year Capital Programme with funding

Directorate	2026/27	2027/28	2028/29	2029/30	2030/31
	£000	£000	£000	£000	£000
Learning and Skills	33,989	18,658	11,871	2,915	2,000
Social Services	2,254	1,730	2,865	2,850	2,850
Environment	18,532	6,235	4,785	5,310	5,310
HRA	45,336	73,920	79,220	45,351	37,421
Place	24,576	546	0	0	0
Corporate Resources	709	423	653	148	100
City Deal	438	640	3,313	2,515	0
Pipeline schemes	13,092	14,050	2,292	0	0
Total	138,926	116,202	104,999	59,089	47,681

Funding	2026/27	2027/28	2028/29	2029/30	2030/31
	£000	£000	£000	£000	£000
General Capital Grant	4,370	4,370	4,370	4,370	4,370
General Fund (GF) Reserves/Revenue	8,822	1,970	1,200	1,200	1,200
HRA Revenue/Reserves	6,657	7,841	2,866	532	1,239
Capital Receipts General Fund	4,266	1,749	1,250	0	0
Capital Receipts HRA	0	452	1,307	452	452
Grants	69,257	30,411	18,366	7,570	7,570
S106	5,680	1,640	0	0	0
Total	99,052	48,433	29,359	14,124	14,831
Borrowing Requirement					
Supported Borrowing GCF	3,369	3,369	3,369	3,369	3,369
Supported Borrowing LGBl	1,810	0	0	0	0
Unsupported Borrowing GF	6,131	6,343	4,794	4,799	1,321
Unsupported Borrowing HRA	28,564	58,057	67,477	36,797	28,160
Total Borrowing Requirement	39,874	67,769	75,640	44,965	32,850

Funding	2026/27	2027/28	2028/29	2029/30	2030/31
	£000	£000	£000	£000	£000
Total Capital Programme	138,926	116,202	104,999	59,089	47,681

- 2.30** Since the draft Capital proposals in January, several amendments have been made to the five year Capital Programme and these are outlined in the paragraphs below.
- 2.31** Slippage and reprofiling that has been requested as part of the Quarter 3 Capital Monitoring report, which is on the same agenda as this report, has been included in Appendix 2 and further details can be found within that report.
- 2.32** A report was presented to Cabinet on 5th February 2026 to formally include Sully Primary School as a scheme under the Sustainable Communities for Learning Programme and increase the envelope by £9.350m, this has been reflected in Appendix 2. A Strategic Outline Case will be submitted to Welsh Government for consideration. The works will include a refurbishment of the school and an extension.
- 2.33** Llanmaes Construction - Delivery of a community level flood scheme benefitting the Village of Llanmaes has been assessed as non-viable with a cost-benefit ratio significantly below parity. Completion of an Outline Business Case to summarise work to date and crystallise non-viability is ongoing but delayed due to competing priorities. As the scheme is not viable it has been removed from the five year Capital Programme.
- 2.34** Penarth Cluster - Review Primary Provision to Include Cosmeston - This scheme was not developed as part of the programme as the project was not deemed affordable. The scheme has been removed from the capital programme and this is reflected in Appendix 2.
- 2.35** The draft Capital Proposals advised that the Asset Renewal budgets for each directorate would be reviewed and schemes would be identified prior to the approval of the Final Capital proposals for 2026/27 to ensure that funding is allocated to priority schemes. Learning and Skills Asset Renewal allocation was approved as part of the Draft Capital Programme Proposals Report on 15th January 2026. A full breakdown of the Asset Renewal budgets for Social Services and Environment and Housing is now included in the 2026/27 capital programme in Appendix 2.
- 2.36** 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.
- 2.37** The Council launched its second Let's Talk about Life in the Vale survey in the Autumn of 2025. The results of this exercise are currently being analysed Data Cymru.
- 2.38** This survey built on the work undertaken in 2023 when the Council undertook the first Let's Talk about Life in the Vale Survey. The surveys are different to

other Vale wide surveys that the Council had run in the past as they don't simply ask how satisfied people are with Council services. Instead, there is a genuine attempt to understand what life is like for people living in the Vale of Glamorgan and how public services affect this.

- 2.39** This approach has been developed to enable (wherever possible, within funding constraints) services to be developed in a way that means they will improve people's quality of life, and wherever possible address the issues that matter to those who live in the Vale of Glamorgan.
- 2.40** The survey will provide a wealth of data. Initial results fed into deliberations on setting the budget for 2026/27 and Council's medium term financial strategy.
- 2.41** It has also been assumed that on key points the results of the first Let's Talk survey are still likely to be valid. In 2023 residents were asked about their priorities and to rank their importance. The top priority for 42% of the population was 'Easily accessible care and health care services when I or my family need them' and 78.1% ranked this in their top three priorities. Second at 26.6% was 'buy or rent a good quality home' and 47.6% ranked this in their top three. These are areas that the Council is focusing resources on through its Capital Programme.
- 2.42** Further to this 68% of respondents stated they were either very or fairly concerned with the climate emergency and 65% were either very or fairly concerned with the nature emergency. 73% of respondents were also very or fairly concerned about services and support for older people and 61% about services and support for young people. All of these are areas of priority for the Council as reflected in the Council's Capital Programme and Vale 2030, the Council's Corporate Plan.
- 2.43** It is anticipated that the latest Let's Talk results will be available in full to inform interim adjustments to the Capital Programme and any future Capital Investment Strategies.
- 2.44** The UK Government Ministry of Housing, Communities and local Government has announced a funding package to Barry under the Long Term Plan for Towns programme now known as the Plan for Neighbourhood. In a letter dated 13th December, each place will receive up to £20m of funding and support over the next decade, giving communities the space and resource to build their vision for renewal and target the root causes of deprivation. Capital Programme delivery will commence in 2026/27 and this is anticipated to be added to the Capital Programme via a Cabinet Report on 16th March 2026. Revenue funding to undertake capacity building and development work has been received for 2025/26.
- 2.45** In a letter dated 23rd December, 2025 from the UK Government Ministry of Housing, communities and local Government to Rhondda Cynon Taff Council (as the lead authority for the Shared prosperity Fund), it was advised that there would be a transitional year from the Shared Prosperity Fund to the Local Growth Fund in 2026/27 and that the Council should be awarded an indicative allocation for UK Local Growth Fund at approximately £2.5m, Capital and £1.1m

Revenue. This will be added to the Capital Programme in a further Cabinet report once figures are confirmed. The Local Growth Fund, replaces the UK Shared Prosperity Fund. Managed through a Welsh Government-led Investment Plan with local consultation, the fund aims to boost jobs, productivity, and regional development. Around 70% of the budget is allocated to capital projects like infrastructure and premises, while 30% supports revenue activities such as business support, employability, and staffing. Beyond 2026/27 it is likely that this funding would not go directly to Councils but rather would be distributed regionally via Welsh Government.

School Investment Strategy

- 2.46** 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.
- 2.47** 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.
- 2.48** 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, known as Llyn Derw is on site and is expected to complete in May 2026.
- 2.49** The total of the Band B programme is currently £151.5M between 2018/19 and 2026/27.
- 2.50** 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.
- 2.51** There are currently three schemes within the Capital Programme that are part of the Sustainable Communities for Learning rolling programme, St Richard Gwyn redevelopment and Cowbridge Primary Phase 2 (Ysgol Iolo Morgannwg). St Richard Gwyn has received full business case approval and the main works contract has commenced. A report on Cowbridge Primary Phase 2 (Ysgol Iolo Morgannwg) was presented to Cabinet on 18th December 2025, and the Full Business case was submitted in January 2026. The Council are currently awaiting the outcome of the Full Business Case.
- 2.52** A report was presented to Cabinet on 5th February 2026 to formally include Sully Primary School as a scheme under the Sustainable Communities for Learning Programme and increase envelope by £9.350m. A Strategic Outline Case will be submitted to Welsh Government for consideration. The works will include a refurbishment of the school and an extension.

