

FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Tuesday, 24 th January 2023
Report Subject	Capital Programme 2023/24 – 2025/26
Report Author	Chief Executive Corporate Manager – Capital Programme and Assets Corporate Finance Manager

EXECUTIVE SUMMARY

This report presents the proposed Capital Programme for the period 2023/24 – 2025/26 for approval by 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, care homes and day centres), 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 2023/24 - 2025/26.
2	To approve the schemes included in Table 4 (paragraph 1.31) for the Investment section of the Council Fund Capital Programme 2023/24 - 2025/26.
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 2023/24, 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	EXPLAINING THE CAPITAL PROGRAMME 2023/24 – 2025/26
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, care homes and day centres), 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>General Capital Programme 2022/23 – 2024/25 Update</p> <p>The Council's Capital Strategy divides the Capital Programme into three parts as follows.</p> <ol style="list-style-type: none">1. Statutory / Regulatory section – 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.2. Retained Assets section – 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.

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 2022/23 – 2024/25 as reported at Month 6 2022/23:

Table 1

ESTIMATED FUNDING 2022/23 - 2024/25				
	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m
Funding				
Un-hypothecated Supported Borrowing (USB) ¹	4.022	4.022	4.022	12.066
General Capital Grant (GCG) ¹	2.772	2.772	2.772	8.316
Capital Receipts Available	1.058	0.000	0.000	1.058
Surplus B/Fwd from 2021/22	5.862	0.000	0.000	5.862
Total Funding	13.714	6.794	6.794	27.302
Expenditure				
Total Capital Programme 2022/23 - 2024/25	10.512	6.562	6.852	23.926
	10.512	6.562	6.852	23.926
Surplus / (Shortfall)	3.202	0.232	(0.058)	3.376
¹ As per 2022/23 Final Settlement				

1.04 Table 1 shows the current position of the Capital Programme 2022/23 – 2024/25 as reported at Month 6 to Cabinet and Corporate Resources Overview and Scrutiny Committee an overall surplus in funding of £3.376m, with a surplus in 2022/23 of £3.202m.

When the budget was set in December 2021, there was a shortfall in funding of schemes in 2022/23, 2023/24 and 2024/25. 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 2022/23.

1.05 Given the current position in setting the Capital Programme for the next 3 years 2023/24 – 2025/26, careful consideration has been given to new schemes proposed for inclusion as, should other sources of funding not materialise, the Council will need to use prudential borrowing to finance the remainder of the programme going forward.

1.06

Projected General Funding Available 2023/24 - 2025/26

Table 2 below shows the general capital funding currently projected to be available to fund the Capital Programme over the next 3 years (2023/24 - 2025/26).

Table 2

ESTIMATED AVAILABLE FUNDING 2023/24 - 2025/26				
	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m
Funding (Excluding Specific Funding)				
Un-hypothecated Supported Borrowing (USB) ¹	4.025	4.025	4.025	12.075
General Capital Grant (GCG) ¹	4.134	4.134	4.134	12.402
Surplus B/Fwd from 2022/23	3.202	0.000	0.000	3.202
Total	11.361	8.159	8.159	27.679
¹ As per 2023/24 Provisional Settlement				

1.07

Table 2 assumes that the Un-hypothecated Supported Borrowing allocation and the General Capital Grant received from WG in the years 2023/24 to 2025/26 remains as indicated in the 2023/24 Provisional Settlement announcement made on the 14th December.

This is a net improvement of £0.007m on the estimated funding included within the draft Capital Programme for 2023/24, with a potential improvement of £0.021m over the three year programme.

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 2023/24 – 2025/26

1.09

Statutory / Regulatory and Retained Asset Allocations – 2023/24 – 2025/26

Table 3 shows the proposed allocations for the period 2023/24 - 2025/26 for the Statutory / Regulatory and Retained Asset sections of the Capital Programme.

Table 3

PROPOSED ALLOCATIONS 2023/24 - 2025/26				
	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m
Statutory / Regulatory Section				
Equalities Act - Individual pupils	0.500	0.500	0.500	1.500
Disabled Facilities Grants	1.660	1.660	1.660	4.980
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
Upgrade of kitchen equipment in schools	0.050	0.000	0.000	0.050
School safeguarding works	0.100	0.100	0.100	0.300
Target Hardening	0.030	0.030	0.030	0.090
Total Statutory / Regulatory	3.180	3.130	3.130	9.440
Retained Assets Section				
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	1.500	1.500	1.500	4.500
Play areas	0.200	0.200	0.200	0.600
ICT - Equipment at Datacentres	0.110	0.556	0.000	0.666
ICT - Server Technology Replacements	0.088	0.323	0.264	0.675
ICT - Laptop / PC Replacements	0.104	0.092	0.268	0.464
ICT - Storage Technology Replacement	0.055	0.000	0.000	0.055
ICT - Cyber Security	0.000	0.000	0.066	0.066
Schools WiFi and Networking Infrastructure	0.000	0.000	1.020	1.020
Base Provision for Leisure and Libraries Estate	0.200	0.200	0.200	0.600
All Weather Pitches	0.195	0.000	0.000	0.195
Public Space CCTV Upgrades	0.033	0.000	0.000	0.033
'Headroom'	0.350	0.350	0.350	1.050
Total Retained Assets Section	4.135	4.521	5.168	13.824

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 1.30 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 2023/24 to 2025/26.

