

Meeting of:	Healthy Living and Social Care Scrutiny Committee
Date of Meeting:	Wednesday, 11 December 2019
Relevant Scrutiny Committee:	Healthy Living and Social Care
Report Title:	Initial Capital Programme Proposals 2020/21 to 2024/25 and Capital Monitoring 2019/20
Purpose of Report:	To submit the Initial Capital Programme Proposals for 2020/21 to 2024/25 to Scrutiny Committees for consultation. To provide an update on the progress on the 2019/20 Capital Programme for the period 1st April 2019 to 30th September 2019.
Report Owner:	Report of the Director of Social Services
Responsible Officer:	Carys Lord, Head of Finance / Section 151 Officer
Elected Member and Officer Consultation:	All Scrutiny Committees will be consulted on the Capital Programme.
Policy Framework:	This report follows the procedure laid down in the constitution for the making of the budget. The 2020/21 budget proposals will require the approval of Council. The proposals for amendments to the 2019/20 Capital Programme are the responsibility of Cabinet.
Executive Summary:	<ul style="list-style-type: none"> • This report submits the Initial Capital Programme Proposals for the 2020/21 to 2024/25 to Scrutiny Committees for consultation. • The report provides an update on the progress of the Capital Programme for the period 1st April 2019 to 30th September 2019. Details by scheme are shown in Appendix 1. • The report sets out changes to the 2019/20 Capital Programme.

Recommendations

It is recommended :-

1. That Scrutiny Committee considers the Initial Capital Programme Proposals for 2020/21 to 2024/25 and forward its recommendations to Corporate Performance and Resources Scrutiny Committee as the lead Scrutiny Committee.
2. That Committee considers the changes to the 2019/20 Capital Programme:

Reasons for Recommendations

1. In order that Cabinet be informed of the comments of Scrutiny Committees and other consultees before making a final proposal on the budget.
2. To note amendments to the 2019/20 Capital Programme.

1. Background

- 1.1 Council on 27th February 2019 (minute no 780) approved the Capital Programme for 2019/20 onwards.

2. Key Issues for Consideration

2019/20 Capital Programme

- 2.1 Appendix 1 details financial progress on the Capital Programme as at 30th September 2019.
- 2.2 Any changes to 2020/21 onwards have been reflected in Appendix 2.
- 2.3 Flying Start Gibbonsdown Children Centre Soft Play - The Council has been awarded a grant from Welsh Government of £25k to replace the softplay matting covers in the playground at Gibbonsdown Childrens Centre. It has been requested that this scheme is included in the 2019/20 Capital Programme.
- 2.4 Replacement Jenner Park Stadium Roof - This scheme is anticipated to overspend by £12k and this will be funded from a revenue contribution to capital.

2020/21 to 2024/25 Capital Programme

- 2.5 The Provisional General Capital Funding for 2020/21 has not yet been announced by Welsh Government (WG) and is expected in mid-December 2019.
- 2.6 The Cabinet Secretary for Finance announced on 20 November 2018 in the Draft Budget for 2019/20, proposals for an extra £100m of capital funding to be made

available for local authorities over 3 years. The first instalment of £50m was paid in 2018/19, with £30m being paid in 2019/20 and £20m in 2020/21. For the Council, this represents £1.9m in 2018/19, £1.1m in 2019/20 and could be around £700k in 2020/21, with confirmation due to be received as part of the provisional settlement. This additional funding has been factored into projections going forward, however as no further indication has been received from Welsh Government, it has been assumed that from 2021/22 onwards, the level of capital funding will revert back to the same level as set out in the 2018/19 Provisional Settlement and will then remain constant for the remainder of the period of this programme. General Capital Funding has therefore been assumed as £6.259m for 2020/21 which is made up of £2.846m General Capital Grant and £3.413m Supported Borrowing. The General Capital Funding for 2019/20 was £6.643m therefore there is an assumed reduction of £384k between years.