- 2.53** Penarth Cluster - Review Primary Provision to Include Cosmeston - This scheme was not developed as part of the programme as the project was not deemed affordable. The scheme has been removed from the capital programme and this is reflected in Appendix 2.
- 2.54** The budget profiles and further information can be found in section 2 of the Capital Strategy, the budget for the rolling programme totals £101.7M over 2018/19 to 2028/29.
- 2.55** A query was raised by a Councillor at Joint Scrutiny Committee regarding the need for another Welsh Medium Secondary School within the Vale of Glamorgan as Ysgol Bro Morgannwg is close to capacity. An all through Welsh Medium School is currently being considered as part of the rolling programme in the Western Vale area, however a significant amount of planning would need to be undertaken to support this complex ambition, capital grant and internal match funding would need to be secured and found for the school build and ongoing revenue budget would need to be identified for the running of school. Due to the complex nature of this scheme it is likely to be towards the end of the rolling programme.

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 revised version of which was brought to Cabinet in January 2026. 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.
- 2.57** As part of the Quarter 3 Capital Monitoring report, on the same agenda as this report £3.010m slippage has been requested from 2025/26 into 2026/27 to reflect the current work programme. The sources of funding to be used to finance HRA expenditure in 2026/27 to 2030/31 are detailed in the table below.

Table 9 – HRA Funding

Funding	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
Revenue/Reserves	6,657	7,841	2,866	532	1,239
MRA Grant	2,770	2,770	2,770	2,770	2,770
Capital Receipt	0	452	1,307	452	452
Unsupported Borrowing	28,564	58,057	67,477	36,797	28,160
S106	2,545	0	0	0	0
Other Grant	4,800	4,800	4,800	4,800	4,800
Total Budget	45,336	73,920	79,220	45,351	37,421

- 2.58** The Table below shows the projected balances on HRA reserves over the next 5 years:

Table 10 – HRA Reserve

As at:		Year	Closing HRA Working Balance
			£000
31/03/26		Current	4,325
31/03/27		1	4,474
31/03/28		2	2,380
31/03/29		3	2,411
31/03/30		4	2,476
31/03/31		5	2,543

Deliverability of the Capital Programme

- 2.59** The Capital Programme for 2026/27 currently stands at £138.926M and this is considerably above the level of Capital Programme that the Council has been able to deliver in previous years.
- 2.60** Whilst some of this expenditure relates to high value schemes that are already on site and therefore should progress as projected in 2026/27 there are some schemes that could be delayed if there isn't sufficient project management capacity available.
- 2.61** The Senior Leadership Team will be carrying out a full review of capacity to ensure that there is sufficient project management support to support the commitments set out in the programme.
- 2.62** The Head of Finance/Section 151 Officer will work with the Senior Leadership Team to undertake a review of the programme to ensure that the programme is realistic and deliverable. An updated profile can be reviewed by Cabinet and Scrutiny as part of the quarter 1 position.

Next Steps

- 2.63** The final settlement announced by Welsh Government on 20th January 2026 and has informed the Final Capital Proposals report.
- 2.64** Currently, the approved timeline requires Cabinet to approve the final budget proposals by no later than 26th February 2026 and that Cabinet's final Cabinet Programme proposals will be considered by Council at a meeting to be held on 9th March 2026 to enable the Council Tax to be set by 11th March 2026.

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 new Corporate Plan, Vale 2030. Some examples are:
- **Creating Great Places to Live, Work and Visit** - 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. Funding has been secured through the UK Government Levelling Fund. Discussions are ongoing with Partners and UK Government. The Marina element of the project is no longer progressing, but discussions are ongoing with Government and partners to ensure that the other elements of the project can proceed as planned. Investment in housing through the Housing Improvement Programme will maintain the Welsh Housing Quality Standard, consideration of alternative heating measures and new developments.

- **Respecting and Celebrating the Environment** - The Council supports decarbonisation as part the Sustainable Communities for Learning Programme, which has seen the first Net Zero Carbon Primary School in Wales. Several decarbonisation schemes were delivered in the 2024/25 Capital Programme including the installation of air source heat pump at Bro Morgannwg, PV panels at 7 Council sites including residential homes, schools and Leisure Centres. There are decarbonisation schemes on the Capital Programme totalling £2.771m from 2025/26 to 2030/31 and this budget has been allocated across a number of schemes for installation of LED lighting, PV Panels, interface upgrades and air source heat pumps.
- **Giving Everyone a Good start in Life** - We show our commitment to the youngest people in our community by further investment in schools through the School Investment Programme. We are committed to working together to provide the support children and families need with schemes such as our Early Years and Childcare programme. We will continue our work around our community focused schools, recognising the value schools bring to the local community and ensure that we continue our investment in leisure centre and playgrounds.
- **Supporting and Protecting Those who Need Us** - We will ensure that our residents who need more support are able to access schemes such as the Disabled Facility Grant, Discretionary Adaptions Grant and Enable. Under the Social Services Invest to Save scheme in the 2024/25 Capital Programme, 2 properties have been appropriated from Housing to Social Services to provide accommodation for unaccompanied asylum-seeking children. Works are currently ongoing to ensure these properties are fit for purpose. We work collaboratively with a range of partners to deliver schemes to prevent and tackle poverty such as Tackling Food Poverty and take forward our work to ensure the Vale of Glamorgan is a Country of Sanctuary through schemes within our Housing Improvement Programme.
- **Being the best Council We Can Be** - Consultations are carried out as part of the budget setting process, with the community on capital projects. Participate Vale allows the community to have their say and get involved with Council decisions and local issues in the Vale of Glamorgan.

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 Final 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 the Section 6 of the Capital Strategy. All schemes progressed as part of the Capital Programme proposals set out the decarbonisation considerations that will be considered as part of progressing the bids.

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 £326.403M. The total gross capital expenditure is £466.897M.
- 5.2** In line with the overall Financial Strategy, in order to resource the Capital Programme, £14.138M of general fund reserves will be utilised over the period of the Capital Programme 2026/27 to 2030/31, 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.

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 The Council is required to show that capital expenditure is covered by identified resources when developing its Final Capital Programme proposals.

6. Background Papers

Local Government Final Settlement letter dated 20th January 2026



VALE of GLAMORGAN COUNTY BOROUGH COUNCIL

FINAL CAPITAL STRATEGY

2026/27



www.valeofglamorgan.gov.uk

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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, the 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 £466.897m 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 or are being delivered.
- 1.4 **Youth Bus** - Shared prosperity funding has been received to purchase a Youth Bus. The vehicle is being used within three areas across the Vale of Glamorgan that currently have a lack of provision and services for young people. The young people took part in designing the vehicle, the seating, flooring and lights and are currently being consulted on the wrapping design for the vehicle.

Youth Bus



- 1.5 **Murchfield Community Space** -Section 106 grant funding together with Shared Prosperity Funding and Sports Wales grant funding has been used to revitalise the former Murchfield courts area in Dinas Powys. A community consultation was undertaken in Summer 2023 and the main works commenced on site in January 2025. The scheme includes a new multifunctional recreation and community space with integrated functional public art elements.

Murchfield multifunctional recreation space



- 1.6 Heol Croeso – Llantwit Major – The scheme has been delivered during 2024/25. This was a challenging development, which required the delivery of 90-units of temporary accommodation in response to the current Housing Crisis, using the Council’s Permitted Development Rights. The scheme consisted of 1, 2, 3 and 4 bedroom homes, including wheelchair accessible units, all of which were fully factory built modular homes with a high energy efficiency rating. The scheme commenced on site in June 2023 and was scheduled for completion in April 2024. However, due to the modular home supplier going into administration, completion was delayed until October 2024.

Heol Croeso, Llantwit Major



- 1.7 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 and nine schools within the Band B Programme are operational. Main contract works have now commenced on site at St Richard Gwyn. A report on Cowbridge Primary Phase 2 (Ysgol Iolo Morgannwg) was presented to Cabinet on 18th December 2025, and the Full Business case was submitted in January 2026. The Council are currently awaiting the outcome of the Full Business Case. These projects will be the first projects under the rolling programme.

