

**CABINET**

<b>Date of Meeting</b>	Tuesday, 21 <sup>st</sup> November 2023
<b>Report Subject</b>	Capital Programme 2024/25 – 2026/27
<b>Cabinet Member</b>	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
<b>Report Author</b>	Chief Executive Corporate Manager – Capital Programme and Assets Corporate Finance Manager
<b>Report Type</b>	Strategic

**EXECUTIVE SUMMARY**

This report presents the proposed Capital Programme for the period 2024/25 – 2026/27 for recommendation to Council.

The Council's Capital Programme covers investment in assets for the long term to enable the delivery of high quality and value for money public services. Assets include buildings (such as schools and care homes), infrastructure (such as highways and ICT networks) and assets not owned by the Council (such as works to improve and adapt private sector homes). The proposed capital investments outlined within this report are closely aligned to portfolio service business plans and the Council Plan.

The Council has limited capital resources from Welsh Government to support Council priorities, needs and liabilities. However, it has the powers to fund capital schemes by borrowing - this is temporary and ultimately, the cost and repayment of any borrowing is charged to the Council's revenue budget. Schemes funded by borrowing are carefully considered due to the long-term impacts on the Council's revenue budget.

The report divides the Council Fund Capital Programme into three sections: -

1. Statutory / Regulatory - allocations to cover regulatory and statutory works.
2. Retained Assets - allocations to fund infrastructure works necessary to ensure service and business continuity.

3. Investment - allocations to fund works necessary to remodel services to deliver efficiencies outlined in portfolio business plans and invest in services as outlined in the Council Plan.

Historically, much of the Council's programme has been funded from capital receipts and grants. The Council's ability to generate significant capital receipts is challenging as the assets the Council has available for disposal diminish. Wherever possible every opportunity to identify assets for sale and other sources of funding such as specific grants and revenue contributions will be explored. However, the Council will need to use prudential borrowing to finance more of the programme going forward. In particular, the Sustainable Communities for Learning Band B programme, and other schemes included within the investment programme will need to be funded through prudential borrowing.

The Capital Strategy has been updated and is presented separately on the agenda.

The information in this report refers to the Council Fund (CF) programme only, not the housing programme which is funded from the Housing Revenue Account (HRA) and which is reported separately.

## RECOMMENDATIONS

1	To approve the allocations and schemes in Table 3 (paragraph 1.09) for the Statutory/Regulatory and Retained Assets sections of the Council Fund Capital Programme 2024/25 - 2026/27.
2	To approve the schemes included in Table 4 (paragraph 1.32) for the Investment section of the Council Fund Capital Programme 2024/25 - 2026/27.
3	To note that the shortfall in funding of schemes in 2024/25 and 2025/26 in Table 5 (paragraph 1.37) at this point in the approval process allows flexibility. Options including a combination of future capital receipts, alternative grants (if available), prudential borrowing or the re-phasing of schemes will be considered during 2024/25 and included in future Capital Programme reports.
4	To consider and approve the schemes included in Table 6 (paragraph 1.41) for the specifically funded section of the Council Fund Capital Programme which will be funded in part through borrowing.

## REPORT DETAILS

1.00	<b>EXPLAINING THE CAPITAL PROGRAMME 2024/25 – 2026/27</b>
1.01	<p>The Council’s Capital Programme encompasses investing significant resources in assets for the long term to enable the delivery of high quality, value for money public services. Assets include buildings (such as schools and care homes), infrastructure (such as highways and ICT networks), and assets not owned by the Council (such as works to improve and adapt private sector homes). The proposed capital investments outlined within this report are closely aligned to portfolio service business plans and the Council Plan.</p> <p>The Council has limited capital resources from Welsh Government (WG) to support Council priorities, needs and liabilities; however, it has the powers to fund capital schemes by borrowing, but this is temporary and ultimately the cost and repayment of any borrowing is charged to the Council’s revenue budget. Schemes funded by borrowing are carefully considered due to the long-term impacts on the Council’s revenue budget.</p> <p>The first half of this report covers parts of the Capital Programme where the Council invests in local infrastructure, facilities and assets, which will be funded from general capital resources (General Capital Grant, Unhypothecated Supported Borrowing and Capital Receipts). Regional programmes such as the Growth Deal for North Wales which will draw on national funds, and the Housing Revenue Account (HRA) Capital Programme, which is separate and includes the Welsh Housing Quality Standard (WHQS) work programme and Strategic Housing and Regeneration Programme (SHARP), supplement the Council funded Capital Programme.</p> <p>The second half of the report covers parts of the Capital Programme which includes specific grants as far as information is available at the time of writing and borrowing. This includes the Sustainable Communities for Learning Programme, delivered in partnership between the Council and WG.</p>
1.02	<p><b>General Capital Programme 2023/24 – 2025/26 Update</b></p> <p>The Council’s Capital Strategy divides the Capital Programme into three parts as follows.</p> <ol style="list-style-type: none"><li><b>1. Statutory / Regulatory section</b> – to cover regulatory and statutory works. Examples include providing support to improve and adapt private sector homes (Disabled Facilities Grants), adaptations to schools for children with disabilities and any works required to keep buildings open by meeting Health and Safety requirements.</li><li><b>2. Retained Assets section</b> – to ensure service and business continuity. This includes schemes that enhance and improve retained assets and infrastructure to deliver services and meets significant need identified by service plans or through condition surveys etc.</li></ol>

3. **Investment section** – to fund costs incurred when remodelling and investing in services. This includes new schemes arising from portfolio business plans, the Council Plan, other relevant and emerging plans, and other strategies or emerging Council priorities approved through a selection process based on the provision of a business case.

1.03 Table 1 below summarises the updated Council funded Capital Programme for 2023/24 – 2025/26 as reported at Month 6 2023/24:

**Table 1**

<b>ESTIMATED FUNDING 2023/24 - 2025/26</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Funding</b>				
Un-hypothecated Supported Borrowing (USB) <sup>1</sup>	4.025	4.025	4.025	12.075
General Capital Grant (GCG) <sup>1</sup>	4.134	4.134	4.134	12.402
Capital Receipts Available	0.694	0.000	0.000	0.694
Surplus B/Fwd from 2022/23	4.139	0.000	0.000	4.139
<b>Total Funding</b>	<b>12.992</b>	<b>8.159</b>	<b>8.159</b>	<b>29.310</b>
<b>Expenditure</b>				
Total Capital Programme 2023/24 - 2025/26	10.065	8.951	8.298	27.314
	<b>10.065</b>	<b>8.951</b>	<b>8.298</b>	<b>27.314</b>
<b>Surplus / (Shortfall)</b>	<b>2.927</b>	<b>(0.792)</b>	<b>(0.139)</b>	<b>1.996</b>
<sup>1</sup> As per 2023/24 Final Settlement				

1.04 Table 1 shows the current position of the Capital Programme 2023/24 – 2025/26 as reported at Month 6 to Cabinet and Corporate Resources Overview and Scrutiny Committee, an overall surplus in funding of £1.996m, with a surplus in 2023/24 of £2.927m.

When the budget was set in January 2023, there was a shortfall in funding of schemes in 2024/25 and 2025/26 and surplus in 2023/24. At that point in the approval process the position was kept flexible and this was explained in the report to Council at that time. Options included a combination of future capital receipts, alternative grants, prudential borrowing or scheme phasing over several years which would be considered during 2023/24.

1.05 Given the current position in setting the Capital Programme for the next three years 2024/25 – 2026/27, careful consideration has been given to new schemes proposed for inclusion.

1.06

**Projected General Funding Available 2024/25 - 2026/27**

Table 2 below shows the general capital funding currently projected to be available to fund the Capital Programme over the next three years (2024/25 - 2026/27).

**Table 2**

<b>ESTIMATED AVAILABLE FUNDING 2024/25 - 2026/27</b>				
	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Funding (Excluding Specific Funding)</b>				
Un-hypothecated Supported Borrowing (USB) <sup>1</sup>	4.025	4.025	4.025	12.075
General Capital Grant (GCG) <sup>1</sup>	4.134	4.134	4.134	12.402
Surplus B/Fwd from 2023/24	2.927	0.000	0.000	2.927
<b>Total</b>	<b>11.086</b>	<b>8.159</b>	<b>8.159</b>	<b>27.404</b>
<sup>1</sup> As per 2023/24 Settlement				

1.07

Table 2 assumes that the Un-hypothecated Supported Borrowing allocation and the General Capital Grant received from WG in the years 2024/25 to 2026/27 remains as indicated in the 2023/24 final Financial Settlement for Welsh local government. The 2024/25 Provisional Settlement for Welsh local government announcement has been provisionally set for the 20<sup>th</sup> December 2023.

1.08

The figures in Table 2 relate to the Council Fund (CF) only, with the HRA Capital Programme being reported separately.

