Agenda Item No.6

THE VALE OF GLAMORGAN COUNCIL

RESOURCES SCRUTINY COMMITTEE: 11TH NOVEMBER 2026

REFERENCE FROM CABINET: 22ND OCTOBER 2026

"**C86 STRATEGIC APPROACH TO CAPITAL PLANNING 2027/28 TO 2031/32 (EL/PR) (RESOURCES SCRUTINY COMMITTEE) –**

The Leader presented the report to detail the strategic approach that the Council was taking for capital planning over the five year period 2027/28 to 2031/32.

The Council had to deal with an increasingly challenging financial environment but remained ambitious with an existing Capital Programme for 2026/27 of just over £134.9m and approaching £350m over the five-year programme.

Given the limited availability of capital resources the Council had adopted a prioritisation process, similar to recent years, such as those on a statutory or health and safety basis alongside, contribution to corporate priorities, sustainability considerations, value for money or measurable outcomes. As such, there was always a framework from which to prioritise projects and take appropriate decisions.

The annual capital funding settlement for the Council in 2026/27 was £7.739m. At present, there were 4 capital bids that were detailed in Appendix A with a total gross value of just under £55m over the five-year period, and it was necessary to assess which projects would be brought forward in what priority order based on the framework criteria.

Capital receipts to fund capital expenditure were largely committed going forward and the projected balance at the end of March 2032 was £550k. Capital expenditure could also be funded via revenue contributions, or reserves, however the Council had to ensure that sufficient reserves remained to mitigate risk for unforeseen expenditure.

Due to the limited financial resources available the Council remained heavily reliant on external grant funding. Appendix 1 did not include schools or housing as they were dependent on separate funding schemes and the Appendix showed what was being funded through the Council's own finances.

Several key pressures remained over the medium to long term, including updated condition surveys for schools, leisure centres and Social Services properties, as well decarbonisation.

This was a matter for Executive decision.

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

(1) T H A T the approach the Council was taking to Capital Planning 2027/28 to 2031/32 be endorsed.

(2) T H A T the report be referred to Resources Scrutiny Committee for consideration and for any recommendations from the Committee to be referred to Cabinet for consideration.

Reasons for decisions

(1) To inform Cabinet of the Council's Approach to Capital Planning 2027/28 to 2031/32.

(2) To inform Resources Scrutiny Committee of the Council's Approach to Capital Planning 2027/28 to 2031/32."

Attached as Appendix – Report to Cabinet: 24th September, 2026

Appendix

Meeting of:	**Cabinet**
Date of Meeting:	**Thursday, 22 October 2026**
Relevant Scrutiny Committee:	Resources Scrutiny Committee
Item which the Chair has decided is urgent (Part I) **(If yes, why)**	Not applicable
Urgent Decision Procedure Used **(If yes, why)**	Not applicable
Item Type	Part I
Report Title:	Strategic Approach to Capital Planning 2027/28 to 2031/32
Portfolio Holder:	Executive Leader and Cabinet Member for Performance and Resources
Strategic Leadership Team:	Head of Finance/Section 151 Officer
Lead Officer:	Head of Finance/Section 151 Officer

1.0 What is the report about?

1.1 This report details the strategic approach that the Council is taking for capital planning over the five year period 2027/28 to 2031/32.

1.2 The report explains the processes that will be taken to produce the Council's Capital Investment Strategy for 2027/28 which will be taken to Cabinet in February 2027. The Capital Strategy will provide 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. The strategy will also detail how the Council ensures its capital schemes are value for money and how it monitors that the intended outcomes are being delivered.

2.0 What are the recommendations?

	Recommendations – What and How?	Reason for Recommendation – Why?
2.1	That Cabinet notes and endorses the approach the Council is taking to Capital Planning 2027/28 to 2031/32.	To inform Cabinet of the Councils Approach to Capital Planning 2027/28 to 2031/32.
2.2	That this report is referred to Resources Scrutiny Committee for consideration and for any recommendations from the Committee to be referred to Cabinet for consideration.	To inform Resources Scrutiny of the Councils Approach to Capital Planning 2027/28 to 2031/32.

3.0 What is the background to this report?

3.1 Council on 9th March 2026 approved the Capital Programme for 2026/27 onwards.

3.2 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.

3.3 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, the last Capital Strategy was produced for 2026/27 and was approved at Council on 9th March 2026. The 2027/28 Capital Investment Strategy will be produced throughout the autumn/winter and will be taken to Cabinet in February 2027 and on to Council for full approval in early March 2027.

