

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Thursday, 14 th November 2019
Report Subject	Capital Programme 2020/21 – 2022/23
Cabinet Member	Cabinet Member for Finance
Report Author	Chief Executive Chief Officer (Housing and Assets) Corporate Finance Manager
Report Type	Strategic

EXECUTIVE SUMMARY

This report presents the proposed Capital Programme for the period 2020/21 – 2022/23.

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, IT networks, and waste transfer stations) 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 21st Century Schools Band B programme, and other schemes included within the investment programme will need to be funded through prudential borrowing.

The Capital Strategy and the Asset Management Plan, which supports the current and emerging longer term Council priorities have been updated and are 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 on this agenda.

RECOMMENDATIONS

1	To consider and support the allocations and schemes in Table 3 (paragraph 1.09) for the Statutory/Regulatory and Retained Assets sections of the Council Fund Capital Programme 2020/21 - 2022/23.
2	To consider and support the schemes included in Table 4 (paragraph 1.26) for the Investment section of the Council Fund Capital Programme 2020/21 - 2022/23.
3	To note that the shortfall in funding of schemes in 2020/21 and 2021/22 in Table 5 (paragraph 1.36) 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 2020/21, and included in future Capital Programme reports.
4	To consider and support the schemes included in Table 6 (paragraph 1.42) for the specifically funded section of the Council Fund Capital Programme which will be funded in part through borrowing.
5	To consider the report and feedback any comments for Cabinet to consider before the Capital Programme 2020/21 – 2022/23 report is considered by Council.

REPORT DETAILS

1.00	EXPLAINING THE CAPITAL PROGRAMME 2020/21 – 2022/23
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, IT networks, and waste transfer stations), 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 Social 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 21st Century Schools Programme, delivered in partnership between the Council and WG and loans to NEW Homes the Council’s subsidiary to build new affordable homes.</p>
1.02	<p>General Capital Programme 2019/20 – 2021/22 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 2019/20 – 2021/22 as reported at Month 6 2019/20:

Table 1

ESTIMATED FUNDING 2019/20 - 2021/22				
	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m
Funding				
Un-hypothecated Supported Borrowing (USB) ¹	4.094	4.094	4.094	12.282
General Capital Grant (GCG) ¹	2.492	2.492	2.492	7.476
Additional General Capital Grant (GCG) ²	1.383	0.922	0.000	2.305
Capital Receipts Available	2.722	0.000	0.000	2.722
Surplus B/Fwd	1.606	0.000	0.000	1.606
Total Funding	12.297	7.508	6.586	26.391
Expenditure				
Total Capital Programme 2019/20 - 2021/22	13.799	8.415	4.900	27.114
	13.799	8.415	4.900	27.114
Surplus / (Shortfall)	(1.502)	(0.907)	1.686	(0.723)
1 As per 19/20 Final Settlements				
2 As per WG November 2018				

1.04 Table 1 shows the current position on the Capital Programme 2019/20 – 2021/22 as reported at Month 6 to Cabinet and Corporate Resources Overview and Scrutiny Committee an overall shortfall in funding of £0.723m, with a shortfall in 2019/20 of £1.502m.

When the budget was set in February 2019, the shortfall in funding of schemes in 2019/20, 2020/21 and surplus in 2021/22 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 2019/20.

1.05 The Council is currently awaiting confirmation around the award of funding from various grants ranging from £0.648m to £2.258m. Should the Council be successful in receiving these grants this would replace the core funding currently allocated in the programme and reduce the deficit.

Given the current position in setting the Capital Programme for the next 3 years 2020/21 – 2022/23 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 2020/21 - 2022/23

Table 2 below shows the general capital funding currently projected to be available to fund the Capital Programme over the next 3 years (2020/21 - 2022/23).

Table 2

ESTIMATED AVAILABLE FUNDING 2020/21 - 2022/23				
	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m
Funding (Excluding Specific Funding)				
Un-hypothecated Supported Borrowing (USB) ¹	4.094	4.094	4.094	12.282
General Capital Grant (GCG) ¹	2.492	2.492	2.492	7.476
Additional General Capital Grant (GCG) ²	0.922	0.000	0.000	0.922
Capital Receipts Available	0.000	0.000	0.000	0.000
Total	7.508	6.586	6.586	20.680

1 As per 19/20 Final Settlement
2 As per WG November 2018

1.07

Table 2 above assumes that the Un-hypothecated Supported Borrowing allocation and the General Capital Grant received from WG in the years 2020/21 to 2022/23 remains the same as included in the information provided in the 2019/20 final Financial Settlement for Welsh local government. The 2020/21 Provisional Settlement for Welsh local government is due to be announced in late November.

The table includes the additional General Capital Grant agreed by WG in the 2019/20 Financial Settlement.

1.08

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

General Capital Programme 2020/21 – 2022/23

1.09

Statutory / Regulatory and Retained Asset Allocations – 2020/21 – 2022/23

Table 3 shows the proposed allocations for the period 2020/21 - 2022/23 for the Statutory / Regulatory and Retained Asset sections of the Capital Programme.

Table 3

PROPOSED ALLOCATIONS 2020/21 - 2022/23				
	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m
Statutory / Regulatory Section				
Equalities Act - Individual pupils	0.250	0.250	0.250	0.750
Disabled Facilities Grants	1.700	1.700	1.700	5.100
School building works	0.100	0.100	0.100	0.300
Corporate property works	0.300	0.300	0.300	0.900
Health and Safety	0.050	0.000	0.000	0.050
Total Statutory / Regulatory	2.400	2.350	2.350	7.100
Retained Assets Section				
School building works	1.400	1.400	1.400	4.200
Corporate property works	0.300	0.300	0.300	0.900
Highways asset management plan	0.600	0.600	0.600	1.800
Playareas	0.200	0.200	0.200	0.600
Synthetic sports pitches	0.272	0.000	0.000	0.272
ICT - Cyber Security	0.145	0.000	0.000	0.145
ICT - Equipment at Datacentres	0.180	0.000	0.170	0.350
ICT - Storage Technologies	0.600	0.000	0.000	0.600
ICT - Server Technology	0.030	0.200	0.210	0.440
ICT - Laptop / PC Replacements	0.221	0.222	0.279	0.722
Works to the Greenfield Valley Reservoirs	0.038	0.038	0.038	0.114
Bridges in Wepre Park	0.040	0.040	0.000	0.080
Cemtery Extension	0.000	0.265	0.000	0.265
Traffic Management & Car Park Improvements	0.380	0.000	0.000	0.380
Target Hardening	0.050	0.000	0.000	0.050
Community Asset Transfers	0.100	0.000	0.000	0.100
'Headroom'	0.350	0.350	0.350	1.050
Total Retained Assets Section	4.906	3.615	3.547	12.068

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 1.25 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 2020/21 to 2022/23.