- 2.7 Appendix 2 sets out the Initial Proposals for the Capital Programme between 2020/21 and 2024/25 relating to this Committee.
- 2.8 The Council will look 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.
- 2.9 In addition to external funding, the Council will finance part of the Capital Programme from its own resources, e.g. capital receipts and reserves.
- 2.10 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 2020/21 Capital Programme

GENERAL FUND	£'000	£'000
Welsh Government Resources		
Supported Borrowing	3,413	
General Capital Grant	2,846	
Total Welsh Government Resources		6,259
Council Resources		
General Capital Receipts	2,978	

Reserves/Revenue	5,341	
City Deal Unsupported Borrowing	769	
Unsupported Borrowing	805	
Total Council Resources		9,893

HOUSING REVENUE ACCOUNT

Housing Reserves/Revenue	5,808	
Housing Unsupported Borrowing	12,308	
Total HRA Resources		18,116
Total Net Capital Resources		34,268

Capital Bids 2020/21 to 2024/25

- 2.11** New capital bids were invited for return by 27th September 2019 and the number of bids received were 41 (3 from Learning and Skills, 21 from Neighbourhood and Transport Services, 4 from Managing Director and Resources, 12 from Regeneration and Planning and 1 from Social Services). 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.
- 2.12** A number of criteria are used to assess the Capital Bids. The first criterion used is to classify the nature of the bids.
- 2.13** 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

2.14 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					

2.15 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

2.16 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

2.17 Each scheme is awarded one point for every one of the outcomes that it meets to a maximum of 5.

2.18 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.

2.19 These bids have been considered by the Insight Board where it was agreed that, when agreeing the final programme, consideration should also be given to those schemes that meet the following criteria :

- Invest to save / Invest to earn;
- Address a reputational issue for the Council, and
- Support the Reshaping agenda for the Council.

2.20 The value of capital bids received for the Council as a whole totalled £6.973m in 2020/21 and £20.473m over the 5 year period. While the evaluation process has been carried out this year for all capital bids in the normal manner, the settlement for 2020/21 has not been confirmed. It is therefore proposed that at this point, due to the uncertainty in the level of funding that will be provided, no schemes will be approved for inclusion in the Capital Programme and further assessment will be carried out by the Budget Working Group once the level of funding is known and consultation has taken place. A list of all the capital bids received relating to this Committee is shown in Appendix 3.

2.21 An allocation for Asset Renewal has currently been included in Appendix 2 over the 5 year period of the programme. Asset Renewal budgets for each directorate will be reviewed and schemes will be identified prior to the approval of the Final Capital proposals for 2020/21 to ensure that funding is allocated to priority schemes.

2.22 There have been a number of changes approved by Cabinet since the final budget proposals 2019/20 to 2023/24 were approved in February 2019. These changes including capital sums carried forward have been included in Appendix 2.

Next Steps

- 2.23** 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 and to consider the capital bids shown in Appendix 3. If changes are requested or particular bids are supported, then the reasons need to be recorded in order to assist the Cabinet and the Budget Working Group 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 19th December 2019.
- 2.24** Managers will be asked to revisit the recommended schemes contained in the final proposals prior to presentation to Cabinet and to confirm final costs and spend profiles.
- 2.25** Currently, the approved timetable requires Cabinet to approve the final budget proposals by no later than the 3rd February 2020 and that Cabinet's final Capital Programme proposals will be considered by Council at a meeting to be held on 24th February 2020 to enable the Council Tax to be set by 11th March 2020.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** The Capital Programme focuses capital investment to deliver the outcomes identified as part of the Corporate Plan. Some examples are :-
- **An Active and Healthy Vale** - Investment in Leisure Centres and playgrounds will encourage more use and activity.
- 3.2** The setting and the monitoring of the Capital programme follows 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** – 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 – It 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 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. Resources and Legal Considerations

Financial

4.1 The total net capital expenditure of the current programme for the Council as a whole over the 5 years, is £132.7m. 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 2020	2,754	1,339
Anticipated Requirements – 2020/21	-270	0
Anticipated Receipts – 2020/21	0	0
Balance as at 31st March 2021	2,484	1,339
Anticipated Requirements – 2021/22	-1,583	-1,339
Anticipated Receipts – 2021/22	0	0
Balance as at 31st March 2022	901	0
Anticipated Requirements – 2022/23	0	0
Anticipated Receipts – 2022/23	0	0
Balance as at 31st March 2023	901	0
Anticipated Requirements – 2023/24	0	0
Anticipated Receipts – 2023/24	0	0
Balance as at 31st March 2024	901	0
Anticipated Requirements – 2024/25	0	0

Anticipated Receipts – 2024/25	0	0
Balance as at 31st March 2025	901	0

4.2 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 person's accommodation in 2021/22.

4.3 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 2020/21 to 2024/25.