Ysgol Llyn Derw (previously known as Ysgol y Deri)



Aims

- 1.8 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.
- 1.9 The Strategy should look to the longer term and is supported by a detailed Capital Programme for five years covering the period 2026/27 to 2030/31. This is the seventh year that the Capital Strategy has been produced. The strategy will be updated bi-annually and evolve over future years.
- 1.10 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 2025 have a net book value of £835m (excluding Infrastructure) which includes £238m relating to housing stock.

Definition of Capital and Capitalisation Policy

- 1.11 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.

1.12 The Council also uses a de minimus level of £10k 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

1.13 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 launched the Corporate plan, Vale 2030 for 2025- 2030 on 1st April 2025.

2.3 Vale 2030 effectively sets out the objectives and actions for the next five years, our key challenges and priorities. It provides a framework for annual plans, 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 agreed corporate priorities.

2.4 It sets out a vision and values and details 5 new well-being objectives and the activities that will be undertaken in 2025-30 to deliver these objectives. The Capital Programme should be set having regard to the Council's corporate priorities, which are included in Vale 2030 through the 5 objectives. These are as follows:

- Creating great places to live, work and visit.
- Respecting and celebrating the environment.
- Giving everyone a good start in life/great start.
- Supporting and protecting those who need us.
- Being the best Council, we can be.

- 2.5 Vale 2030 must set out the Council's Well-being Objectives and reflect how the Council will contribute to the seven national well-being goals. Vale 2030 must also show how the five ways of working as set out in the Well-being of Future Generations (Wales) Act 2015 (involvement, long-term, prevention, integration and collaboration) are embedded in the work of the Council. Vale 2030 has also been developed with due regard to PSB priorities.
- 2.6 Five annual Directorate Plans have replaced the fifteen annual service plans and were reported to Scrutiny committees and Cabinet in April/May. An [Annual Statement](#) has also been produced which was shaped by Vale 2030, annual budget and Directorate Plans. This new approach has been informed by the views of residents, partners, staff, elected members and other stakeholders, how we can make better use of technology, the approach undertaken by other Councils, the views of Audit Wales and the recommendations of the Panel Performance Assessment. Vale 2030 provides the opportunity to review the current systems and how we work.
- 2.7 [Vale 2030 – Corporate Plan](#) is linked here.

Budget Strategy and Medium Term Financial Plan (MTFP)

- 2.8 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 the Cabinet on the same agenda as this strategy.

Corporate Asset Management Plan (CAMP)

- 2.9 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 the annual update was taken to [Cabinet on the 6th November 2025](#).
- 2.10 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

2.11 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

2.12 As of 31st March 2025, the Council's housing stock stood at 4,159 dwellings.

2.13 The Housing Investment Programme continues to navigate the dual priorities of delivering new homes while ensuring sustained investment in existing tenants' homes and communities. This approach remains central to maintaining compliance with the Welsh Housing Quality Standard (WHQS). In response to the enhanced requirements of WHQS 2023, the Council is continuing with a comprehensive review of its Housing Asset Management Strategy. This updated strategy will articulate a renewed vision for investment across the housing stock and estates, ensuring alignment with both regulatory standards and the evolving needs of tenants. As part of this process, tenants will be actively engaged and consulted to shape the future direction of the strategy.

2.14 The Council's key investment priorities are shaped by the need to meet the updated Welsh Housing Quality Standard (WHQS 2023), respond to rising demand for affordable housing, and prepare the existing housing stock for the transition to net zero carbon emissions by 2035. In addition, the Council must ensure readiness for the phased implementation of the Building Safety Act in Wales, which introduces enhanced regulatory responsibilities for local authorities, particularly in relation to higher-risk buildings. This includes tighter oversight of building control functions, new duty holder roles, and compliance with emerging safety frameworks such as the "golden thread" of building information and mandatory reporting requirements. These evolving obligations will require strategic planning and investment to ensure the Council's housing services remain compliant, resilient, and responsive to tenant needs.

2.15 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 12th of January 2026. 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 2026/27 to 2030/31, is anticipated to be £281.248m.

2.16 By the end of March 2026, it is anticipated that the Housing Development Team will have completed and handed over 61 much needed new Council homes at Clos Holm View Phase 2, Cwrt y Chwarel and Olive Lodge, all in Barry. During 2025/26, 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, including the conversion of Cadoxton House into a 10-unit temporary accommodation facility.

- 2.17 In September 2025, the Council signed a partnership agreement with Lovell Partnerships as part of the Cardiff and Vale Housing Partnership. The new partnership 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. Planning applications have been submitted for and are in the process of being determined for Hayeswood Road Phase 2 (70 units) and Myrtle Close, Penarth (32units). Design work is currently underway on an ambitious new housing and regeneration scheme at the Mole, Barry which seeks to deliver a mixed-tenure housing scheme of 64 units, 30% of which will be affordable. Design work is also currently underway for a development of 137 new homes, 50% of which will be for market sale at the former Pencoedtre Highschool playing fields in Barry.
- 2.18 The current Housing Business Plan also commits £229m 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 work towards meeting 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 need, affecting many of our residents and those who are homeless.
- 2.19 Further detail can be found at [Housing Asset Management Strategy](#). This strategy continues to be reviewed to reflect the Welsh Government's launch of the revised WHQS 2023. In addition to aligning with the updated quality standards, the strategy will also need to consider the implications of the Building Safety Act, particularly its impact on building management, safety compliance, and governance across the Council's housing portfolio. This includes ensuring that future investment and operational planning address the emerging regulatory requirements and responsibilities introduced under the Act.

Digital Strategy

- 2.20 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.

2.21 Capital expenditure continues to reduce as we consider the organisation’s commitment to both Project Zero, the Digital Strategy and a commitment to move to the cloud. Historically, capital has been utilised for the delivery of infrastructure within corporate buildings and some of this will remain, i.e. physical networking infrastructure, to deliver WiFi and internal connectivity. However, in 2025, the migration of all servers to cloud has been approved moving from a capital expenditure to subscription models and it is expected that a significant portion of networking capability outside providing connectivity will move to a similar model.

2.22 Further detail can be found within the [Digital Strategy 2023-2028](#).

Waste Management Strategy

2.23 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 19th January 2023 and they were reviewed by the Environment and Regeneration Scrutiny Committee on 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.

2.24 A capital bid to construct a fleet parking site is included in the 2025/26 and 2026/27 Capital Programme. Following the purchase of land opposite the new Resource Recovery Facility (RRF) at Atlantic Trading Estate, Barry, this scheme will enable the relocation of the majority of the Recycling and Waste fleet from the Alps Depot to Atlantic Trading Estate to capture savings on fuel, CO2 and additional financial benefits through collection efficiencies and reducing the amount of travelling and downtime. It all allows for the future consideration of more flexible working, facilitating longer working days and aids split shift working.

2.25 A soft plastics recycling trial began in April 2025 funded by Welsh Government, working in partnership with WRAP, and targeting approximately 16,000 households across Penarth, Dinas Powys, Llandough, Sully, and nearby communities. This nine-month initiative is part of the council’s broader Project Zero strategy, which aims to achieve carbon neutrality for the council by 2030 and for the county by 2050. The trial focuses on diverting soft plastics, such as plastic bags, wrappers, and films from black bag waste. The trial has significantly outperformed expectations, with daily collections reaching one bale (approximately 600kg) and weekly totals nearing 2.5 tonnes.

2.26 Good progress has been made in the designing and procurement in preparation to installing a 150 kw PV array on a single elevation of our Resource Recovery Facility at Atlantic Trading Estate, Barry as part of our Project Zero strategy to become a carbon-neutral organisation by 2030. This project will allow the asset to become less dependent on the Grid and during daylight hours provide a large proportion of the electricity required to operate the facility. The project will be completed in 2025/26.

2.27 [Waste and Recycling - What are we Doing](#)

School Investment Programme

2.28 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.

2.29 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.

2.30 Delivery under Band B programme began in 2018/19. Nine schools are now operational, this includes St David's CiW Primary, South Point Primary, Whitmore High School, Ysgol Gymraeg Bro Morgannwg, Pencoedre High School, Ysgol St Baruc, St Nicholas Primary, Y Bont Faen (Cowbridge Primary Provision) and Derw Newydd (Centre for Learning and Wellbeing). Ysgol Llyn Derw (formerly known as Ysgol Y Deri scheme) is anticipated to complete by May 2026.