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 • Funding for empty property and home improvement loans. <p>No changes are proposed for 2020/21 to 2022/23.</p>
1.13	<p><u>School building work</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.</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 2020/21 to 2022/23.</p>
1.14	<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 2020/21 to 2022/23.</p>
1.15	<p><u>Health and Safety</u></p> <p>The Corporate Health and Safety capital budget has been spent during 2018/19 and therefore requires replenishment in 2020/21 for urgent emerging issues across the County - £0.050m.</p>

1.16	<p><u>Highways Asset Management Plan (HAMP)</u></p> <p>An annual allocation of £0.600m to fund the HAMP which includes resurfacing of the classified Highway Network, replacement programme for street lighting columns and structural maintenance.</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 (£0.959m in 2018/19 and £0.954m in 2019/20).</p> <p>See paragraph 1.56 for more detail in regard to the position on the potential development of the HAMP, but no changes are proposed for 2020/21 to 2022/23 at this stage.</p>
1.17	<p><u>Play areas and Synthetic sports pitches</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.</p> <p>The scheme was originally allocated funding for 3 years which ends in 2020/21, however the programme needs to be continued based on the condition of play sites and their equipment up to 2022/23. This will be delivered by Aura as the Council's management partner.</p> <p>Condition surveys are undertaken of all synthetic sports pitches. The pitch at Elfed High School, Buckley will require resurfacing in 2020/21.</p>
1.18	<p><u>IT Infrastructure</u></p> <p>Various schemes required to maintain service and business continuity;</p> <ul style="list-style-type: none"> • ICT Cyber Security - Replacement of equipment including Firewalls and e-mail scanning technology which protect the Council's IT systems from Cyber Attack and allows the Council to maintain its public sector network accreditation (a requirement for interaction with the Department of Work and Pensions for Housing Benefit). <p>No changes are proposed for 2020/21 – 2022/23.</p> <ul style="list-style-type: none"> • ICT Equipment at Datacentres - Replacement of equipment including High Volume Air Conditioning units, batteries that ensure the power supply to data centres is not interrupted, back up tape technologies, equipment that monitors the conditions in the datacentres and alerts if there are issues and networking equipment to the datacentres. Additions have been made to replace equipment in 2022/23 that has reached the end of its useable life. • ICT Storage Technologies - Increase storage capacity to cope with increasing demand of the organisation, whilst also investing in complimentary technologies to SharePoint software to ensure data is

	<p>stored in the most efficient way and is compliant with General Data Protection Regulation.</p> <p>No changes are proposed for 2020/21 – 2022/23.</p> <ul style="list-style-type: none"> ICT Server Technologies (including Citrix and Business Systems) - £0.410m proposed in the programme for the provision of replacement server technologies to ensure adequate resources to provide the capacity required for the delivery of existing IT Business systems and services used across the whole of the Council. Funding is required over two years, 2021/22 (£0.200m) and 2022/23 (£0.210m). <p>The operating lives of server technology was extended from 3 to 5 years to maximise the length from investments. Reliable IT server hardware is key to enabling IT infrastructure that supports the delivery of IT business systems that can cope with the demands of an organisation highly reliant on IT systems to deliver effective and efficient services.</p> <ul style="list-style-type: none"> ICT - Laptop / PC Replacements - 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 estate. 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>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 five year programme, with the majority of spend in 2020/21, 2021/22 and 2022/23.</p>
1.19	<p><u>Works to the Greenfield Valley Reservoirs</u></p> <p>The Reservoirs Act 1975 allocates responsibility for reservoir safety and maintenance to Flintshire County Council as ‘undertaker’ to the series reservoirs located within Greenfield Valley Park.</p> <p>In recent years the annual inspections have identified works required across all six of the reservoirs within the park. There is increased public safety risk from failure to manage impounding raised reservoirs of water. The condition of the reservoirs infrastructure is likely to deteriorate further and the associated costs to remedy increase.</p> <p>Unlike Flood Alleviation schemes, Welsh Government Flood Defence Grant in Aid (FDGiA) is not available to fund works on reservoirs as this is considered to be a duty on the Council as a statutory ‘undertaker’.</p>

1.20	<p><u>Bridges in Wepre Park</u></p> <p>The three main bridges over Wepre Brook at Wepre Country Park are in a very poor condition. They were installed in the 1980's when Wepre Country Park was created, and they have now exceeded their life expectancy. Despite regular maintenance, the bridges are now no longer economical to repair and are a safety risk.</p> <p>This funding will replace the two worst bridges as they exhibit significant structural problems. The timber supports of the bridges have deteriorated, making the bridges unstable. The Ranger Team have undertaken temporary repairs, however, a long-term sustainable solution is required to make these bridges safe. The third bridge is a different construction and the supports are in a satisfactory condition, however the wooden treads are of poor quality and need replacing. The Countryside staff will work with volunteers to install the new bridge tread boards.</p> <p>£0.080m of capital funding is required and following construction, no maintenance would be envisaged for at least 20 to 25 years. At that point if the hardwood needs to be replaced the work can be completed by the Rangers due to the longevity of the steel frame. This would reduce pressure on Wepre's revenue budget and potential liability.</p>
1.21	<p><u>Cemetery Extensions</u></p> <p>A number of Council owned cemeteries will approach capacity in the medium term. A programme of cemetery extensions is required to extend / create new cemeteries to ensure residents can be buried in their locality.</p> <p>Local Churchyard provision throughout the county is also extremely limited, if available at all, again meaning that residents may not be able to be buried in their locality. Once the Churchyards reach their existing minimal capacity there will be an increased demand for burials within Flintshire Cemeteries impacting on remaining capacity levels.</p> <p>New scheme included in 2021/22.</p>
1.22	<p><u>Traffic Management & Car Park Improvements at Elfed High School & Leisure Centre Buckley</u></p> <p>This proposed scheme is to improve traffic management and car parking at the school and leisure centre. Existing grassed verges will be utilised to provide more staff car parking, the taxi drop off area will be reviewed, a new one way system with dedicated drop off zones and safe pedestrian access will be developed along with fencing and hand rails to segregate pupils from vehicles.</p> <p>New scheme included in 2020/21.</p>
1.23	<p><u>Target Hardening</u></p> <p>The Target Hardening budget requires replenishment in 2020/21 to prevent unauthorised use of land or buildings within the County - £0.050m.</p>