Employment

4.4 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)

4.5 There are no legal implications.

5. Background Papers

Bids received from departments

Correspondence received from the Welsh Government

PROFILE TO DATE	ACTUAL SPEND 2019/20		APPROVED PROGRAMME 2019/20	PROJECTED OUTTURN 2019/20	VARIANCE AT OUTTURN 2019/20	PROJECT SPONSOR	COMMENTS
£000	£000		£000	£000	£000		
							Adult Services
12	12		85	85	0	A Phillips	Ty Dewi Sant Electrical Upgrade- Asset Renewal Works are on site.
0	0		10	10	0	A Phillips	Ty Dewi Sant Boiler pump replacement -Asset Renewal Order has been raised.
12	10		12	12	0	S Clifton	Hen Goleg Day Centre Fire Alarm Scheme complete.
0	0		2	2	0	S Clifton	Hen Goleg Day Centre Lighting Upgrade Scheme complete. Fees outstanding.
0	0		33	33	0	R Evans	External Ground works, Youth Offending and Cartref Porthceri buildings Aiming to receive quotations in November.
12	12		246	246	0	A Phillips	ICF Ty Dewi Sant Scheme out to tender.
16	16		41	41	0	A Phillips	ICF Southway -Dementia Friendly Environment Orders placed for external works.
2	2		14	14	0	A Phillips	ICF- Ty Dyfan Works nearing completion.
0	0		22	22	0	A Phillips	ICF- Transition Smart House Awaiting funding for phase 2 of the project.
							In Year Additional capital funding
0	0		138	138	0	A Phillips	Ty Dyfan and Cartref Fire and Toilet Doors Doors have been ordered for Cartref and Ty Dyfan.
0	0		46	46	0	A Phillips	Ty Dyfan and Cartref Hand Rails Order raised for preliminary works.
0	0		58	58	0	A Phillips	Ty Dyfan and Cartref Toilet Upgrade Scheme in design stage.
0	0		161	161	0	A Phillips	Southways Replace fixed vanity units, basins and plumbing/TMV valves Southway Tender documents being prepared.
							Slippage
0	0		361	361	0	A Phillips	ICT Infrastructure Scheme on-going.
12	12		25	25	0	A Phillips	IT Developments in Homes Scheme on-going.
0	0		72	72	0	A Phillips	Residential Home Refurbishment Works to include sluice room upgrades.
64	64		1,326	1,326	0		
							Childrens Services
0	0		28	28	0	R Evans	Flying Start Family Centre Window Improvements Welsh Government Grant.
0	0		25	25	0	R Evans	Flying Start Gibbonsdown Soft Play Welsh Government Grant.
0	0		53	53	0		
							Leisure
33	33		1,323	1,323	0	D Kneve	Capital Bid - Electrical Rewire Barry & Penarth Leisure Centres Barry Leisure Centre rewire complete. Cabinet report being prepared to request acceptance of tender for Penarth.
666	666		758	758	0	D Kneve	Barry and Penarth LC Upgrade Changing Rooms Barry wet changing rooms are complete. Work is on-going at Penarth changing rooms, work due to complete in December.
0	0		200	200	0	D Kneve	Barry Leisure Centre Floor Works to be undertaken following the completion of the dry changing room works
0	0		100	100	0	D Kneve	Barry Leisure Centre Dry Changing Rooms Quotations being obtained.
0	0		452	452	0	D Kneve	Cowbridge Leisure Centre Roofing Scheme has been designed and tendered.
0	0		36	36	0	D Kneve	Sports Wales Grant New grant to fund swimming equipment.
							Slippage
19	19		46	46	0	D Kneve	Leisure Centre Refurbishment Heating works in Penarth Leisure Centre reception complete.
							Additional In Year Capital Funding
0	0		80	80	0	D Kneve	Llantwit Major Leisure Centre - Rebuild brickwork Specification being prepared.
718	718		2,995	2,995	0		
							Parks and Grounds Maintenance
0	0		7	7	0	D Kneve	Asset Renewal For installation of drinks fountains and further toilet works
26	27		183	183	0	J Dent	Cemetery Approach Scheme delayed due to fire.
62	62		62	62	0	D Kneve	Replacement Jenner Park Stadium Roof Additional £12k increase in budget required funded from revenue
0	0		165	165	0	D Kneve	Flood lights Jenner Park Stadium Works have started.
0	8		150	150	0	D Kneve	Playgrounds Refurbishment Knap Skate Park complete. Out to tender on Golden Gates play area and Highlight Park. Other works to include fencing at Troes Play Area.
0	0		13	13	0	D Kneve	Green Flag Parks Continuation of works
88	97		580	580	0		
							S106 Funding
69	69		71	71	0	M Goldsworthy	Colwinston Play Area Scheme complete.
6	6		85	85	0	M Goldsworthy	The Grange Play Area Tenders have been received. Work anticipated to start on site in January.