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"> • Disabled Facilities Grants – adaptations enabling residents to continue to live independently in their own homes • Partnership working with Care and Repair to support vulnerable residents <p>No changes are proposed for 2023/24 to 2025/26.</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 2023/24 to 2025/26.</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 2023/24 to 2025/26.</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> <p>No changes are proposed for 2023/24 to 2025/26.</p>

1.16	<p><u>Upgrade of kitchen equipment in schools</u></p> <p>The equipment in many of the school kitchens is currently very old and inefficient. Investment in new equipment will produce efficiency savings and will also better ensure the health and safety of NEWydd catering staff.</p> <p>No change is proposed for 2023/24.</p>
1.17	<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. 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 2023/24 to 2025/26.</p>
1.18	<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 2023/24 to 2025/26.</p>
1.19	<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 at present Flintshire is performing better than the target set as a result of significant additional investment from WG in recent years, however this funding has now ceased resulting in the proposed increase in the annual allocation.</p> <p>See paragraph 1.52 for more detail in regard to the position on the potential development of the HAMP.</p> <p>It is proposed to increase the annual allocation by £0.500m; to £1.5m for 2023/24 to 2025/26.</p>
1.20	<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 2023/24 to 2025/26.</p>

1.21	<p><u>ICT - Equipment at Datacentres</u></p> <p>£0.510m has previously been approved in the programme in 2024/25 for the replacement of equipment such as High Volume Air Conditioning units and batteries. This is to ensure the power supply to data centres is not interrupted, and to replace outdated systems with the technologies required to deliver effective datacentres and improve connection to end users devices.</p> <p>New bids include the environmental monitoring solutions and networking technologies at remote sites replacements in 2023/24, at a cost of £0.055m each. This is along with the upgrade to the Council's telephone solution in 2024/25 costing £0.046m.</p>
1.22	<p><u>ICT - Server Technologies (Business Systems and SQL Servers)</u></p> <p>During the 2023/24 financial year the server technology used to deliver the Council's remote access solution 'Flintmap' will require replacement at a cost of £0.088m.</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.</p> <p>£0.070m in 2024/25, for the replacement of servers used to support business systems that utilise SQL as a database technology, has been previously approved.</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 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>It is essential that the Council backs up data from IT systems to ensure copies are available to be restored in the case of data corruption, accidental deletion, or business system restoration. As equipment ages the risk for equipment failure increases. This would result in the need to back up the Council's IT Business Systems during the day which would</p>

	<p>cause disruption to the users of those IT systems. £0.055m is required in 2023/24.</p>
1.25	<p><u>ICT – Cyber Security</u></p> <p>The organisation relies on email scanning technology to check inbound emails to ensure they do not contain viruses or undesirable content. As cyber threats of this type continue to pose an increasing risk to organisations, it is important that this technology is kept up to date. £0.066m is required in 2025/26 for the replacement of firewall and email scanning technologies.</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>
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 2023/24 to 2025/26.</p>
1.28	<p><u>All Weather Pitches</u></p> <p>Replace the playing surface of all weather sport pitches which are in poor condition and have reached the end of their useful lives.</p> <p>A forward work plan has been put together of pitches the Council are responsible for maintaining, to ensure that their life cycle costs are captured.</p> <p>Pitches at Deeside Leisure Centre will require resurfacing in 2023/24, based on the outcome of condition surveys that will be completed.</p>

	No change is proposed for 2023/24.
1.29	<p><u>Public Space CCTV Upgrades</u></p> <p>The upgrade of the public space CCTV cameras and associated control equipment has come through necessity, due to its age and a strong desire to reduce the increasing annual operational costs. Most of the existing analogue cameras have been declared obsolete “end of life”, meaning they are no longer supported by manufacturer(s) which makes it increasingly difficult to carry out repairs as faults arise. The provision of a public space CCTV scheme forms part of the Councils commitment to the Community Safety Partnership initiative.</p> <p>This project will provide the opportunity to upgrade the existing CCTV cameras to state of the art and “future proofed” technologies.</p> <p>Investment in the upgrade of an outdated CCTV system, the infrastructure and camera stock will reduce annual operational costs through projected savings on annual transmission costs and maintenance charges.</p> <p>No change is proposed for 2023/24.</p>
1.30	<p><u>Funding ‘Headroom’</u></p> <p>‘Headroom’ has been built in to 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 2023/24 to 2025/26.</p>
1.31	<p>Investment Section of the Capital Programme 2023/24 – 2025/26</p> <p>Table 4 below shows the proposed schemes for the period 2023/24 - 2025/26 for the Investment section of the Capital Programme. Details are provided in paragraphs 1.32 to 1.36.</p>