3.4 CIPFA published revised codes of practice on 20th December 2021, and formal adoption was required in financial year 2023/24. The 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 codes are detailed in the Treasury Management Strategy.

3.5 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, and 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. The Strategy will also detail how it

ensures its capital schemes are value for money and how it monitors that the intended outcomes are being delivered.

3.6 The Council is facing significant pressures in relation to price inflation and has seen increases in the costs of materials and labour. This has had an impact on the current schemes and the funding available to fund new schemes within the Capital Programme.

4.0 What issues are there to be considered?

4.1 Since the Final Capital Programme proposals 2026/27 report in February, a number of changes have been made including the changes requested as part of the Q1 and Q2 Capital Monitoring reports, and also changes requested through Emergency Powers, Delegated Authorities, and other Cabinet reports. The fifth year of the rolling programme (2031/32) will be developed throughout the budget setting process, and the Initial proposals will be brought to Cabinet for approval in January 2027.

Table 1 – Summary of the current approved Capital Programme

Directorate	**2027/28 £000**	**2028/29 £000**	**2029/30 £000**	**2030/31 £000**
Learning and Skills	20,203	11,871	2,915	2,000
Social Services	1,730	2,865	2,850	2,850
Environment	10,478	4,785	5,310	5,310
HRA	73,920	79,220	45,351	37,421
Place	13,287	1,605	1,605	0
Corporate Resources	627	653	148	100
City Deal	640	3,313	2,515	0
Pipeline Schemes	14,050	2,292	0	0
Total	**134,935**	**106,604**	**60,694**	**47,681**

Table 2 – Summary of funding of the Capital Programme

Funding	**2027/28 £000**	**2028/29 £000**	**2029/30 £000**	**2030/31 £000**
General Capital Grant	4,370	4,370	4,370	4,370
General Fund Reserves/Revenue	5,045	1,200	1,200	1,200
HRA Reserves/Revenue	7,841	2,866	532	1,239
Capital Receipts	2,402	2,557	452	452
Grants	44,692	19,971	9,175	7,570
S106	2,016	0	0	0
Total	**66,366**	**30,964**	**15,729**	**14,831**

Borrowing Requirement				
Supported Borrowing	3,369	3,369	3,369	3,369
Unsupported Borrowing GF	7,143	4,794	4,799	1,321
Unsupported Borrowing HRA	58,057	67,477	36,797	28,160
Total Borrowing Requirement	**68,569**	**75,640**	**44,965**	**32,850**
Total Capital Programme Funding	**134,935**	**106,604**	**60,694**	**47,681**

Capital Bids 2027/28 to 2031/32

4.2 Given the continued 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 taking a similar approach to last financial year in relation to capital bids. However, as well as prioritising health and safety and legislative bids, the links between capital bids ensuring value for money and achieving outcomes is being strengthened.

4.3 The capital bid process launched on 26th August 2026. Each directorate was asked to submit a list of potential capital bids detailing the bullet points below:

- Scheme name and brief scheme description
- Anticipated capital cost profiled over the five year programme
- Grant or s106 possibilities
- Decarbonisation considerations
- How does the scheme represent value for money to the Council
- Key outcomes that can be used to measure success
- Links to the Council's Wellbeing Objectives
- Links to the Council's Annual Deliver Plan
- Revenue Implications associated with the scheme
- Risk of not progressing scheme
- Has the scheme been identified as a result of a condition survey

4.4 Directorates prioritised the list of bids and submitted returns by 25th September 2026. The long list of Capital bids is detailed in **Appendix 1**. In total 24 bids were received – 2 from Learning and Skills, 3 from Social Services, 13 from Environment and Housing, 3 from Place, and 3 from Resources. The value of the long list of bids submitted is summarised in the table below by directorate:

Table 3 – Directorate summary of long list of Capital Bids

	2027/28		2028/29		2029/30		2030/31		2031/32	
	Net	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Learning and Skills	1,079	7,354	0	0	0	0	0	0	0	0
Social Services	1,900	1,900	300	300	250	250	0	0	0	0
Environment	6,186	8,119	7,191	10,055	3,300	3,300	6,800	6,800	9,400	9,400
Place	350	350	40	40	0	0	0	0	0	0
Corporate Resources	315	855	300	3,000	300	3,000	0	0	0	0
Total	**9,830**	**18,578**	**7,831**	**13,395**	**3,850**	**6,550**	**6,800**	**6,800**	**9,400**	**9,400**

4.5 The long list of bids will be taken to Strategic Insight Board on 8th October 2026 to be shortlisted. For shortlisted bids, officers will be asked to complete full capital bid forms which will be taken back to Strategic Insight Board on 4th November 2026.