1.24	<p><u>Community Asset Transfers</u></p> <p>Capital funding has previously been granted to community groups to ‘pump prime’ Community Asset Transfers (CATs). £0.100m allocation proposed to fund any emerging issues in relation to assets that may require urgent repair which remain the liability of the Council and enable the buildings to remain open.</p>																																																																																					
1.25	<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>It is proposed to increase the allocation by £0.100m to £0.350m for 2020/21 to 2022/23 to give more resilience to the Capital Programme.</p>																																																																																					
1.26	<p>Investment Section of the Capital Programme 2020/21 – 2022/23</p> <p>Table 4 below shows the proposed schemes for the period 2020/21 - 2022/23 for the Investment section of the Capital Programme. Details are provided in paragraphs 1.27 to 1.35.</p> <p><u>Table 4</u></p> <table border="1" data-bbox="352 1151 1398 2092"> <thead> <tr> <th colspan="5" style="text-align: center;">PROPOSED INVESTMENT SCHEMES 2020/21 - 2022/23</th> </tr> <tr> <th></th> <th style="text-align: center;">2020/21 £m</th> <th style="text-align: center;">2021/22 £m</th> <th style="text-align: center;">2022/23 £m</th> <th style="text-align: center;">Total £m</th> </tr> </thead> <tbody> <tr> <td colspan="5">Investment Section</td> </tr> <tr> <td colspan="5"><u>Previously Approved</u></td> </tr> <tr> <td>Castell Alun High School - Hope</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">0.207</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">0.207</td> </tr> <tr> <td>Marleyfield Residential Home - Buckley</td> <td style="text-align: right;">0.725</td> <td style="text-align: right;">0.656</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">1.381</td> </tr> <tr> <td>Theatr Clwyd Redevelopment</td> <td style="text-align: right;">0.500</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">0.500</td> </tr> <tr> <td></td> <td style="text-align: right;">1.225</td> <td style="text-align: right;">0.863</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">2.088</td> </tr> <tr> <td colspan="5"><u>New Schemes for Approval</u></td> </tr> <tr> <td>Flintshire Food Enterprise</td> <td style="text-align: right;">0.050</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">0.050</td> </tr> <tr> <td>Historic Building Conservation</td> <td style="text-align: right;">0.050</td> <td style="text-align: right;">0.050</td> <td style="text-align: right;">0.050</td> <td style="text-align: right;">0.150</td> </tr> <tr> <td>Foster carers home adaptations</td> <td style="text-align: right;">0.060</td> <td style="text-align: right;">0.060</td> <td style="text-align: right;">0.060</td> <td style="text-align: right;">0.180</td> </tr> <tr> <td>Improvements to Standard Yard Waste Transfer Station</td> <td style="text-align: right;">1.230</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">1.230</td> </tr> <tr> <td>Joint Archive Facility, FCC and DCC</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">0.245</td> <td style="text-align: right;">2.783</td> <td style="text-align: right;">3.028</td> </tr> <tr> <td>Solar PV at Flint Landfill and Crumps Yard Connah's Quay</td> <td style="text-align: right;">2.950</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">2.950</td> </tr> <tr> <td></td> <td style="text-align: right;">4.340</td> <td style="text-align: right;">0.355</td> <td style="text-align: right;">2.893</td> <td style="text-align: right;">7.588</td> </tr> <tr> <td>Total Investment Section</td> <td style="text-align: right;">5.565</td> <td style="text-align: right;">1.218</td> <td style="text-align: right;">2.893</td> <td style="text-align: right;">9.676</td> </tr> </tbody> </table>	PROPOSED INVESTMENT SCHEMES 2020/21 - 2022/23						2020/21 £m	2021/22 £m	2022/23 £m	Total £m	Investment Section					<u>Previously Approved</u>					Castell Alun High School - Hope	0.000	0.207	0.000	0.207	Marleyfield Residential Home - Buckley	0.725	0.656	0.000	1.381	Theatr Clwyd Redevelopment	0.500	0.000	0.000	0.500		1.225	0.863	0.000	2.088	<u>New Schemes for Approval</u>					Flintshire Food Enterprise	0.050	0.000	0.000	0.050	Historic Building Conservation	0.050	0.050	0.050	0.150	Foster carers home adaptations	0.060	0.060	0.060	0.180	Improvements to Standard Yard Waste Transfer Station	1.230	0.000	0.000	1.230	Joint Archive Facility, FCC and DCC	0.000	0.245	2.783	3.028	Solar PV at Flint Landfill and Crumps Yard Connah's Quay	2.950	0.000	0.000	2.950		4.340	0.355	2.893	7.588	Total Investment Section	5.565	1.218	2.893	9.676
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1.27	<p><u>Castell Alun High School - Hope</u></p> <p>This scheme brings the school building up to current standards providing facilities that are fit for purpose and suitable for delivering the future curriculum, helping reduce the risk of a poor Estyn inspection. The school is being extended with the provision of a new two storey Art and Design Technology block and remodelled in other areas. This will remove the need for mobile classrooms currently on site which are nearing the end of their economic working life (and will need replacing at significant cost), help increase capacity to meet current and future demand and create specialist teaching accommodation.</p>
1.28	<p><u>Extension to Residential Care Home, Marleyfield – Buckley</u></p> <p>Following a comprehensive review of the residential care market in Flintshire the Council approved a capital scheme to extend Marleyfield House in Buckley by an additional 32 beds to bring total provision up to 64 beds. The new facility is being developed through the joint Integrated Care Fund (ICF) budget arrangement with Betsi Cadwaladr University Health Board (BCUHB) 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> <p>The Council is working with WG as the scheme is partly funded by ICF grant, which has gained formal approval. Along with the ICF grant, the Council is seeking additional funding for the scheme from the Innovation Housing Programme (IHP).</p> <p>The scheme is currently at pre-construction stage and is due to go to planning committee in November 2019. The contract for the scheme is expected to be signed in the final quarter of 2019/20 for works to commence on construction in 2020/21, with the scheme's target completion date being Spring 2021.</p> <p>There is a revenue pressure being developed associated with this project which will result in the year the facility becomes operational. This pressure would have occurred in any case as demand grows and residential beds from the private sector would need to be paid for in any case.</p>
1.29	<p><u>Theatr Clwyd Redevelopment</u></p> <p>The Theatr Clwyd building is nearing the end of its life and needs updating to ensure it is safe for public and employment use. Funding from the Arts Council of Wales of £1.02m with previously agreed match funding of £0.330m from the Council has delivered detailed design development and planning has been submitted.</p> <p>Cost certainty is still being reviewed as the scheme detail is worked up with contractors. The scope has been reduced in line with agreed key business plan objectives and will be a £35m+ project.</p>