**General Capital Programme 2024/25 – 2026/27**

1.09

**Statutory / Regulatory and Retained Asset Allocations – 2024/25 – 2026/27**

Table 3 shows the proposed allocations for the period 2024/25 - 2026/27 for the Statutory / Regulatory and Retained Asset sections of the Capital Programme.

**Table 3**

<b>PROPOSED ALLOCATIONS 2024/25 - 2026/27</b>				
	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Statutory / Regulatory Section</b>				
Equalities Act - Individual pupils	0.500	0.500	0.500	1.500
Disabled Facilities Grants	1.500	1.500	1.500	4.500
Private Sector Housing Renewal	0.040	0.040	0.040	0.120
School building works	0.500	0.500	0.500	1.500
Corporate property works	0.300	0.300	0.300	0.900
School safeguarding works	0.100	0.100	0.100	0.300
Target Hardening	0.030	0.030	0.030	0.090
<b>Total Statutory / Regulatory</b>	<b>2.970</b>	<b>2.970</b>	<b>2.970</b>	<b>8.910</b>
<b>Retained Assets Section</b>				
School building works	1.000	1.000	1.000	3.000
Corporate property works	0.300	0.300	0.300	0.900
Highways Asset Management Plan	1.980	1.500	1.500	4.980
Play areas	0.200	0.200	0.200	0.600
Datacentre Relocation	1.892	0.000	0.000	1.892
ICT - Equipment at Datacentres	0.046	0.000	0.079	0.125
ICT - Server Technology Replacements	0.323	0.264	0.124	0.711
ICT - Laptop / PC Replacements	0.092	0.268	0.134	0.494
ICT - Storage Technology Replacement	0.000	0.850	0.031	0.881
ICT - Cyber Security	0.000	0.066	0.133	0.199
Schools WiFi and Networking Infrastructure	0.000	1.020	0.000	1.020
Base Provision for Leisure and Libraries Estate	0.200	0.200	0.200	0.600
Hawarden Cemetery Extension and Development	0.300	0.000	0.000	0.300
Buckley Cemetery Extension	0.190	0.000	0.000	0.190
Demolition of redundant units Greenfield Business Park 'Headroom'	0.200	0.000	0.000	0.200
	0.350	0.350	0.350	1.050
<b>Total Retained Assets Section</b>	<b>7.073</b>	<b>6.018</b>	<b>4.051</b>	<b>17.142</b>

1.10 The information in Table 3 in relation to the new and previously approved schemes is explained in more detail in paragraphs 1.11 to 1.31 below.

1.11 Equalities Act – Individual pupils

An annual allocation to adapt and modify schools for children who have disabilities to support and create increasingly inclusive school environments. These works help the Council to meet its obligations under disability legislation, and reduce the potential costs and disruption associated with transporting pupils to alternative sites.

No changes are proposed for 2024/25 to 2026/27.

1.12	<p><u>Disabled Facilities Grants (DFG)</u></p> <p>An annual allocation to improve and adapt private sector homes comprising:</p> <ul style="list-style-type: none"> <li>• Disabled Facilities Grants – adaptations enabling residents to continue to live independently in their own homes</li> <li>• Partnership working with Care and Repair to support vulnerable residents</li> </ul> <p>Reduction of £0.160m per annum are proposed for 2024/25 to 2026/27.</p>
1.13	<p><u>Private Sector Housing Renewal</u></p> <p>An annual allocation for private sector housing renewal and improvement loan management and administration. This had previously been reported under the DFG section before the services were disaggregated across portfolios.</p> <p>No changes are proposed for 2024/25 to 2026/27.</p>
1.14	<p><u>School building works</u></p> <p>An annual allocation to fund the most urgent property works required at schools split across the regulatory / statutory and retained assets sections of the Capital Programme.</p> <p>A programme of toilet upgrades in both primary and secondary schools to ensure compliance with Education (School Premises) Regulations 1999 and Department for Education and Skills document "Toilets in Schools". There is currently a backlog of such works estimated to be in the region of £1.5m which is often reflected as a Health and Safety issue in Estyn inspections of schools, £0.100m per annum. When building new schools or extending current ones, the Council takes the approach to upgrade to the current standards at that time.</p> <p>Works to upgrade ventilation systems at school kitchens which are failing building regulations and gas safety legislation and are at risk of closure, £0.200m per annum.</p> <p>Fire Inspection Works at schools which are the responsibility of the Local Authority and have been identified during statutory fire risk assessments, £0.200m per annum.</p> <p>No changes are proposed for 2024/25 to 2026/27.</p>
1.15	<p><u>Corporate property works</u></p> <p>An annual allocation to fund the most urgent property works required at non-school premises split across the regulatory / statutory and retained assets sections of the Capital Programme, including managing risks from legionella, fire safety, asbestos, accessibility and health and safety.</p>

	No changes are proposed for 2024/25 to 2026/27.
1.16	<p><u>School safeguarding works</u></p> <p>There is a requirement to carry out works/adaptations at schools, to address safeguarding concerns raised about access at main entrances and site. These works are required to ensure both children and adults can attend schools in a safe and secure environment.</p> <p>No changes are proposed for 2024/25 to 2026/27.</p>
1.17	<p><u>Target Hardening</u></p> <p>The target hardening budget requires replenishment over the next three year period to prevent unauthorised use of land or buildings within the County.</p> <p>No changes are proposed for 2024/25 to 2026/27.</p>
1.18	<p><u>Highways Asset Management Plan (HAMP)</u></p> <p>An annual allocation of £1.5m to fund the HAMP which includes resurfacing of the classified Highway Network, replacement programme for street lighting columns and structural maintenance, with £0.100m to be top sliced for 'streetscape' improvements.</p> <p>Whilst the Council has a statutory duty to maintain the Highways Network in a safe condition for travel, how the Council does this is not defined. WG set targets for road condition indices and invested a significant amount of grant funding in the network, however this funding ceased after the 2021/22 financial year. The condition of the highway network will naturally continue to deteriorate each year and without sufficient annual investment the overall condition of the network will decline.</p> <p>See paragraph 1.53 for more detail in regard to the position on the potential development of the HAMP.</p> <p>One off increase proposed in 2024/25 and no changes for 2025/26 to 2026/27.</p>
1.19	<p><u>Play areas</u></p> <p>An annual allocation of £0.200m to fund the most urgent requirements to replace play equipment that has reached the end of its useful life at play areas, as well as upgrades to play areas. This will be delivered by Aura as the Council's management partner.</p> <p>No changes are proposed for 2024/25 to 2026/27.</p>
1.20	<p><u>Datacentre Relocation</u></p> <p>Previously, £0.510m had been approved in the 2020/21 (£0.120m) and 2022/23 (£0.390m) programme for 2024/25, relating to the replacement</p>



	<p>networking technologies solutions and uninterruptable power supplies within the current datacentre at County Hall. This was to replace outdated systems with the technologies required to deliver effective datacentres and improve connection to end users devices.</p> <p>Following this allocation, higher than expected increases in inflation and changes by the manufacturer has led to an additional request of £0.413m, resulting in a total requirement of £0.923m.</p> <p>Equipment at the current datacentre is at end of support in February 2025. If these works are completed at the current site, the equipment cannot be moved once installed. Alternatively, the datacentre can be relocated to Ty Dewi Sant in 2024/25, with the funding discussed above being used to mitigate some of the relocation costs.</p> <p>The current equipment in County Hall will be used whilst the new datacentre is completed. Once operational, the old datacentre will be decommissioned. This would release a significant site constraint in the redevelopment of the County Hall Campus.</p>
1.21	<p><u>ICT - Equipment at Datacentres</u></p> <p>Previously approved was the upgrade to the Council’s telephone solution in 2024/25 costing £0.046m.</p> <p>New bids include the replacement of networking technologies to provide segregation of online systems from internal systems, £0.045m and networking technologies at remote sites replacements, £0.034m. Both are required in 2026/27.</p>
1.22	<p><u>ICT - Server Technologies (Business Systems and SQL Servers)</u></p> <p>In 2024/25 and 2025/26 the server infrastructures currently used to deliver business systems through Citrix, will come to the end of their useable life and could lead to a degradation of service if not replaced, at a cost of £0.253m and £0.264m. This has previously been approved along with £0.070m in 2024/25, for the replacement of servers used to support business systems that utilise SQL as a database technology.</p> <p>A further bid has been received for replacement servers infrastructure that will come to the end of its useful life in 2026/27, at a cost of £0.124m.</p>
1.23	<p><u>ICT - Laptop / PC Replacements</u></p> <p>The project will deliver a programme of device replacement based on the “just in time” principle of replacement to ensure the Council maximises the useable life of its laptop assets. It will ensure that the devices used by members of staff are fit for purpose and can deliver the required level of service, and can support the latest operating systems and security software.</p> <p>The absence of a replacement budget for replacement devices will result in devices that perform poorly and will not be able to accommodate the</p>

