

The Vale of Glamorgan Council

Healthy Living and Social Care Scrutiny Committee: 4th December 2018

Report of the Director of Social Services

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 Scrutiny Committee (Corporate Performance and Resources) 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 shown below that relate to 2019/20 onwards have been reflected in Appendix 2.
4. ICT Infrastructure - This funding has been set aside to implement IT systems within Social Services, the main being the Welsh Community Care Information System (WCCIS). The system has been partly implemented however further work needs to

be undertaken with other modules needing to be implemented. It has been requested that £300k is carried forward into 2019/20 to allow any required work to be undertaken.

5. Flying Start Family Centre- This scheme is 100% funded by Welsh Government grant. Welsh Government have provided approval to vire a projected £3k underspend from the Family Centre to Flying Start Update and Upgrade ICT Equipment in the 2018/19 Capital Programme.
6. ICF Southway Dementia Friendly Environment - Agreement in principle has been received for Integrated Care Fund (ICF) grant of £200k to carry out works at Southway to provide a dementia friendly environment. It has been requested to increase the 2018/19 Capital Programme by £200k.
7. ICF Ty Dewi Sant Dementia Friendly - Agreement in principle has been received for ICF grant funding of £454k to carry out works at Ty Dewi Sant to provide a dementia friendly environment. It has been requested that the 2018/19 Capital Programme is increased by £227k and that the 2019/20 Capital Programme is increased by £227k.
8. ICF Ty Dyfan - Grant funding of £28k has been approved from the ICF fund to carry out works to the Bay re-ablement unit in Ty Dyfan. The funding will create a private enclosed balcony area on the first floor. It has been requested that the 2018/19 Capital Programme is increased by £28k.
9. Parks and Grounds Asset Renewal - It has been requested that £2,670 is transferred from this budget to carry out works which are part of the Green Flags Parks scheme.
10. Leisure Centre Improvements - Barry Leisure Centre is currently undergoing major works refurbishing the changing rooms and in order to ensure that there is no damage to the new floor, the works to the floor will be carried out after the refurbishment is complete. It has therefore been requested that £20k is carried forward into the 2019/20 Capital Programme.
11. Replacement Jenner Park Stadium Roof - The majority of the work is to be scheduled for May 2019 and it has therefore been requested to carry forward £48k into the 2019/20 Capital Programme.

2019/20 to 2023/24 Capital Programme

12. 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.
13. 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.
14. Appendix 2 sets out the Initial Proposals for the Capital Programme between 2019/20 and 2023/24 for this Committee.
15. 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.

16. In addition to external funding, the Council will finance part of the Capital Programme from its own resources, e.g. capital receipts and reserves.
17. 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

18. 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.
19. A number of criteria are used to assess the capital bids. The first criterion used is to classify the nature of the bids.
20. 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

21. 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			

22. 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

23. 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
24. Each scheme is awarded one point for every one of the outcomes that it meets to a maximum of 5.
25. 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.
26. 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 the capital bids received that relate to this Committee are shown in Appendix 3.
27. 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.
28. 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

29. 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.

30. 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.
31. 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)

32. 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	Ring fenced Social Services
	£'000	£'000
Anticipated Balance as at 1st April 2019	4,516	1,339
Anticipated Requirements – 2019/20	-1,864	0
Anticipated Receipts – 2019/20	338	0
Balance as at 31st March 2020	2,990	1,339
Anticipated Requirements – 2020/21	-1,550	-1,339
Anticipated Receipts – 2020/21	1,659	0
Balance as at 31st March 2021	3,099	0
Anticipated Requirements – 2021/22	-131	0
Anticipated Receipts – 2021/22	144	0
Balance as at 31st March 2022	3,112	0
Anticipated Requirements – 2022/23	0	0
Anticipated Receipts – 2022/23	0	0
Balance as at 31st March 2023	3,112	0
Anticipated Requirements – 2023/24	0	0
Anticipated Receipts – 2023/24	0	0
Balance as at 31st March 2024	3,112	0

33. The capital receipt balance for Social Services has been ring fenced for Social Services capital expenditure. Whilst options are being explored by the Council, it has been assumed that the full capital receipt of £1.339m will be utilised for older persons' accommodation in 2020/21.
34. 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

35. 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
36. 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)

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

Crime and Disorder Implications

38. 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)

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

Corporate/Service Objectives

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

Policy Framework and Budget

41. 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)

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

Relevant Scrutiny Committee

43. 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:

