

The Vale of Glamorgan Council

Environment and Regeneration Scrutiny Committee: 6th December 2018

Report of the Director of Environment and Housing

Initial Capital Programme Proposals 2019/20 to 2023/24 and Capital Monitoring 2018/19

Purpose of the Report

1. To provide an update on the progress of the Capital Programme for 2018/19 and to submit for consultation the initial capital proposals for 2019/20.

Recommendations

It is recommended:-

1. Committee note the changes to the 2018/19 Capital Programme.
2. Scrutiny Committee consider the 2019/20 initial capital budget proposals and forward its recommendations to Corporate Performance and Resources Scrutiny Committee as the lead Scrutiny Committee.

Reasons for the Recommendations

1. To ensure that Members are aware of the position with regards the 2018/19 Capital Programme, relevant to this Scrutiny Committee.
2. In order that Cabinet be informed of the comments of Scrutiny Committees before making a final proposal on the 2019/20 Capital Programme.

Relevant Issues and Options

2018/19 Capital Programme

2. Appendix 1 details financial progress on the Capital Programme as at 30th September 2018.

3. Any changes detailed below that relate to 2019/20 onwards have been reflected in Appendix 2.
4. Ogmore by Sea Sustainable Transport - A delegated authority has been approved to increase the scheme by £70k in the 2018/19 Capital Programme to be funded from s106 monies. It has also been requested that the scheme is renamed 'Ogmore by Sea/St Brides Major Sustainable Transport'. The scheme will improve pedestrian crossing with uncontrolled drop crossings along with improvements to the footway and kerbs. The scheme also seeks to introduce a new parking area for residents, to formalise the existing bus layby and restrict parking times to accommodate safe dropping zones near St Brides Major School.
5. Street Lighting Energy Reduction Strategy - This scheme will be undertaken over a 2 year period. It is anticipated that the design will be undertaken this year. It has therefore been requested that £287k is carried forward into 2019/20. This scheme will receive Salix funding.
6. Llanmaes Flood Management Scheme - Due to outstanding land ownership issues which need to be resolved prior to the main scheme progressing, it has been requested that £350k is carried forward into 2019/20.
7. Improve Pedestrian Movements Along Treharne Road - Phase 1 was completed in 2017/18 and as the works for Phase 2 have not yet been determined it has been requested that £140k is carried forward from the 2018/19 Capital Programme into 2019/20.
8. Dinas Powys Sustainable Transport Footpath - A delegated authority has been approved to include a new £32k scheme in the 2018/19 Capital Programme to be funded by S106 monies. The scheme seeks to improve pedestrian movements to the village centre along Pen Y Turnpike Road.
9. Rhoose Sustainable Transport - In order for Phase 1 to be delivered and feasibility to be undertaken in 2018/19, it has been requested that £40k be brought forward from the 2019/20 Capital Programme into 2018/19.
10. Wick Sustainable Transport - Funding has been made available from S106 monies to carry out a sustainable transport scheme in Wick. £12k will be spent in 2018/19 on preparatory work and £188k is available for the scheme in 2019/20.
11. Cardiff/Vale of Glamorgan Coastal Sustainable Transport Corridors - A Board has been established to agree the process to be followed. Previous transport reports have been reported to Cabinet. WelTAG Stage 1 and 2 has been tendered and bids have been returned. Consultants are to be appointed and begin work on WelTAG Stage 1 and 2 studies. It has therefore been requested that £430k is carried forward into the 2019/20 Capital Programme.
12. Bigliss Roundabout to Dinas Powys Active Travel Route - Work is being undertaken to gather evidence and review previous reports in order to progress land ownership issues and detailed scheme design. Work is ongoing to prepare outline design of the Active Travel route. It has been requested that £114k is carried forward into the 2019/20 Capital Programme.
13. Coldbrook Flood Risk Management - Variation orders are required to increase Welsh Government funding for the construction phase of the scheme. Emergency powers has been approved to increase the 2018/19 Capital Programme by £176k, the budget now totals £271.5k in 2018/19.

14. Community POD Penarth - Approval has been requested to include a new scheme into the 2018/19 Capital Programme for £15k funded by S106 monies. The scheme will seek to purchase a Community POD which can be used for training courses and other community activities.
15. Skills Centre Car Park - This scheme is on hold until the Skills Centre property conversion is complete. The contract for the conversion is currently on Sell2Wales. It has therefore been requested that the budget for the car park of £100k and the property conversion of £65k be combined to provide a total budget of £165k in the 2018/19 Capital Programme and that the scheme is also renamed 'Skills Training Centre Property Conversion and Car Park'.
16. Five Mile Lane - The original profiling of expenditure for the A4226 Five Mile Lane Road scheme was based upon cost estimates produced for the scheme in 2015. The scheme has since moved on with regard to land valuations and the main works being tendered. It has been requested that the Capital Programme is re-profiled to reflect the latest cashflows and that £7.945m is carried forward into the 2019/20 Capital Programme.

