

# Pecyn Dogfen Gyhoeddus

**Gareth Owens LL.B Barrister/Bargyfreithiwr**

Chief Officer (Governance)

Prif Swyddog (Llywodraethu)



Swyddog Cyswllt:

Sharon Thomas 01352 702324

sharon.b.thomas@flintshire.gov.uk

At: Cyng Richard Jones (Cadeirydd)

Y Cynghorwyr: Bernie Attridge, Bill Crease, Alasdair Ibbotson, Gina Maddison, Allan Marshall, Vicky Perfect, Kevin Rush, Jason Shallcross, Sam Swash, Linda Thomas ac Arnold Woolley

10 Tachwedd 2023

Annwyl Gynghorydd,

**RHYBUDD O GYFARFOD HYBRID**  
**PWYLLGOR TROSOLWG A CHRAFFU ADNODDAU CORFFORAETHOL**  
**DYDD IAU, 16EG TACHWEDD, 2023 10.00 AM**

**Nodwch:** Mae pob Aelod wedi'u gwahodd i ddod i eitem 6 ar y rhaglen

Yn gywir

Steven Goodrum

Rheolwr Gwasanaethau Democraidaidd

Sylwch: Gellir mynychu'r cyfarfod hwn naill ai wyneb yn wyneb yn Siambr Cyngor yr Arglwydd Barry Jones, Cyngor Sir y Fflint, Yr Wyddgrug, Sir y Fflint neu ar-lein.

Bydd y cyfarfod yn cael ei ffrydio'n fyw ar wefan y Cyngor. Bydd y ffrydio byw yn dod i ben pan fydd unrhyw eitemau cyfrinachol yn cael eu hystyried. Bydd recordiad o'r cyfarfod ar gael yn fuan ar ôl y cyfarfod ar <https://flintshire.publici.tv/core/portal/home>

Os oes gennych unrhyw ymholiadau, cysylltwch ag aelod o'r Tîm Gwasanaethau Democraidaidd ar 01352 702345.

## RHAGLEN

### 1 YMDDIHEURIADAU

**Pwrpas:** I dderbyn unrhyw ymddiheuriadau.

### 2 DATGAN CYSYLLTIAD (GAN GYNNWYS DATGANIADAU CHWIPIO)

**Pwrpas:** I dderbyn unrhyw ddatganiad o gysylltiad a chynghori'r Aelodau yn unol a hynny.

### 3 COFNODION (Tudalennau 5 - 14)

**Pwrpas:** I gadarnhau, fel cofnod cywir gofnodion y cyfarfod ar 12 Hydref 2023.

### 4 OLRHAIN GWEITHRED (Tudalennau 15 - 18)

Adroddiad Rheolwr Gwasanaethau Democraidd -

**Pwrpas:** Rhoi gwybod i'r Pwyllgor o'r cynnydd yn erbyn camau gweithredu o'r cyfarfod blaenorol.

### 5 RHAGLEN GWAITH I'R DYFODOL (Tudalennau 19 - 28)

Adroddiad Rheolwr Gwasanaethau Democraidd -

**Pwrpas:** Ystyried y flaenraglen waith Pwyllgor Craffu & Trosolwg adnoddau corfforaethol.

### 6 CYLLIDEB 2024/25 (CYFLWYNIAD)

**Pwrpas:** Crynhoi adborth o'r Pwyllgorau Trosolwg a Chraffu a rhoi'r wybodaeth ddiweddaraf ar y newidiadau a risgiau i'r gofyniad cyllideb ychwanegol ar gyfer y flwyddyn ariannol 2024/25.

### 7 DIWEDDARIAD CANOL BLYWDDYN CYFLOGAETH A GWEITHLU (Tudalennau 29 - 50)

Adroddiad Rheolwr Corfforaethol, Pobl a Datblygu Cyfundrefnol - Aelod Cabinet Llywodraethu a Gwasanaethau Corfforaethol gan gynnwys lechyd a Diogelwch ac Adnoddau Dynol

**Pwrpas:** Mae'r adroddiad hwn yn cynnwys diweddariadau strategol yn ogystal ag ystadegau chwarterol y gweithlu a dadansoddiad ohonynt.

**8 MONITRO CYLLIDEB REFENIW 2023/24 (MIS 6) A MONITRO RHAGLEN GYFALAF 2023/24 (MIS 6)** (Tudalennau 51 - 100)

Adroddiad Rheolwr Cyllid Corfforaethol - Aelod Cabinet Cyllid, Cynhwysiant, Cymunedau Cryf gan gynnwys Gwerth Cymdeithasol a Chaffael

**Pwrpas:** I gyflwyno Adroddiad Monitro Cyllideb Refeniw 2023/24 (Mis 6) ac adroddiad Monitro Rhaglen Gyfalaf 2023/24 (Mis 6).