	<p>The Arts Council of Wales remain committed with a further £5m ring fenced for the scheme and the Council have previously agreed another £1m of support (split across 2019/20 and 2020/21). Discussions with Welsh Government remain positive. A formal application has been made to WG to fund the substantive cost of the Theatr refurbishment project as a project of national significance, and a decision is awaited. As soon as clarity has been offered from Welsh Government all partners will need to make a decision on next steps. There may be a need to consider low and sustainable levels of long term borrowing to ensure the scheme is delivered but options will need to be outlined for revenue when Welsh Government confirm their level of support.</p> <p>Current financial commitments from Council will be carried forward. 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.</p>
1.30	<p><u>Flintshire Food Enterprise</u></p> <p>The Council with partners Clwyd Alun Housing and Can Cook have been exploring a number of options to develop a longer term and sustainable solution to food poverty.</p> <p>The proposed model of delivery is for a new social enterprise business, with the three partners, having equal rights for the management and delivery of the operation. The mission of the company will be to “connect everyone with good fresh food”. Food would be prepared in Flintshire through a number of hub locations with a main food preparation hub in the Shotton area.</p> <p>Flintshire County Council will invest a total of £0.150m, of which £0.100m will be invested in Year 1 (2019/20) with an investment of £0.050m required in Year 2 (2020/21).</p> <p>The costs and benefits of the scheme are:</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> • Capital investment £0.150m over 2 years. • No revenue costs are required. <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Production of good fresh meals using surplus vegetables purchased at reduced rates; • A provider for catering in housing associations; nurseries and workplaces which will generate a surplus which will then be redistributed to establish free/subsidised meal supply for vulnerable groups. • To supply meals as an alternative to a “meals on wheels” model. This will directly compete with commercial sellers in this area, but will be very different in that the “community hubs” established will directly benefit from the number of meals ordered, this can then be utilised by the “hub” for a community purpose.

	<p>Indirect Benefits:</p> <ul style="list-style-type: none"> • Wider links with other Council services, for example domiciliary care and linking food provision with care services • Developing a transition programme from food aid to food purchase for vulnerable groups, i.e. homeless families • To link in with services which support residents and embed support around food provision within those services • To use food provision as a catalyst to begin to tackle loneliness and isolation
1.31	<p><u>Historic Building Conservation</u></p> <p>Proposed annual allocation of £0.050m in 2020/21 – 2022/23 for historic building conservation.</p> <p>This proposed annual allocation which grants funding to the owners of historical buildings on a match funding basis to preserve buildings in need of capital works across the County for future generations.</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> • £0.050m per annum is utilised from the Council’s capital programme budget. <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Encourages listed building owners to seek advice and guidance in relation to the repair of their listed buildings. • Provides a simple incentive for the owners to seek advice on the right process for repair as well as providing the means to prompt them to invest in essential repairs to their buildings, hence improving and enhancing the long term conservation status of the buildings. • Supports the policy intentions within the Local Built Heritage Strategy and allow the team to work more on a proactive basis, rather than as is more the case at present, a reactive service. • Potential to attract funding from other sources (e.g. Cadw) which would further enhance the remit of the service and the ability to reach as many listed buildings as possible that are in need of repair. It would also facilitate the opportunity to carry out repairs at an earlier stage, which may be less of an impact on the original fabric of the listed building, thereby reducing scope for more complex and costly repairs if left to a later stage of deterioration. • Provides the opportunity for the service to step in in exceptional circumstances to secure the structure of a building to prevent imminent damage or collapse, and place a charge on the building that is recoverable on resale. • There has been no funding available in the Built Conservation Budget for 10 years or more, and the number of listed buildings at risk on the Council’s register is as high as ever. The funding will help reduce the number of buildings on the risk register. <p>Indirect Benefits:</p> <ul style="list-style-type: none"> • Lessened the need to take negative enforcement action where unauthorised works are found, or neglect of a building has taken

	<p>place. This allows a more proactive dialogue to take place between the Council and owners.</p> <ul style="list-style-type: none"> • Reduction in officer time spent on enforcement matters relating to historic buildings.
1.32	<p><u>Adaptations to Foster Carers' Homes</u></p> <p>Proposed annual allocation of £0.060m in 2020/21 – 2022/23 for adaptations to foster carers homes.</p> <p>This will enable foster carers to carry out adaptations or improvements to their homes to provide a suitable environment to support a child. This will help the increase placements across the County and reduce the annual burden on the Out of County revenue budget.</p> <p>Payments made to foster carers will subject to 'clawback' should they cease being a foster carer within a set period of time.</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> • £0.060m per annum is utilised from the Council's capital programme budget. Capital funding will be used for individual projects costing over £0.020m. Funding for projects below £0.020m will be sought from other funding streams including the Integrated Care Fund (ICF), and other grant opportunities. Funding for projects under £20,000 would be the responsibility of Social Services. • No direct revenue or human resource implications for the approved revenue budget/workforce structures or roles for this service for the current financial year. Any grant applied for will have its own business case considering the individual circumstance and context and may have an impact on future revenue budgets. <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Increase the range and choice of available placements for children who require a home outside of their birth family, locally. • Enable skilled and able foster carers to extend the number of places they are able to offer, or to maintain existing placements as circumstances or needs change. • Seek best value for money from the range of placements available by using them in the most efficient and effective way. • Any placements made are first and foremost in the best interests of the children. • Secure stability or permanence for a children. <p>Indirect Benefits:</p> <ul style="list-style-type: none"> • Enables the Council to seek better value for money in comparison to alternative out of county or high cost placement options. • Offers the Councils more cost effective options for placements for children in its care as well as having a robust and transparent process for doing so.