4.6 A risk assessment is undertaken for each bid, in line with the Council's Corporate Risk Management Strategy. The bids are then reviewed to assess corporate priority, schemes that are required on a statutory or health and safety basis are prioritised alongside any invest to save or transformational schemes. All bids are also assessed for 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 along with value for money for the Council.

4.7 All capital bids should demonstrate how the proposed investment represents value for money and contributes to the Council's strategic objectives. Bids should address the four Es of Value for Money:

- **Economy** – Are we buying the right inputs at the right price?
- **Efficiency** – Are we making best use of resources?
- **Effectiveness** – Will the scheme achieve its intended outcomes?
- **Equity** – Are benefits distributed fairly and supporting wider Council priorities?

4.8 Directorates are required to score each bid 1-5 against each of the E's and provide a reason to support the score.

4.9 The recommendations of the Strategic Insight Board will then be reviewed by the Leader, the Chief Executive and the Head of Finance and a Capital Programme 2027/28 to 2033/32 inclusive of proposed successful bids will be taken to Cabinet in January 2027.

Capital Resources Available and the 2026/27 to 2030/31 Capital Programme

4.10 The capital funding available to finance the bids that have been submitted is very limited. Details on sources of funding available are given below, however due to the limited financial resources available bids that progress will need to be financed through replacing existing

schemes, borrowing (where an invest to save can be demonstrated) or reprofiling of existing schemes in the capital programme.

4.11 On 20th January 2026, the Welsh Government announced the Final 2026/27 General Capital funding settlement which was £7.739M, being made up of £4.370M grant and £3.369M of supported borrowing. This was £133K greater than the General Capital Funding of £7.606M that was allocated for 2025/26.

4.12 The provisional General Capital funding settlement is expected from Welsh Government on 1st December 2026. As no further indication has been received from Welsh Government at this time, it has been assumed that from 2027/28 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.

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

Table 4 – Projected General Capital Funding from Welsh Government

WG Funding	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**
	£000	**£000**	**£000**	**£000**	**£000**
Supported Borrowing General Fund	3,369	3,369	3,369	3,369	3,369
General Capital Grant	4,370	4,370	4,370	4,370	4,370
TOTAL	**7,739**	**7,739**	**7,739**	**7,739**	**7,739**

4.14 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.

4.15 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.

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

4.17 Projected use and income generated from the sale of assets for the next five years is shown in the following table:

Table 5 – Capital receipt projection

General Capital Receipts	**£000**
Projected Balance as at 31st March 2027	2,955
Projected Balance as at 31st March 2028	2,141

Projected Balance as at 31st March 2029	550
Projected Balance as at 31st March 2030	550
Projected Balance as at 31st March 2031	550
Projected Balance as at 31st March 2032	550

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

4.19 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 2026/27. 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.

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

4.21 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 £51.128M which is £12.433M more than the level of General Capital Funding for the same period (£38.695M). The grants include the Sustainable Communities for Learning programme (SCFL) grants, Levelling Up Fund and the Plan for Neighbourhood grant.

4.22 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. The Capital Strategy will provide further detail regarding borrowing and indicators regarding the Council's level of borrowing.

4.23 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.

4.24 Various allocations for Asset Renewal have currently been included over the five year period of the programme. Asset Renewal budgets for each Directorate will be reviewed in the context of Corporate Landlord and schemes will be identified prior to the approval of the Final Capital proposals for 2027/28 to ensure that funding is allocated to priority schemes.

Capital Investment Strategy

4.25 The latest capital strategy was approved at Council in March 2026 and is linked here. This Strategy is currently being updated using the approach set out in this report and the updated Strategy will be taken to Cabinet in February 2027 and approved at Council early March 2027.

4.26 The Capital Investment Strategy looks at a longer term view of the Council's capital investment requirements. This is the eighth year that the Capital Strategy has been produced, the Strategy will continue to be updated annually and will evolve over future years.

4.27 There are a number of factors that will influence the Council's priority areas of spend and its future capital investment. The Capital Investment 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.

4.28 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 it will influence by the provision of specific grants, will change over time. Capital receipts are difficult to predict albeit 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.

4.29 Condition surveys were completed for the majority of 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 five years to fund required improvement work. Since these surveys have been carried out significant investment has taken place in the majority of schools, with a particular focus on those schools that had teaching blocks or key building elements classed as category C (poor) or D (bad) in the condition reports. School condition surveys are being updated this financial year and updated cost estimates in relation to forward maintenance liabilities will be provided in the Capital Strategy report in February 2027.