**9 STRATEGAETH GYFALAF YN CYNNWYS DANGOSYDDION DARBODUS 2024/25 - 2026/27** (Tudalennau 101 - 120)

Adroddiad Rheolwr Cyllid Corfforaethol - Aelod Cabinet Cyllid, Cynhwysiant, Cymunedau Cryf gan gynnwys Gwerth Cymdeithasol a Chaffael

**Pwrpas:** Cyflwyno Strategaeth Gyfalaf 2024/25 - 2026/27 ar gyfer ei hadolygu.

**10 RHAGLEN GYFALAF 2024/25 - 2026/27** (Tudalennau 121 - 156)

Adroddiad Prif Weithredwr, Rheolwr Cyllid Corfforaethol, Rheolwr Corfforaethol, Rhaglen Gyfalaf ac Asedau - Aelod Cabinet Cyllid, Cynhwysiant, Cymunedau Cryf gan gynnwys Gwerth Cymdeithasol a Chaffael

**Pwrpas:** Cyflwyno Rhaglen Gyfalaf 2024/25 - 2026/27 ar gyfer ei hadolygu.

***Sylwch, efallai y bydd egwyl o 10 munud os yw'r cyfarfod yn para'n hirach na dwy awr.***

Mae'r dudalen hon yn wag yn bwrpasol

# Eitem ar gyfer y Rhaglen 3

## **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE** **12 OCTOBER 2023**

Minutes of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held as a hybrid meeting on Thursday, 12 October 2023

**PRESENT: Councillor Richard Jones (Chair)**

Councillors: Bernie Attridge, Alasdair Ibbotson, Gina Maddison, Allan Marshall, Vicky Perfect, Kevin Rush, Sam Swash, Linda Thomas and Arnold Woolley

**SUBSTITUTES:** Councillor: Glyn Banks (for Bill Crease) and Linda Thew (for Jason Shallcross)

**ALSO PRESENT:** Councillors Helen Brown and David Coggins Cogan attended as observers

**CONTRIBUTORS:** Councillor Ian Roberts (Leader of the Council), Councillor Dave Hughes (Deputy Leader and Cabinet Member for Streetscene and the Regional Transport Strategy), Councillor Paul Johnson (Cabinet Member for Finance, Inclusion & Resilient Communities), Councillor Billy Mullin (Cabinet Member for Governance and Corporate Services), Chief Executive, Chief Officer (Governance), Corporate Finance Manager, Corporate Manager (People and Organisational Development) and Strategic Finance Managers

For minute number 33

Senior Manager (Safeguarding and Commissioning)

For minute number 37

IT Infrastructure Services Manager

**IN ATTENDANCE:** Democratic Services Manager and team

### **29. DECLARATIONS OF INTEREST**

None.

### **30. MINUTES**

The minutes of the meeting held on 14 September 2023 were approved, as moved and seconded by Councillors Swash and Ibbotson.

#### Matters Arising

Minute number 25: A response to the request for details on performance indicators in relation to new Council homes, affordable housing and Registered Social Landlord homes under construction remained outstanding.

Minute number 27: It was noted that the cost breakdown for the Delyn Room refurbishment had not yet been shared with the Committee.

On the same minute, reference was made to the remaining earmarked reserves and revenue allocation for the Local Development Plan (LDP). Councillor Swash raised concerns that the explanation previously given differed from the recent response which stated that the remaining £110K budget in Planning Policy from 2022/23 was not ring-fenced for the LDP in 2023/24. He and Councillor Ibbotson said that the budget line approved for 2023/24 was for the LDP and that as no further work was planned, details of the remaining allocation should be brought back for Members' consideration on its purpose.

The Corporate Finance Manager advised that the remaining earmarked LDP reserves from 2022/23 were transferred into contingency reserves as agreed by Members, whereas the response subsequently shared by officers related to the base budget query. He agreed to include a detailed note in the next budget monitoring report to clarify both elements.

**RESOLVED:**

That the minutes be approved as a correct record.

**31. ACTION TRACKING**

The Democratic Services Manager presented an update on actions from previous meetings and advised that the presentation on the work of the Coroner would be included.

The recommendation was moved by Councillors Ibbotson and Attridge.

**RESOLVED:**

That the Committee notes the progress which has been made.

**32. FORWARD WORK PROGRAMME**

In presenting the current Forward Work Programme, the Democratic Services Manager advised that a further update on the Budget 2024/25 would be included for November.

He advised that the Welsh Local Government Association (WLGA) training session on Scrutiny Questioning Skills had been well received and would be repeated at a future date, giving an opportunity for other Members to attend. As requested by Councillor Banks, he would enquire whether the training could be extended to Town and Community Councillors.

On that basis, the recommendations were moved and seconded by Councillors Rush and Marshall.

**RESOLVED:**

(a) That the Forward Work Programme be noted; and

- (b) That the Democratic Services Manager, in consultation with the Committee Chair, be authorised to vary the Forward Work Programme between meetings, as the need arises.

### **33. JOINT FUNDED CARE PACKAGES - UPDATE REPORT**

The Senior Manager (Safeguarding and Commissioning) presented an update on current long-term debt with Betsi Cadwaladr University Health Board (BCUHB) in respect of the delivery of NHS Continuing Health Care packages in Flintshire. A report on the current position was shared in advance of the meeting.

There were currently no outstanding invoices under one year in age which reflected the improved processes put in place to deal with invoices in a timely manner. As at 27 September, outstanding invoices totalled £0.456m including £0.183m of invoices one year and over. Arbitration arrangements were continuing in order to resolve the remaining £0.273m of historic invoices relating to five cases. She thanked the Committee for giving the matter due attention to reduce the outstanding debt.