2.31 Overall, the Band B programme will see over £151m investment.

2.32 The Rolling Programme will continue to build on school investment. The outline of the programme and the pipeline of projects within it was submitted and approved by Cabinet on the 7th March 2024. Welsh Government also approved the Vale of Glamorgan's Rolling Programme on 8th August 2024.

2.33 The next wave of investment will see new schemes developed over the next 9 years, subject to funding and business case approval. Intervention rates range between 65-85% dependant on the nature of the scheme.

2.34 The approved Capital Programme for the Sustainable Communities for Learning rolling programme, include St Richard Gwyn redevelopment and Cowbridge Primary Phase 2 (Ysgol Gymraeg Iolo Morgannwg). St Richard Gwyn has received full business case approval and started on site October 2026. A report on Cowbridge Primary Phase 2 (Ysgol Iolo Morgannwg) was presented to Cabinet on the 18th December 2025, and the Full Business case was submitted in January, 2026. The Council are currently awaiting the outcome of the Full Business Case. The rolling programme will see spend of over £101m between 2018/19 to 2029/30 and could increase as and when pipeline projects get approved.

2.35 A report was presented to Cabinet on the 5th February 2026 to formally include Sully Primary School as a scheme under the Sustainable Communities for Learning Programme and increase envelope by £9.350m. If the report is approved a Strategic Outline Case will

be submitted to Welsh Government for consideration. The works will include a refurbishment of the school and an extension.

- 2.36 Penarth Cluster - Review Primary Provision to Include Cosmeston – This scheme was not developed as part of the programme as the project was not deemed affordable. The scheme has been removed from the capital programme.
- 2.37 The [Learning and Skills Investment Strategy 2022-2027](#) was presented to Cabinet on Thursday, 17th November 2022 and is linked here
- 2.38 The latest budget profiles can be found in Appendix 2

City Deal (CJC)

- 2.39 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 Metrodevelopment.
- 2.40 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.
- 2.41 Key highlights showing investment to date include:
 - £35m Cardiff Capital Region fund transforms derelict land into homes, jobs and communities across South East Wales.
 - £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
 - Renewable energy scheme to power more households across South East Wales.

For more detail on 2025/26 news and events please see the following link:

[Latest News - Cardiff Capital Region](#)

- 2.42 Following the approval of the SEW Corporate Joint Committee 2026/27 Business Plan on 26th January 2026, 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.
- 2.43 The Vale of Glamorgan's contribution to date has been £3.264m, with our next expected contribution of £438k in 2026/27.
- 2.44 Further detail can be found at [Cardiff Capital Region City Deal](#)

External Influences – Welsh and UK Government

- 2.45 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

- 2.46 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.
- 2.47 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 1st 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.
- 2.48 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

- 2.49 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. An updated protocol will be considered once the ongoing Assets of Community Value Commission has been concluded and the Welsh Government has considered its recommendations.
- 2.50 Further details can be found at [Community Asset Transfer Guidance 2019-23](#).

External Influences – Consultation

- 2.51 The Council ran its second Let's Talk about Life in the Vale survey in the Autumn of 2025. The results of this exercise are currently being analysed Data Cymru.
- 2.52 This survey built on the work undertaken in 2023 when the Council undertook the first Let's Talk about Life in the Vale Survey. The surveys are different to other Vale wide surveys that the Council had run in the past as they don't simply ask how satisfied people are with Council services. Instead, there is a genuine attempt to understand what life is like for people living in the Vale of Glamorgan and how public services affect this.

- 2.53 This approach has been developed to enable (wherever possible, within funding constraints) services to be developed in a way that means they will improve people's quality of life, and wherever possible address the issues that matter to those who live in the Vale of Glamorgan.
- 2.54 The survey will provide a wealth of data. Initial results fed into deliberations on setting the budget for 2026/27 and Council's medium term financial strategy.
- 2.55 It has also been assumed that on key points the results of the first Let's Talk survey are still likely to be valid. In 2023 residents were asked about their priorities and to rank their importance. The top priority for 42% of the population was 'Easily accessible care and health care services when I or my family need them' and 78.1% ranked this in their top three priorities. Second at 26.6% was 'buy or rent a good quality home' and 47.6% ranked this in their top three. These are areas that the Council is focusing resources on through its Capital Programme.
- 2.56 Further to this 68% of respondents stated they were either very or fairly concerned with the climate emergency and 65% were either very or fairly concerned with the nature emergency. 73% of respondents were also very or fairly concerned about services and support for older people and 61% about services and support for young people. All of these are areas of priority for the Council as reflected in the Council's Capital Programme and Vale 2030, the Council's Corporate Plan.
- 2.57 It is anticipated that the latest Let's Talk results will be available in full to inform interim adjustments to the Capital Programme and any future Capital Investment Strategies.

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 20th January 2026, the Welsh Government (WG) announced the provisional 2026/27 General Capital Funding (GCF) settlement which was £7.739m, being made up of £4.370m grant and £3.369m of supported borrowing. This is a £133k increase than the general capital funding of £7.606m that was allocated for 2025/26.
- 3.4 No further information has been made available from Welsh Government at this time; therefore it has been assumed that from 2026/27 onwards, the level of capital funding will be flatlined at £7.739m and will then remain constant for the remainder of the period of this programme.

Compensation Award – Welsh Government

- 3.5 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 2025/26 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.

Specific Grants – Welsh Government

- 3.6 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.
- 3.7 It is estimated that over the next five years the Council will receive grant funding from Welsh Government, UK Government, Heritage Lottery 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

- 3.8 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, Structures, Older Person’s Accommodation, decarbonisation scheme 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	2026/27	2027/28	2028/29	2029/30	2030/31	Total
	£000	£000	£000	£000	£000	£000
General Fund						
Education	3,278	5,115	673	0	0	9,066
Specialist Accommodation for Older People (including nursing care)	0	0	261	1,284	321	1,866
City Deal	438	640	3,313	2,515	0	6,906
Levelling Up Fund	535	516	0	0	0	1,051
Structures	0	72	386	1,000	1,000	2,458
Local Government Borrowing Initiative	1,810	0	0	0	0	1,810
Highways Resurfacing						
Fleet Parking	1,880	0	0	0	0	1,880
Civic offices - energy efficiency and low carbon heat	0	0	161	0	0	161
Total General Fund	7,941	6,343	4,794	4,799	1,321	25,198
Housing Revenue Account	28,564	58,057	67,477	36,797	28,160	219,055
Total New Borrowing	36,505	64,400	72,271	41,596	29,481	244,253

3.9 Further information on prudential borrowing can be found within the Treasury Management Strategy which is on the same agenda as this Strategy.

Contributions from Revenue and Reserves

3.10 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.

3.11 A number of reserves are used to fund the Capital Programme, it is anticipated that over the next five years (2026/27 to 2030/31) reserves of circa £14.138m (excluding HRA reserves) will be used to fund capital expenditure.

Capital Receipts

- 3.12 Capital expenditure is also financed through receipts resulting from the sale of Council assets.
- 3.13 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 2025 the Council did not hold a balance of HRA receipts. The reason for this is to reduce the level of borrowing within the HRA.
- 3.14 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 31st March 2025 the balance of vehicle capital receipts was zero.
- 3.15 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.
- 3.16 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. 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 is using a similar approach to capital bids as last financial year, however as well as prioritising health and safety and legislative bids, preventative bids will also be prioritised. Prevention is defined as an action to reduce the likelihood and severity of demand for reactive services and build community resilience. There are three categories of prevention:

- Primary – Prevention that seeks to build resilience and reduce exposure to know risks,
- Secondary – Prevention that targets actions towards areas where there is high risk or signs of early problems,
- Tertiary – Prevention that provides intervention once there is a problem, or if there are on-going problems which seeks to prevent further problems occurring.

4.3 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 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.