1.33	<p><u>Improvements to Standard Yard Waste Transfer Station</u></p> <p>Infrastructure improvements, renewal and upgrade of large plant, equipment and welfare facilities at Standard Yard Waste Transfer Station (WTS) in Buckley to accommodate growth in recycling rates and an increase in resilience and processing capacity for future waste streams. Investment of £1.230m required in 2020/21.</p> <p>The total costs of the scheme are estimated to be in the region of £2.5 - £3m. The remaining funds are being applied for from WG grants and a £1.2m interest free invest to save loan from WG to deliver the scheme. The loan will be repaid over a 10 year period from savings made which are estimated to be £0.213 per annum, which after repaying the loan will be reduced to £0.93m. The loan funding for the scheme is included in the specific and borrowing section of the report, Table 6 below.</p> <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Proposals are part of the Council’s Plan under the theme ‘Green Council’ for sustainable development and environmental management, which has a sub-priority of affordable and sustainable collection and treatment services for recyclable, compostable and residual waste. The scheme will increase the rates and quality of recyclable and compostable waste whilst reducing residual waste. • The proposed improvements would ensure that the site, plant and equipment are more efficient and cost effective to operate, and it would enable the service to increase its resilience and capacity for processing more recyclable materials on site, which in turn would ensure that the recovery and rates of recyclable, re-usable and compostable waste are maximised, and reduce landfilled waste. • Renewal and upgrade of plant and equipment to increase productivity and reduce downtime. • Improved welfare facilities for operatives – increased job satisfaction, value of employees, which contributes to their well-being. • Separate access for hauliers from the processing operations, to reduce downtime when haulage companies collect baled materials and increase productivity for processing operators. • Reduced revenue costs for repairs and maintenance at Standard Yard WTS, increased capacity and resilience resulting in increased productivity and reduced downtime plus increased rates and quality of recyclable and compostable waste whilst reducing residual waste, thereby reducing costs.
1.34	<p><u>Joint Archive Facility, Flintshire and Denbighshire Councils</u></p> <p>The proposed 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.</p>

Direct Costs:

Estimated cost of delivering this project	£16.651m
Funding Streams	
National Lottery Heritage Fund (NLHF) (70%)	£11.588m
Flintshire County Council (18%) over a 4 year period between 2021/22 – 2024/25. Majority of spend in 2022/2023 & 2023/2024.	£ 3.028m
Denbighshire County Council (12%)	£ 2.035m

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 (@ 3.5%) totals £8.327m. In year 1 revenue debt costs are estimated to be £0.142m, rising to £0.200m in year 50, with an average of £0.167m 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 Passivhaus 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.
- An associated 3-year activity plan which will deliver a revolutionary and radical archive offer to the public.
- The overall revenue impact is an estimated saving of £11,647 per annum once the new building is open (2023/24) with a potential further revenue savings 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 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.

1.35

Solar PV at Flint Landfill and Crumps Yard Connah's Quay

The Council has been investing in renewable energy systems for many years. Many schools, offices, leisure centres etc. have building scale renewable energy including solar PV, solar thermal, wind and biomass heating systems. The Council has completed the installation of 2 ground mounted solar PV systems on former landfill sites in Buckley, which have a

	<p>combined output of 1 MW. In order to achieve the goals set within the Carbon Management Plan and the Renewable Energy Action Plan further investment in large scale renewable energy is needed.</p> <p>This business case is for the development of ground mounted solar PV at Crumps Yard, Connah’s Quay and Flint Landfill. This would potentially generate 3.4MW of electricity per annum. A detailed report explaining the scheme will be presented at Environment Overview and Scrutiny Committee and Cabinet for full review of the business case in December.</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> • The scheme cost to build, and it is assumed that borrowing will be required to finance the project, is between £2.8m and £3.1m. <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Combined net project income over 35 years is estimated to be between £0.750m and £1.25m or between £0.030m and £0.367m in real terms. • Meeting the priorities and objectives set within the Council Plan under the ‘Green Council’ theme • Contributing towards the achievement of Welsh Government targets and obligations under the Climate Change Act, Wellbeing of Future Generations Act and Environment Act. • Future proofing for the requirement to decarbonise by 2030 from Welsh Government • Generated income can also be used to hedge against energy price increases <p>Indirect Benefits</p> <ul style="list-style-type: none"> • Protecting frontline services by providing a long term income stream. • Supporting wider regional priorities such as the regional growth bid. • Being a community leader and developing a reputation as a Council who is forward looking, innovative, and invests in the future • Facilitating further innovation around storage technologies, electric vehicle charging etc. • Supporting economic growth and job creation through the initial construction and then the long term maintenance of systems as well as providing the energy infrastructure to sustain businesses and economic growth. • Renewable energy systems are also capital assets which can provide capital receipts on sale/transfer • Developing new ways of working and partnerships e.g. joint ventures, energy service companies. • Improving the ecology and biodiversity of sites following best practice, e.g. wildflower meadows on solar farms etc.
1.36	<p>Summary (Generally funded) Capital Programme 2020/21 – 2022/23</p> <p>Table 5 below summarises the generally funded Capital Programme and available funding.</p>

Table 5

SUMMARY (GENERALLY FUNDED) CAPITAL PROGRAMME 2020/21 - 2022/23				
	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m
Statutory / Regulatory Section	2.400	2.350	2.350	7.100
Retained Assets Section	4.906	3.615	3.547	12.068
Investment Section	5.565	1.218	2.893	9.676
Total (All Sections)	12.871	7.183	8.790	28.844
Estimated available general funding ¹	7.508	6.586	6.586	20.680
Total	7.508	6.586	6.586	20.680
Surplus / (Shortfall) - no borrowing	(5.363)	(0.597)	(2.204)	(8.164)
Schemes requiring funding by borrowing:				
Joint Archive Facility, FCC and DCC	0.000	0.245	2.783	3.028
Solar PV at Flint Landfill and Crumps Yard Connah's Quay	2.950	0.000	0.000	2.950
Total	2.950	0.245	2.783	5.978
Surplus / (Shortfall) - with borrowing	(2.413)	(0.352)	0.579	(2.186)
¹ As per 19/20 Final Settlement				

1.37

Table 5 shows that before any Prudential Borrowing is considered there is an overall shortfall in projected funding of £8.164m over the 3 year period, with an estimated shortfall of £5.363m in 2020/21.

This is in addition to the £1.502m current estimated shortfall for 2019/20 carried forward as reported in 1.03 above.

Given the size of the shortfall, in particular in 2020/21, it is recommended that the new large investment schemes being proposed are approved funded from borrowing with the associated costs of borrowing included as revenue pressures within the Medium Term Financial Strategy (MTFS). Table 5 above shows which schemes would be funded from borrowing.