Table 4

PROPOSED INVESTMENT SCHEMES 2023/24 - 2025/26				
	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m
Investment Section				
<u>Previously Approved</u>				
Joint Archive Facility, FCC and DCC	0.000	0.138	2.645	2.783
Relocation of Tri-ffordd Day Service Provision	2.430	0.000	0.000	2.430
	2.430	0.138	2.645	5.213
<u>New Schemes for Approval</u>				
Croes Atti Residential Care Home	1.250	4.800	0.000	6.050
Theatr Clwyd Redevelopment	1.500	0.000	0.000	1.500
Levelling Up Fund - Match Funding	0.000	1.107	0.000	1.107
	2.750	5.907	0.000	8.657
Total Investment Section	5.180	6.045	2.645	13.870

1.32

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.

In order to manage timescales, an alternative location on the County Hall site is currently being considered for the scaled back scheme. The programme and costs are currently being reviewed, with a view to a further National Lottery Fund Wales funding application in February 2023, however the delay will have caused the overall project cost to increase due

	<p>to construction inflation, but the maximum value of the grant available is unchanged. The need for the project remains, and it is planned to provide an update to both Councils, when the indicative costs and timescales have been confirmed.</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> • Estimated funding available for the project is £10.5m, with £5.4m from grant funding, £3.028m from Flintshire County Council and £2.035m from Denbighshire County Council. £0.245m included in a previous programme. • It has been assumed that borrowing will be required to fund this project. The estimated revenue costs associated with borrowing £3.028m over 50 years totals £9.084m. In year 1 revenue debt costs are estimated to be £0.156m, rising to £0.215m in year 50, with an average of £0.181m over 50 years. <p>Direct Benefits:</p> <ul style="list-style-type: none"> • 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. <p>Indirect Benefits:</p> <ul style="list-style-type: none"> • 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 environmental management equipment, compliant storage areas and upgrading public facilities and access.
1.33	<p><u>Relocation of Tri-ffordd Day Service Provision</u></p> <p>Tri Ffordd is a day service provision in a horticultural environment set on 1.09 acres in Broughton for adults who have a Learning Disability, providing an opportunity for meaningful work orientated activity. The individuals who attend have a range of abilities and require varying levels of support and encouragement throughout the day to engage in activities and assist them with their daily needs.</p>

The current buildings at Tri Ffordd are former farm buildings, some of which offer restricted internal space for service users. The site is located on a busy road, and is subject to limited scope for further development. Social Services assessed the requirement to relocate the service provision in order to provide a high quality service, taking in to account the needs of the individuals and of the service, in to the future.

An options appraisal was undertaken and as a consequence of this, a 10 acre site on the outskirts of Mold was identified as a potential new location for Tri Ffordd's activities, alongside further potential service developments.

A feasibility study was undertaken and report issue in September 2021 which presented three potential design options, one of which has been taken forward for further design development. A contractor has recently been appointed and the project is currently in the design stages (RIBA Stages 2 & 3) with a view to seeking the required planning permissions in November 2022.

Direct Costs:

- Capital investment required is £2.7m, for the development of new workshop buildings, alongside an office and other necessary facilities, toilets, boot room, garage for equipment. £0.270m was included in last year's programme.
- It has been assumed that borrowing will be required to fund this project. The estimated revenue costs associated with borrowing £2.7m over 50 years totals £8.1m. In year 1 revenue debt costs are estimated to be £0.140m, rising to £0.192m in year 50, with an average of £0.162m over 50 years
- It is likely that there will be additional costs related to the development in relation to the scheme progressing in accordance with the WG commitment towards Net Zero Carbon in Operation (NZCiO). There are dedicated funding streams in relation to Net Zero targets and applications will be made for the relevant funding in this area.