In response to a question, the Senior Manager advised that BCUHB contributions were incorporated into financial projections with a follow-up check undertaken to verify receipt of the amounts to ensure accurate budget monitoring.

The recommendation was moved and seconded by Councillors Banks and Thew.

#### **RESOLVED:**

That the Committee notes the continued proactive budget management of outstanding invoices raised by the Council for payment by Betsi Cadwaladr University Health Board.

### **34. BUDGET 2024/25 - STAGE 2**

The Chief Executive and Corporate Finance Manager presented an update on the additional budget requirement for 2024/25. The Committee was asked to review the budget pressures and cost reduction options within Governance, Corporate Services and Assets, as detailed in the presentation which covered:

- Purpose and Background
- Additional Budget Requirement for the Council 2024/25
- Ongoing Risks
- Overall position after initial solutions
- Cost Pressures and Budget Reductions
- Next Steps for Budget-setting 2024/25

The minimum budget requirement of an additional £32.386m of revenue resources for 2024/25 took into account a number of ongoing risks including public sector pay, high demand for some services and inflationary pressures

which were being monitored. Taking account of initial solutions would leave a remaining budget gap of £14.042m which presented a major challenge for the Council if there was no movement in the indicative 3.1% uplift in the settlement from Welsh Government (WG). The presentation highlighted the need for a strategic programme of transformational change to ensure that the Council was developing cost reductions over the medium term to protect its ongoing future financial position and to prepare for inevitable future budget challenges.

Overview & Scrutiny committees were being asked to rigorously review their portfolio cost pressures, efficiency options and associated risks, and to identify any additional areas of cost efficiency. A summary of outcomes from those sessions would be reported back to this Committee at the November meeting which would be open to all Members. Following receipt of the provisional settlement on 20 December, Overview & Scrutiny meetings in January would need to consider further budget reductions required to meet the remaining budget gap in order for the Council to meet its statutory obligation of setting a legal and balanced budget in February 2024.

### Governance

Councillor Bernie Attridge raised concerns about the impact of the proposed removal of a vacant post in Internal Audit. The Chief Officer (Governance) explained that the Internal Audit Manager had offered this long-term vacancy as an efficiency following changes within the team structure and that she would fulfil her duty in giving an annual audit opinion based on the level of resources available.

On shared services, the IT Infrastructure Services Manager gave examples of the Council's participation in a national forum as well as other collaborative work on cyber security. He said that the Cyber Technician pressure was to support a post that was funded for 2023/24 and advised against a shared post due to the heightened risk around cyber threats in the UK.

Councillor Alasdair Ibbotson asked whether the Governance & Audit Committee had been consulted on the removal of the Internal Audit post and questioned the potential liability of losing the post.

The Chief Officer anticipated no impact on fraud and error cases from the removal of the post as fraud prevention was the responsibility of individual services. When questioned, he said that this represented a green risk in the resilience of the service as it could reduce capacity for any unplanned work and potentially impact on planned work. Councillor Ibbotson requested that this option be referred to the Governance & Audit Committee for consideration.

On other queries, clarification was given that the staffing underspend in Flintshire Connects was not due to recruitment and retention issues. The saving was due to the difference between the current allocated budget and the amount of money required to fund the approved staffing structure. It was also clarified that the IT cost pressures were either to upgrade existing technology or provide



additional solutions and that there were no plans to discontinue licenses for software with a recurring license fee.

Councillor David Coggins Cogan asked whether the cost pressure for the Schools' IT Technician could be aligned with that of the Cyber Security Technician to enable the two posts to work in conjunction with each other to increase resilience on cyber security.

In clarifying the differences between the two roles, the IT Infrastructure Services Manager agreed to consider the cost implications from this suggestion. He also agreed to consider the Chair's suggestion to combine the two posts into one to generate a £32K saving, however he said it was unlikely that the level of work could be undertaken by one individual.

The Chair commented on the need for WG to provide financial assistance to all councils to ensure a consistent approach on tackling cyber security. In response, it was explained that WG currently funded the security operation centre which was a centralised resource for authorities in Wales.

### Corporate Services

In response to a question from Councillor Linda Thew, it was explained that contributions to the Coroner's Service and North Wales Fire & Rescue Authority (NWFRA) were based on the population per county.

On Theatr Clwyd, Councillor Attridge asked about the implications of previous decisions taken by the Council following the reduction in funding from the Arts Council. The Chief Executive advised that the Council's commitments were clearly set out in the current agreement which continued until 2026.

On another question, the Corporate Finance Manager confirmed that the £365K cost pressure for Alternative Delivery Models (ADMs) and Community Asset Transfers (CATs) reflected the projected inflationary uplift from the current contributions to Aura Leisure, Newydd Catering & Cleaning, Holywell Leisure Centre, Cambrian Aquatics and Theatr Clwyd. As requested by Councillor Attridge, a breakdown of that amount would be provided to Members. The Chief Executive also said that an update report on CATs would also be shared with the Committee, as previously requested.

Councillor Sam Swash was given clarification on the two schemes coming forward under the 21<sup>st</sup> Century Schools programme for 2024/25. On the inflationary cost pressure for Corporate Joint Committees (CJCs), he questioned the benefits to the Council on which the Chair shared his personal view that no additional contributions should be made.

The Chief Executive reported that key details were awaited on the two main workstreams on regional planning and transportation which were being progressed in the CJC.