	<p>operating system and security software require to ensure the required level of performance. The inability to operate up to date security software poses a significant cyber security risk.</p> <p>Capital funding is required over a three year programme.</p>
1.24	<p><u>ICT - Storage Technology Replacement</u></p> <p>The Council uses storage technologies that allow the allocation of storage to systems as and when they need it. It prevents unused storage sitting against systems and is the most efficient and cost-effective way of allocating storage against all systems used by the Council, from business applications to the general file share.</p> <p>The Councils corporate storage technology requires replacing in 2025/26 at a cost of £0.850m. The storage system specifically allocated to the Council's Graphic Designers will cost £0.031m and would require replacement in 2026/27.</p>
1.25	<p><u>ICT – Cyber Security</u></p> <p>£0.066m has previously been approved in the programme in 2025/26 for the replacement of firewall and email scanning technologies.</p> <p>A new bid included is for the Council's main firewalls which are the main and first line of defence from cyber-attack. This ensures the Council's technology is up to date and current, in order to provide the required level of protection. This is needed in 2026/27 at a cost £0.133m.</p>
1.26	<p><u>Schools WiFi and Networking Infrastructure</u></p> <p>Flintshire, along with all other authorities in Wales were awarded a significant amount of money to replace old and outdated networking infrastructures within all school by WG. This has provided the schools with a sound digital platform to deliver the curriculum for a number of years. The school infrastructures formed part of the Hwb programme (WG programme) and subsequent funding has been directed towards end users devices.</p> <p>A condition of the grant was that Local Authorities put in place sustainability plans to fund replacement infrastructures when they need replacement.</p> <p>The current networking and wireless equipment is two years old, and the wireless equipment will have reached the end of its usable life in 2025/26.</p> <p>The networking equipment replacement is expected in 2027/28, which is anticipated to cost £1.4m.</p> <p>No change is proposed for 2025/26.</p>

1.27	<p><u>Base Provision for Leisure and Libraries Estate</u></p> <p>An annual allocation to fund the most urgent property works required across the Leisure and Libraries estate. The Council recognises its landlord responsibilities, it has retained ownership of all buildings from which Aura, its strategic Leisure and Libraries partner, delivers its business plan and operates these facilities in accordance with the service contract.</p> <p>No changes are proposed for 2024/25 to 2026/27.</p>
1.28	<p><u>Hawarden Cemetery Extension and Development</u></p> <p>Following the initial allocation of funding in a previous programme to purchase a newly identified site, funding is required to implement the necessary interment infrastructure which will include Burial plots, Cremation plots, Columbaria, Natural burial area, garden of remembrance and garden for the scattering of ashes.</p> <p>The development will provide in excess of 100 years burial capacity in Hawarden as well as enabling the Council to develop alternative burial and cremation provision in the future such as Resomation and Cremation. This will require the relevant permissions granted by UK Government and the construction of the required infrastructure will be subject to a further funding request outside of this application.</p> <p>Development of such alternatives will have the potential to bring the burial trend in Flintshire, in line with the rest of the UK.</p> <p>New scheme included in 2024/25.</p>
1.29	<p><u>Buckley Cemetery Extension</u></p> <p>The existing cemetery will reach capacity within four years, or sooner depending upon burial rates. Unfortunately, there is no option for extension.</p> <p>There is an area of low-lying land within the existing cemetery that has yet to be utilised for burials, however, ground investigations have determined that a shallow water table exists in this area making it both unsuitable and dangerous for grave excavation due to the levels of saturation.</p> <p>Following engagement with specialists in burial solutions, the proposal is to install burial chambers and develop infrastructure to support the installation. The proposed utilisation of unsuitable land at Buckley Cemetery for further burials will ensure that burial provision for local residents in those areas continues for at least the next 15 to 20 years.</p> <p>Use of burial chambers at the site would be a first for Flintshire. All other graves are earth graves apart from those faiths who require or request a bricked vault for burial. The use of chambers would be a significant change from the normal practice, however, there are no faith implications associated with their use.</p> <p>New scheme included in 2024/25.</p>

1.30	<p><u>Demolition of redundant business units Greenfield Business Park</u></p> <p>There are three units on this site which have fallen into disrepair and are no longer lettable or economic to repair. They are creating a nuisance for neighbouring businesses on the Business Park and cost the Council upwards of £0.040m each year in business rates and to maintain and keep secure from vandalism. It is proposed to demolish all three units to leave clear platforms for future development, through land sale or Council development. This is the first phase of planned regeneration on the Business Park.</p> <p>This proposal would pay back in five years and would make the land available for future developments discussed in paragraph 1.58, providing a revenue stream to the Council.</p>
1.31	<p><u>Funding 'Headroom'</u></p> <p>'Headroom' has been built into the Capital Programme to enable the programme to be more flexible so that funding can be allocated to small schemes as they present in year either as a result of opportunities or unforeseen circumstances (£0.350m per annum). An example would be the need to complete further highways works as a result of an exceptionally severe winter over and above any planned works funded from the annual allocation.</p> <p>No changes are proposed for 2024/25 to 2026/27.</p>
1.32	<p><b>Investment Section of the Capital Programme 2024/25 – 2026/27</b></p> <p>Table 4 below shows the proposed schemes for the period 2024/25 - 2026/27 for the Investment section of the Capital Programme. Details are provided in paragraphs 1.33 to 1.36.</p>

**Table 4**

<b>PROPOSED INVESTMENT SCHEMES 2024/25 - 2026/27</b>				
	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Investment Section</b>				
<u>Previously Approved</u>				
Joint Archive Facility, FCC and DCC	0.000	0.019	2.618	2.637
Croes Atti Residential Care Home	4.800	0.000	0.000	4.800
	<b>4.800</b>	<b>0.019</b>	<b>2.618</b>	<b>7.437</b>
<u>New Schemes for Approval</u>				
Re:Fit Framework	1.000	0.500	0.000	1.500
Development of Children's Residential Care	0.000	0.600	0.400	1.000
	<b>1.000</b>	<b>1.100</b>	<b>0.400</b>	<b>2.500</b>
<b>Total Investment Section</b>	<b>5.800</b>	<b>1.119</b>	<b>3.018</b>	<b>9.937</b>

1.33

**Joint Archive Facility, Flintshire and Denbighshire Councils**

This scheme recognises and responds to the need and demand of the two Councils' archive services. Both services occupy old buildings, unfit for purpose. They lack suitable public spaces and appropriate storage, are too full to accept new collections and are listed buildings lacking scope for adaptation, requiring expensive maintenance. The proposal is to construct a new building adjacent to Theatr Clwyd, Mold, to house both the physical archives and the new service operations.

The funding application for Heritage Horizon Award was unsuccessful, and the project board had sought alternative grant funding from the National Lottery Fund Wales, however this was at a significantly reduced funding level.

Further work was undertaken to develop a scaled back scheme, which still delivers against the business case for both authorities, and a funding application was submitted to National Lottery Fund Wales in November 2021. The application was regrettably withdrawn in March 2022, when it became clear that the temporary facility for the theatre, would not have vacated the proposed archive site in sufficient time to manage the project timescales.

After this setback, both Councils reviewed the project in January 2023, and whilst Cabinet endorsed the project, Denbighshire County Council's (DCC) Cabinet requested that feasibility work be carried out on vacant land and underutilised buildings that it owns in Denbighshire, as an alternative to Ruthin Gaol for a DCC archive, prior to considering any out of County investment proposal for a joint archive facility.

Given the delays, the site adjacent to Theatr Clwyd will now be available in sufficient time, and the programme and costs were reviewed in June 2023, with a view to a further National Lottery Fund Wales funding application in November 2023. The delays have caused the overall project cost to increase due to construction inflation, but this year NLHF raised the maximum value of the grant funding available for individual projects. Further to discussion with NLHF and the Project Board, the grant application to be made for this scheme will now be £7m, as opposed to the £5m of the last grant application.

The need for the project remains. DCC's Cabinet will consider the preferred option for a joint archive proposal on the site adjacent to Theatr Clwyd in October 2023, after which an update will be provided to the Council.

**Direct Costs:**

- Estimated funding available for the project is £12.5m, with £7.4m from grant funding, £3.079m from FCC and £2.052m from DCC. £0.442m included in a previous programme, which included core funding of £0.197m.
- It has been assumed that borrowing will be required to fund this project. The estimated revenue costs associated with borrowing £2.882m over 50 years totals £9.797m. In year 1 revenue debt costs are estimated to be £0.172m, rising to £0.228m in year 50, with an average of £0.196m over 50 years.

**Direct Benefits:**

- Sustainable and improved archive service for Denbighshire and Flintshire via the creation of a single shared service.
- The construction of a new purpose built environmentally friendly building adjacent to Theatr Clwyd, Mold, to house both the physical archives and the new service operations. Provide a sustainable archive repository for the region for the foreseeable future from the perspective of storage space and building maintenance and management.
- The overall revenue impact is an estimated saving of £11,647 per annum once the new building is open, with a potential further revenue saving once the joint service is running.