Lance Carver, Director of Social Services

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		
		Adult Services					
0	0	Social Services Asset Renewal	20	20	0	S Clifton	To be allocated
0	0	Hen Goleg Day Centre Fire Alarm	38	38	0	S Clifton	Works to be completed in November 2018
1	1	Hen Goleg Day Centre Lighting Upgrade	26	26	0	S Clifton	Works complete
0	0	External Ground works, Youth Offending and Cartref Porthceri buildings	34	34	0	S Clifton	Confirmed drains needs to be renewed following CCTV survey. Arranging for design to be undertaken
0	0	ICF Ty Dewi Sant-Dementia Friendly	227	227	0	S Clifton	New scheme to create a dementia friendly environment
0	0	ICF Southway -Dementia Friendly Environment	200	200	0	S Clifton	New scheme to create a dementia friendly environment
0	0	ICF Ty Dyfan	28	28	0	S Clifton	New scheme to carry works to the reablement unit to include creation of a enclosed balcony on the first floor.
0	0	Fire Precaution Works	17	17	0	S Clifton	Some works complete with further works to be prioritised through fire risk assessments.
0	0	ICT Infrastructure	87	87	0	S Clifton	To implement an all Wales scheme which is to enable the interfacing of a range of different systems across local authorities and NHS orgs. £300k requested to carry forward as part of this report
13	13	Residential Home Refurbishment	29	29	0	S Clifton	Works to sluice room have been carried out and more works are required. Minor snagging remaining.
6	6	Hen Goleg Works	17	17	0	S Clifton	Works complete with retention and fee's outstanding
20	20	Total Adults Services	723	723	0		
		Children's Services					
4	4	Flying Start - Family Centre	4	4	0	R Evans	Scheme complete. Vired £3k to Flying Start Update and upgrade ICT equipment as part of this report
0	0	Flying Start - Update and Upgrade ICT equipment	8	8	0	R Evans	Welsh Government grant funded scheme. Network upgrade complete. Vired £3k from Flying start Family centre as part of this report
10	10	Flying Start - Outdoor Play Area and canopy	16	16	0	R Evans	Welsh Government grant funded scheme. Works complete.
0	0	Flying Start -Ladybirds	90	90	0	R Evans	Some works undertaken during Autumn half term with remaining works to be undertaken during Spring half term
13	13	Total Children's Services	118	118	0		
		Leisure Services					
1	1	Capital Bid - Electrical Rewire Barry & Penarth Leisure Centres	1,107	1,107	0	D Knevett	Works to commence in Barry Leisure Centre in October and in Penarth Leisure Centre after Christmas
14	14	Leisure Centre Improvement	1,566	1,566	0	D Knevett	Works commenced in Barry and Penarth Leisure Centre during September 2018.£20k carried forward as pert of this report.
83	83	Leisure Capital Bids	566	566	0	D Knevett	Llantwit Leisure Centre roofing complete and works tendered for solar panels for Cowbridge Leisure Centre Roof
5	5	Community Centres Works	40	40	0	D Knevett	Works will include boiler replacements and other essential upgrades of community buildings.
0	0	Improvement Works at Heol Llidiard Community Hall	15	15	0	D Knevett	Continuation of previous years scheme. Complete
42	42	Leisure Centre Refurbishment	89	89	0	D Knevett	Heating works to be undertaken in Penarth Leisure Centre reception
6	6	Romilly Mess Room	6	6	0	E Reed	Scheme complete
150	150	Total Leisure Services	3,389	3,389	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		
		Parks					
5	5	Colcot Pitches	18	18	0	D Knevet	CCTV works undertaken
0	0	Asset Renewal	159	159	0	D Knevet	Various works being undertaken Vired £3k to Green Flag scheme
153	153	Lougher Place Play Area	169	169	0	D Knevet	Works complete.
1	1	Cemetery Approach	190	190	0	J Dent	Tenders being reviewed Oct18
0	0	Replacement Jenner Park Stadium Roof	2	2	0	D Knevet	Slipped as part of this report as works to be undertaken during May 2019
0	0	Green Flag Parks	78	78	0	D Knevet	£3k vired from Parks Asset renewal. Works currently being procured
3	3	Batts Field Play Area	55	55	0	M Goldsworthy	Tender due to be issued during September with works planned to commence in November
0	0	Colwinston Play Area	48	48	0	M Goldsworthy	Currently at consultation stage
20	64	Upgrade existing play area at Ceri Road Rhoose	67	67	0	M Goldsworthy	Scheme complete
16	16	Ystradowen Community Sports Association	16	16	0	M Goldsworthy	Funding released
197	241	Total Parks	802	802	0		
380	424	COMMITTEE TOTAL	5,031	5,031	0		

Ref No	Scheme Title	2019/20		2020/21		2021/22		2022/23		2023/24		Total £000	Scheme Priority Rating	Risk Assessment	Corporate Priority	WFGA Score
		£000	£000	£000	£000	£000	£000	£000	£000							
E3	Barry Leisure Centre - Renewal of heating and ventilation plant to the small pool at Barry Leisure centre to replace existing inefficient system.	175	175	-	-	-	-	-	-	-	-	175	A	M	3	5
E7	Colcot Sports Centre - Artificial Turf Pitch replacement. The ATP at Colcot Sports Centre was laid in 1996 with a projected life span of 10 years. The site has had extensive use for 22 years and has been maintained in working order via a good maintenance schedule. However a large tear has recently occurred and it now needs to be re-covered.	256	256	-	-	-	-	-	-	-	-	256	Ci	M	2	5
E8	Community Centres - Funding for an ongoing asset renewal programme across the Council's 22 Community Centres. Items addressed would include boiler replacements, roof works, guttering, new windows and doors etc.	30	30	30	30	30	30	30	30	30	30	150	A	M	2	5
E9	Jenner Park Stadium - Replacement toilet block. The toilets at the rear of the main stand are in a very poor condition and require replacing. These include disabled facilities that are linked to significant investment in wheelchair access to the stadium in accordance with the Disability Discrimination Act.	15	15	-	-	-	-	-	-	-	-	15	Ci	M	2	5
E10	Replacement Playgrounds - Funding for a rolling programme of playground replacements. Examples of four requiring replacement are; Highlight Park, Celtic Way in Rhoose, St Brides, Belvedere. Limited S106 available for St Brides Major £14k potentially S106 available for Rhoose in the future but not confirmed.	60	60	60	60	60	60	65	65	65	65	310	Ciii	L	2	5
	Total	536	536	90	90	90	90	95	95	95	95	906				