

OVERVIEW & SCRUTINY
Corporate Resources – Council Fund Capital Programme

No.	Comments and Questions:	Responses:
1.0	<p><u>School Modernisation</u></p> <ul style="list-style-type: none"> • 21st Century Schools allocation £64.2m - what is this for? • Can this funding be used for other education priorities? • Should the replacement of mobile classrooms be given greater priority? • What is the basis of the 21st Century Schools allocation? Is it deprivation led? • Why has the school buildings repair and maintenance allocation in 2013/14 reduced by £0.205m when the call on the budget is increasing? 	<ul style="list-style-type: none"> • Prioritised schemes in Holywell and Connah’s Quay, (with some flexibility in respect of works at John Summers High School, Queensferry); 50% of the £64.2m to be funded by Welsh Government (WG). • The WG funding is a specific grant awarded for the above schemes only. The Council awaits details of the extended Local Government Borrowing initiative (LGBI) and its likely impact on school funding (although the funding is not due to commence until 2014/15). • A feasibility study would assist in assessing the financial impact of replacing mobile classrooms (approximate build cost of £0.300m to replace each 30 place mobile unit). The use of associated Section 106 monies could contribute funding towards it. • It is based upon the number of surplus places. • The budget was trimmed (as with other core programme allocations) due to reduced available funding, but increases by £0.025m each year over the next 10 years.

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2.0	<p><u>Leisure</u></p> <ul style="list-style-type: none"> There's no reference within the paperwork as provided to any budgetary provision for works at leisure centres – funding for painting etc. 	<ul style="list-style-type: none"> There's some scope for funding capital works from the Corporate Property Maintenance budget (within Environment). Painting works would however be a charge to revenue not capital.
3.0	<p><u>Administrative Buildings</u></p> <ul style="list-style-type: none"> Energy Efficiency Measures - Renewable energy installations; tariffs have reduced and thereby the return for energy efficiency purposes will fall - has this been recognised in setting the core programme budget? What was the business case for renewable energy? 	<ul style="list-style-type: none"> Photovoltaics (PVs) are now less expensive and more efficient in energy production as technology moves on, and general energy consumption is reducing through efficient working, thus compensating for the fall off in feed in tariffs. A copy of the business case will be provided.
4.0	<p><u>Highways</u></p> <ul style="list-style-type: none"> Land Drainage – Why is budget only £0.080m and who funds culverts? Bridge Assessments – Budget is only £0.160m, what does this cover? 	<ul style="list-style-type: none"> The Council's budget levers in substantial specific grants from WG (on top of the core programme) to fund land drainage priorities. Funding for culvert works is provided from within the core programme (for capital works), and from within the revenue budget (StreetScene) for routine repairs and maintenance. The allocation covers all bridges (including the Flintshire bridge) and footbridges. A survey is currently

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5.0	<p><u>General</u></p> <ul style="list-style-type: none"> • Unsupported (Prudential) Borrowing – How does the 2012/13 (and forward) commitment impact on the Council’s revenue position? • Capital Programme – I’m struggling to understand why we have a 10 year core programme when the figures across the various programme areas are merely repeated for each year of the 10 years. • Why do unspent programme budgets automatically roll forward when there are other potential schemes left without funding? 	<p>underway in order to assess the full extent of future liabilities in respect of the Flintshire Bridge; the survey costs are funded from the 2012/13 £2.7m LGBI (Highways) monies. If future liabilities become unaffordable, the Council will move to lobby WG for funding.</p> <ul style="list-style-type: none"> • All borrowings have been factored into the Medium Term Financial Plan – borrowing costs rise to approximately £1.5m per annum once the full impact of the 21st Century Schools Programme feeds through. • The core programme is one element only of the total capital programme; the total capital programme includes those schemes funded by way of grants, Capital Expenditure financed from Revenue Account (CERA) and more significantly unsupported (prudential) borrowing. These additional elements are key considerations in the strategic work undertaken in developing the overarching capital strategy, and the linked Medium Term Financial Strategy. • Budgets do not automatically roll forward – this is the clear message from Scrutiny. The Quarter 3 Capital Programme report to Cabinet on 19th March will

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	<ul style="list-style-type: none"> • Disposal of Assets – Some clarification is required regarding the asset disposal policy. Is there a level of speculation in the list of anticipated sale receipts? 	<p>provide the updated position regarding schemes not yet started.</p> <ul style="list-style-type: none"> • A detailed asset review is to be carried out in order to assess the status of assets held – those which can be disposed of and those which are required for future service delivery. The Council will be looking into more creative ways to raise capital finance including Asset Backed Vehicles.