2019/20 to 2023/24 Capital Programme

17. The Welsh Government (WG) announced the provisional 2019/20 General Capital Funding, on 9th October 2018. The 2019/20 Capital Settlement is a flat lined capital settlement which for the Vale of Glamorgan Council equates to General Capital Funding of £5.489m which is made up of £2.077m General Capital Grant and £3.412m Supported Borrowing. The General Capital Funding for 2018/19 was £5.505m therefore there is a reduction of £16k between years.
18. There is no indication as to the level of funding likely beyond 2019/20 and therefore in line with the approach adopted in the Medium Term Financial Plan, the proposals assume a reduction of 5% for each year of the programme after 2019/20.
19. Appendix 2 sets out the Initial Proposals for the Capital Programme between 2019/20 and 2023/24 for this Committee.
20. The Council will seek to mitigate the projected deteriorating funding situation by looking to progress only those schemes which are deemed to be a key Corporate Priority and make a clear impact to the Wellbeing and Future Generation priorities. The Council will seek assurances that schemes included in the Capital Programme can be delivered on time and within budget.
21. In addition to external funding, the Council will finance part of the Capital Programme from its own resources, e.g. capital receipts and reserves.
22. The table below details the General Capital Funding and internal resources required to fund the proposed schemes for the Council as a whole.

Analysis of Net Funding Required for the Indicative 2019/20 Capital Programme

GENERAL FUND	£'000	£'000
Welsh Government Resources		
Supported Borrowing	3,412	
General Capital Grant	2,077	
Total Welsh Government Resources		5,489
Council Resources		
General Capital Receipts	1,864	
Reserves/Revenue	8,251	
City Deal Unsupported Borrowing	436	
Total Council Resources		10,551
HOUSING REVENUE ACCOUNT		
Housing Reserves/Revenue	5,262	
Housing Unsupported Borrowing	9,316	
Total HRA Resources		14,578
Total Net Capital Resources		30,618

Capital Bids 2019/20 to 2023/24

23. New capital bids were invited for return by 28th September 2018 and the number of bids received was in line with previous years since the 5 year Capital Programme was introduced (1 from Learning and Skills, 11 from Environment and Housing and 7 from Managing Director and Resources). Departments were requested to rank and assess their own bids in order of importance before submission and bids from each Department were forwarded to the Insight Board for evaluation.
24. A number of criteria are used to assess the Capital Bids. The first criterion used is to classify the nature of the bids.
25. Where bids are rated an A or B on the criteria listed below there would clearly be a legal obligation to ensure that works are progressed in a timely manner within the confines of the funding available. Schemes that represent an invest to save opportunity or support the achievement of corporate priorities should also be prioritised the criteria used is set out below:-

Priority Level	Criteria
A	Health and Safety legislation
B	Other Legislation/Statutory Requirement
Ci	Economic Sense/Invest to Save

- Cii Corporate Plan
- Ciii Sufficiency
- D Condition/Suitability
- E Welsh Government Requirements
- F Low Priority

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

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

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

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

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

- Long Term
- Integration
- Collaboration

- Prevention
- Involvement

29. Each scheme is awarded one point for every one of the outcomes that it meets to a maximum of 5.
30. In previous years, only those schemes assessed as corporate priority 1 or higher and medium risk or higher were included in the Capital Programme. In addition, successful bids had also contributed to at least three Wellbeing and Future Generations outcomes and should have had a scheme priority factor of either A/B/Ci/Cii/Ciii. Usually bids that did not meet these criteria were excluded from consideration.
31. The value of capital bids received for the Council as a whole totalled £5.096m in 2019/20 and £19.116m over the 5 year period. While the evaluation process has been carried out this year for all capital bids in the normal manner, the difference between the GCF previously projected for 2019/20, when the 5 year programme was set for 2018/19, compared to the actual GCF for 2019/20 is an increase of £259k. Any increase in the 5 year programme over and above £259k will require further use of reserves or capital receipts. It is therefore proposed that at this point, due to the low level of funding available, that the £259k is not allocated to a particular scheme but is held on the All Services Asset Renewal budget line. It will be allocated by the Budget Working Group as part of the final budget setting process once the final settlement figures are received and the full impact on reserves and capital receipts can be assessed. A list of all the capital bids received for this Committee is shown in Appendix 3.
32. An allocation for Asset Renewal has currently been included in Appendix 2 over the 5 year period of the programme. Unlike previous years, Asset Renewal budgets for each directorate will be reviewed and schemes will be identified prior to the approval of the Final Capital proposals for 2019/20 to ensure that funding is allocated to priority schemes.
33. There is the potential requirement to purchase car parking meters as part of the Parking Strategy. Further details will be available for the Final Capital proposals 2019/20.
34. There have been a number of changes approved by Cabinet since the final budget proposals 2018/19 to 2022/23 were approved in February 2018. These changes including capital sums carried forward have been included in Appendix 2.