Councillor Ibbotson raised questions on cost pressures relating to ADM/CATs and commented on the in-year increase in earmarked reserves projected for year-end. It was confirmed that NEW Homes was not included as it was a wholly owned subsidiary of the Council and that contributions from the Council to ADM/CATs would be reviewed and challenged as part of the budget-setting process.

On other questions, officers advised that the cost pressure for the Joint Archive Service was a contribution towards the design and development phase, with construction likely to take place in 2025/26 and 2026/27. As advised during the presentation, the cost pressure for the match funding element of the unsuccessful Levelling Up Fund bid would be removed and reflected as a saving in future budget updates. Clarification was also given on the MIM project at Mynydd Isa within the 21<sup>st</sup> Century Schools programme, with the Penyffordd CP School extension funded from the core Capital Programme.

Councillor Ibbotson commented on the lack of progress on the CJC given the level of funding and resources allocated, and questioned whether contributions could align with the funding formula as opposed to population. His concerns were shared by the Chair who suggested a future update report. The Chief Executive spoke about the requirements set by the legal framework but would raise the issue of the funding model at the next meeting of the CJC.

In response to a question from Councillor Coggins Cogan on value for money on the CJC, the Chief Executive referred to his comments on the two main workstreams and said that negotiations had taken place to mitigate further increases to contributions.

Councillor Glyn Banks questioned whether the Council could seek an exemption from the Apprentice Tax levy, as a non-profit making organisation. On Theatr Clwyd, he expressed concerns about the impact on the Council arising from the shortfall in funding from the Arts Council. The Chair suggested that officers give this consideration and bring an update back to the Committee.

Whilst speaking about the challenges in determining funding for collaborative working, Councillor Ian Roberts gave assurance of the Council's role in those partnerships and continued representations. He spoke in support of the growing consensus that the NWFRA should become a precepting authority on this Council (along with North Wales Police), suggesting that the Committee may wish to consider sending a letter to WG and the Home Office to this effect.

The Chief Officer (Governance) said that with the agreement of the Committee, the letter could also be sent to Audit Wales in advance of its review of Fire Authority governance arrangements.

### Assets

In response to a question from Councillor Ibbotson about the withdrawal of options on the Strategy Office restructure, the Chief Executive explained that the

social value and community benefits achieved by retaining those posts offset the efficiency saving.

As requested, further details of the £10K saving arising from the merging of functions in Valuation & Estates would be shared, along with a confidential breakdown of the £28K saving from third sector funding, including the organisations involved.

Councillor Coggins Cogan shared concerns about the option for the Council to withdraw the Stonewall subscription as this was important to retain and represented a small amount. He was supported by Councillor Roberts who said that this should be held in a list of 'possible' options to which the Chair also agreed.

The recommendations, as amended, were moved and seconded by the Chair and Councillor Arnold Woolley.

**RESOLVED:**

- (a) That having reviewed the cost pressures and options to reduce budgets in Governance, the Committee comments as follows:
- That the Governance & Audit Committee be consulted on the removal of the vacant post in Internal Audit;
  - That officers review the pressures for the Schools' IT Technician and Cyber Security Technician to explore the feasibility of (i) uplifting one salary in line with the other to increase resilience by the two posts supporting each other; and (ii) combining the two posts to generate a £32K saving.
- (b) That having reviewed the cost pressures and options to reduce budgets in Corporate Services, the Committee comments as follows:
- That the Chief Executive and Chief Officer (Governance) liaise with the Chair and Leader of the Council to send a letter on behalf of the Council to the Welsh Government, Home Office and Audit Wales to request the power of precept for the North Wales Fire & Rescue Authority in Flintshire.
- (c) That having reviewed the cost pressures and options to reduce budgets in Assets, the Committee comments as follows:
- That the Committee does not support withdrawal of the Stonewall membership but accepts that this is included on the list of possible options if required.

*At this point, there was a brief adjournment prior to considering the remaining items.*

### **35. REVENUE BUDGET MONITORING 2023/24 (MONTH 5)**

The Strategic Finance Manager presented the 2023/24 month 5 position for the Council Fund and Housing Revenue Account (HRA) prior to consideration by Cabinet.

On the Council Fund, the projected year-end position was an operating deficit of £3.660m (excluding the impact of the pay award to be met from reserves) which reflected an overall in-year overspend of £6.387m at this stage. A contingency reserve balance of £3.027m was reported for year-end (after the estimated impact of pay awards). To assist with managing the risks and mitigating the overall projected overspend, a moratorium was being imposed through the review and challenge of non-essential spend together with the continuation of the vacancy management process. The projected position across portfolios was summarised including details of significant variances.

An overview of risks included the estimated impact of pay awards, the latest position on the waste recycling infraction charge and continued high demand for homelessness services and out of county placements. Based on the current position, it was projected that 99% of planned efficiencies would be achieved by year-end. An update on earmarked reserves anticipated that remaining commitments for the Hardship Reserve would leave a year-end balance of between £3m-3.2m. A detailed review of earmarked reserves had identified £0.648m for release to the Contingency Reserve, with the overall breakdown showing an estimated year-end balance of £14.758m.

On the HRA, net in-year revenue expenditure was forecast to be £0.006m higher than budget with a projected closing balance of £3.191m. This took into account the proportion of the cost incurred for the fleet renewal contract.