Direct Benefits:

- Improved offer for people with Learning Disabilities and Mental Health problems in a purpose built facility to meet the needs of the intended client group, including those with mobility issues
- The development of purpose-built workshops for people supported to undertake their activities safely
- The development of a dedicated 'staff' area, with office, meeting space and breakout spaces for those attending. Here those attending undertake other activities. This also includes a reception where the service can sell the items produced at the site, such as plants and hanging baskets, alongside other products made across learning disability services, including crafts and refurbished bikes
- Provision of a 'changing places' facility within the building offering a changing places facility within the Mold area

Indirect Benefits:

- The new site presents an opportunity for service development. There is potential for services to be offered 7 days a week,

	<p>providing additional support to individuals and families in Flintshire. Primarily, an additional development on the site could include provision of day and work service opportunities for individuals with autism. At present, the local authority commissions similar out of county services for individuals with complex autism as there isn't sufficient capacity of bespoke provision within the local authority area. The development of the site could enable care to be provided 'closer to home'</p> <ul style="list-style-type: none"> • There is scope for the wider site to develop in to a community asset, not only for the people supported, but for other members of the local community with significant potential added social value • Location of a service in Mold would provide a geographical balance of the Learning Disability day/work opportunities offer across the county, complementing current sites in Queensferry (Hwb Cyfle), Flint (Abbey Upcycling, Crefftau Cariad and Project SEARCH), Shotton (Café Dai) and Greenfield (Hwb Dyffryn) • The Tri Ffordd site will be available to be freed up for other potential uses
1.34	<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 3 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 compliant. 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. Detailed design and development works are currently taking place and are expected to be completed early next financial year.</p> <p>Estimated construction costs are £16.050m, at the feasibility phase of the project. It is anticipated that construction would begin in 2023/24 over a two year period.</p>

The service have submitted grant bids applications to WG for the construction stage of the project totalling £10m, with the Council awaiting the outcome of the bids. If successful the Council's contribution would be £6.050m, resulting in an intervention rate of 38%.

Should the project not go ahead then the Council's design and development of £0.950m cannot be capitalised and would be a charge to the Council's revenue account.

Direct Costs:

- Capital investment required is £6.050m. It has been assumed that £3.5m of borrowing will be required to fund part of the Council's contribution. The estimated revenue costs associated with borrowing this over 50 years totals £10.5m. In year 1 revenue debt costs are estimated to be £0.181m, rising to £0.249m in year 50, with an average of £0.210m over 50 years.

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

Theatr Clwyd Redevelopment

The Theatr Clwyd building is nearing the end of its life and needs updating to ensure it is safe for public and employment use. The scope of the project has been reduced in line with agreed key business plan objectives. Funding secured for construction stage of the project totalled £38m.

The Council will receive significant levels of external funding for the scheme, with £22m from WG, £5m from the Arts Council of Wales (ACW) and £4m from Theatr Clwyd, with the Council's previously approved contribution of £7m.

Following the tender return deadline, due to the various global issues that have been impacting prices in the construction market, the actual costs exceed the available funding, with a shortfall of circa £6.6m which also assumes a recommended project contingency.

The strategy has been to seek additional contributions from key stakeholders to offer the best chance of success. It is requested that Council support an additional £1.5m of funding towards the scheme, with an additional £1.5m being matched by WG.

The balance of funding will come from the Theatr Clwyd Trust. They will deliver this via additional private fundraising and accessing £1m via prudential borrowing from the Council, which they will pay back through their own revenue funds over the next 30 years.

The project is now contracted with a construction start date of January 2023.

Should the project not go ahead then the Council's share of the design development costs cannot be capitalised and would be a charge to the Council's revenue account.

Direct Costs:

- Capital investment of £1.5m utilised from the Council's capital programme budget

Direct Benefits:

- Enabling 81% external investment in Theatr Clwyd
- Development to improve and increase the biggest and a highly regarded Welsh theatre
- A better facility for Flintshire communities, a base for increased community engagement, and multi-use spaces to be used for community needs
- Improved facilities to increase secondary revenue generation restaurant, bars, event spaces, etc
- Reduced revenue and capital maintenance costs

Indirect Benefits:

- A base for young people to gather, learn and develop (currently 30,000 young people per year engaged with)
- Specific spaces for Health and Wellbeing user groups
- More facilities for work placed training in building (woodwork, carpentry) and other transferable theatre making crafts as well as hospitality, marketing, IT, arts management
- Increase local footfall and marketing of Flintshire across the UK (In 2016 over 200,000 people visited work at Theatr Clwyd and another