4.30 Condition surveys have also recently been carried out on a number of other Council assets (Leisure Centres, Office accommodation and the majority of the Social Services built assets). Further condition survey work is planned later this year for the remainder of the Social Services assets as well as Community Centres. In terms of the Leisure Centres, it is estimated that capital investment of circa £10m is required over the next five years, and a similar amount is likely to be required for the Social Services estate over the same time period.

4.31 Overall, an initial high level assessment has been undertaken to identify the possible requirements for capital investment over the next five years (excluding schools), and this is estimated to require capital investment of between £30M to £40M.

4.32 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.

4.33 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.

4.34 The Council's appetite for risk needs to be discussed as part of the Strategy. The Council has always been prudent with regard to 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.

4.35 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.

4.36 A report was written by Audit Wales in January 2026 called 'The Building Blocks Capital Planning In Wales', the report looked at how Councils plan their capital spending. The focus was on Councils' annual capital programmes and capital strategies. The report concluded that:

- Grant funding processes do not always help Councils to plan for the longer term or provide value for money.
- The intended outcomes of capital plans are generally not clearly set out by Councils.
- The reasons for the need for capital spending are not always clearly set out by Councils.
- Reports on capital spending do not usually focus on the VFM achieved from that spending.

4.37 In response the report the Council are taking the following actions:

- The Council reviews its Capital Planning approach on an annual basis and the review ahead of the 2027/28 planning cycle will be undertaken alongside the Audit Wales Capital Planning report.
- The Council undertakes periodic conditions surveys and will incorporate the most up to date information in its Capital Strategy, the 2027/28 Strategy will be approved by Cabinet in February 2027. This is informed by the Council's Corporate Asset Management Plan and regular updates which include details of condition, sufficiency and suitability.
- The Vale of Glamorgan will build an evaluation process into its quarterly capital programme monitoring, initially focussing on larger value schemes. Additionally, the Capital Bids process is under review to have a greater focus on value for money and outcomes.
- The Vale of Glamorgan recognises the need for training to ensure effective oversight and scrutiny and will develop a training programme to be delivered alongside the annual review of the Capital Strategy. This will also be built into the Member Induction and Development Programme.

4.38 The Council's Carbon Management Plan 2024-2030 sets the targets to decarbonise the Council's buildings, streetlighting, fleet, how staff travel to support our work, waste and the supply chain to 2030. There are targets set out within each chapter of the Plan, for some service areas budget estimates to support this activity are yet to be fully costed. In 2024 it was estimated that to decarbonise the Council's buildings would cost a minimum of £40M; since then further modelling has been carried out and our estate has continued to grow, the funding ask therefore continues to increase.

4.39 In March 2026, the Vale of Glamorgan Public Services Board (PSB) published its local Climate Change Risk Assessment (CCRA), setting out the most significant climate risks facing the area now and in the future.

4.40 The Council's 2025/26 net zero carbon emission report is being reviewed by Project Zero Board at the end of September 2026, the findings of this will further inform the Capital Strategy for 2027/28.

4.41 One of the factors that impacts the deliverability of schemes is the large scale of the broader Capital Programme; the profiling of the five year programme will be reviewed as part of the 2027/28 budget setting to ensure profiles accurately reflect the likely funding profile of schemes. Once schemes are incorporated in the programme, the monitoring of progress is undertaken regularly through Senior Leadership Team and for large schemes on a monthly basis as part of the Major Projects Board.

Schools Investment Programme

4.42 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 Leaning in Wales.

4.43 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 for investment in schools.

4.44 Great progress has been made in the Sustainable Communities for Learning Band B Programme; ten schools are now operational. The Ysgol Y Deri scheme, known as Ysgol Llyn Derw became operational in September 2026. The total of the Band B programme is currently £151.742M.

4.45 The Rolling Programme was submitted and approved by Cabinet on 7th March 2024, and Welsh Government approved the Vale of Glamorgan's Rolling Programme on 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.

4.46 There are currently four 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) are both on site and works are progressing well.

4.47 Redevelopment of Sully Primary School – Welsh Government have approved the scheme as part of the programme, currently at Strategic Outline Case (SOC) approval stage. A full business case will be submitted in December 2026. The scheme being delivered in 2 phases, for the first phase Cabinet has approved the direct award of contract through the Sewscap framework. Phase 1 is anticipated to start on site in October half term.

4.48 Redevelopment of Holmview (ALN Provision) - Welsh Government have approved the scheme as part of the programme, currently at SOC approval stage. A business case will be submitted in December 2026. The Council are currently working through feasibility and design to fully understand the cost implication of the scheme.