1.38

Table 5 shows that after prudential borrowing is considered there is an overall shortfall in projected funding of £2.186m over the 3 year period, with an estimated shortfall of £2.413m in 2020/21.

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.

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.

The current projection is for capital receipts in the region of £2.9m over the period, with £2.1m in 2019/20. There is risk relating to these due to their size and complexity. The timing of these receipts are also subject to market forces outside of the Council's control. In line with current policy no allowance can be made for these receipts in funding the deficit above.

Options to fund the shortfall 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.

Ultimately should other sources of funding not materialise the Council will need to use prudential borrowing to finance the shortfall. This could be short term during 2020/21 and 2021/22 as there is a potential surplus in 2022/23 of £0.579m, or if necessary long term to fund the overall shortfall.

1.39

Specific Grants and Borrowing

21st Century Schools Band B and Childcare grants

WG has approved the Council's in principle submission for 21st Century Schools Band B. 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 21st Century Band B programme has increased from 50% to 65% for schools and 75% for Pupil Referral Units (PRUs).

A revised programme is currently being submitted to Welsh Government for their consideration as reported elsewhere on this agenda. The total estimated cost of the revised programme is £103m. Each of the projects is 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.

During 2018/19 and 2019/20 Cabinet has approved three 21st Century Band B schemes and one other scheme for inclusion within the Capital Programme, those at Connah's Quay High School, Queensferry CP/Plas Derwen PRU, Ysgol Croes atti, Shotton and Brynford CP school. The respective estimated costs of these four schemes are outlined in the table below:

Band B	Total Cost	WG funded	Council funded
	£m	£m	£m
Connah's Quay HS	4.300	2.795	1.505
Queensferry CP / Plas Derwen PRU	8.000	5.700	2.300
Ysgol Croes atti, Shotton	1.125	0.863	0.262
Brynford CP School	1.540	0.500	1.040
Total	14.965	9.858	5.107

The Connah's Quay High School scheme commenced in 2018/19, and is anticipated to be complete during 2021/22. Queensferry CP/Plas Derwen PRU will commence in 2019/20 and is anticipated to be complete in 2022/23. Croes atti and Brynford will commence in 2019/20 and are anticipated to be complete in 2020/21, WG funding includes 21st century schools and childcare grant funding.

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

Direct Benefits

- Enabling 50%-75% external investment in schools
- Reduction in backlog maintenance costs (£0.014m Queensferry CP, £0.901m Connah's Quay High School)
- Reduction in fixed costs associated with buildings and leadership focuses investment on learners
- Reduction in split site arrangements in provision of PRU to improve efficiency, and reduce risk by increasing options to improve pupil outcomes
- For Connah's Quay High School, increases capacity to meet target for pupil numbers
- For Connah's Quay High School, improves car parking issues, reducing associated risks
- For Ysgol Croes Atti, this supports the Council's Welsh Education Strategic Plan (WESP) and enables continued support and potential growth for Welsh Medium provision.
- For Brynford CP, investment in to capital expenditure to bring the building up to Building Bulletin standards to deliver high quality services efficiently having long term implications for future revenue budgets.

Direct Costs

- Part of bigger development programme in two bands, Band A £64.2m and Band B
- 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
Connah's Quay HS	0.063	0.092	0.075
Queensferry CP / Plas Derwen PRU	0.096	0.141	0.115
Ysgol Croes atti, Shotton	0.011	0.016	0.013
Brynford CP School	0.043	0.063	0.052
Total	0.213	0.312	0.255

Indirect Benefits

- Improving learner outcomes by ensuring that school buildings are effective in creating the conditions for learners to succeed.

	<ul style="list-style-type: none"> • 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
1.40	<p>SHARP – Loans to NEW Homes for Affordable Homes</p> <p>The first capital loan of £7.53m made to the Council’s wholly owned subsidiary, North East Wales Homes (NEW Homes) to build affordable homes on The Walks site in Flint as part of the Council’s Strategic Housing and Regeneration Programme (SHARP) was drawn down over 2016/17 – 2018/19, and it is now in the repayment phase. Cabinet approved an additional loan to NEW Homes up to a maximum of £10m for inclusion within the Capital Programme, to fund new affordable housing schemes in 2018/19. A further £20m has been approved by Cabinet during 2019/20.</p> <p>The loans are classed under accounting regulations as capital expenditure and therefore included within the Capital Programme. The Council funds the schemes by borrowing, which is fully repaid from loan repayments made by NEW Homes. Work has begun on the schemes, and funds will be drawn down from the Council as they progress.</p> <p>The building of council houses for social rents forms part of the HRA activities and will be included within the HRA Capital Programme.</p>
1.41	<p>Mockingbird Family Model</p> <p>The aim of the project is to transform the Fostering Service to meet the placement needs of looked after children and avoid the escalating costs of external care provision.</p> <p>The Mockingbird Family Model (MFM) replicates an extended family and groups foster carers of 6-10 fostering households supported by a central foster carer (Hub Home Carer).</p> <p>The number of looked after children has been increasing year on year with greater demand for suitable placements for our children and young people. Overall demand is not being met from in-house provision and reliance is being placed on the use of independent fostering agencies and residential placements which are costly.</p> <p>Children and young people who are provided consistent and stable placements have better outcomes than those who move from placement to placement. Each change of placement, often further away from a child’s home, brings a greater sense of detachment and loss and it is common for children’s emotional investment in subsequent placements to reduce, perpetuating the cycle of placement breakdown and disconnection. The MFM creates an ‘extended family’ around our children and young people, promoting their sense of belonging.</p>

A detailed business plan has been submitted to Welsh Government for an 'Innovate to Save' interest free loan. The intention is to set up the new service gradually over 3 years funded from the interest free loan totalling £1.150m. The loan will be repaid from savings made in years 4 to 7 which are estimated to be £0.530 per annum, which after repaying the loan will be reduced to £0.243m. The project costs are revenue costs, and therefore ordinarily cannot be funded by loans or borrowing. The Welsh Government's 'Innovate to Save' programme requires the revenue costs to be treated as capital, and the only way to achieve this is to gain a Capitalisation Direction from WG Ministers as each year of the project passes. An indication will be given by WG officials if the Capitalisation Direction will be granted when the business plan is approved.