Next Steps

35. The next stage is for the estimates to be submitted to Scrutiny Committees for consultation. Each Scrutiny Committee will be asked to first consider the Initial Capital Programme proposals as shown in Appendix 2 and to make any recommendations for changes. If changes are requested, the reasons for these changes need to be recorded in order to assist the Cabinet and the Budget Working Group (BWG) in drawing up the final proposals. Corporate Performance and Resources Scrutiny Committee is the lead Scrutiny Committee and will consider both the Initial Capital Budget Proposals and any recommendations that other Scrutiny

Committees have made. The responses of Scrutiny Committees must be made no later than the 13th December 2018.

36. Managers will be asked to revisit the schemes included in Appendix 2 and to confirm final costs and spend profile prior to the final proposals being presented to Cabinet.
37. Currently, the approved timetable requires Cabinet to approve the final budget proposals by no later than the 18th February 2019 and that Cabinet's final Capital Programme proposals will be considered by Council at a meeting to be held on 27th February 2019 to enable the Council Tax to be set by 11th March 2019.

Resource Implications (Financial and Employment)

38. The total net capital expenditure of the proposed programme for the Council as a whole over the 5 years totals £131.422m. The effect on General Fund useable capital receipts will be as shown in the following table.

Capital Receipts	General
	£'000
Anticipated Balance as at 1st April 2019	4,516
Anticipated Requirements – 2019/20	-1,864
Anticipated Receipts – 2019/20	338
Balance as at 31st March 2020	2,990
Anticipated Requirements – 2020/21	-1,550
Anticipated Receipts – 2020/21	1,659
Balance as at 31st March 2021	3,099
Anticipated Requirements – 2021/22	-131
Anticipated Receipts – 2021/22	144
Balance as at 31st March 2022	3,112
Anticipated Requirements – 2022/23	0
Anticipated Receipts – 2022/23	0
Balance as at 31st March 2023	3,112
Anticipated Requirements – 2023/24	0
Anticipated Receipts – 2023/24	0
Balance as at 31st March 2024	3,112

39. In line with the overall strategy and specific suggestions proposed by the Budget Working Group, in order to resource the Capital Programme, reserves will be utilised over the period of the Capital Programme 2019/20 to 2023/24.

Sustainability and Climate Change Implications

40. The bids have also been evaluated for Sustainable Development. The four areas of Sustainable Development to be considered are:

- Living within environmental limits
- Ensuring a strong, healthy and just society
- Achieving a sustainable economy
- Promoting good governance

41. Sustainability checklists were submitted by Project Managers for each of the proposed bids included in Appendix 2. These were reviewed by the Insight Board, with a view to ensuring that wherever possible the four sustainable targets are addressed.

Legal Implications (to Include Human Rights Implications)

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

Crime and Disorder Implications

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

Equal Opportunities Implications (to include Welsh Language issues)

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

Corporate/Service Objectives

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

Policy Framework and Budget

46. This report follows the procedure laid down in the constitution for the making of the budget. The 2019/20 budget proposals will require the approval of Council. The proposals for amendments to the 2018/19 Capital Programme are the responsibility of Cabinet.