Housing Improvement Programme

4.49 The Council met the original Welsh Housing Quality Standard (WHQS) in March 2018. The five-year Capital Programme now reflects the investment required to maintain the Council's housing stock and deliver compliance with the Welsh Housing Quality Standard 2023

(WHQS 2023). The programme also supports the Council's wider aspirations set out within the Housing Asset Management Plan, including the provision of new homes. These priorities are further detailed within the Council's 30 Year Housing Improvement Plan, the most recent version of which was approved by Council in January 2026. The Housing Improvement Programme is reviewed annually to ensure investment priorities remain aligned with WHQS 2023 requirements, asset management objectives, and the long-term sustainability of the Council's housing stock. The next update to the Housing Improvement Plan will be considered by Cabinet in January 2027 before being submitted to Council for approval.

4.50 The sources of funding to be used to finance HRA expenditure in 2027/28 to 2030/31 are detailed in the table below.

Table 6 – Sources of funding for the Housing Improvement Programme

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

5.0 How has evidence been used to inform the report, including the views of others?

5.1 The Council's 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.

5.2 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. 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.

6.0 What are the next steps if the recommendations are approved?

6.1 For shortlisted bids, officers will be asked to complete full capital bid forms which will be taken back to Strategic Insight Board on 4th November 2026.

6.2 A risk assessment is undertaken for each bid, in line with the Council's Corporate Risk Management Strategy. The bids are then reviewed to assess corporate priority, schemes that are required on a statutory or health and safety basis are prioritised alongside any invest to save or transformational schemes. All bids are also assessed for the contribution they make towards the five 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 along with value for money for the Council.

6.3 The recommendations of the Strategic Insight Board will then be reviewed by the Leader, the Chief Executive and the Head of Finance and a draft Capital Programme 2027/28 to 2031/32 inclusive of proposed successful bids will be taken to Cabinet in January 2027 and will be submitted to Resources Scrutiny Committees for consultation. Scrutiny Committee will be asked to first consider the Initial Capital Programme proposals and to make any recommendations for changes and to consider the capital bids which will be 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. Resources Scrutiny Committee will consider both the Initial Capital Budget Proposals and any recommendations that other Scrutiny Committees have made. The responses of Scrutiny Committees must be referred to Resources Scrutiny Committee in February 2027.

6.4 Senior officers will review and prioritise the bids as part of the programme of work to balance the budget. This work will also be part of the internal challenge process.

6.5 After considering the results of the public consultation and the Final Settlement from Welsh Government, Cabinet will make its final proposals during February 2027, which will then be presented to full Council for final approval in March 2027.

6.6 The Council is currently working to balance the revenue budget for 2027/28; it is a very challenging year due the current economic climate and the cost of living crisis. Significant cost pressures have been submitted and are currently being reviewed. The level of acceptable borrowing will be dependent on the resources that are available within the revenue budget and cost pressures have been submitted for the cost of borrowing for new capital bids. The revenue costs including the borrowing costs will need to be taken into consideration as part of the Medium Term Financial Plan.

6.7 The Treasury Management mid-year report will be taken to Cabinet in November 2026. The Treasury Management Strategy will be updated to reflect the budget proposals and reported to Governance and Audit Committee, Cabinet and Full Council before 11th March 2027 statutory deadline,

7.0 How does this report support Vale 2030 and Reshaping?

7.1 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:

7.2 **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. Schemes are progressing with the redevelopment of the Docks Offices and on the Mole. A further £1.5M has also been provided for the Local Growth Fund which has been allocated across seven schemes including £500k for an extension at Porthkerry Cafe and £140k for SME Energy Grants. Investment in housing through the Housing Improvement Programme will maintain the Welsh Housing Quality Standard, consideration of alternative heating measures and new developments.

7.3 **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 have or are currently being implemented. There are decarbonisation schemes on the Capital Programme totalling £3.262m in 2026/27 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.

7.4 **Giving Everyone a Good start in Life** – The Council shows its commitment to the youngest people in our community by further investment in schools through the School Investment Programme. The Council is committed to working together to provide the support children and families need with schemes such as our Early Years and Childcare programme. The Council 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.

7.5 **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. In 2026/27 further work to accommodate children and young people who are looked after was undertaken through the Social Services Invest to Save scheme in the Capital Programme. Construction has been undertaken at the second of two appropriated properties, and this will be operational as a home for children who are looked after before the end of the year. Two properties were purchased in 2025/26 for development into accommodation for unaccompanied asylum-seeking young people; work has been undertaken at one of these properties, and this will be ready for use during the autumn of 2026/27. Work on the second property is programmed to commence during quarter 4 of 2026/27. Service planning and procurement activity has been undertaken to develop the integrated health and social care hub at Thompson Street.