In response to queries from Councillor Bernie Attridge, the Corporate Finance Manager advised that in addition to the ongoing review of non-essential spend, officers were currently working on the principles of the moratorium which would apply across portfolios to increase reserves and mitigate the estimated financial impact on the 2023/24 budget. Clarification was also given on the additional cost for the fleet contract extension which had been reported to Cabinet and was held in a centralised fund by Streetscene. The Chair commented that each portfolio should assume responsibility for its own fleet.

Councillor Attridge expressed concerns about the significant movement in the budget at this stage and said that a breakdown for each year was needed to identify the root causes, particularly in Social Services. The frustrations were acknowledged by the Corporate Finance Manager who spoke about forecasting challenges due to volatile demand in some services.

On earmarked reserves, Councillor Alasdair Ibbotson queried the allocations for Flintshire trainees and Solar Farms. On Organisational Change/Alternative Delivery Models, he asked whether the projected year-end increase would result in any release to general reserves and sought clarity on the

expected decrease in reserves for the North Wales Residual Waste Treatment Plan.

Also on earmarked reserves, the Chair referred to some balances which remained unchanged from year to year and queried why they remained on the list when there was no depletion.

The Corporate Finance Manager provided clarity on the amount for Flintshire trainees and would seek a fuller response from the Corporate Manager for People & Organisational Development, in addition to sharing responses to the other queries. The response to a previous request on the amount of additional revenue generated from Council Tax premiums would be shared after the meeting.

On a query from Councillor Glyn Banks regarding the fleet contract extension, the Corporate Finance Manager acknowledged that whilst the longer term pressure had been included in the Medium Term Financial Strategy for 2024/25, the part-year impact for 2023/24 had not been reflected and would be taken into consideration for future learning.

The Chair commented that the lack of financial support from Welsh Government had resulted in the homelessness pressure. He asked that the Hardship Fund revert back to its previous name of the COVID Emergency Fund for reporting purposes.

In response to questions, officers provided clarity on the virement in Social Services in month 4 and confirmed that representations were continuing on retaining the Sustainable Waste Management Grant. Explanation was also given on the waste recycling refraction charge which had been identified as a risk and not reflected in the budget at this stage.

The recommendation was moved and seconded by the Chair and Councillor Gina Maddison.

**RESOLVED:**

That having considered the Revenue Budget Monitoring 2023/24 (month 5) report, the Committee confirms that there are no specific matters to be raised with Cabinet.

**36. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC**

Exclusion of the press and public was moved and seconded by Councillors Bernie Attridge and Allan Marshall.

**RESOLVED:**

That the press and public be excluded from the meeting as the following item was considered to be exempt by virtue of paragraph 18 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

**37. CYBER RESILIENCE**

The Chief Officer (Governance) presented a report to consider the implications of the Audit Wales national report on cyber resilience which had been shared with all local authorities to summarise learning from recent cyber-attacks and the results of follow-up work across Wales. The report, which did not contain any specific recommendations for Flintshire, had been considered by the Governance & Audit Committee and referred to this Committee for oversight of the risks.

The Chief Officer and IT Infrastructure Services Manager highlighted the key considerations and responded to questions on collaboration work and various policies supporting cyber resilience.

As suggested by the Chair, officers agreed to engage with Audit Wales on the feasibility of developing an over-arching cyber resilience strategy for the Council.

The recommendations, which were amended to reflect the debate, were moved and seconded by the Chair and Councillor Allan Marshall.

**RESOLVED:**

- (a) That the Committee notes the risk of cyber-attacks against the Council, and endorses the steps taken to ensure that the Council's computer systems and the data they hold, remain safe and resilient;
- (b) That an email be sent to all Members, advising them to complete the 'Cyber Ninja' course by year-end to help reduce the risk of cyber breaches; and
- (c) That officers give consideration to the formation of a Cyber Resilience Strategy.

**38. MEMBERS OF THE PRESS IN ATTENDANCE**

None.

(The meeting started at 10am and ended at 1.45pm)

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**Chair**

# Eitem ar gyfer y Rhaglen 4



## CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Thursday, 16 November 2023
<b>Report Subject</b>	Action Tracking
<b>Report Author</b>	Democratic Services Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

The report shows the action points from previous meetings of the Corporate Resources Overview & Scrutiny Committee and the progress made in completing them. The majority of the requested actions have been completed.

Any outstanding will be reported back to the next monthly meeting.

### RECOMMENDATIONS

1	That the committee notes the progress which has been made.
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### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE ACTION TRACKING REPORT</b>
1.01	<p>In previous meetings, requests for information, reports or actions have been made. These have been summarised as action points.</p> <p>Following the meeting of the committee in July 2018, it was recognised that there was a need to formalise such reporting back, as 'Matters Arising' is not an item which can feature on an agenda.</p>

1.02	<p>This paper summarises those points and where appropriate provides an update on the actions resulting from them.</p> <p>The Action Tracking details are attached in appendix A.</p>
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	The creation of the Action Tracking report increases workflow but should provide greater understanding and efficiency.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	In some cases, action owners have been contacted to provide an update on their actions.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	Not applicable.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A – CRO&SC Action Points

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Minutes of previous meetings of the committee as identified in the report.