4.4 The long list of Capital bids were reviewed and prioritised by the Strategic Insight Board during October and presented to Cabinet in a report on the 4th December 2025. The bids were shortlisted from discussions held at Insight Board and the shortlisted bids were 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. For shortlisted bids, officers were asked to complete full capital bid forms which were taken to Strategic Insight Board early November. A risk assessment was undertaken for each bid, in line with the Council's Corporate Risk Management Strategy. The bids have been 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 were also assessed for prevention and 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.

4.5 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.

4.6 The recommendations of the Strategic Insight Board have been reviewed by the Leader, Chief Executive and Head of Finance. A draft Capital Programme 2026/27 to 2030/31

inclusive of proposed successful bids was taken to Cabinet in 15th January 2026 and submitted to Joint Scrutiny Committee for consultation. Scrutiny Committee were 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 are 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 in drawing up the final proposals. Joint Scrutiny Committee have considered the Initial Capital Budget Proposals. The responses of Joint Scrutiny Committee is referred to Cabinet in February 2026.

- 4.7 Consultation regarding budget issues is also undertaken with the Vale's residents and other partners e.g., Town and Community Councils.
- 4.8 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 2026
- 4.9 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 Treasury Management Strategy will be updated to reflect the budget proposals and reported to Audit Committee, Cabinet and Council before the 11th March 2026 statutory deadline.
- 5.3 CIPFA published revised codes of Practice on 20th 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 £29.384m as of 31st March 2025, with external borrowing at that point in time being £169.851m.

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 considered 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 2025/26 the Council has borrowed externally from the Public Works Loan Board (PWLB). Due to current high borrowing costs all borrowing has been kept up to 12 years, in a hope that interest rates will fall during this period and to reduce the Council's exposure to interest rates fluctuations. The PWLB is the UK's largest lender to Local Authorities.

5.10 The Bank of England cut interest rates to 3.75% in December 2025 and the rate is expected to fall over the short term.

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 2026/27 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 £20m 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 2025 totalled £17.19m.

IFRS 16 Leasing

5.15 The CIPFA LAASAC Local Authority Accounting Code Board set the 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.

5.16 The revised accounting code has required significant changes to how the Authority accounts for contracts that convey the right of use of an asset for a period. Whereas previously the Authority accounted for all its lessee lease arrangements through revenue income and expenditure, under the new arrangement the Authority is required to calculate a right of use asset and a corresponding liability which will be included on its balance sheet. The liability increases the Authority's CFR and the Authority charges MRP which is in practice be equivalent to the principal of the lease. Despite the extensive accounting requirements and disclosures, this change of accounting policy does not impact the bottom line of the accounts. It does however have an impact on the Prudential indicators and MRP estimates. Projected figures to include borrowing for capital bids have been included in Appendix 1c.

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 CO₂ 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 In addition, the Council's Carbon Management Plan, 2024-2030, breaks down our emissions by area, explains the steps that we have already taken to decarbonise, and sets out a series of actions that will continue our journey towards net zero. The areas of focus align with the Welsh Government's Net Zero Carbon reporting and include decarbonising our buildings, street lighting, fleet and mobile equipment, business travel, waste and supply chain.
- 6.3 The Council is carrying out the following measures to take steps towards decarbonisation:
- 6.4 The Council continues to make strong progress in improving the energy efficiency of its housing stock in line with Welsh Government decarbonisation requirements. During the year, work has advanced on implementing the revised Welsh Housing Quality Standard (WHQS) 2023, which underpins the climate commitments set out within the Net Zero Wales strategic plan. In accordance with the revised standard, the Council is progressing its whole-stock assessment and the development of Target Energy Pathways, to be completed by 31 March 2027. Work also continues towards ensuring that all Council homes achieve a minimum SAP rating of 75 (EPC C) by 31 March 2030. Details of the associated investment programme are set out within the Housing Business Plan, as reported to Cabinet on 8th January 2026.
- 6.5 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 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 has 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.](#)
- 6.6 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.
- 6.7 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, the Council's Carbon Management Plan, 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. £1.256m has been included in the 2025/26 Capital Programme, £535k for 2026/27, £325k for 2027/28, £535k for 2028/29, £50k for 2029/30 and 2030/31. Schemes have been discussed by the Project Zero Board. Some of the schemes being delivered in 2025/26 are highlighted below:

- Penarth Learning Community LED Lighting (sport pitches).
- iQ3 to iQ4 system conversion.
- Oakfield Gas Boilers to air source heat pumps.
- Ty Jenner Air Source Heat Pump.

- 6.8 Schemes identified to be delivered in the future year's Capital Programme include the installation of air source heat pumps at Ysgol Y Ddraig, Civic Offices – Energy efficiency and Low carbon heat and LED lighting at Rural Schools.
- 6.9 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. One scheme at Murchfield Village Hall has seen the roof renewal works incorporating PV panels on the new roof.
- 6.10 [Restore the Thaw Landscape Project](#) is now in its third year of delivery. This is 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, Shared Prosperity Fund and Nature Networks, it is a fund delivered through the National Lottery Heritage Fund.
- 6.11 A cyclical program of tree maintenance has been 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 works 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. The Tree Strategy has been ratified and adopted by the Cabinet in November 2024 and is now operational, including a commitment to plant a minimum of 1,500 trees annually and to work towards a net increase in canopy cover in urban areas on Council owned land by 7.5% by 2039.
- 6.12 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 towards the difference between diesel and electric. Although the difference in cost between petrol/diesel vehicles and electric vehicles is reducing for smaller vehicles, for larger vehicles the cost is still much higher. The current replacement budget has been set up to fund 'like for like' replacements, to purchase electric vehicles additional financial contributions is required.
- 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.

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 More detail on Decarbonisation Schemes funded through the Council 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 Non- Treasury Investment Strategy was requested and approved to be removed from the Capital Programme in the Q2 Monitoring report at Cabinet on 20th November 2025. The programme was initially to set out an investment fund over four years focused on developing property and infrastructure. Since there have been no schemes brought forward since the request for match funding under the Levelling Up Fund, it was requested to remove this scheme from the capital programme. If schemes are put forward in the future, officers will be requested to submit relevant business cases which will be assessed on a scheme-by-scheme basis.

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's Procurement Policy and Strategy 2022/23 to 2026/27](#) has been revised in September 2025. 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 quarterly basis to advise members of progress on each approved scheme. The reports also identify any changes to the programme to reflect additions, variations 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 October 2025 the Council appointed Arlingclose as its Treasury Management advisor for three years to the 30th September 2028.
- 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 16 years), Finance Support Manager (CIPFA over 10 years), Capital Accountant (ACCA 5 years) and Two Senior Accountancy Technician, one AAT qualified with over 30 years and one part qualified ACCA with over 28 years in Accountancy.
- 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, Arlingclose 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. Arlingclose and CIPFA also provide regular online training seminars to ensure that changes to the Codes of Practice are implemented and adhered to and will deliver the Treasury Management training for Members in February 2026.
- 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 Business ESG Strategy confirms that Lloyds Bank Business is committed to embedding an ESG strategy within its business operations. The bank's strategy confirms "as the UK's largest financial services provider, they have an important

role to lay in creating a more sustainable and inclusive future for people and businesses, by shaping finance as a force for good.” [Their sustainability report](#) covers the Group’s sustainability progress from a broader environmental, social and governance perspective.