**Indirect Benefits:**

- Share knowledge and skills between the workforce of both Councils
- Sphere of health, education and wellbeing (connectivity, involvement, identity) can be achieved.
- The transferrable skills of our volunteers will develop will contribute to increasing their employability.
- Deliver the long-term development of a resilient, relevant service: inspiring communities in North East Wales and enacting the Wellbeing of Future Generations Act; securing historic collections, diversifying audiences, volunteers and depositors.
- Cost avoidance of £10,000 per annum additional revenue storage costs, and in excess of £0.718m to address the need for

	<p>environmental management equipment, compliant storage areas and upgrading public facilities and access.</p>
<p>1.34</p>	<p><u>Croes Atti Residential Care Home</u></p> <p>The care sector in Flintshire is working within an increasingly challenging environment as a result of a range of factors, including the complexity of need, an ageing population, rising costs, increasing expectations and regulation and difficulties with recruitment and retention of high-quality staff. As a result of these pressures there is limited resilience and Flintshire is particularly challenged, with only a small number of independent providers who are part of a reducing and fragile market. As a Council, we are taking a positive approach to rebalancing the care home provision, taking a lead as a local authority to develop care homes that value older people and provide good quality support that would place the Council in a good position for the future.</p> <p>Croes Atti is a single storey 31 bed care home purpose built for older people, which was refurbished in 2005. The 31 bedrooms are small and less than 12 square metres which makes it increasingly difficult to support people with complex physical care needs and there are only three bedrooms with an en-suite facility. The living and day time spaces are well used and whilst we have a number of assisted bathing / shower rooms, they are not all DDA complaint. The existing accommodation does not meet new RISCA regulations in relation to bedrooms and living space and any capital investing into refurbishment or new build must take into account of the new regulatory requirements. The care home is popular locally, is always at capacity and often with a waiting list for support. The home is regulated by the Care Inspectorate Wales (CIW) and achieves good inspection reports.</p> <p>The Council was awarded ICF grant, to fund feasibility works for a potential new build which will increase capacity for a further 25 placements. The design and development work has now concluded, and the Council have been provided with a final costs from the scheme contractor to consider prior to entering into a contract to move ahead with construction of the facility; this is subject to WG funding approval being released into the scheme.</p> <p>Current construction costs for the scheme are £17.3m. Construction is set to begin in October 2023 with a view to complete in March 2025.</p> <p>The service has submitted grant bids applications to WG for the construction stage of the project totalling £11.3m, with the Council awaiting the outcome of the bids. If successful the Councils contribution would be £6.050m, resulting in an intervention rate of 35%.</p> <p>Should the project not go ahead then the Council's design and development cost of £1m cannot be capitalised and would be a charge to the Council's revenue account.</p>

Direct Costs:

- Capital investment required is £6.050m. £1.250m included in the previous year's programme. It has been assumed that £3.5m of borrowing will be required to fund part of the Councils contribution. The estimated revenue costs associated with borrowing this over 50 years totals £11.9m. In year 1 revenue debt costs are estimated to be £0.209m, rising to £0.277m in year 50, with an average of £0.238m over 50 years.
- Social Services colleagues, in close partnership with Betsi Cadwaladr University Health Board (BCUHB), are currently developing the model of care that will be delivered on site upon completion. The expected annual revenue cost for this is £1.521m, with BCUHB providing a revenue contribution of at minimum £0.200m per annum. This will support the operation of the building and ensure that appropriate health capacity is available to the building to manage the pull-on resources, facilitating residents wellbeing and recovery. This will result in a net annual revenue cost of £1.321m which is built into the MTFS. However, this is expected to mitigate the cost of increasing out of county provision and reduce the reliance on external providers.

Direct Benefits:

- Additional provision of residential care placements and through release of placements in other locations across Flintshire currently using step-up/step-down beds
- Additional provision of short term beds in a community setting to allow for more appropriate assessment of need for individual and as a viable alternative to a hospital admission/delayed discharge
- Purpose built accommodation and bespoke service provision to maximise independence and support reablement
- Increase in placements for citizens living in the west of Flintshire to link to acute service provision, supporting greater choice and ability to be in a location of their choosing

Indirect Benefits:

- Integrated provision of multi-professional support needed to reduce organisational boundaries and improve outcomes for individuals
- Discharge to Reable and Assess ethos and environment to support improved longer term planning within an enabling environment
- Free up bed space within independent sector care homes, where existing fragilities and lack of capacity are a significant factor and ongoing risk
- At a population level, the equivalent number of beds are available within the care sector to promote choice when long term care is the most appropriate option
- Reduction in risks associated with long term hospital stay
- Potential avoidance of people entering into long term care where this may be unnecessary
- The building will be built to achieve Net Zero Carbon in operation



1.35	<p><u>Re:Fit Framework</u></p> <p>The Re:fit framework is part of Local Partnerships - a joint venture between the Local Government Association, HM Treasury and WG. The partnership works solely for the benefit of the public sector and bring public and private sector experience that provides confidence, capacity, and capability, helping councils achieve and maintain financial resilience.</p> <p>The framework provides a guaranteed 100% of the energy saving or generation (kWh) via a contractual agreement for the payback period of the project. This key feature is helping to remove risk of failure with new developments, plus protecting the client and their investment.</p> <p>Re:fit uses a competitively tendered and OJEU-compliant framework which can be utilised by any public sector organisation in England and Wales and covers the retrofit of buildings and assets to save energy and carbon. This includes a large range of technologies and measures such as: heat networks, lighting and controls, BMS controls, heat recovery, solar thermal, heat pumps, solar PV, insulation, draught proofing, street lighting, etc.</p> <p>Re:fit would also aid in addressing capacity issues, as officers can only procure and implement a given number of projects per year. Through Re:fit, an energy services company (ESCO) is appointed in order to review the built estate, identify energy and carbon saving opportunities and implement on a wider scale than would likely be possible 'in-house'.</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> <li>• Capital investment required is £1.5m. Based on preliminary data potential savings have been calculated at £0.230m per annum, with an estimated payback period of 7 years. Following this, savings generated will benefit the Council's revenue budgets.</li> </ul> <p>Direct Benefits:</p> <ul style="list-style-type: none"> <li>• Allow the Council to accelerate the push towards achieving NZC by 2030</li> <li>• Provide external support and expertise, supplementing and expanding the works that the Council are currently undertaking</li> <li>• Achieve potential annual CO2 savings of 892 tonnes</li> <li>• Meeting the priorities and objectives set within the Council Plan under 'Green Society and Environment' theme</li> <li>• Contributing towards the achievement of WG targets and obligations under the Climate Change Act, Wellbeing of Future Generations Act and Environment Act</li> <li>• Implementing this project will provide mitigation against future utility price increases</li> </ul>
1.36	<p><u>Development of Children's Residential Care</u></p> <p>There is a need to expand our in-house residential care for children. There is a statutory duty to ensure that we have sufficient registered placements to meet the placement needs of looked after children. Traditionally we have commissioned 'out of county' placements for looked after children</p>

requiring residential care. However, WG's strategy to 'eliminate profit' from the children's residential care market is likely to lead to a reduction in placement availability and requires local authorities to proactively expand in-house provision at pace to avoid us having to set up services that operate without registration and risk prosecution against the local authority.

WG's strategy is to rebalance the market so that the duties on local authorities in relation to looked after children are not contracted out to for-profit companies and remain with public sector or not-for-profit providers. Under the strategy new legislation will require:

- independent providers to demonstrate a not-for-profit status, based on a new pre-defined definition of non-profit, by 1 April 2026
- any current "for profit" providers will need to transition to, and register with Care Inspectorate Wales, as not-for-profit by 1 April 2027

If we do not have sufficient placements, we will breach our duty to secure sufficient accommodation for looked after children (Section 75) and increase the risk of needing to set up bespoke unregistered services to support looked after children.

The out of county placement revenue budgets continue to have significant pressures, with ongoing high demand for placements where children and young people cannot be supported within in-house provision. Market supply limitation factors and inflationary pressures are leading to higher costs, with current in year projected overspends of £1.078m. Services continue to do everything to manage these risks, with this development of in-house provision helping to mitigate against these pressures.

Direct Costs:

- Capital funding required is £1m, split over two financial years. It has been assumed that borrowing will be required to fund this project. The estimated revenue costs associated with borrowing £1m over 50 years totals £3.4m. In year 1 revenue debt costs are estimated to be £0.060m, rising to £0.079m in year 50, with an average of £0.068m over 50 years.
- WG have allocated £0.561m for 2024/25 to support their strategic intent. This money can contribute to the initial phase in the design, consultancy, and support of developments in the financial year.

