

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Thursday, 19 April 2018
Report Subject	Reporting on Investment in County Towns
Cabinet Member	Leader of the Council and Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Strategic

EXECUTIVE SUMMARY

This report addresses the issues arising from a Notice of Motion at Council (17 December 2017) and the agreement that reports on certain types of expenditure will display expenditure broken down by County town.

The report suggests a basis for the definition of towns for this purpose only, and identifies the areas of spend within the 2018/19 capital programme which could be included in the reporting process whilst explaining some of the difficulties in obtaining the information.

RECOMMENDATIONS

1	Members endorse the approach to meeting the reporting requirements.
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REPORT DETAILS

1.00	BACKGROUND
1.01	Council approved the following Notice of Motion at its meeting on 12 th December 2017:-

	<p>1. That this Council invests fairly, according to need, in each of the towns in Flintshire in respect of the Infrastructural Support of any revenue or capital investment to:</p> <ul style="list-style-type: none"> a) Build or improve highway and transport networks (road, rail, cycle way or footpaths), including parking b) Redevelop or regenerate towns, streetscapes, or recreation spaces including CCTV c) Build or redevelop housing including community housing such as Extra Care <p>2. That the respective investment levels, showing external and internal funding, are reported as part of the Revenue and Capital Strategy reports to Corporate Resources Overview and Scrutiny Committee on a quarterly basis.</p>
1.02	<p>It is important at the outset to agree the scope and definition of how the information requested at 1.01 could easily be compiled.</p> <p>The Council has no single definition for towns, although for the purposes of the Wales Housing Quality Standard (WHQS) investment programme, Flintshire was broken down into six 'districts' centred on the major towns as follows:</p> <ul style="list-style-type: none"> - Buckley - Connahs Quay and Shotton - Deeside and Saltney - Flint - Holywell - Mold <p>Spend on housing forms the major part of the capital programme in 2018-19 as can be seen within Appendix 1 of the report. Therefore, it is suggested that this format is used for categorising the information requested.</p>
	<p>Identification of Schemes</p>
1.03	<p>The Notice of Motion includes reference to investment in towns by building, redeveloping and the regenerating of assets.</p> <p>By its very nature, this type of expenditure is required to be classified as capital by the Council, and it is therefore assumed that the expenditure included in the analysis will be predominantly capital.</p> <p>If a significant revenue programme such as an externally grant funded initiative was identified this will be included, however, it is likely that costs currently included in revenue will be minimal.</p> <p>Flintshire generally makes decisions to invest in its physical assets on the basis of need, and the draft capital programme is presented to members only after a rigorous process of evaluation of potential schemes. In view of</p>

the fact that schemes are evaluated on the basis of need, it is unlikely that the capital spend will be distributed evenly across towns within Flintshire. The same applies to Welsh Government and other national grant funding initiatives which will have specific criteria applied together with strict terms and conditions.

It will not be practical to include all capital expenditure in the analysis. For example, routine capital expenditure on schools repairs and Disabled Facilities Grant will not be included because it is by nature demand-led.

Table 1 shows the elements of the 2018-19 capital programme which will be reported by town or 'district'.

1.04

Table 1	2018-19
Capital Scheme	(£m)
Housing	
Whole House – Envelope	10.542
Whole House – External	0.484
Whole House – Internal	4.136
General (Sharp)	11.891
Environment projects	0.969
Unconfirmed funds	2.339
Education and Youth	
21 st Century Schools	13.967
Schools Extensions and Remodelling	1.283
Social Care	
Learning Disability Day Care Services Facility	1.955
Major Transport/Economic Development	
Highways Asset Management Plan	0.600
Leisure (AURA)	
Play areas and synthetic sports pitches	0.330
Heritage	0

1.05

In addition to the above there is additional confirmed funding of £1.427m for investment in road infrastructure, and other schemes which have not yet been approved by Welsh Government. These do not currently appear in the capital programme as approved in February 2018 by Council but will be

	added to the analysis as appropriate.
	Monitoring and Reporting
1.06	<p>Some of the capital schemes will be self-contained such as spend on the Learning Disability Day Care Services Facility at Shotton and the expenditure information on those will be much simpler to monitor and capture for reporting as part of the normal monitoring process.</p> <p>This will be more difficult for other schemes as the financial system does not hold information at this level. Therefore, a detailed breakdown of the remaining schemes will need to be developed.</p> <p>The outcome of this work will be shown in the first quarterly capital monitoring report.</p>
	Revenue Expenditure
1.07	As stated above it is anticipated that the reporting will be predominantly capital expenditure. Further analysis of potential revenue reporting is under consideration and will be incorporated into future budget monitoring reports where appropriate.

2.00	RESOURCE IMPLICATIONS
2.01	None

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	No consultations are required to support this report.

4.00	RISK MANAGEMENT
4.01	There are no external risk in relation to this report.

5.00	APPENDICES
5.01	Appendix 1 - 2018-19 element of the Capital Programme

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Capital Programme 2018/19 to 2020/21.</p> <p>Contact Officer: Paul Vaughan, Interim Finance Manager Telephone: 01352 702219</p>

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7.00 GLOSSARY OF TERMS

7.01

Capital: a term used to describe expenditure on the acquisition of Non-current Assets or expenditure that extends the life or value of an existing asset.

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.

Revenue: a term used to describe the day to day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.