- 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 effect that the uncertainty created by current economic climate instability and conflicts ongoing globally are 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 minimises its investments 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 Arlingclose 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:

Creating great places to live, work and visit
• Cardiff Capital Region City Deal
• Plan for Neighbourhood
• Maintenance of WHQS in Council houses
• Building Stronger Communities
• UK Government Local Growth Fund
Respecting and celebrating the environment
• Supporting decarbonisation as part of the Sustainable Communities for Learning Programme.
• Investing in PV panels on Council buildings.
• Investment in Electric vehicles and charging points
• Investing in the introduction of LED street lighting
• Carbon Management reduction
• Revised Waste collection service and new Transfer Station
Giving everyone a good start in life/great start

<ul style="list-style-type: none"> • Sustainable Communities for Learning Programme
<ul style="list-style-type: none"> • Early Years and Childcare programme
<ul style="list-style-type: none"> • Investment in Leisure Centres and playgrounds
Supporting and protecting those who need us
<ul style="list-style-type: none"> • Disabled Facilities Grants and Discretionary Adaptions Grant
<ul style="list-style-type: none"> • Social Servies Invest to Save
<ul style="list-style-type: none"> • Tackling Food Poverty
<ul style="list-style-type: none"> • County of Sanctuary through Housing Improvement Programme
Being the best Council we can be
<ul style="list-style-type: none"> • Implementation of ICT and Digital Strategy
<ul style="list-style-type: none"> • Ensuring properties are fit for purpose for delivering services
<ul style="list-style-type: none"> • Requirements of external factors such as legislation changes

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 £30m to £35m is required over the next 5 years to Schools in order to finance improvement work. In the near future, subject to funding, a programme of condition surveys are planned to be carried out on the Council's other buildings (excluding HRA). An initial 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 to require capital investment of between £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 new Corporate Plan – Vale 2030, covers the period 2025 to 2029 and was launched on 1st April 2025.
- 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.

CAPITAL STRATEGY ACTION POINTS
Setting the Capital Programme
<ul style="list-style-type: none"> • Only capital bids that are deemed to meet the criteria of highest corporate priority and/or risk or are of a preventative nature should be progressed. • Robust project appraisal and understanding of full life costs and risk are required for large capital investment.
Review Process
<ul style="list-style-type: none"> • Maintain comprehensive and robust procedures for managing and monitoring the Capital Programme. • Continue to review the Corporate and Service Asset Management Plans. • Update Condition Survey data to ensure the Council is fully aware of future commitments. • The Council will strive to reduce carbon emissions and improve energy efficiency and positively encourage waste reduction initiatives. • 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.

<ul style="list-style-type: none"> • Ensure staff involved in the capital and Treasury Management process and the delivery of capital projects have the relevant experience and training.
<ul style="list-style-type: none"> • Ensure members involved in the capital and Treasury Management process receive relevant training.
<p>Maximising Capital Funding</p>
<ul style="list-style-type: none"> • Maximising grant-funding opportunities for capital schemes, where such schemes are compatible with Council objectives.
<ul style="list-style-type: none"> • 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.
<ul style="list-style-type: none"> • 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.
<ul style="list-style-type: none"> • Use of reserves where appropriate to finance capital investment.
<ul style="list-style-type: none"> • Develop partnerships with the public and private sectors as a means of unlocking additional resources.
<ul style="list-style-type: none"> • Provide support for invest to save initiatives where it is appropriate.

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 Draft Capital Strategy has been produced for 2026/27 and will be updated on a biannual basis. The final Strategy will also need to be submitted to full Council for approval in March 2026.
- 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

- 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

- 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

- 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

- 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

- 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.
- The Council will ensure that all large Council Capital Projects are BREEAM (the design and assessment method for sustainable buildings) excellent rated.

Prevention

- Preventative bids will also be prioritised. Evidence will be required to support the strategy for prevention. Prevention is defined as an action to reduce the likelihood and severity of demand for reactive services and build community resilience. There are three categories of prevention:
 - Primary – Prevention that seeks to build resilience and reduce exposure to know risks,
 - Secondary – Prevention that targets actions towards areas where there is high risk or signs of early problems,
 - Tertiary – Prevention that provides intervention once there is a problem, or if there are on-going problems which seeks to prevent further problems occurring.

Prudential Indicators

Capital Expenditure

1. A five year capital programme has been proposed covering 2026/27 to 2030/31 as shown in the following table.

Table 1 – Five Year Capital Programme

Capital Expenditure	2026/27	2027/28	2028/29	2029/30	2030/31
	£M	£M	£M	£M	£M
Learning & Skills	33,989	18,658	11,871	2,915	2,000
Social Services	2,254	1,730	2,865	2,850	2,850
Place	24,576	546	0	0	0
Environment	18,532	6,235	4,785	5,310	5,310
HRA	45,336	73,920	79,220	45,351	37,421
Resources	709	423	653	148	100
City Deal	438	640	3,313	2,515	0
Pipeline Schemes	13,092	14,050	2,292	0	0
Total	138,926	116,202	104,999	59,089	47,681

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	2026/27	2027/28	2028/29	2029/30	2030/31
	£M	£M	£M	£M	£M
Non HRA CFR	128.733	134.020	137.681	141.117	140.888
HRA CFR	115.833	171.326	235.073	266.792	289.137
Non HRA OLTL CFR	2.393	1.767	1.474	1.242	1.200
Total CFR	246.959	307.113	374.228	409.151	431.225

- 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	2026/27	2027/278	2028/29	2029/30	2030/31
	£M	£M	£M	£M	£M
CFR	246.959	307.113	374.228	409.151	431.225
Gross Borrowing	232.710	298.561	366.394	405.678	427.058
Other long term liabilities	2.393	1.767	1.474	1.242	1.200
Under/ (Over) Borrowing	11.856	6.785	6.360	2.231	2.967

- 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

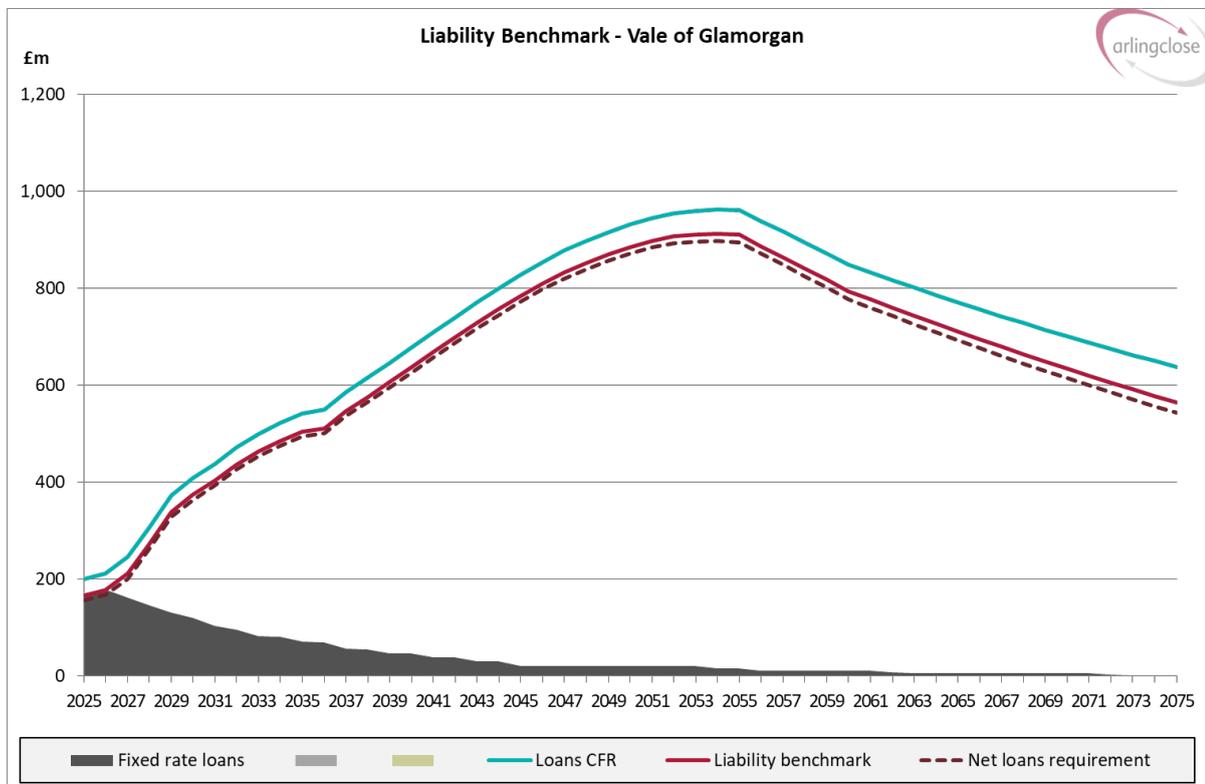
- The Council will set an affordable borrowing limit each year in compliance with the Local Government Act 2003 and will have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities when setting that limit. It will also set limits on its exposure to changes in interest rates and 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.
- 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