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Steven Goodrum, Democratic Services Manager  <b>Telephone:</b> 01352 702320</p> <p><b>E-mail:</b> <a href="mailto:steven.goodrum@flintshire.gov.uk">steven.goodrum@flintshire.gov.uk</a></p>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	None.



**ACTION TRACKING FOR THE CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**

Meeting Date	Agenda item	Action Required	Action Officer(s)	Action taken	Status
18.05.2023	8. Employment and Workforce End of Year Update	The Corporate Manager, People and Organisational Development agreed to share analysis on the full range of data when it is published in September.	Corporate Manager, People and Organisational Development	Data to be circulated to the committee when it becomes available.	Open
		Review data on voluntary school staff leavers to establish if information is available on the proportion leaving to work at another school as opposed to departing the education professional altogether.	Corporate Manager, People and Organisational Development	Update to be provided when the next report is presented to committee.	Open – report due at November Committee
		In relation to staff turnover, comparison to similar authorities was requested to be provided.	Corporate Manager, People and Organisational Development	Update to be provided when the next report is presented to committee.	Open – report due at November Committee
14.09.2023	9. Revenue Budget Monitoring 2023/24 (Month 4) and Capital Programme Monitoring 2023/24 (Month 4)	Request for a cost breakdown additional allocation for hybrid meeting equipment in the Delyn Room to consider whether this represented value for money.	Chief Officer (Governance)		Open

ACTION TRACKING

APPENDIX 1

Meeting Date	Agenda item	Action Required	Action Officer(s)	Action taken	Status
12.10.2023	7. Budget 2024/25 - Stage 2	That a letter is sent on behalf of the Council to the Welsh Government, Home Office and Audit Wales to request the power of precept for the North Wales Fire & Rescue Authority in Flintshire.	Chief Executive and Chief Officer (Governance)		Open
	9. Cyber Resilience	That an email be sent to all Members, advising them to complete the 'Cyber Ninja' course by year-end to help reduce the risk of cyber breaches	Democratic Services Manager		Open

# Eitem ar gyfer y Rhaglen 5



## CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Thursday 16 November, 2023
<b>Report Subject</b>	Forward Work Programme
<b>Report Author</b>	Democratic Services Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

Overview & Scrutiny presents a unique opportunity for Members to determine the Forward Work programme of the Committee of which they are Members.

By reviewing and prioritising the Forward Work Programme Members are able to ensure it is Member-led and includes the right issues.

A copy of the Forward Work Programme is attached at Appendix 1 for Members' consideration which has been updated following the last meeting.

The Committee is asked to consider, and amend where necessary, the Forward Work Programme for the Corporate Resources Overview & Scrutiny Committee.

### RECOMMENDATION

1	That the Committee considers the draft Forward Work Programme and approve/amend as necessary.
2	That the Democratic Services Manager, in consultation with the Chair of the Committee be authorised to vary the Forward Work Programme between meetings, as the need arises.

## REPORT DETAILS

1.00	<b>EXPLAINING THE FORWARD WORK PROGRAMME</b>
1.01	<p>The Forward Work Programme (FWP) is intended to set out the Committee's schedule of work for the coming months.</p> <p>It is a 'working document' that remains under constant review to ensure that the Committee is carrying out the proper level of scrutiny and is focussing on the appropriate areas in accordance with its Terms of Reference (included as Appendix 2).</p>
1.02	<p>Items feed into a Committee's Forward Work Programme from a number of sources.</p> <p>Members can suggest topics for review by Overview &amp; Scrutiny Committees, members of the public can suggest topics, items can be referred by the Cabinet for consultation purposes, or by County Council or Chief Officers.</p> <p>Other possible items are identified from the Cabinet Work Programme and the Improvement Plan.</p>
1.03	<p>Members are encouraged to consider and propose items for inclusion on the FWP, noting the guidance at paragraph 1.06.</p> <p>The Committee's 'Terms of Reference' is included as Appendix 2 to help with this.</p>
1.04	<p>A number of 'themed' topics and reports will be placed before the committee before the end of the current meeting cycle, including:</p> <ul style="list-style-type: none"> <li>• Capital Programme and Assets 'themed' meeting.</li> <li>• Corporate Services 'themed' meeting.</li> <li>• Strategic and Partnership Working 'themed' meeting.</li> <li>• Community Safety Partnership Annual Report.</li> <li>• North Wales Economic Ambition Board.</li> <li>• Organisational Design &amp; Change Programme.</li> <li>• Update on Corporate Joint Committees (CJCs).</li> <li>• Alternative Delivery Models.</li> </ul> <p>Dates will be included with the December Committee FWP.</p>
1.05	<p>As well as the 'targeted' work items, there are standard, regular reports that follow a 'pattern'. These are included in Appendix 1 under 'Regular Items and will be scheduled on the FWP accordingly.</p>
1.06	<p>In identifying topics for future consideration, it is useful for a 'test of significance' to be applied. This can be achieved by asking a range of questions as follows:</p>

	<ol style="list-style-type: none"> <li>1. Will the review contribute to the Council's priorities and/or objectives?</li> <li>2. Is it an area of major change or risk?</li> <li>3. Are there issues of concern in performance?</li> <li>4. Is there new Government guidance of legislation?</li> <li>5. Is it prompted by the work carried out by Regulators/Internal Audit?</li> <li>6. Is the issue of public or Member concern?</li> </ol>
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None as a result of this report.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	Not applicable.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
4.01	Publication of this report constitutes consultation.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Draft Forward Work Programme. Appendix 2 – CROSC 'Terms of Reference'.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None.