7.6 **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.

8.0 How does this demonstrate the Five Ways of Working?

8.1 The setting and the monitoring of the Capital programme follows the Five Ways of Working.

8.2 **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.

8.3 **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.

8.4 **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.

8.5 **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.

8.6 **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.

Resources

9.0 Finance

9.1 The total net capital expenditure of the proposed programme in Appendix 2, over the period 2027/28 to 2030/31, is £266.490M. The total gross capital expenditure is £349.914M.

9.2 In line with the overall Financial Strategy, in order to resource the Capital Programme, £8.638M of general fund reserves will be utilised over the period of the Capital Programme 2027/28 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.

9.3 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.

10.0 Workforce

10.1 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.

11.0 Legal and Equalities

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

12.0 **Key Contacts**

12.1 The primary officers to contact with any comments and/or queries on the report are:

Lead Officer: Matt Bowmer Head of Finance/Section 151 Officer	Democratic Services Officer: Matt Swindell Cabinet and Committee Services Officer. mlswindell@valeofglamorgan.gov.uk

Appendix

Appendix 1 – Long List of Capital Bids

Background Documents

None.

Directorate	Scheme Name	2027/28 £000 Net	2027/28 £000 Gross	2028/29 £000 Net	2028/29 £000 Gross	2029/30 £000 Net	2029/30 £000 Gross	2030/31 £000 Net	2030/31 £000 Gross	2031/32 £000 Net	2031/32 £000 Gross	Brief Scheme Description	Scheme Type?
Learning and Skills	Holm View Redevelopment	934	7,209	0	0	0	0	0	0	0	0	This Strategic Case sets out the redevelopment of Holm View Centre, to expand ALN provision across the Vale of Glamorgan Council. The proposal is to refurbish and adapt the existing building to provide a suitable space for pupils with social, emotional and mental health needs aged 13-16, providing high-quality teaching and learning facilities.	Transformational Scheme
Learning and Skills	Refreshed parking at Palmerston Community Learning Centre	145	145	0	0	0	0	0	0	0	0	The carpark is visibly in a poor state of repair with sections lifting and with the number of potholes growing. The proposed works include resurfacing the car park area including relevelling in areas to improve drainage across the car park to avoid ponding. Work would also be undertaken to address areas of drainage linked to the car park, and to provide new line markings.	Asset Renewal Scheme
Social Services	Fire Compliance in Residential Homes	600	600	0	0	0	0	0	0	0	0	The Council operates four residential homes for older adults with care and support needs. Inspections have identified a number of actions that need to be undertaken by the Council to maintain fire safety and keep residents safe. The works required include updating internal fire doors, fire stopping works and works to the fire compartments within the buildings. Funding is identified in the 2026/27 for the most urgent of these works, but this bid sets out the funding that will be required to ensure full compliance across all of the homes.	Asset Renewal Scheme
Social Services	Roofing Works to Residential Homes	300	300	300	300	250	250	0	0	0	0	Re-roofing works required to three residential homes together with new PV installation where appropriate.	Asset Renewal Scheme
Social Services	Children and Young People's Services Emergency Residential children's home	1000	1,000	0	0	0	0	0	0	0	0	Children and Young People's Services (CYPS) have a programme of work to develop local placements to place children and young people within their home authority. This will reduce the need for high-cost placements that may be out of area and with for-profit providers. Welsh Government grant funding will be requested to reimburse the costs of this, but the initial works would need to be undertaken at risk by the Council pending grant applications. Cardiff and Vale RPB are supportive of the scheme in principle and recommend it is put forward as an application to IRCF's priority 3 fund for Eliminating profit from the provision of children's residential care.	Transformational Scheme
Environment	Carriageway Resurfacing	1000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	The proposed carriageway renewal and resurfacing programme addresses structural deterioration across key transit corridors in the Vale of Glamorgan in alignment with the Council's Cabinet-approved three-year highway asset plan. The initiative satisfies statutory maintenance obligations under the Highways Act 1980 while advancing decarbonisation and active travel objectives through the recycling of milled road surfacing's.	Asset Renewal Scheme
Environment	Fleet Parking - Atlantic	1200	1,200	0	0	0	0	0	0	0	0	The Fleet Parking project was originally allocated a capital budget of £2.4 million, based on initial design and construction estimates. As the project has progressed through detailed design, planning, and cost review stages, it has become evident that an additional £1.2 million is required to deliver the scheme in full. The increased funding requirement reflects rising construction and infrastructure costs, site development requirements, drainage and utility works, and the need to ensure the facility meets operational, environmental, and health and safety standards. Securing the additional investment will enable the Council to deliver a fit-for-purpose fleet parking facility that supports efficient service delivery, protects fleet assets, and provides long-term operational benefits.	Transformational Scheme
Environment	Replacement of Refuse and Roadside Recycling Vehicles	2070	3,510	4,266	7,130	0	0	0	0	0	0	In 2018/19 the Council purchased 24 Roadside Recycling Vehicles (RRV's) from Romaquip The vehicles are coming to the end of their life and require replacing. This bids reflects the cost to enable the purchase of EV RRV's and Refuse vehicles, a grant application for the difference between the cost of diesel and EV will be submitted to Welsh Government Energy Service (WGES).	Asset Renewal Scheme
Environment	Colcot Sports Centre / Artificial Pitch	87	580	0	0	0	0	0	0	0	0	The Council is reviewing options for the sports centre given its current condition being beyond its original lifespan. The funding is to provide match-funding towards a replacement artificial turf pitch, dependent upon the grant application process.	Transformational Scheme
Environment	Footway Reconstruction Works	400	400	400	400	400	400	400	400	400	400	This capital bid seeks funding for a targeted footway renewal and resurfacing programme across the Vale of Glamorgan to arrest severe network deterioration and fulfil the Council's statutory maintenance duties under Section 41 of the Highways Act 1980. The project specifically targets failing concrete-slabbed residential streets prone to vehicular damage, replacing them with resilient surfaces to eliminate unsustainable, recurring reactive repair costs and mitigate third-party insurance liability.	Asset Renewal Scheme
Environment	Howe Mill bridge deck replacement	250	250	500	500	0	0	0	0	0	0	Replacement bridge deck on the St Athan road near The Herberts which is a key route between Cowbridge and St Athan servicing the wider community and local farming businesses. The existing bridge deck has been assessed as weak and therefore has had an imposed weight restriction of 7.5T for the last few years. This creates a significant logistical issue for local traffic and business connections including the local farming community.	Asset Renewal Scheme
Environment	Leckwith viaduct and river bridge replacement	0	0	500	500	1,500	1,500	5,000	5,000	8,000	8,000	Full replacement of the Leckwith viaduct and bridge structures linking the Vale into Cardiff via the principle and strategic route B4267. The structure currently has a weight restriction of 7.5T which is impacting bus transport and business traffic and this weight restriction is likely to become more restrictive in future years.	Asset Renewal Scheme