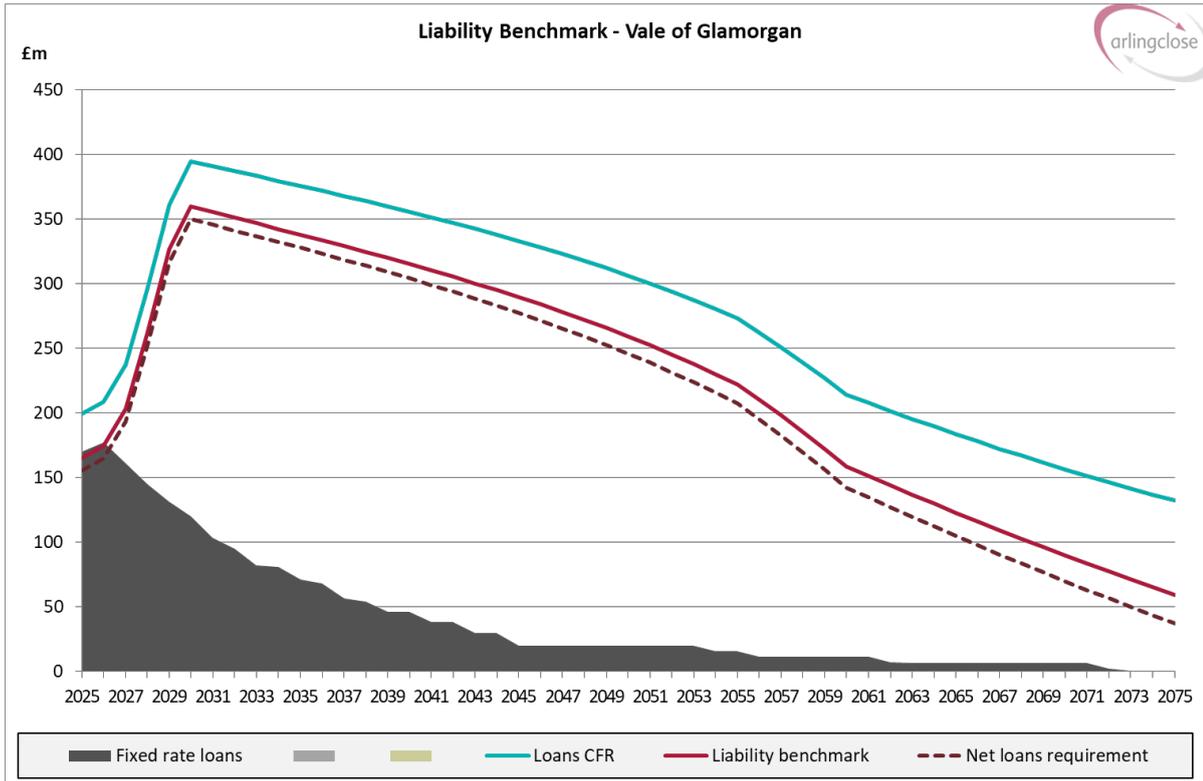
Operational Boundary	2026/27	2027/28	2028/29	2029/30	2030/31
	£M	£M	£M	£M	£M
Borrowing	273.808	335.560	399.524	433.250	461.888
Other long term liabilities	4.393	3.767	3.474	3.242	3.200
Total	278.201	339.327	402.998	436.492	465.088

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. Graph A – Liability Benchmark graph including 30 year Housing Business Plan



10. Over the 30 year period the chart shows that external borrowing falls below the liability benchmark. For as long as usable reserve balances are available the Council will maintain this under borrowed position.
11. This means that the capital borrowing need of the Council will not be being fully financed 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 up to and above the LB (as not all reserve balances can be used to finance capital expenditure) in order to finance the capital programme, it has committed to throughout the 30 year period.
12. The Council's current investments balances are detailed later in this report. These investments are expected to reduce further as reserves are utilised.
13. The Council have forecast that in the worst-case scenario a buffer of £20M will be required to manage the day-to-day cash flow and therefore this amount is included 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.
14. Graph B below shows the approved five-year capital program, with the subsequent 25 year HRA business plan removed.



15. 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

Authorised Limit	2026/27 £M	2027/28 £M	2028/29 £M	2029/30 £M	2030/31 £M
Borrowing	298.472	360.857	425.486	459.910	489.281
Other long term liabilities	10.000	10.000	10.000	10.000	10.000
Total	308.472	370.857	435.486	469.910	499.281

Minimum Revenue Provision (MRP)

16. 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.
17. The MRP policy is set out below:
18. 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 when calculating MRP. MRP on outstanding supported borrowing incurred up to 31 March 2025 using a straight-line calculation over 50 years. The Council will apply the Asset Life Method to calculate MRP on supported borrowing incurred on or after 1 April 2025 using a straight-line calculation over an appropriate number of years (using the average asset life as at February in the current financial year), dependent on the period of time that the capital expenditure is likely to generate benefits which is equivalent to the asset's life.
19. 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 (maximum 50 years) of the relevant asset in equal instalments, starting in the year after the asset becomes operational.
20. 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.
21. 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.
22. For the Pipeline schemes it has been assumed that MRP will not be charged until the schemes have completed.
23. Further detail is contained in the Council's Treasury Management and Investment Strategy for 2026/27.

Schemes	2026/27		2027/28		2028/29		2029/30		2030/31	
	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Learning and Skills	6,403	33,989	3,293	18,658	3,043	11,871	2,915	2,915	2,000	2,000
Social Services	2,254	2,254	1,730	1,730	2,865	2,865	2,850	2,850	2,850	2,850
Environment	16,645	18,532	6,235	6,235	4,785	4,785	5,310	5,310	5,310	5,310
HRA	35,221	45,336	66,350	73,920	71,650	79,220	37,781	45,351	29,851	37,421
Place	1,562	24,576	523	546	0	0	0	0	0	0
Resources	709	709	423	423	653	653	148	148	100	100
City Deal	438	438	640	640	3,313	3,313	2,515	2,515	0	0
Pipeline Schemes	757	13,092	4,957	14,050	324	2,292	0	0	0	0
TOTAL CAPITAL PROGRAMME	63,989	138,926	84,151	116,202	86,633	104,999	51,519	59,089	40,111	47,681

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

	Net £000	Gross £000		General £000	SS £000	Ed £000
Resources from Welsh Government			Balance as at 31st March 2025	6,986	1,327	0
Supported Borrowing - General Fund	3,369	3,369				
General Capital Grant	4,370	4,370	Anticipated Required in 2025/26	-1,547	-1286	-156
			Anticipated Receipt in 2025/26	500	0	156
Total Resources from Welsh Government	7,739	7,739	Balance as at 31st March 2026	5,939	41	0
			Anticipated Required in 2026/27	-4,225	-41	0
			Anticipated Receipt in 2026/27	500	0	0
Other Available Resources			Balance as at 31st March 2027	2,214	0	0
General Fund Revenue/Reserves	8,822	8,822				
Housing Reserves/Revenue	6,657	6,657	Anticipated Required in 2027/28	-1,749	0	0
Housing Capital Receipts	0	0	Anticipated Receipt in 2027/28	1,136	0	0
Education Capital Receipts	0	422	Balance as at 31st March 2028	1,601	0	0
Social Services Capital Receipts	41	0				
General Fund Capital Receipts	4,225	3,844	Anticipated Required in 2028/29	-1,250	0	-1,000
S106	0	5,680	Anticipated Receipt in 2028/29	1,000	0	1,000
Other External Grants	0	66,487	Balance as at 31st March 2029	1,351	0	0
Major Repairs Allowance	0	2,770				
Unsupported (Prudential) Borrowing	36,067	36,067	Anticipated Required in 2029/30	0	0	0
			Anticipated Receipt in 2029/30	0	0	0
City Deal Borrowing	438	438	Balance as at 31st March 2030	1,351	0	0
TOTAL RESOURCES	63,989	138,926				
			Anticipated Required in 2030/31	0	0	0
			Anticipated Receipt in 2030/31	0	0	0
			Balance as at 31st March 2031	1,351	0	0