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

Table 6

SPECIFICALLY FUNDED SCHEMES 2020/21 - 2022/23				
	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m
Specifically Funded Schemes				
21st Century Schools - Band B	7.764	2.825	0.000	10.589
SHARP - Loans to NEW Homes for Affordable Homes	20.000	0.000	0.000	20.000
Standard Waste Transfer Station	1.200	0.000	0.000	1.200
Mockingbird Family Model	0.462	0.304	0.384	1.150
Total Schemes	29.426	3.129	0.384	32.939
Funding				
Specific Capital Grants	4.491	1.805	0.000	6.296
Unsupported (Prudential) Borrowing	23.274	1.020	0.000	24.294
Invest to Save Loan	1.200	0.000	0.000	1.200
Innovate to Save Loan	0.462	0.304	0.384	1.150
Total Schemes	29.426	3.129	0.384	32.939

1.43 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 2020/21 Capital Programme monitoring reports.

1.44 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.

1.45

Summary Total Council Fund Capital Programme 2020/21 - 2022/23

Table 7 summarises the total proposals for the 2020/21 - 2022/23 Capital Programme.

Table 7

SUMMARY CAPITAL PROGRAMME 2020/21 - 2022/23				
	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m
Expenditure				
Statutory / Regulatory Section	2.400	2.350	2.350	7.100
Retained Assets Section	4.906	3.615	3.547	12.068
Investment Section	5.565	1.218	2.893	9.676
Specific Section	29.426	3.129	0.384	32.939
Total Programme (All Sections)	42.297	10.312	9.174	61.783
Funding				
General Funding ¹	7.508	6.586	6.586	20.680
Grant Funding	4.491	1.805	0.000	6.296
Unsupported (Prudential) Borrowing	26.224	1.265	2.783	30.272
Invest to Save Loan	1.200	0.000	0.000	1.200
Innovate to Save Loan	0.462	0.304	0.384	1.150
Total Projected Funding	39.884	9.960	9.753	59.597
Surplus / (Shortfall)	(2.412)	(0.352)	0.579	(2.185)
1 As per 19/20 Final Settlement				

Potential future schemes

1.46

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).

1.47

21st Century Schools Band B

Paragraph 1.39 includes details of projects from the overall submission to WG for 21st Century Schools Band B.

The 21st Century Schools Band B programme is due to end by 2024/25. As each of the remaining schemes is proposed for approval, a decision will need to be made taking into account its affordability in the context of the position on the MTFS. The Flintshire funding element of the remaining 21st Century Schools Band B programme will need to be funded from prudential borrowing.

	<p>It is a complex investment programme over a long period of time and will always require a degree of flexibility around the size of projects, funding and time scales.</p>
1.48	<p>Growth Deal</p> <p>Cabinet adopted the <i>Growth Vision for the Economy of North Wales</i> in September 2016. The vision set out a collective and strategic ambition for North Wales for infrastructure development, skills and employment, and business growth. The cabinets of the five partner councils in the region similarly adopted the strategy at that time.</p> <p>Cabinet was then advised in a further report in February 2017 that North Wales had been formally invited to open negotiations for a Growth Deal with both the UK and Welsh Governments: - for additional resources and powers to pursue the priorities set out in the <i>Growth Vision</i>. A number of City Deals and regional Growth Deals have been adopted across the UK.</p> <p>In June 2018 Cabinet and Council adopted a Governance Agreement for the planning and development phase of a Growth Deal. The Governance Agreement empowers and regulates the regional partnership between the six local authorities, the two universities, the two further education colleges and the North Wales Mersey Dee Business Council. The partnership operates through a joint committee called the North Wales Economic Ambition Board. All partners have similarly adopted the Governance Agreement.</p> <p>Heads of Terms are being finalised with Governments and it is anticipated that capital allocations will be drawn down in the final quarter of the 2020/21 financial year. A <i>Proposition Document</i>, which sets out the priority programmes of activity for the region and for which national funding is being sought through the Growth Deal, and has been approved by the North Wales Economic Ambition Board. The Growth Deal will fund selected programmes and projects from within the <i>Proposition Document</i>; ones that meet shared governmental objectives for economic growth. The document constitutes the regional bid which will lead to a deal.</p> <p>There is likely to be borrowing required in the future, the associated costs of which will need to be serviced. Until the detail of the final Growth Deal, to be negotiated with the Governments, and the capital grant payment arrangements to finance the Deal, the regional partners will not know the number and the combined cost of the approved projects. The combined cost of the approved projects, and how they are to be phased over a period of years, will have a bearing on the contributions to the borrowing costs each partner might be expected to make.</p>
1.49	<p>Croes Atti, Flint Residential Care Home Review / Expansion</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</p>

	<p>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. A feasibility report in relation to options for increasing capacity at Croes Atti to 55 beds have been undertaken, the options for a refurbishment and new build on the current site are being considered.</p>
1.50	<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.</p>
1.51	<p>Children's in-house Residential Care Home</p> <p>Work is underway to develop the business case for an in house Residential Care Home for Children. The facility will provide short term assessment and support to children and young people with a view to supporting them to return to their family/carers where appropriate. The provision would form part of our strategy to reduce reliance on Residential care. Options are being considered to support the procurement of an appropriate building which include seeking capital funding from Welsh Government, leasing a property from a Registered Social Landlord or make a direct purchase using our capital.</p>
1.52	<p>Specialist Autism Facility</p> <p>The possibility of developing a specialist facility to provide services for children and young people with Autism is being explored. The Council</p>

	<p>currently funds a number of out of county placements in neighbouring counties, in both maintained and independent settings. There is an increasing need for these placements and there has been a notable increase in the costs of the provision in recent years; costs associated with transport are also increasing given the distances to the provision. A piece of work has been commissioned to look at the viability of developing in-house provision utilising existing assets, and reallocating the revenue budget currently funding out of county placements for Autism.</p>
1.53	<p>Moderate Learning Difficulties (MLD)</p> <p>The Council currently has a gap in its provision for secondary aged pupils with Moderate Learning Difficulties (MLD). Mainstream schools are funded to offer support for the majority of pupils with special educational needs and Ysgol Maes Hyfryd meets the needs for pupils with profound and complex needs. There is a small group of pupils for whom neither setting is able to meet their needs appropriately. The possibility of developing a joint provision between Flint High School and Ysgol Maes Hyfryd is being explored to meet the needs of this particular cohort thus reducing the need to commission out of county placements.</p>
1.54	<p>County Hall Campus</p> <p>The redevelopment of the County Hall campus site needs to be progressed through the formulation of a comprehensive and visionary masterplan which addresses the future needs to the Council and other public sector partners; linking this with an integrated approach around the Courts, and theatre together with a wider site development. This work is complex but phase one has already commenced with the demolition of phases 3 and 4 of County Hall. The site has huge potential being framed within a mature semi-rural landscape; work on a comprehensive plan will need to commence in 2020/21.</p>
1.55	<p>Review of Industrial Estate</p> <p>The Councils industrial estates are widely dispersed throughout the County and provide much needed accommodation and commercial space to many local businesses. They bring into the Council revenue through rental income but are also of an age where they are now likely to require investment. This creates an opportunity to review the mix, size and type of units and consider the future direction. Work will therefore need to be undertaken to review, on a site by site basis each site and come up with a detailed strategy which considers each sites viability, whether to invest or dispose or seek an alternative use.</p>
1.56	<p>Highways Asset Management Plan</p> <p>The core Capital Programme includes £0.600m per annum for the HAMP. In 2019/20, as in previous years, this has been supplemented by additional WG grant. It has been estimated that the investment required to maintain current network performance is £2.7m per annum, an increase of £2.1m per annum. Welsh Government announced additional Public Highways Refurbishment Grant 2018-21 to Flintshire of £0.959m in 2018/19, and in 2019/20, with funding for 2020/21 to be confirmed in due course.</p>