Directorate	Scheme Name	2027/28 £000 Net	2027/28 £000 Gross	2028/29 £000 Net	2028/29 £000 Gross	2029/30 £000 Net	2029/30 £000 Gross	2030/31 £000 Net	2030/31 £000 Gross	2031/32 £000 Net	2031/32 £000 Gross	Brief Scheme Description	Scheme Type?
Environment	Illuminated Traffic Signs and Bollards - LED Conversion Programme	394	394	0	0	0	0	0	0	0	0	This scheme comprises a programme to convert 831 illuminated highway assets - consisting of 770 traffic signs and 61 safety bollards - across the Vale of Glamorgan from obsolete fluorescent and compact fluorescent lamps to ultra-low-energy LED alternatives.	Transformational Scheme
Environment	A48 Private Street Lighting Electrical Infrastructure Renewal Programme	400	400	400	400	400	400	400	400	0	0	This scheme comprises an asset renewal programme to reconstruct aging, electrically deficient, and hazardous privately owned street-lighting networks along the high-speed A48 arterial corridor.	Asset Renewal Scheme
Environment	B1134 Nant Aberthin A4222	50	50	100	100	0	0	0	0	0	0	Structural strengthening of an existing masonry arch bridge carrying the A4222 over the Nant Aberthin stream in the village of Aberthin near Cowbridge.	Asset Renewal Scheme
Environment	Main Road, Ogmore-by-Sea - Undergrounding of Street Lighting Cable Network	160	160	0	0	0	0	0	0	0	0	This scheme seeks to replace storm-damaged overhead street-lighting networks with an underground system along Main Road, Ogmore-by-Sea . Multiple failed sections have already been removed for public safety, leaving approximately 40 street-lighting columns out of service and creating a dark corridor. The capital works programme includes pre-construction utility mapping, targeted trial hole excavations, trenching, ducting, structural column/feeder-pillar alterations, and the installation of a new underground cable network- concluding with electrical commissioning, asset log updates, and surface reinstatement.	Asset Renewal Scheme
Environment	B1438 Alexandra Park Footbridge	50	50	25	25	0	0	0	0	0	0	Demolition of existing bridge deck and provision of a replacement deck utilizing the existing abutments.	Asset Renewal Scheme
Environment	Coastal Accessibility & Infrastructure Enhancement Scheme	125	125	0	0	0	0	0	0	0	0	Proposal for a number of coastal infrastructure enhancements, including Barry Island, Penarth Pier, Llantwit Major, Ogmore-by-Sea, Cold Knap, Porthkerry, Watch House Bay, and Jackson's Bay, as identified by the Place Scrutiny task and finish action plan. The scheme will upgrade public spaces to ensure they are universally accessible to wheelchair users, older citizens, caregivers, and visitors with neurodiversity or complex care needs. The specific capital works to be delivered across the Vale's coastlines include, public toilet and care facility overhauls, ramp and access Infrastructure upgrades, parking and highways configurations and targeted crisis signage deployment.	Asset Renewal Scheme
Place	Porthkerry Country Park access improvements scheme	160	160	0	0	0	0	0	0	0	0	Cycle Path Resurfacing - Resurfacing works to the cycle route adjoining Porthkerry Country Park. The scheme will improve accessibility, encourage greater use of active travel and provide a safer and more attractive route for residents and visitors. Access Road Improvements - Essential repairs and resurfacing works to the principal access road serving Porthkerry Country Park. The project will safeguard a critical piece of park infrastructure and reduce future maintenance costs. Nightingale Cottage and Workshop Car Park Resurfacing - Resurface the parking and operational areas surrounding Nightingale Cottage and the park workshops at Porthkerry Country Park. The scheme will improve safety, accessibility and operational efficiency while supporting the continued use of these facilities as an important base for park management and volunteering activities.	Asset Renewal Scheme
Place	Cosmeston Lakes Country Park access improvement project.	150	150	0	0	0	0	0	0	0	0	This project will improve accessibility at the northern entrance to Cosmeston Country Park through the construction of a disabled access ramp and associated footpath improvements. The investment will enhance connectivity into the park and support the Council's commitment to accessible public open spaces. Mile Road Cycle Route Resurfacing - This scheme will resurface and repair the Mile Road route within Cosmeston Country Park, a key active travel and recreational link between Cosmeston and Penarth.	Asset Renewal Scheme
Place	Stabilise and restore the Lavernock gun battery	40	40	40	40	0	0	0	0	0	0	An capital investment is needed to stabilise and restore the Lavernock gun battery, part of a Cadw-designated scheduled monument of national importance.	Asset Renewal Scheme
Corporate Resources	Replacement of Chamber Microphones (VP-AV)	80	80	0	0	0	0	0	0	0	0	Replacement of microphones in the Council chamber to dual microphones, in line with industry standard and to replace existing infrastructure which is near end of life.	Asset Renewal Scheme
Corporate Resources	Removal of Data Centre and reallocation of space	175	175	0	0	0	0	0	0	0	0	Following the migration of the council servers to cloud and a general reduction in the infrastructure and space needed for IT equipment, this bid covers the decommissioning of the data centre cooling and the re-modelling of the space to create storage in the Civic.	Transformational Scheme