	<p>220,000 people saw a Theatr Clwyd production elsewhere in the UK)</p> <ul style="list-style-type: none"> • Improvement of working conditions for employees and protection, and growth, of work for local people (In 2016 nearly 200 local people were directly employed by TC, not including impact of trade with other local suppliers) • Development of economic contribution (currently 46% of Theatr Clwyd's audiences visit Flintshire from elsewhere in the UK) <p>The Council will retain ownership of the theatre and is responsible for all of its infrastructure, external envelope and grounds. These assets are specialised and expensive to replace, which is one of the reasons why such major investment is required. However, on the lead up to the major refurbishment scheme and post refurbishment, there will be a need to fund landlord retained service and equipment proportionally, and in line with agreed responsibilities that may be set out in any future management agreement. This is no different than those that exist for the libraries and leisure centres.</p>
1.36	<p><u>Levelling Up Fund - Match Funding</u></p> <p>The Council has the opportunity to bid for UK Government funding from the Levelling Up Fund (LUF) programme. In line with the guidance for the programme, the Council will submit three bids, each on behalf of the Delyn and Alyn and Deeside parliamentary constituencies, up to £20m per constituency plus a strategic transport bid of up to £50m in value.</p> <p>The Council has submitted bids for round two of the UK Government of the LUF programme. The bids focused on three schemes; Greenfield Business Park, Connahs Quay Docks and the Wrexham Bidston Railway Line.</p> <p>The latter project, investment into the Wrexham Bidston Line, has been submitted in partnership with Transport for Wales and does not require match funding from the Council.</p> <p>Total match funding required for the two is £1.357m, after taking into account the value of Council owned land which can contribute towards this. Of the £1.357m required, £0.250m of this was approved by Cabinet on the 12th July 2022 for full design and procurement work for the bids funded from the core capital programme. The incurred costs can be claimed from UK Government, should the bids be successful or contribute towards match funding.</p> <p>This leaves a funding requirement of £1.107m, which will be required in 2024/25 if the bids are successful.</p> <p>The total project costs for both is estimated at £23m. This results in an intervention rate of 5.9% from the Council. UK Government require their funding to be spent by the end of March 2025 which is an extremely tight deadline and reduces the opportunity of pushing the programmes back, if the bid is successful. If the bids were not successful, the Council would need to consider what works could be done at the sites.</p>

Should the project not go ahead then the Council's share of the design development costs cannot be capitalised and would be a charge to the Council's revenue account.

Direct Costs:

- Capital investment required is £1.107m. It has been assumed that borrowing will be required to fund the Council's contribution. The estimated revenue costs associated with borrowing this over 50 years totals £3.3m. In year 1 revenue debt costs are estimated to be £0.057m, rising to £0.078m in year 50, with an average of £0.066m over 50 years.

Direct Benefits:

Greenfield Business Park

- Demolish two vacant and derelict commercial units and replace with three new small commercial units
- Clear vacant commercial land at the rear of the site and create new small commercial units
- Refurbish Unit 58
- Improve the goods and logistics space used by Unit 47 which is significantly problematic operationally currently

Connahs Quay Docks

- Remove contaminated silt from the historic dock and restore it
- Improve the public realm around the site to improve its appearance for visitors and businesses and improve security to reduce the problems of anti-social behaviour, crime and prostitution that occur
- Fully assess the condition of the modern dock and undertake needed stabilisation and improvement works to maintain integrity, improve security, promote business use and improve dockside management
- Create a new slipway facility for water users

Indirect Benefits:

Greenfield Business Park

- Help to safeguard 438 skilled and secure jobs in one of Flintshire's most deprived communities
- Create space for an estimated 194 new jobs to come to Greenfield
- Create new units with an increased annual rental value

Connahs Quay Docks

- Reduce crime and anti-social behaviour in a significant hot spot
- Ensure that the Council does not face unbudgeted future liabilities from dock infrastructure repairs
- Reduce safety issues associated with the current dock infrastructure – access ladders, substandard slipway, uncertain loading capacity of dock wall, potential underwater hazards
- Improve the site for local people and visitors
- Improve conditions for local businesses

1.37

Summary (Generally funded) Capital Programme 2023/24 – 2025/26

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

Table 5

SUMMARY (GENERALLY FUNDED) CAPITAL PROGRAMME 2023/24 - 2025/26				
	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m
Statutory / Regulatory Section	3.180	3.130	3.130	9.440
Retained Assets Section	4.135	4.521	5.168	13.824
Investment Section	5.180	6.045	2.645	13.870
Total (All Sections)	12.495	13.696	10.943	37.134
Estimated available general funding ¹	11.361	8.159	8.159	27.679
Total	11.361	8.159	8.159	27.679
Surplus / (Shortfall) - no borrowing	(1.134)	(5.537)	(2.784)	(9.455)
Schemes requiring funding by borrowing:				
Joint Archive Facility, FCC and DCC	0.000	0.138	2.645	2.783
Relocation of Tri-ffordd Day Service Provision	2.430	0.000	0.000	2.430
Croes Atti Residential Care Home	0.000	3.500	0.000	3.500
Levelling Up Fund - Match Funding	0.000	1.107	0.000	1.107
Total	2.430	4.745	2.645	9.820
Surplus / (Shortfall) - with borrowing	1.296	(0.792)	(0.139)	0.365
¹ As per 2023/24 Provisional Settlement				

1.38

Table 5 shows that before any prudential borrowing is considered there is an overall shortfall in projected funding of £9.455m over the 3 year period, with an estimated shortfall of £1.134m in 2023/24.