CAPITAL MONITORING
FOR THE PERIOD ENDED 30TH SEPTEMBER 2019

APPENDIX 1

PROFILE TO DATE	ACTUAL SPEND 2019/20		APPROVED PROGRAMME 2019/20	PROJECTED OUTTURN 2019/20	VARIANCE AT OUTTURN 2019/20	PROJECT SPONSOR	COMMENTS
£000	£000		£000	£000	£000		
3	3	Murch Play Area	125	125	0	M Goldsworthy	Tenders have been received, work anticipated to start on site in January.
21	21	Twyn Yr Odyn	23	23	0	M Goldsworthy	Due to start on site imminently.
15	15	S106 Old Penarthians RFC Changing Rooms	15	15	0	M Goldsworthy	Scheme complete.
114	114		319	319	0		
984	993	COMMITTEE TOTAL	5,273	5,273	0		

Ref No	Scheme Title	2020/21		2021/22		2022/23		2023/24		2024/25		Total £000	Scheme Priority Rating	Risk Assessment	Corporate Priority	WFGA Score
		£000	£000	£000	£000	£000	£000	£000	£000							
S1	Rondel House Day Service Improvements - Restore and improve the fabric of the building, including structural improvements to the roof, improvements to the outside court yard to provide an outside sitting area and maintenance to preserve the wooden outside windows with staining or painting.	36	36	-	-	-	-	-	-	-	-	36	A/Ci/D	M/H	3 & 1	2
NST3	Management of Ash Die Back - Spread of Ash Die Back disease. Covers parks/open spaces and adopted highway land.	360	360	370	370	380	380	-	-	-	-	1,110	A	H	2	5
NST6	Single Use Sports Programme - To allow for upgrades to facilities that have been transferred to community sporting clubs	80	80	20	20	-	-	-	-	-	-	100	B	M	2	3
NST8	Community Centres - Funding for an ongoing asset renewal programme across the Council's 22 Community Centres.	40	40	40	40	40	40	40	40	40	40	200	A	M	2	5
NST10	Replacement Playgrounds - Funding for a rolling programme of playground replacements.	60	60	60	60	60	60	65	65	65	65	310	Cii	L	2	5
NST11	Barry Leisure Centre, Boiler Renewal - The heating and hot water boilers at Barry Leisure Centre are beyond their planned economic life.	350	350	-	-	-	-	-	-	-	-	350	B	M	2	3
NST12	Penarth Leisure Centre, Boiler Renewal - The heating and hot water boilers at Penarth Leisure Centre are beyond their planned economic life.	350	350	-	-	-	-	-	-	-	-	350	B	M	2	3
NST13	Llantwit Major Leisure Centre, Boiler Renewal - The heating and hot water boilers at Llantwit Major Leisure Centre are beyond their planned economic life.	120	120	-	-	-	-	-	-	-	-	120	B	M	2	3
NST14	Jenner Park Stadium, Boiler Renewal - The heating and hot water boilers at Jenner Park Stadium are beyond their planned economic life.	60	60	-	-	-	-	-	-	-	-	60	B	M	2	3
NST15	Colcot Sports Centre, Boiler Renewal - The heating and hot water boilers at Colcot Sports Centre are beyond their planned economic life.	135	135	-	-	-	-	-	-	-	-	135	B	M	2	3
NST16	Catering concessions in Parks	200	200	-	-	-	-	-	-	-	-	200	Ci	L	2	4
NST18	Penarth Leisure Centre, Lift Renewal - The lift at Penarth Leisure Centre is in need of replacement.	50	50	-	-	-	-	-	-	-	-	50	B	M/L	2	3
NST19	Llantwit Major Leisure Centre, Lift Renewal - The lift at Llantwit Major Leisure Centre is in need of replacement.	50	50	-	-	-	-	-	-	-	-	50	B	M/L	2	3
NST20	Barry Leisure Centre - Slide removal and redesign of area	40	40	-	-	-	-	-	-	-	-	40	A	VL	0	-
NST21	Porthkerry Cemetery Extension - Increase the size of the cemetery at Porthkerry. Barry Town Council manage this facility.	150	150	-	-	-	-	-	-	-	-	150	D	L	0	4
	TOTAL BIDS RECEIVED	2,081	2,081	490	490	480	480	105	105	105	105	3,261				