Direct Benefits:

- The cost of residential care is escalating and likely to continue as market demand outstrips placement sufficiency. In-house services enable the authority to better control the cost of provision
- The expansion of residential care will help ensure sufficiency of safe, high quality, supportive placements that support looked after children to develop the skills and resilience to lead fulfilled lives
- Placing our looked after children locally will provide increased opportunity for children to maintain local links with appropriate friends, family and support networks as well as the opportunity to maintain local education provision

- Aligns to WG's not for profit agenda
- Demonstrate that we have met our duty to ensure market sufficiency enable us to meet the current placement needs of our looked after children

Indirect Benefits:

- Reduced travel costs and time with children placed locally

1.37

**Summary (Generally funded) Capital Programme 2024/25 – 2026/27**

Table 5 below summarises the generally funded Capital Programme and available funding.

**Table 5**

<b>SUMMARY (GENERALLY FUNDED) CAPITAL PROGRAMME 2024/25 - 2026/27</b>				
	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Statutory / Regulatory Section	2.970	2.970	2.970	8.910
Retained Assets Section	7.073	6.018	4.051	17.142
Investment Section	5.800	1.119	3.018	9.937
<b>Total (All Sections)</b>	<b>15.843</b>	<b>10.107</b>	<b>10.039</b>	<b>35.989</b>
Estimated available general funding <sup>1</sup>	11.086	8.159	8.159	27.404
<b>Total</b>	<b>11.086</b>	<b>8.159</b>	<b>8.159</b>	<b>27.404</b>
<b>Surplus / (Shortfall) - no borrowing</b>	<b>(4.757)</b>	<b>(1.948)</b>	<b>(1.880)</b>	<b>(8.585)</b>
<b>Schemes requiring funding by borrowing:</b>				
Joint Archive Facility, FCC and DCC	0.000	0.019	2.618	2.637
Croes Atti Residential Care Home	3.500	0.000	0.000	3.500
Re:Fit Framework	1.000	0.500	0.000	1.500
Development of Children's Residential Care	0.000	0.600	0.400	1.000
<b>Total</b>	<b>4.500</b>	<b>1.119</b>	<b>3.018</b>	<b>8.637</b>
<b>Surplus / (Shortfall) - with borrowing</b>	<b>(0.257)</b>	<b>(0.829)</b>	<b>1.138</b>	<b>0.052</b>

<sup>1</sup> As per 2023/24 Settlement

1.38

Table 5 shows that before any prudential borrowing is considered there is an overall shortfall in projected funding of £8.585m over the three year period, with an estimated shortfall of £4.757m in 2024/25.

It has previously been approved that the schemes for the Joint Archive Facility and Croes Atti Residential Care Home be funded from borrowing with the associated costs of borrowing included as revenue pressures within the Medium Term Financial Strategy (MTFS).

1.39	<p>Table 5 shows that after prudential borrowing is considered, there is an overall surplus in projected funding of £0.052m over the three year period, with an estimated shortfall of £0.257m in 2024/25.</p> <p>The Council has developed a prudent policy of allocating its own capital receipts to fund capital projects only when receipts are actually received rather than when it is anticipated the receipt will be received, and this position continues to be the case.</p> <p>In recent years, much of the Council's programme has been funded from capital receipts. However, the Council's ability to generate significant capital receipts is getting harder and is almost exhausted. Although the Council will, wherever possible, seek to identify assets for sale (as appropriate) to fund the Capital Programme.</p> <p>Options to fund shortfalls include a combination of future capital receipts, alternative grants, and scheme phasing as the expenditure profile of large complex projects such as those included in the investment section of the programme could change. Every effort will be made to ensure that other sources of funding are utilised to fund the programme.</p> <p>Ultimately, should other sources of funding not materialise the Council will need to use prudential borrowing to finance any shortfalls. This could be short term during the three years, or if necessary, long term to fund any overall shortfalls.</p>
1.40	<p><b>Specific Grants and Borrowing</b></p> <p><b>Sustainable Communities for Learning Band B Programme</b></p> <p>WG has approved the Council's in principle submission for Sustainable Communities for Learning Band B, with a funding envelope of £85m. The programme is to be funded from specific grant from WG at an agreed intervention rate, with the Council's contribution to be funded by prudential borrowing. The WG intervention rate for funding the Sustainable Communities for Learning Band B programme has increased from 50% to 65% for schools, 75% for Pupil Referral Units (PRUs) and Additional Learning Needs (ALN) provision, and 81% for Mutual Investment Models (MIM).</p> <p>Each of the remaining schemes are subject to individual approval to ensure that each meets the Council's continuing priorities and is affordable in the context of the Council's MTFS.</p> <p>Currently, the following Band B schemes are yet to be fully costed or brought forward within the Councils capital programme are: Elfed High School, Buckley and Saltney / Broughton Area.</p> <p>Schemes currently in progress are Ysgol Croes Atti, Flint and Drury Primary School.</p> <p>Various global issues have been impacting prices in the construction market. The key causes are Brexit, COVID-19 pandemic and the war in Ukraine. These causes have conflated and the impact on projects being:</p>

an increase in demand for construction (post covid); Supply chain disruption, long lead in time and an ongoing energy crisis. The consequences of this are: the lack of construction materials; high inflation and price volatility; high raw material prices; high energy prices and increased uncertainty.

In the present market Contractors are now more risk averse when pricing packages. Previously accepted market practice of D&B Contractors fixing a construction price for a significant period is no longer viable. The cost increases are being seen across all sectors. Analysis of the market is suggesting that nothing is likely to improve in terms of prices dropping or even levelling out in the foreseeable future. Consequently, this will have a significant impact on the current securing price certainty on schemes.

Given the current volatility of the construction markets, flexibility and consideration will need to be given around timescales and expected costs of each scheme to ensure the Council stays within the Band B funding envelope. Any increase in the cost of any of the exiting schemes, may result in pushing schemes or making the difficult decisions to pull schemes to form part of the next iteration of the Sustainable Communities for Learning programme.

Other projects included in this category were Hawarden High School, Flint High School and Mold Alun High School. Early intelligence suggests that the WG are moving away from prescriptive timing on its onward investment programme as LA's and FEI's in Wales have made differing progress in their schools and colleges investment programmes. Instead, LA's and FEI's in Wales will be asked to bring forward their investment programmes based on local timing and funding. The intervention rates for the WG onward investment programme are currently unknown.

There is also a growing pressure on the ALN section relating to increased capacity across the special school's network which will need to be monitored and considered within the programme moving forward.

The estimated costs of these schemes are outlined in the table below:

Band B	Total Cost	WG funded	Council funded
	£m	£m	£m
Ysgol Croes Atti, Flint	13.348	8.676	4.672
Drury CP	4.800	3.120	1.680
<b>Total</b>	<b>18.148</b>	<b>11.796</b>	<b>6.352</b>

The benefits and costs of the school improvement programme scheme are:

Direct Benefits:

- Enabling 65%-81% external investment in schools
- Continuing to raise educational standards
- Reduction in backlog maintenance costs
- Reduction in fixed costs associated with buildings and leadership focuses investment on learners

- At Drury CP, the removal of mobile classrooms and increase in permanent capacity to meet local demand
- Ysgol Croes Atti, Flint, will be Flintshire's first new build Welsh Medium primary school and is strategically linked to the Council's Welsh Education Strategic Plan (WESP)
- Energy efficiency improvements

Direct Costs:

- Part of bigger development programme in Band B, £85.4m.
- Estimated revenue borrowing costs associated (interest and minimum revenue provision) with each scheme are as follows:

Band B	Year 1	Year 50	Average over 50 years
	£m	£m	£m
Ysgol Croes Atti, Flint	0.279	0.370	0.317
Drury CP	0.100	0.133	0.114
<b>Total</b>	<b>0.379</b>	<b>0.503</b>	<b>0.431</b>

Indirect Benefits:

- Improving learner outcomes by ensuring that school buildings are effective in creating the conditions for learners to succeed
- Alignment with the Council's School Modernisation Strategy to ensure schools are fit for purpose
- A more secure school estate
- A school estate with reduced vandalism
- Upgrading ICT provision and enabling new methods of curriculum delivery
- Provision of appropriate capacity of school network
- Economic benefits of local contractor and sub-contractor spend
- Supports with the Councils net zero carbon aims

1.41

Details of schemes funded by specific grant and borrowing is shown in Table 6 below:

**Table 6**

<b>SPECIFICALLY FUNDED SCHEMES 2024/25 - 2026/27</b>				
	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m
<b>Specifically Funded Schemes</b>				
Sustainable Communities for Learning - Band B	9.483	12.430	8.840	30.753
<b>Total Schemes</b>	<b>9.483</b>	<b>12.430</b>	<b>8.840</b>	<b>30.753</b>
<b>Funding</b>				
Specific Capital Grants	6.164	8.080	5.746	19.990
Unsupported (Prudential) Borrowing	3.319	4.350	3.094	10.763
<b>Total Schemes</b>	<b>9.483</b>	<b>12.430</b>	<b>8.840</b>	<b>30.753</b>