It has previously been approved that the schemes for the Joint Archive Facility and relocation of Tri-ffordd day service provision be funded from borrowing with the associated costs of borrowing included as revenue pressures within the Medium Term Financial Strategy (MTFS).

1.39

Table 5 shows that after prudential borrowing is considered, there is an overall surplus in projected funding of £0.365m over the 3 year period, with an estimated surplus of £1.296m in 2023/24.

The Council has developed a prudent policy of allocating its own capital receipts to fund capital projects only when receipts are actually received

	<p>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>Specific Grants and Borrowing</p> <p>Sustainable Communities for Learning Band B Programme</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 yet to be fully costed or brought forward included within the Councils capital programme are: Ysgol Croes Atti - Flint, Drury Primary School, Elfed High School, Buckley and Saltney / Broughton Area.</p> <p>Schemes currently in progress are Ysgol Croes Atti and Drury Primary School.</p> <p>Over the past twenty four to thirty months, 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: an increase in demand for construction (post covid); Supply chain disruption 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.</p>

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 suggest 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 is currently unknown.

The initial respective 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	5.500	3.575	1.925
Saltney / Broughton Area	25.000	16.250	8.750
Drury CP	3.650	2.372	1.278
Elfed HS	4.488	2.917	1.571
Total	38.638	25.114	13.524

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	0.099	0.137	0.116
Saltney / Broughton Area	0.453	0.622	0.525
Drury CP	0.066	0.090	0.077
Buckley Elfed HS	0.081	0.112	0.094
Total	0.699	0.961	0.812

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 specifically funded by specific grant and borrowing is shown in Table 6 below:

Table 6

SPECIFICALLY FUNDED SCHEMES 2023/24 - 2025/26				
	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m
Specifically Funded Schemes				
Sustainable Communities for Learning - Band B	1.546	17.028	13.725	32.299
Theatr Clwyd Redevelopment	19.000	0.000	0.000	19.000
Total Schemes	20.546	17.028	13.725	51.299
Funding				
Specific Capital Grants	9.005	11.068	8.921	28.994
Unsupported (Prudential) Borrowing	7.541	5.960	4.804	18.305
Theatr Clwyd Contribution	4.000	0.000	0.000	4.000
Total Schemes	20.546	17.028	13.725	51.299