1.57	<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"> • software that can automate answering simple telephone calls or email enquiries (so called "chat bots") • a generic web booking system to allow customer 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.
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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>Assuming the shortfall is as estimated (£2.186m), and that the asset life of schemes is 50 years the pressures on the revenue budget are shown in the table below. The pressures for school building works have been built into the current MTFS. Pressures for the shortfall in Council Funding and the Joint Archive Facility will be built into future MTFS calculations as necessary.</p>

	Pressure in Year 1	Pressure in Year 50	Average Annual Pressure
	£m	£m	£m
Shortfall in Council Funding (£2.186m)	0.102	0.144	0.120
Joint Archive Facility	0.142	0.200	0.167
Connah's Quay HS	0.063	0.092	0.075
Quensferry CP / Plas Derwen	0.096	0.141	0.115
Ysgol Croes atti, Shotton	0.011	0.016	0.013
Brynford CP	0.043	0.063	0.052
Total	0.457	0.656	0.542

The table does not include the two schemes where the income generated as a result will cover the associated revenue borrowing costs; Solar PV at Flint Landfill and Crumps Yard Connah's Quay and SHARP – Loans to NEW Homes for Affordable Homes. The table does not include the Mockingbird Family Model as the loan will be repaid from revenue savings generated as a result.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT	
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	Ways of Working (Sustainable Development) Principles Impact	
	Long-term	<p>Joint Archive Facility – The development a new facility will provide a sustainable archive repository for the region along with providing annual revenue savings once the service is running.</p> <p>Affordable Housing – The building of affordable housing supports local residents in their housing needs which helps reduce homelessness and pressures on Council Fund Housing budgets.</p> <p>Theatr Clwyd – The Theatr Clwyd building is nearing the end of its life. Investment in the building will allow long term sustainability which will support the local economy.</p>
	Prevention	Works to be completed on the reservoirs at Greenfield Valley to ensure there is no

		<p>increased risk to public safety and that reservoir maintenance is carried out before further deteriorating.</p> <p>Investment in bridges at Wepre Park to reduce safety risk to the public and to ensure that there is a long-term sustainable solution to maintenance to allow visitors access to the park.</p> <p>With a number of Council owned cemeteries approaching capacity in the medium term, a programme of cemetery extensions is being put together, before sites reach full capacity, to ensure residents can be buried in their locality.</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>
	Collaboration	<p>The Joint Archiving 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 Council partners with Clwyd Alun Housing and Can Cook to deliver a new social enterprise business to “connect everyone with good fresh food”. Food would be prepared in Flintshire through a number of hub locations, with a main food preparation hub in the Shotton area.</p>
	Involvement	<p>The Joint Archive Facility will deliver a revolutionary and radical archive offer to the public, which will deliver long-term development of a resilient, relevant service, inspiring communities in North</p>

	East Wales. The facility will secure historic collections, diversify audiences, volunteers and depositors.
Well-being Goals Impact	
Prosperous Wales	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.
Resilient Wales	Investment in Solar PV farms in the County will contribute towards becoming a low carbon society along with supporting economic growth and job creation through the initial construction and long term maintenance.
Healthier Wales	<p>The Flintshire Food Enterprise will work to ensure everyone can have access to good fresh food and develop a transition programme to work with vulnerable groups i.e. homeless families. This will also be used as a catalyst to tackle loneliness and isolation in the community.</p> <p>The Council is investing to extend the residential care home, Marleyfield House 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>
More equal Wales	<p>The Council will continue to support the building of affordable homes across the County as part of the Council's Strategic Housing and Regeneration Programme (SHARP) and building of council houses for social rents which form part of the HRA activities.</p> <p>Upgrading ICT provision in schools and thus enabling new methods of curriculum delivery to all pupils across the County.</p>
Cohesive Wales	Allocation to the Highways Network includes resurfacing, street lighting

		<p>improvements and structural maintenance which allows residents in the County to travel in safe conditions.</p> <p>Investment in foster care home adaptations will help to provide security and stability for children in a safe environment.</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>Investment in historic building conservation to ensure the Council promotes and protects the heritage within the County and preserves it for future generations.</p>
	Globally responsible Wales	<p>Construction of Solar PV farms will increase the investment in renewable energy systems the Council uses to help achieve the goals set within the Carbon Management Plan and the Renewable Energy Action Plan.</p> <p>Development of the waste transfer station to accommodate the growth in recycling rates, achieved through the Council educating the public around the importance of recycling. This will help to ensure statutory recycling targets are achieved, along with an increased resilience and processing capacity, for future waste streams.</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>		

4.00	CONSULTATIONS REQUIRED / CARRIED OUT
4.01	<p>Any comments from Corporate Resources Overview and Scrutiny Committee on the proposed Capital Programme will be referred back to the November 2019 meeting of the Cabinet for consideration before the final Capital Programme for 2020/21-2022/23 is considered and approved by County Council in December 2019.</p>

5.00	APPENDICES
5.01	None

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Business Case forms completed by Portfolios

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Liz Thomas, Strategic Finance Manager Telephone: 01352 702289 E-mail: liz.thomas@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<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> <p>Council Fund - The fund to which all the Council's revenue and capital expenditure is charged</p> <p>Disposal - The decommissioning or transfer of an asset to another party</p>

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.

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.