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Steven Goodrum, Democratic Services Manager  <b>Telephone:</b> 01352 702320</p> <p><b>E-mail:</b> <a href="mailto:steven.goodrum@flintshire.gov.uk">steven.goodrum@flintshire.gov.uk</a></p>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<b>Improvement Plan:</b> the document which sets out the annual priorities of the Council. It is a requirement of the Local Government (Wales) Measure 2009 to set Improvement Objectives and publish an Improvement Plan.

Mae'r dudalen hon yn wag yn bwrpasol

# CORPORATE RESOURCES OVERVIEW & SCRUTINY FORWARD WORK PROGRAMME

## Current FWP (November 2023)

Date of meeting	Subject	Purpose of Report / Presentation	Scrutiny Focus	Responsible / Contact Officer
10am – 14 <sup>th</sup> December 2023  TBC Tudalen 23	<b>Joint Funded Care Packages – Update Report</b>	To provide an update on the budget management of outstanding invoices raised by the Council for payment by BCUHB.	Performance monitoring	Chief Officer (Social Services) and Corporate Finance Manager
	<b>Revenue Budget Monitoring 2023/24 (Month 7)</b>	To provide the latest revenue budget monitoring position for 2023/24 for the Council Fund and Housing Revenue Account.	Performance monitoring	Corporate Finance Manager
	<b>Council Plan Mid-Year Performance Reporting</b>	<i>To review the levels of progress in the achievement of activities and performance levels identified in the Council Plan.</i>	<i>Performance monitoring</i>	<i>Chief Executive</i>
10am – 11 <sup>th</sup> January 2024	<b>Revenue Budget Monitoring 2023/24 (Month 8)</b>	To provide the latest revenue budget monitoring position for 2023/24 for the Council Fund and Housing Revenue Account.	Performance monitoring	Corporate Finance Manager
TBC	<b>MTFS &amp; Budget Setting 24-25</b>	<i>To look at budget in the round (in light of local government settlement) and to which all members are invited.</i>	<i>Awareness</i>	<i>Chief Executive / Corporate Finance Manager</i>

CORPORATE RESOURCES OVERVIEW & SCRUTINY FORWARD WORK PROGRAMME

Date of meeting	Subject	Purpose of Report / Presentation	Scrutiny Focus	Responsible / Contact Officer
<p>10am – 8<sup>th</sup> February 2024</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen 24</p>	<p><b>Joint Funded Care Packages – Update Report</b></p>	<p>To provide an update on the budget management of outstanding invoices raised by the Council for payment by BCUHB.</p>	<p>Performance monitoring</p>	<p>Chief Officer (Social Services) and Corporate Finance Manager</p>
	<p><b>Revenue Budget Monitoring 2023/24 (Month 9) and Capital Programme Monitoring 2023/24 (Month 9)</b></p>	<p>To provide Members with the Revenue Budget Monitoring 2023/24 (Month 9) Report and the Capital Programme 2023/24 (Month 9) Report and Significant Variances.</p>	<p>Performance monitoring</p>	<p>Corporate Finance Manager</p>
	<p><b><i>Public Services Ombudsman for Wales (PSOW) Annual Letter 2021-22 and Complaints against Flintshire County Council during the first half of 2022-23.</i></b></p>	<p><i>To share the Public Services Ombudsman for Wales Annual Letter 2022-23 and Complaints made against Flintshire County Council Services in the first half of 2023-24 (April-September 2023).</i></p>	<p>Assurance</p>	<p>Chief Officer (Governance)</p>
<p>10am – 7<sup>th</sup> March 2024</p>	<p><b>Revenue budget monitoring 2023/24 (month 10)</b></p>	<p>To provide the latest revenue budget monitoring position for 2023/24 for the Council Fund and Housing Revenue Account.</p>	<p>Performance monitoring</p>	<p>Corporate Finance Manager</p>
<p>10am – 13<sup>th</sup> June 2024</p>	<p><b>Revenue Budget Monitoring 2023/24 (Outturn) and</b></p>	<p>To present the Revenue Budget Monitoring (Outturn) and Capital</p>	<p>Performance monitoring</p>	<p>Corporate Finance Manager</p>



## CORPORATE RESOURCES OVERVIEW & SCRUTINY FORWARD WORK PROGRAMME

Date of meeting	Subject	Purpose of Report / Presentation	Scrutiny Focus	Responsible / Contact Officer
	<b>Capital Programme Monitoring 2023/24 (Outturn)</b>	Programme Monitoring (Outturn) for 2023/24.		
	<b>Employment and Workforce end-of-year Update</b>	To provide strategic updates in addition to the six-monthly workforce statistics and their analysis.	Assurance	Corporate Manager, People and Organisational Development

### Items to be scheduled

- Joint Procurement Service Annual Report 2022/23**  
To receive a performance update report on the Joint Procurement Service with Denbighshire County Council.
- Council Tax Collections, Discretionary (s13a) Discounts/Write Offs**  
That Cabinet review and produce a comprehensive policy on s13a discretionary discounts, taking into account the comments raised and to consult with Overview & Scrutiny, scheduling a report back to this Committee at a future date.
- Delivering public services in the 21st century: Shared Services**  
That officers liaise with the Chairman in order to schedule presentations on various themes at future meetings.
- Freedom of Information**  
To receive a performance update report on the Council's performance in relation to Freedom of Information requests.