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 2023/24 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>Summary Total Council Fund Capital Programme 2023/24 - 2025/26</p> <p>Table 7 summarises the total proposals for the 2023/24 - 2025/26 Capital Programme.</p> <p><u>Table 7</u></p> <table border="1" data-bbox="344 759 1359 1668"> <thead> <tr> <th colspan="5" style="text-align: center;">SUMMARY CAPITAL PROGRAMME 2023/24 - 2025/26</th> </tr> <tr> <th></th> <th style="text-align: center;">2023/24</th> <th style="text-align: center;">2024/25</th> <th style="text-align: center;">2025/26</th> <th style="text-align: center;">Total</th> </tr> <tr> <th></th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> </tr> </thead> <tbody> <tr> <td colspan="5">Expenditure</td> </tr> <tr> <td>Statutory / Regulatory Section</td> <td style="text-align: right;">3.180</td> <td style="text-align: right;">3.130</td> <td style="text-align: right;">3.130</td> <td style="text-align: right;">9.440</td> </tr> <tr> <td>Retained Assets Section</td> <td style="text-align: right;">4.135</td> <td style="text-align: right;">4.521</td> <td style="text-align: right;">5.168</td> <td style="text-align: right;">13.824</td> </tr> <tr> <td>Investment Section</td> <td style="text-align: right;">5.180</td> <td style="text-align: right;">6.045</td> <td style="text-align: right;">2.645</td> <td style="text-align: right;">13.870</td> </tr> <tr> <td>Specific Section</td> <td style="text-align: right;">20.546</td> <td style="text-align: right;">17.028</td> <td style="text-align: right;">13.725</td> <td style="text-align: right;">51.299</td> </tr> <tr> <td>Total Programme (All Sections)</td> <td style="text-align: right;">33.041</td> <td style="text-align: right;">30.724</td> <td style="text-align: right;">24.668</td> <td style="text-align: right;">88.433</td> </tr> <tr> <td colspan="5">Funding</td> </tr> <tr> <td>General Funding ¹</td> <td style="text-align: right;">11.361</td> <td style="text-align: right;">8.159</td> <td style="text-align: right;">8.159</td> <td style="text-align: right;">27.679</td> </tr> <tr> <td>Grant Funding</td> <td style="text-align: right;">9.005</td> <td style="text-align: right;">11.068</td> <td style="text-align: right;">8.921</td> <td style="text-align: right;">28.994</td> </tr> <tr> <td>Unsupported (Prudential) Borrowing</td> <td style="text-align: right;">9.971</td> <td style="text-align: right;">10.705</td> <td style="text-align: right;">7.449</td> <td style="text-align: right;">28.125</td> </tr> <tr> <td>Theatr Clwyd Contribution</td> <td style="text-align: right;">4.000</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">4.000</td> </tr> <tr> <td>Total Projected Funding</td> <td style="text-align: right;">34.337</td> <td style="text-align: right;">29.932</td> <td style="text-align: right;">24.529</td> <td style="text-align: right;">88.798</td> </tr> <tr> <td>Surplus / (Shortfall)</td> <td style="text-align: right;">1.296</td> <td style="text-align: right;">(0.792)</td> <td style="text-align: right;">(0.139)</td> <td style="text-align: right;">0.365</td> </tr> <tr> <td colspan="5"><small>1 As per 2023/24 Provisional Settlement</small></td> </tr> </tbody> </table>	SUMMARY CAPITAL PROGRAMME 2023/24 - 2025/26						2023/24	2024/25	2025/26	Total		£m	£m	£m	£m	Expenditure					Statutory / Regulatory Section	3.180	3.130	3.130	9.440	Retained Assets Section	4.135	4.521	5.168	13.824	Investment Section	5.180	6.045	2.645	13.870	Specific Section	20.546	17.028	13.725	51.299	Total Programme (All Sections)	33.041	30.724	24.668	88.433	Funding					General Funding ¹	11.361	8.159	8.159	27.679	Grant Funding	9.005	11.068	8.921	28.994	Unsupported (Prudential) Borrowing	9.971	10.705	7.449	28.125	Theatr Clwyd Contribution	4.000	0.000	0.000	4.000	Total Projected Funding	34.337	29.932	24.529	88.798	Surplus / (Shortfall)	1.296	(0.792)	(0.139)	0.365	<small>1 As per 2023/24 Provisional Settlement</small>				
SUMMARY CAPITAL PROGRAMME 2023/24 - 2025/26																																																																																						
	2023/24	2024/25	2025/26	Total																																																																																		
	£m	£m	£m	£m																																																																																		
Expenditure																																																																																						
Statutory / Regulatory Section	3.180	3.130	3.130	9.440																																																																																		
Retained Assets Section	4.135	4.521	5.168	13.824																																																																																		
Investment Section	5.180	6.045	2.645	13.870																																																																																		
Specific Section	20.546	17.028	13.725	51.299																																																																																		
Total Programme (All Sections)	33.041	30.724	24.668	88.433																																																																																		
Funding																																																																																						
General Funding ¹	11.361	8.159	8.159	27.679																																																																																		
Grant Funding	9.005	11.068	8.921	28.994																																																																																		
Unsupported (Prudential) Borrowing	9.971	10.705	7.449	28.125																																																																																		
Theatr Clwyd Contribution	4.000	0.000	0.000	4.000																																																																																		
Total Projected Funding	34.337	29.932	24.529	88.798																																																																																		
Surplus / (Shortfall)	1.296	(0.792)	(0.139)	0.365																																																																																		
<small>1 As per 2023/24 Provisional Settlement</small>																																																																																						
	Potential future schemes																																																																																					
1.45	All capital schemes need to be considered in the context of the position of the Council's MTFs. All schemes which require prudential borrowing to fund them add revenue pressures in the form of interest charges and charges to the Minimum Revenue Provision (MRP).																																																																																					
1.46	<p>Sustainable Communities for Learning</p> <p>The WG schools investment programme is expected to continue into Band C, 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.</p> <p>WG are also likely to introduce additional criteria for Net Zero Carbon (NZC) in construction and, or operation for new build schools with the next phase of the programme. To this end, early industry indications are that this is likely to increase construction costs by 10% in construction and 20% in operation.</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>Llys Gwenffrwd, Holywell Care Home Review</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>Additional Learning Needs Reform</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 & 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 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>
1.49	<p>County Hall Campus</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</p>

	Courts, Theatr Clwyd and joint Archive service together with a wider site development.
1.50	<p>Register Office, Llwynegrin Hall</p> <p>This plan is to develop Llwynegrin 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 a wedding package.</p>
1.51	<p>Review of Industrial Estates</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>
1.52	<p>Highways Asset Management Plan</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>
1.53	<p>Digital Strategy</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"> • A generic web booking system to allow customers to make appointments for services on line • Integration of webchat and email into the Customer Relationship Manager application • A generic facility for customers to upload and store commonly needed documents e.g. proof of entitlement to benefits • Software to link information held in separate databases so that we can update them all at once in a single contact with the customer
1.54	<p>Deeside Leisure Centre</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 15,000m2 and is of strategic importance regionally and locally 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>
1.55	<p>Homelessness – Young Persons Hub</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 seek to not only provide accommodation, but also co-ordinate support and service delivery.</p> <p>The Housing & 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>