Consultation (including Ward Member Consultation)

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

Relevant Scrutiny Committee

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

Background Papers

Bids received from departments

Correspondence received from the Welsh Government

Contact Officer

Capital Accountant,
Resources

Officers Consulted

The following Officers have been consulted on the contents of this report:-

Corporate Management Team

Responsible Officer:

Miles Punter
Director of Environment and Housing

PROFILE TO DATE	ACTUAL SPEND 2018/19		APPROVED PROGRAMME 2018/19	PROJECTED OUTTURN 2018/19	VARIANCE AT OUTTURN 2018/19	PROJECT SPONSOR	COMMENTS
£000	£000		£000	£000	£000		
		Neighbourhood and Transport Services					
116	116	Asset Renewal	185	185	0	E Reed	St Athan crossing works now complete
127	362	Highway Improvements	1,406	1,406	0	E Reed	The 3 year plan for resurfacing has been approved by Cabinet and works are commencing.
500	0	WG Highway Refurbishment Fund	1,136	1,136	0	E Reed	Capital grant funding for Local Authority roads refurbishment. Grant received in 2017/18 however funding displaced to spend in 2018/19.
20	0	Highways Infrastructure Improvements	97	97	0	E Reed	To implement traffic signals at Stanwell Rd/Windsor Rd. Procurement in progress.
50	0	Street Lighting Replacement	172	172	0	E Reed	This budget is to undertake street lighting asset repairs and improvements to maintain the integrity and safety of the street light infrastructure. Majority complete, now looking at a programme to replace concrete columns
80	40	Flood Risk Management	183	183	0	M Clogg	Programme being developed. Windsor Road works completed May 2018. Relining works to be undertaken
95	198	Coldbrook Flood Risk Management	271	271	0	E Reed	Scheme complete. Account being finalised
25	0	Street Lighting Energy Reduction Strategy	100	100	0	E Reed	Scheme in design stage. Scheme is over 2 years. Request to slip £287k as part of this report
350	31	Dimming of Street Lighting/Fitting of LED lanterns	681	681	0	M Clogg	Scheme progressing, the conversion of standard LED lantern units has almost been completed and the conversion of ornamental units will commence later in 2018/19.
25	5	Coast Protection and Land Drainage General	111	111	0	E Reed	Programme being developed. Some works complete
600	58	Boverton Flooding	818	818	0	E Reed	Scheme complete and at final account stage
0	0	Llanmaes Flood Management Scheme	537	537	0	E Reed	NRW have reviewed the modelling. The works are on-going on the main storage area below the village in conjunction with the Northern Access Road scheme. Requested to carry forward £350k as part of this report
3	3	Cardiff/Vale of Glamorgan Coastal Sustainable Transport Corridors	170	170	0	E Reed	WelTag Stage 1 and 2 has been tendered and bids returned. Consultants to be appointed. £430k slippage requested as part of this report
2	2	WelTag Stage Two Transport Network Appraisal for Dinas Powys	107	107	0	E Reed	Review groups complete, further work required
0	0	Bigliss Roundabout to Dinas Powys Active Travel Route	100	100	0	E Reed	WelTag Stage 3 Report to be commissioned following on from WelTag Stage 1 and 2 being completed in 17/18. Review of previous reports in order to progress with scheme design.
4	4	A48 Strategic Corridor and Other Primary Bus Stops	175	175	0	E Reed	Bus stops identified and plan has been put in action for a programme of upgrades along the A48, Penarth, Llantwit Major and Barry. Highway Design and Construction Team to begin this work early July 2018. Bus shelters ready to be installed
1	1	South Road Sully	100	100	0	E Reed	£60k transferred from Asset Renewal budget.
		Slippage					
0	0	Cross Common Bridge	101	101	0	M Clogg	Due to procure works shortly.
0	0	Barry Island Shelters	32	32	0	E Reed	£25k vired from Coastal Asset Renewal to undertake works
94	94	Safe Routes in Communities: Dinas Powys to Penarth via Cosmeston	106	106	0	E Reed	Works complete.
0	0	Dinas Powys Library Bridge	170	170	0	E Reed	Procurement options are being investigated.
0	0	Murchfield Access Bridge	44	44	0	E Reed	Procurement options are being investigated.
0	0	Ashpath Footpath Improvements	72	72	0	E Reed	The feasibility / design to progress the upgrade of the existing footpath between Dinas Powys and Sully Road (referred to as the Ashpath) to a footway / cycleway is being programmed to be undertaken during the summer / autumn period. Once the feasibility / design is carried out, the relevant details of the proposed new route including width can be used to progress creation of a Legal Order to turn the footpath into a bridleway before scheme can be constructed. It is envisaged that subject to Legal Order the construction works could commence in the last quarter of the financial year.
0	0	Court Road Car Park	20	20	0	E Reed	Design to be agreed with ICT prior to procurement.
2,091	912		6,894	6,894	0		