1.42	At the time of setting the budget, the details of many capital grants have not been released by WG, and so are not included in Table 6 above. As details become available they will be reported to Members via the quarterly 2024/25 Capital Programme monitoring reports.																																																																																
1.43	All of the schemes proposed for inclusion within the Capital Programme invest in assets and / or reconfigure models of service provision. They are pivotal to support the delivery of the Council’s strategic priorities outlined in portfolio business plans and the Council Plan.																																																																																
1.44	<p><b>Summary Total Council Fund Capital Programme 2024/25 - 2026/27</b></p> <p>Table 7 summarises the total proposals for the 2024/25 - 2026/27 Capital Programme.</p> <p><b><u>Table 7</u></b></p> <table border="1" data-bbox="365 770 1383 1597"> <thead> <tr> <th colspan="5" style="text-align: center;"><b>SUMMARY CAPITAL PROGRAMME 2024/25 - 2026/27</b></th> </tr> <tr> <th></th> <th style="text-align: center;"><b>2024/25</b></th> <th style="text-align: center;"><b>2025/26</b></th> <th style="text-align: center;"><b>2026/27</b></th> <th style="text-align: center;"><b>Total</b></th> </tr> <tr> <th></th> <th style="text-align: center;"><b>£m</b></th> <th style="text-align: center;"><b>£m</b></th> <th style="text-align: center;"><b>£m</b></th> <th style="text-align: center;"><b>£m</b></th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>Expenditure</b></td> </tr> <tr> <td>Statutory / Regulatory Section</td> <td style="text-align: right;">2.970</td> <td style="text-align: right;">2.970</td> <td style="text-align: right;">2.970</td> <td style="text-align: right;">8.910</td> </tr> <tr> <td>Retained Assets Section</td> <td style="text-align: right;">7.073</td> <td style="text-align: right;">6.018</td> <td style="text-align: right;">4.051</td> <td style="text-align: right;">17.142</td> </tr> <tr> <td>Investment Section</td> <td style="text-align: right;">5.800</td> <td style="text-align: right;">1.119</td> <td style="text-align: right;">3.018</td> <td style="text-align: right;">9.937</td> </tr> <tr> <td>Specific Section</td> <td style="text-align: right;">9.483</td> <td style="text-align: right;">12.430</td> <td style="text-align: right;">8.840</td> <td style="text-align: right;">30.753</td> </tr> <tr> <td><b>Total Programme (All Sections)</b></td> <td style="text-align: right;"><b>25.326</b></td> <td style="text-align: right;"><b>22.537</b></td> <td style="text-align: right;"><b>18.879</b></td> <td style="text-align: right;"><b>66.742</b></td> </tr> <tr> <td colspan="5"><b>Funding</b></td> </tr> <tr> <td>General Funding <sup>1</sup></td> <td style="text-align: right;">11.086</td> <td style="text-align: right;">8.159</td> <td style="text-align: right;">8.159</td> <td style="text-align: right;">27.404</td> </tr> <tr> <td>Grant Funding</td> <td style="text-align: right;">6.164</td> <td style="text-align: right;">8.080</td> <td style="text-align: right;">5.746</td> <td style="text-align: right;">19.990</td> </tr> <tr> <td>Unsupported (Prudential) Borrowing</td> <td style="text-align: right;">7.819</td> <td style="text-align: right;">5.469</td> <td style="text-align: right;">6.112</td> <td style="text-align: right;">19.400</td> </tr> <tr> <td><b>Total Projected Funding</b></td> <td style="text-align: right;"><b>25.069</b></td> <td style="text-align: right;"><b>21.708</b></td> <td style="text-align: right;"><b>20.017</b></td> <td style="text-align: right;"><b>66.794</b></td> </tr> <tr> <td><b>Surplus / (Shortfall)</b></td> <td style="text-align: right;"><b>(0.257)</b></td> <td style="text-align: right;"><b>(0.829)</b></td> <td style="text-align: right;"><b>1.138</b></td> <td style="text-align: right;"><b>0.052</b></td> </tr> <tr> <td colspan="5"><small>1 As per 2023/24 Provisional Settlement</small></td> </tr> </tbody> </table>	<b>SUMMARY CAPITAL PROGRAMME 2024/25 - 2026/27</b>						<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Total</b>		<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>Expenditure</b>					Statutory / Regulatory Section	2.970	2.970	2.970	8.910	Retained Assets Section	7.073	6.018	4.051	17.142	Investment Section	5.800	1.119	3.018	9.937	Specific Section	9.483	12.430	8.840	30.753	<b>Total Programme (All Sections)</b>	<b>25.326</b>	<b>22.537</b>	<b>18.879</b>	<b>66.742</b>	<b>Funding</b>					General Funding <sup>1</sup>	11.086	8.159	8.159	27.404	Grant Funding	6.164	8.080	5.746	19.990	Unsupported (Prudential) Borrowing	7.819	5.469	6.112	19.400	<b>Total Projected Funding</b>	<b>25.069</b>	<b>21.708</b>	<b>20.017</b>	<b>66.794</b>	<b>Surplus / (Shortfall)</b>	<b>(0.257)</b>	<b>(0.829)</b>	<b>1.138</b>	<b>0.052</b>	<small>1 As per 2023/24 Provisional Settlement</small>				
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1.46	<p><b>Sustainable Communities for Learning</b></p> <p>The WG schools investment programme is expected to continue into a more fluid rolling ‘Band C’ programme, with the expectation is that this will run from 2025 to 2030.</p>																																																																																

	<p>Unknown's at this stage are the WG intervention rates and also whether WG will be using MIM funding in Band C. Early indications from WG officials are that this will remain at the current rates.</p> <p>WG have introduced additional criteria for Net Zero Carbon (NZC) requirements for schools. Buildings will be required to be NZC in operation, which means producing zero or negative carbon emissions as part of their operational energy. The first generation of schools and colleges under the new rules will also be required to demonstrate a 20% reduction on the amount of embodied carbon, which is the carbon emitted through construction materials and the construction process, with further reductions required in future, in line with the WG's broader NZC plans. Industry indications have confirmed this will increase construction costs by up to 20%.</p> <p>Whilst there are a lot of unknowns currently, early modelling work is already being undertaken in forming the Councils potential Band C programme. This work will be presented at a later date.</p>
1.47	<p><b>Llys Gwenffrwd, Holywell – Residential Care Home Review</b></p> <p>Llys Gwenffrwd is a 31 bed, three storey care home built in the 1970s which was refurbished in early 2000. There are challenges associated with the current building as it is built on a sloping site, as a result there are a number of levels requiring the need for ramps to access many areas both inside and outside. It includes the provision of a single undersized lift to reach the three stories which does not meet DDA requirements and there are a number of living and day spaces which are some distance from the bedroom areas. Outside space is difficult to access because of the site levels and parking can be difficult. The Holywell locality has the fewest number of care home placements available and would benefit from a new build facility on a different more accessible site which requires further consideration. A relocated new build meets the needs of an ageing population in alignment with the strategic service priorities.</p>
1.48	<p><b>Residential Care Home Provision – North East Flintshire</b></p> <p>Consideration has been made as to whether the Council can introduce in-house residential care to the North East region of Flintshire, to support with capacity and future proofing the care market in the area. Currently, a site mapping exercise is being undertaken to understand if there is a site with sufficient space to house a sufficiently sized facility.</p>
1.49	<p><b>Additional Learning Needs Reform</b></p> <p>In previous Cabinet reports, the need for specialist Autism and Moderate Learning Difficulties facilities had been highlight as short/medium term ambition. In reviewing the impact of Additional Learning Needs (ALN) transformation, extending existing ALN provision would also be a requirement along with consideration for a Secondary Phase Behaviour, Emotional &amp; Social Difficulties (BESD) Resourced Unit, the County only has primary provision currently. A technical feasibility is currently being undertaken to provide a range of options with high level cost estimates</p>