1.56	<p>Homelessness – Emergency Bed Provision</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 Porta-Kabins 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 Covid 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 with full feasibility studies to be undertaken to inform build plans and service planning.</p>
1.57	<p>Net Zero Carbon Aims</p> <p>WG has set out its legal commitment to achieve net zero emissions by 2050 and work towards a net zero public sector in Wales by 2030. One of the Council’s key priorities within the Council Plan is to become a NZC Council by 2030 and to support wider decarbonisation actions across the County. The capital works programme plays a vital role in accelerating the shift towards achieving the NZC target. The Council has been investing in low carbon and renewable energy systems and energy efficiency for over 10 years which has led to a 51% reduction in scope 1 and 2 greenhouse gas emissions against a 2007/08 baseline year.</p> <p>Inclusion of this priority within the programme reinforces our commitment to tackling climate change and acknowledges that we have a significant role to play in further reducing our own greenhouse gas emissions. This commitment values energy efficiency, low carbon and smart technologies as a fundamental requirement of reaching net zero for across a multitude of Council services, acting as an important contributing factor towards decarbonisation.</p> <p>The 2022/23 final settlement from WG indicated that there will be £20m nationally in 2023/24 and 2024/25 to support Local Government Decarbonisation. Based on previous allocations, the Council should receive circa £0.950m.</p>

1.58	<p>Town Centre Regeneration</p> <p>The strategic approach to town centre regeneration approved by Cabinet includes the following priorities:</p> <ul style="list-style-type: none"> • identify potential future development sites and develop options for their future assembly and redevelopment; • diversify land uses to maintain the vitality and viability of town centres including the acquisition of properties; • develop potential projects for future capital funding opportunities; • start, subject to the availability of capital resources and detailed investigation into commercial viability, to acquire key sites for redevelopment; <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>
------	--

2.00	RESOURCE IMPLICATIONS																						
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 the Tri-ffordd relocation 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" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Pressure in Year 1</th> <th style="text-align: center;">Pressure in Year 50</th> <th style="text-align: center;">Average Annual Pressure</th> </tr> <tr> <th></th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> </tr> </thead> <tbody> <tr> <td>Croes Atti Residential Care Home</td> <td style="text-align: center;">0.181</td> <td style="text-align: center;">0.249</td> <td style="text-align: center;">0.210</td> </tr> <tr> <td>Levelling Up Fund</td> <td style="text-align: center;">0.057</td> <td style="text-align: center;">0.078</td> <td style="text-align: center;">0.066</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">0.238</td> <td style="text-align: center;">0.327</td> <td style="text-align: center;">0.276</td> </tr> </tbody> </table>				Pressure in Year 1	Pressure in Year 50	Average Annual Pressure		£m	£m	£m	Croes Atti Residential Care Home	0.181	0.249	0.210	Levelling Up Fund	0.057	0.078	0.066	Total	0.238	0.327	0.276
	Pressure in Year 1	Pressure in Year 50	Average Annual Pressure																				
	£m	£m	£m																				
Croes Atti Residential Care Home	0.181	0.249	0.210																				
Levelling Up Fund	0.057	0.078	0.066																				
Total	0.238	0.327	0.276																				

3.00	CONSULTATIONS REQUIRED / CARRIED OUT		
3.01	The proposed Capital Programme was reviewed by Corporate Resources Overview and Scrutiny Committee for comment at its meeting on 17 th November 2022, with their comments being fed back to Cabinet at its meeting on 22 nd November 2022.		

4.00	RISK MANAGEMENT
4.01	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 also included on this agenda.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Business Case forms completed by Portfolios. Contact Officer: Chris Taylor, Strategic Finance Manager Telephone: 01352 703309 E-mail: christopher.taylor@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	<p>Asset Management Plan - 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>Capital Expenditure - Expenditure on the acquisition of Non-current Assets or expenditure that extends the life or value of an existing asset</p> <p>Capital Programme - 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>Capital Receipt - Receipts (in excess of £10,000) from the disposal of an asset</p> <p>Capital Scheme - An individual capital project which is monitored and managed in isolation. The aggregate of all schemes comprises the Capital Programme</p> <p>Capital Strategy - 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 Asset Management Plan (AMP) to form a single document</p>

Council Fund - The fund to which all the Council's revenue and capital expenditure is charged

Disposal - The decommissioning or transfer of an asset to another party

Non-current Asset - 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.

Regulation and Inspection of Social Care (Wales) Act 2016 (RISCA) - 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

Prudential Code - 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 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.