CAPITAL MONITORING
FOR THE PERIOD ENDED 30th SEPTEMBER 2018

APPENDIX 1

PROFILE TO DATE	ACTUAL SPEND 2018/19		APPROVED PROGRAMME 2018/19	PROJECTED OUTTURN 2018/19	VARIANCE AT OUTTURN 2018/19	PROJECT SPONSOR	COMMENTS
£000	£000		£000	£000	£000		
		S106 Funding					
0	0	Maes Dyfan Open Space Improvements	40	40	0	M Goldsworthy	Community consultation continuing prior to commencement of works
2	3	Fferm Goch Public Open Space	44	44	0	M Goldsworthy	Tenders have now been returned and work is planned to commence in October
35	37	Dochdwy Road Public Open Space	37	37	0	M Goldsworthy	Scheme is complete
0	0	Badgers Brook Public Open Space Enhancement	3	3	0	M Goldsworthy	Budget to cover fees and to settle final account some small items
190	189	North Penarth Open Space Improvements	483	483	0	M Goldsworthy	Paget Road scheme complete. The Skate park is currently being tendered. Plassey Square and Paget Road are complete. Fence to be refurbished at Dingle
3,815	3,817		10,978	10,978	0		
6,133	5,013	COMMITTEE TOTAL	22,682	22,682	0		

Ref No	Scheme Title	2019/20		2020/21		2021/22		2022/23		2023/24		Total	Scheme Priority Rating	Risk Assessment	Corporate Priority	WFGA Score
		£000	£000	£000	£000	£000	£000	£000	£000	£000						
Environment and Housing																
E1	Carriageway resurfacing/Surface treatments - Rolling programme of resurfacing and treatment works in accordance with the Council's Highways and Engineering 3 year plan.	2,250	2,250	2,350	2,350	2,450	2,450	2,550	2,550	2,650	2,650	12,250	A	H	2	5
E2	New Household Waste Recycling Centre (HWRC) - Western Vale - The closure of the existing rented HWRC within the Llandow Industrial Trading Estate which will impact the Council's ability to meet recycling and composting targets with resultant penalties.	750	750	1,250	1,250	-	-	-	-	-	-	2,000	Ci	H	2	5
E4	Footway Renewal - Renewal of footways under the requirements set out in Section 36-61 of the Highways Act 1980. Potential revenue savings need to be confirmed and are not built into revenue budgets.	100	100	100	100	100	100	100	100	100	100	500	B	H	2	5
E5	Street Lighting - Column replacement and replacement of electrical cables for street lighting to maintain the level of street lighting currently provided.	250	250	250	250	250	250	250	250	250	250	1,250	A	H	2	4
E6	Traffic signal Infrastructure Renewals - Rolling programme of replacement of traffic signal equipment to maintain the highway safety and free movement of traffic on the local highway network. Possible additional revenue repair costs if not awarded.	250	250	250	250	250	250	250	250	250	250	1,250	A	M	2	5
E11	Porthkerry Cemetery Extension - Increase the size of the cemetery at Porthkerry by 300 plots as there are currently only 6 remaining. Barry Town Council manage this facility.	150	150	-	-	-	-	-	-	-	-	150	D	L	0	4
Managing Director and Resources																
M4	Vale Enterprise Centre- Energy Efficiency Improvements - Required to improve the energy performance from 'F' to meet the legal minimum standard 'E' in order to be let to business tenants. The original steel windows will need to be replaced with UPVC double glazed units. VoG is contractually committed to this scheme due to a 30 year lease remaining.	100	100	-	-	-	-	-	-	-	-	100	B	H	2	2
M5	J-Sub repairs -Urgent action is required to make J-Sub weatherproof and secure due to its strategic importance as it houses a distribution panel and meters for the supply of electricity. Scheme involves security doors, bricking up of window, replacing rotten timber fascia boards and overlaying flat roof.	25	25	-	-	-	-	-	-	-	-	25	A	H	2	5
M6	Museum Cesspit -Cosmeston Medieval Village -Carry out emergency repairs to the cesspit that serves the staff toilet within the Museum and the external public toilet block.	18	18	-	-	-	-	-	-	-	-	18	B	H	2	2
M7	Bake House -Cosmeston Medieval Village -Replacement of thatched roof as existing roof is in a poor state of repair. The structure will need to close on Health and Safety grounds if works are not undertaken within the next 12 months. Roof structure will be replaced with locally sourced oak beams and materials ensuring that the structure is viable for the next 25 years.	22	22	-	-	-	-	-	-	-	-	22	B	H	2	2
Total		3,915	3,915	4,200	4,200	3,050	3,050	3,150	3,150	3,250	3,250	17,565				