	<p>around effective building solutions. As an alternative option to a Council funded solution, it would be prudent to consider whether ALN transformation could be included as a project (or series of projects) from 2024. For larger value cost options it would be prudent to consider the next phase of the WG Sustainable Communities for Learning (Band C) investment programme, given that the current intervention rate in this programme for ALN provision is 75% WG funded, with the Councils contribution being 25%.</p>
1.50	<p><b>County Hall Campus</b></p> <p>The requirement to take forward the redevelopment of the site so to address the future needs of the Council and other public sector partners; to provide a range of options and an integrated approach around the Courts, Theatr Clwyd and joint Archive service together with a wider site development.</p>
1.51	<p><b>Register Office, Llwynegryn Hall</b></p> <p>This plan is to develop Llwynegryn Hall as a complete venue for civil marriages/partnerships in Flintshire. The intention is to upgrade internal accommodation, to include Floor 1, to offer more choice to couples for their wedding. The building has potential to be available and booked as part of a wedding package, which has the potential to generate additional income.</p>
1.52	<p><b>Review of Industrial Estates</b></p> <p>The Council's industrial estates are widely dispersed throughout the County and provide much needed commercial accommodation to many local businesses, preventing them from leaving the County and maintaining local sources of employment. They also bring into the Council significant revenue through rental income but are of an age where they are now likely to require investment. The most pressing issue is that of Minimum Energy Efficiency Standards (MEES) which will become increasingly stringent over the next eight years and which the Council must adhere to if they are able to continue to let the units.</p> <p>There is a study currently being undertaken which will assist with understanding the likely level of investment required. This will be an integral part of an estate-by-estate review which follows the work already undertaken on two of our estates as part of the feasibility work in relation to the potential to access the Levelling Up Fund. We will consider additional factors such as regeneration, employment opportunities, sustainability and economic viability. Some of this work may determine that existing vacant buildings are demolished which will require funding.</p>
1.53	<p><b>Highways Asset Management Plan</b></p> <p>The core Capital Programme includes £1.5m per annum for the HAMP. It has been estimated that the investment required to maintain current network performance is £3.2m per annum, an increase of £1.7m per annum.</p>

1.54	<p><b>Digital Strategy</b></p> <p>A planned programme of projects required to increase the number and range of services available digitally are under consideration. The projects have an impact across a range of services, rather than in a single specific service e.g., web payment portal that will be used for all payments to the Council. These will be used to enhance the ability of customers to interact with the Council on line.</p> <p>The capital costs of purchasing new software will be calculated on a project by project basis at the time each project is ready to proceed in order to accurately capture not only the technical requirements for the software but also the costs prevailing at the time.</p> <p>The range of cross cutting projects under consideration include:</p> <ul style="list-style-type: none"> <li>• A generic web booking system to allow customers to make appointments for services online</li> <li>• Integration of webchat and email into the Customer Relationship Manager application</li> <li>• A generic facility for customers to upload and store commonly needed documents e.g., proof of entitlement to benefits</li> <li>• Software to link information held in separate databases so that we can update them all at once in a single contact with the customer</li> </ul>
1.55	<p><b>Deeside Leisure Centre</b></p> <p>Deeside Leisure Centre (DLC) is 50+ years old and reaching the end of its economic useful life. It is the largest sports facility in the County at 15,000m<sup>2</sup> and is of strategic importance in terms of sports participation and health and wellbeing. It is an ageing building occupying too large a footprint with inefficient energy systems. The building is not sustainable beyond the medium term.</p> <p>DLC was partially occupied by the Health Board until April 2022 with the ice rink arena being used as a COVID-19 vaccination centre. The ice rink is currently undergoing reinstatement works to return the facility to its original purpose. The ice rink is due to re-open in autumn 2022 meaning the leisure centre will be returned to full use.</p> <p>The Council, and its strategic partner Aura, has undertaken a feasibility study and business case of options for the leisure centre going forward, and will review the impact this may have on the Capital Programme and any future potential revenue savings.</p>
1.56	<p><b>Homelessness – Young Persons Hub</b></p> <p>Responding to the needs of young people and particularly those who may be at a risk of homelessness is a key focus for the Council. Consideration needs to be given to not only accommodation needs but also support to assist young people with the key life skills needed to live independently and reduce risks of homelessness. When looking at best practice in this area of work, there are a number of examples of positive practice which</p>

	<p>seek to not only provide accommodation, but also co-ordinate support and service delivery.</p> <p>The Housing &amp; Communities Portfolio is considering opportunities for the development of a Young Persons Hub which will seek to provide a number of units of self-contained accommodation with support onsite. This could potentially extend to provision of housing and homelessness advice and support and facilities for co-location of young person focussed services within a “housing hub”. A feasibility study will be considered to inform this approach once a site is identified, which may consider the provision of office and community space to ensure a joined-up approach within a multi-disciplinary team model.</p> <p>Subject to the outcome of feasibility works, capital funding may be required to deliver on this agenda. External funding streams will also be considered in order to maximise opportunities to develop the Young Persons Hub. This activity is referenced within the Councils Housing Prospectus.</p> <p>The service is currently revisiting and refining the details of the brief and developing a revised specification with youth justice, homelessness, youth services and social services colleague for a “Hub” and arranging visits to existing hubs in other authorities to understand the best designs and service configurations.</p>
1.57	<p><b>Homelessness – Emergency Bed Provision</b></p> <p>In late 2019, the Council undertook work to develop an Emergency Bed provision for people who are homeless and may otherwise face the prospect of sleeping rough. Significant works were completed within the Glanrafon Resource Centre in Queensferry to transform the building into a Night Shelter offering up to 12 Emergency Beds. The Council, as the owner of the building, completed refurbishment works and then partnered with The Wallich, to deliver the support required to safely operate the Night Shelter.</p> <p>At present there are 23 individual accommodation units on site offering self-contained accommodation but this is not of a standard we wish to sustain and need to develop a purpose built provision offering high quality self-contained accommodation. Following the COVID-19 pandemic, further guidance has been issued by WG regarding the future direction of homelessness service. In the guidance there is a clear steer towards offering high quality self-contained accommodation for people experiencing homelessness.</p> <p>The Glanrafon Homeless Hub was always considered a short to medium term solution for rough sleeping in Flintshire but the pandemic has prolonged the need for the provision and the model has developed significantly. The next iteration of the Homeless Hub is identified as a priority activity within the Councils Housing Prospectus and Social Housing Grant can be prioritised in order to deliver on this activity. Sites are presently being considered and feasibility work for supported homeless provision underway.</p>

1.58	<p><b>Greenfield Business Park</b></p> <p>The units in the Council ownership at Greenfield Business Park are mostly at the end of their serviceable life and can't, in most cases, be upgraded further. Their size and condition would make them very unlikely to be lettable in the future as they no longer meet modern business needs. There will be a need to consider their future with options including a) demolition with no further units being constructed, b) demolition for future Council development or private sale, c) wholesale redevelopment and construction of new business units. Capital funds may be required to cover some of these costs including acting as match funding should external capital funding become available.</p>
1.59	<p><b>Connah's Quay Docks</b></p> <p>There are two potential pressures that may require capital investment in the future. Firstly, the Connah's Quay Docks area suffers from considerable anti-social behaviour and criminal activity which is exacerbated by poor lighting and no CCTV coverage. A scheme for improvements to this is being designed with North Wales Police and a future investment programme may be brought for consideration especially if external capital investment can be found which requires match funding. Secondly, the two Council-owned docks in Connah's Quay are expected to require medium-term investment to prevent further deterioration in their condition.</p>
1.60	<p><b>Town Centre Regeneration</b></p> <p>The strategic approach to town centre regeneration approved by Cabinet includes the following priorities:</p> <ul style="list-style-type: none"> <li>• identify potential future development sites and develop options for their future assembly and redevelopment;</li> <li>• diversify land uses to maintain the vitality and viability of town centres including the acquisition of properties;</li> <li>• develop potential projects for future capital funding opportunities;</li> <li>• start, subject to the availability of capital resources and detailed investigation into commercial viability, to acquire key sites for redevelopment;</li> </ul> <p>Limited capital funds are available from WG to support these priorities but they require either repayment loans or a minimum of 30% match funding to be available from grants. Both would represent a future call on the capital programme if projects are to be proposed to WG for funding.</p> <p>The Council is developing Place Plans to steer investment in each town and capital projects are expected to arise from this process.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>																
2.01	Financial consequences for capital resources are as set out within the report.																
2.02	<p>As previously stated, there are revenue consequences of borrowing in interest costs and revenue provision for debt repayment which will bear on the MTFS as new pressures.</p> <p>The pressures for previously approved school building works, the Joint Archive Facility and Croes Atti Residential Care Home have been built into the current MTFS. Pressures for borrowing for new schemes, will be built into future MTFS calculations as necessary.</p> <table border="1"> <thead> <tr> <th></th> <th>Pressure in Year 1</th> <th>Pressure in Year 50</th> <th>Average Annual Pressure</th> </tr> <tr> <th></th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Development of Children's Residential Care</td> <td>0.060</td> <td>0.079</td> <td>0.068</td> </tr> <tr> <td>Total</td> <td>0.060</td> <td>0.079</td> <td>0.068</td> </tr> </tbody> </table>		Pressure in Year 1	Pressure in Year 50	Average Annual Pressure		£m	£m	£m	Development of Children's Residential Care	0.060	0.079	0.068	Total	0.060	0.079	0.068
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<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>		
3.01	Any decisions made which involve the Council's assets and its Capital Programme often have very large and long term financial implications. As it seeks approval for its Capital Programme, the Council is required to produce indicators assessing the affordability, prudence and sustainability of the capital plans. These are called the Prudential Indicators and are included in the Capital Strategy report.		
3.02	<p><b>Ways of Working (Sustainable Development) Principles Impact</b></p> <table border="1"> <tr> <td>Long-term</td> <td> <p>The development a new facility Joint Archive Facility will provide a sustainable archive repository for the region along with providing annual revenue savings once the service is running.</p> <p>Cemetery extensions will be providing greatly improved capacity whilst also enabling the Council to develop a long-term sustainable bereavement strategy.</p> <p>Capital funding assists in securing the future of schools in their local communities.</p> </td> </tr> </table>	Long-term	<p>The development a new facility Joint Archive Facility will provide a sustainable archive repository for the region along with providing annual revenue savings once the service is running.</p> <p>Cemetery extensions will be providing greatly improved capacity whilst also enabling the Council to develop a long-term sustainable bereavement strategy.</p> <p>Capital funding assists in securing the future of schools in their local communities.</p>
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	Prevention	<p>Target Hardening budget prevents unauthorised use of land or buildings within the County.</p> <p>Works at Croes Atti residential care home will give additional provision of short term beds in a community setting to allow for more appropriate assessment of need for individual and as a viable alternative to a hospital admission/delayed discharge.</p>
	Integration	<p>The investment on the Highway Network is required to enable maintenance of good transportation infrastructure to support the local economy and public transport links for commuters. This includes school pupils attending schools where the Council is also investing in order to improve the quality of education being delivered. Investment in IT infrastructure supports the Council to deliver these changes along with school digital connectivity and broadband improvements.</p> <p>Development of the Croes Atti residential care home is a joint venture with close working required from both Flintshire County Council and Betsi Cadwaladr University Health Board. The success of the project and operational model will be essential to achieving both bodies' well-being goals.</p>
	Collaboration	<p>The Joint Archive Facility identifies collaboration between both Flintshire County Council and Denbighshire County Council to meet the need and demand of the two local Councils archive services. This will allow a sustainable and improved service via the creation of a single shared service and it will improve knowledge and skill sharing between both.</p> <p>The highway asset management plan helps with collaboration by enabling the local authority to working with other public bodies, private contractors, community groups and stakeholders to deliver highway maintenance services in a coordinated and efficient way.</p> <p>Engaging with users, customers and residents to understand their needs,</p>