Schemes	2026/27		2027/28		2028/29		2029/30		2030/31	
	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Learning and Skills										
Education and Schools										
Schools Investment Programme										
Sustainable Communities for Learning Programme										
Ysgol Y Deri	482	1,002	0	0	0	0	0	0	0	0
St Richard Gwyn Redevelopment	3,222	27,942	1,083	16,398	1,043	9,871	915	915	0	0
Ysgol Y Deri Temporary Accommodation	320	320	210	210	0	0	0	0	0	0
Early Years and Childcare - Pen Y Garth	0	825	0	50	0	0	0	0	0	0
Asset Renewal										
Schools Asset Renewal/Other	0	0	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Education Asset Renewal - contingency	150	150	50	50	50	50	50	50	50	50
Colcot Primary Flat Roof Renewal Works - Phase 4	125	125	0	0	0	0	0	0	0	0
Ysgol Bro Morgannwg - Replacement of Sports Hall Flooring	125	125	0	0	0	0	0	0	0	0
Ysgol Sant Curig Nursery Boiler Replacement	65	65	0	0	0	0	0	0	0	0
Saint Helens Junior Flat Roof Renewal and PV	420	420	0	0	0	0	0	0	0	0
Y Bont Faen Fire Alarm Renewal	110	110	0	0	0	0	0	0	0	0
St Illtyd Primary Fire Doors	60	60	0	0	0	0	0	0	0	0
Holton Primary Playground Drainage Remedial Works	35	35	0	0	0	0	0	0	0	0
St Helens Junior Fire Alarm Renewal	90	90	0	0	0	0	0	0	0	0
Jenner Park Primary Boiler replacement	175	175	0	0	0	0	0	0	0	0
Llantwit Comprehensive Boiler Replacement	220	220	0	0	0	0	0	0	0	0
Llanfair Primary Replacement Storage Heaters	40	40	0	0	0	0	0	0	0	0
Victorian Schools General Maintenance Budget	145	145	0	0	0	0	0	0	0	0
School Security and Boundary Fencing	50	50	0	0	0	0	0	0	0	0
Equalities Act compliance	30	30	0	0	0	0	0	0	0	0
Fire Protection / Compliance	60	60	0	0	0	0	0	0	0	0
Colcot Primary Refurbishment of Nursery Toilets	25	25	0	0	0	0	0	0	0	0
Barry Island Primary Refurbishment of Nursery Toilets	75	75	0	0	0	0	0	0	0	0
Slippage										
St Joseph's Primary, Llandough Primary & Y Bont Faen – Repairs & Renewal of External Cladding	35	35	0	0	0	0	0	0	0	0
Cadoxton Primary - WC Refurbishment	50	50	0	0	0	0	0	0	0	0
New ALN Facility - Llantwit Major Comprehensive School	0	1,521	0	0	0	0	0	0	0	0
Victoria Primary Boundary Wall	14	14	0	0	0	0	0	0	0	0
Victorian Schools - Replacement of residual cast iron rainwater goods	30	30	0	0	0	0	0	0	0	0
Victorian Schools – Structural Inspections	250	250	0	0	0	0	0	0	0	0
Total Education and Schools	6,403	33,989	3,293	18,658	3,043	11,871	2,915	2,915	2,000	2,000
Total Learning and Skills	6,403	33,989	3,293	18,658	3,043	11,871	2,915	2,915	2,000	2,000

Schemes	2026/27		2027/28		2028/29		2029/30		2030/31	
	Net	Gross								
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Social Services										
Asset Renewal										
Social Services Asset Renewal	200	200	195	195	100	100	200	200	200	200
2025/26 Capital Bid										
Ty Robin Goch Refurbishment & Renewal Works	55	55	25	25	15	15	0	0	0	0
2026/27 Capital Bid										
Children's Services Emergency Fostering Property	339	339	0	0	0	0	0	0	0	0
Residential Homes Roof and PV Panel Installation	175	175	0	0	0	0	0	0	0	0
Rondel House Roof Repairs	0	0	105	105	100	100	0	0	0	0
Specialist Accommodation for Older People (including nursing care)	0	0	100	100	1,500	1,500	1,500	1,500	1,500	1,500
Discretionary Adaptions Grant - DAG	522	522	522	522	460	460	460	460	460	460
Disabled Facility Grants (DFG)	783	783	783	783	690	690	690	690	690	690
St Michaels Gardens Landscaping works	40	40	0	0	0	0	0	0	0	0
Slippage										
Cartref Residential Home - Boiler Renewal Works	140	140	0	0	0	0	0	0	0	0
Total Social Services	2,254	2,254	1,730	1,730	2,865	2,865	2,850	2,850	2,850	2,850
Neighbourhood Services and Transport										
Vehicle Replacement Programme	3,699	3,723	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Asset Renewal										
Asset Renewal	0	0	600	600	600	600	600	600	600	600
Parks Infrastructure	50	50	0	0	0	0	0	0	0	0
Coastal Infrastructure	50	50	0	0	0	0	0	0	0	0
Traffic Light Renewal	100	100	0	0	0	0	0	0	0	0
Highway Mobile Signals, Flooding and Traffic Management Equipment	25	25	0	0	0	0	0	0	0	0
Leisure Centre Works	50	50	0	0	0	0	0	0	0	0
Public Conveniences	50	50	0	0	0	0	0	0	0	0
Alley Gates	25	25	0	0	0	0	0	0	0	0
Neighbourhood Services Highway Improvements	3,070	3,070	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Footways (LGBI)	200	200	0	0	0	0	0	0	0	0
Structures (LGBI)	250	250	0	0	0	0	0	0	0	0
Flood Risk Management	100	100	100	100	100	100	100	100	100	100
Coast Protection and Land Drainage General	341	341	110	110	110	110	110	110	110	110
Street Lighting LED Lantern Upgrades	250	250	200	200	150	150	150	150	150	150
Slippage										
Dinas Powys Flood Resilience	0	1,213	0	0	0	0	0	0	0	0
Retaining Wall Windsor Road	750	750	700	700	0	0	0	0	0	0

Schemes	2026/27		2027/28		2028/29		2029/30		2030/31	
	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Decarbonisation Scheme	0	0	0	0	50	50	50	50	50	50
Oakfield Gas boilers to air source heat pumps	209	209	0	0	0	0	0	0	0	0
Ysgol y Ddraig Gas boilers to air source heat pumps	41	41	250	250	105	105	0	0	0	0
Capital Bids 2026/27										
Civic offices - energy efficiency and low carbon heat	75	75	75	75	400	400	0	0	0	0
PV at Stanwell School	80	80	0	0	0	0	0	0	0	0
LED lighting - Rural Schools	70	70	0	0	0	0	0	0	0	0
PV at Barry Library & Town Hall	60	60	0	0	0	0	0	0	0	0
ICT Schemes										
Capital Bids 2026/27										
Corporate Wireless Access Point Refresh	80	80	0	0	0	0	0	0	0	0
Total Resources	709	709	423	423	653	653	148	148	100	100
City Deal										
City Deal	438	438	640	640	3,313	3,313	2,515	2,515	0	0
Total City Deal	438	438	640	640	3,313	3,313	2,515	2,515	0	0
Pipeline Schemes										
Extension to Cowbridge Primary Phase 2 (Iolo)	757	12,000	4,957	8,000	324	324	0	0	0	0
Sully Primary School Redevelopment	0	1,092	0	6,050	0	1,968	0	0	0	0
Band B Penarth Cluster - Review Primary Provision to Include Cosmeston	0	0	0	0	0	0	0	0	0	0
Non-Treasury Investment Strategy	0	0	0	0	0	0	0	0	0	0
Total Pipeline Schemes	757	13,092	4,957	14,050	324	2,292	0	0	0	0
Total Value of Capital Programme	63,989	138,926	84,151	116,202	86,633	104,999	51,519	59,089	40,111	47,681