Directorate	Scheme Name	2027/28 £000 Net	2027/28 £000 Gross	2028/29 £000 Net	2028/29 £000 Gross	2029/30 £000 Net	2029/30 £000 Gross	2030/31 £000 Net	2030/31 £000 Gross	2031/32 £000 Net	2031/32 £000 Gross	Brief Scheme Description	Scheme Type?
Corporate Resources	Civic Offices Decarbonisation	60	600	300	3,000	300	3,000	0	0	0	0	Decarbonisation of the Council Civic Offices to significantly improve the building efficiency, running costs and working environment. The work includes the replacement of the existing gas-fired heating system with air source heat pumps and a backup electric boiler. Works also include the installation of new low-temperature radiators, ASHP plant, thermal stores, controls integration, electrical upgrades, replacement double-glazed windows or secondary glazing throughout, and domestic hot water point-of-use heaters. The glazing specification throughout the building will be significantly improved to improve thermal performance and solar control and will also incorporate additional envelope sealing measures. Introduces updated BMs which will provide intelligent zoning, occupancy monitoring and smart heating optimisation controls to further reduce energy demand.	Asset Renewal Scheme
	Total	**9,830**	**18,578**	**7,831**	**13,395**	**3,850**	**6,550**	**6,800**	**6,800**	**9,400**	**9,400**		

Please note:
Gross cost is the total (additional) anticipated cost of the scheme (Including grant/S106)
Net Cost is the amount of internal funding needed from the Council. (Not including grant/S106)