		expectations and feedback on the highway services.
	Involvement	<p>The Joint Archive Facility will deliver a revolutionary archive offer to the public, which will deliver long-term development of a resilient, relevant service, inspiring communities in North East Wales. The facility will secure historic collections, diversify audiences, volunteers and depositors.</p> <p>The proposed schools projects will help promote greater community integration/use/involvement.</p>
<b>Well-being Goals Impact</b>		
	Prosperous Wales	<p>Investment in schools will improve learner outcomes by ensuring that school buildings are effective in creating the conditions for learners to succeed which develops a skilled and well-educated population in the economy.</p> <p>Capital investment directly benefits local supply chain/economy. A percentage of local expenditure is a requirement of the grant funding for school investment.</p>
	Resilient Wales	<p>Use of sustainable and recycled materials during construction, more energy efficient, potential reduction in carbon emissions.</p> <p>The further development of alternative burial / cremation options will enable the Council to develop a long-term sustainable bereavement strategy and may serve as a blue print for North Wales. Areas will also be available for open access to Green Space for local residents</p>
	Healthier Wales	<p>The Council is investing in residential care, to provide additional services, beds and multidisciplinary support in a community setting. This provides permanent residential beds, as well as beds which prevent hospital admissions, expedites hospital discharges and allows appropriate assessment to reduce care packages to support people in the long term.</p>

		Improved physical infrastructure and facilities at schools will positively impact on the wellbeing of the school and its community.
	More equal Wales	<p>Educational opportunities will enabling people to develop the skills and knowledge to be fulfilled.</p> <p>Reduces social inequalities by ensuring that the highway assets are maintained to a safe and serviceable condition, that the needs and preferences of different user groups are considered, and that the benefits and costs of highway maintenance are distributed fairly.</p>
	Cohesive Wales	<p>Allocation to the Highways Network includes resurfacing, street lighting improvements and structural maintenance which allows residents in the County to travel in safe conditions.</p> <p>Placing our looked after children locally will provide increased opportunity for children to maintain local links.</p> <p>Cemetery development allows the local community to retain burial provision in the area as this is of significant importance to them, and also allow them to enjoy the additional open space area available to them.</p>
	Vibrant Wales	<p>Investment in Welsh Medium schools that supports the Council's Welsh Education Strategic Plan (WESP) and enables continued support and potential growth for Welsh Medium provision.</p> <p>Target Hardening will ensure that facilities are available for Community.</p> <p>Enhancing the historic and natural features of the highway network and promoting the use of Welsh language in the communication and signage of highway maintenance.</p>
	Globally responsible Wales	Construction of net zero carbon schools and residential care homes to support WG commitment to achieve net zero emissions by 2050.



		<p>Schools capital investment, delivers a more sustainable product, local spend and added benefits for apprenticeships, work experience in construction.</p> <p>Retrofit of buildings and assets to save energy and carbon.</p>
<p>The impacts above include a range across several of the schemes the Council are looking at investing in over the next three years. The main body of the report breaks down the benefit for each scheme separately.</p>		
3.03	<p><b>Integrated Impact Assessments</b></p> <p>An integrated impact assessment is not required for statutory / regulatory and retained assets elements of the capital programme, as this investment is required to meet specific obligations (for example improvements and adaptations to private sector homes (Disabled Facilities Grants), adaptations to schools for children with disabilities and works required to keep buildings open by meeting Health and Safety standards) and to ensure business continuity.</p> <p>Individual integrated impact assessments have not been completed for each investment scheme as these programmes of works will be brought back to Cabinet for approval and the integrated impact assessments will be completed as part of the scheme specific reports.</p>	

<b>4.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
4.01	<p>The proposed Capital Programme will be referred to the Corporate Resources Overview and Scrutiny Committee for comment at its meeting on 16 November 2023, with their comments being fed back to Cabinet verbally before being discussed at County Council in December 2023.</p>

<b>5.00</b>	<b>APPENDICES</b>
5.01	None.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Business Case forms completed by Portfolios.

7.00	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Chris Taylor, Strategic Finance Manager  <b>Telephone:</b> 01352 703309  <b>E-mail:</b> <a href="mailto:christopher.taylor@flintshire.gov.uk">christopher.taylor@flintshire.gov.uk</a></p>

8.00	<b>GLOSSARY OF TERMS</b>
8.01	<p><b>Asset Management Plan</b> - A plan maintained by an authority of the condition and suitability of its assets, updated regularly and utilised to assess future capital needs</p> <p><b>Capital Expenditure</b> - Expenditure on the acquisition of <b>Non-current Assets</b> or expenditure that extends the life or value of an existing asset</p> <p><b>Capital Programme</b> - The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme</p> <p><b>Capital Receipt</b> - Receipts (in excess of £10,000) from the disposal of an asset</p> <p><b>Capital Scheme</b> - An individual capital project which is monitored and managed in isolation. The aggregate of all schemes comprises the <b>Capital Programme</b></p> <p><b>Capital Strategy</b> - A corporate document providing clear strategic guidance about an authority's objectives, priorities and spending plans, demonstrating the link to key corporate and service objectives. May be combined with the <b>Asset Management Plan (AMP)</b> to form a single document</p> <p><b>Council Fund</b> - The fund to which all the Council's revenue and capital expenditure is charged</p> <p><b>Disposal</b> - The decommissioning or transfer of an asset to another party</p> <p><b>Non-current Asset</b> - A resource controlled (but not necessarily owned) by the Council, from which economic benefits or service potential are expected to flow to the Council for more than 12 months</p> <p><b>Regulation and Inspection of Social Care (Wales) Act 2016 (RISCA)</b> - The act builds on the success of regulation in Wales and reflects the changing world of social care. It places service quality and improvement at the heart of the regulatory regime and strengthens protection for those who need it. Regulation will move beyond compliance with minimum standards, and focus more on the quality of services and the impact which they have on people receiving them</p> <p><b>Prudential Code</b> - The Code of Practice drawn up by the Chartered Institute of Public Finance and Accountancy (CIPFA) to underpin the requirements of the Local Government Act 2003 in respect of an authority's duty to</p>

determine the affordability, prudence and sustainability of its capital investment needs

**Prudential Indicators** - Required by the **Prudential Code**, these take the form of limits, estimates or actual figures used to support the local decision making process for capital investment

**Unsupported Prudential Borrowing** - Borrowing administered under the **Prudential Code**, whereby authorities can set their own policies on acceptable levels and types of borrowing. The Prudential Framework allows authorities to take out loans in response to overall cash flow forecasts and other factors provided they can show that the borrowing is to meet planned capital expenditure in the current year or the next three years.