CORPORATE RESOURCES OVERVIEW & SCRUTINY FORWARD WORK PROGRAMME

**Regular Items**

Month	Subject	Purpose of Report / Presentation	Responsible / Contact Officer
Quarterly / Annual	Performance Reporting	To consider performance outturns for improvement targets against directorate indicators.	Chief Executive
Monthly	Revenue Budget Monitoring	To provide the latest revenue budget monitoring position for 2021/22 for the Council Fund and Housing Revenue Account.	Corporate Finance Manager
Twice-Yearly	Employment and Workforce Update	This report covers strategic updates in addition to the quarterly workforce statistics and their analysis.	Corporate Manager, People and Organisational Development
Annually	Public Services Ombudsman for Wales (PSOW) Annual Letter and Complaints against Flintshire County Council	To share the Public Services Ombudsman for Wales Annual Letter and Complaints made against Flintshire County Council Services	Chief Officer (Governance)

# Corporate Resources Overview & Scrutiny Committee Terms of Reference

## Main Contributors

- Leader of the Council and Cabinet Member for Education, Welsh Language, Culture and Leisure
- Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
- Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
- Chief Executive
- Chief Officer (Governance)
- Corporate Finance Manager

## Scope

To fulfil all the functions of an Overview & Scrutiny committee, including Performance, Improvement and Policy Development as they relate to the list below.

### **Corporate Management and Governance**

- Council strategic and improvement planning (Council Plan)
- Council performance and performance systems
- Customer Services and contact
- Finance Strategy
- Revenue and capital strategic planning Revenue and capital budget monitoring

### **Clwyd Pension Fund**

### **ICT and Digital Strategies**

### **People Strategy**

- Organisational Design & Change Programme

### **Corporate Services**

- Corporate Communications
- Financial services
- ICT Services
- Information and Business Services Procurement
- HR Business Partnering
- Occupational Health and Wellbeing Employment Services
- Legal Services
- Democratic Services
- Revenues

### **Strategic and Partnership Working**

- Partnership and collaborative working frameworks

- Public Service Board
- Civil Contingencies
- Emergency Planning

### **Crime and Disorder**

- Community Safety Partnership
- North Wales Fire & Rescue Authority & Service
- North Wales Police & Crime Commissioner North
- Wales Police Service
- North Wales Probation Service

### **Capital Programme and Assets**

- Corporate Property Maintenance Service
- Property and Design Consultancy
- Valuation and Estates Service
- Community Assets
- Community Asset Transfer Programme
- NEWydd

Note. Corporate Resources Overview & Scrutiny is also the designated 'crime & disorder scrutiny' committee.

# Eitem ar gyfer y Rhaglen 7



## CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Thursday, 16 November 2023
<b>Report Subject</b>	Employment and Workforce mid-year update
<b>Cabinet Member</b>	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
<b>Report Author</b>	Corporate Manager, People and Organisational Development
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

To provide Members with a review of the organisational workforce data for 2023/24. This report provides details of the following:

- Headcount and Full Time Equivalent (FTE)
- Organisation Age Profile (Non –Schools and Schools)
- Employee Turnover and Stability (Including Redundancies and Early Retirements)
- Attendance
- Equality and Diversity
- Achievements made by Human Resources within the period.

The report is intended to provide a focus on organisational performance and trends and provides a brief narrative on the overall performance against a number of indicators. A more detailed explanation is provided on an exceptional basis where performance is falling below organisational performance indicators or where there has been a significant movement, either upwards or downwards, in the reported trends. The narrative will include an explanation for the movement in trend and details of any proposed actions to improve or maintain performance.

The performance information is provided for the whole organisation but split to show Schools and Non-Schools data separately.

On a periodic basis, this report will highlight key achievements or projects undertaken in support of the People Strategy and/or Council Plan.

## RECOMMENDATIONS

1.	Members note the content and provide their comments on the mid-year Workforce Information Report for 2023/24.
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## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE WORKFORCE INFORMATION REPORT</b>
1.01	<b>Headcount and Full Time Equivalent (FTE)</b>  The headcount and FTE figures during at mid-year shows an increase of 34 FTE across the Council when compared to last year. Non-schools show an increase of 97 FTE, Schools show a decrease of 63 FTE.  During the period 1 April 2023 to 30 September 2023, 52 employees took maternity leave, the majority of whom were backfilled, which contributes to the increase in headcount when compared to last year.
1.02	<b>Age Profiling</b>  Age profiling the organisation is an important part of understanding the age demographics of our workforce and where we may need to focus attention.  Understanding our workforce profile, enables the Council to assess supply and potential problem areas within a given service/portfolio and aids succession planning by identifying any skill gaps that may arise. Without an analysis of age profile (and skills profile), workable long-term planning cannot be made.  As of 30 September 2023, most employees across Portfolios and Schools are within the age ranges of 35-44 (23.19%) followed by 25-34 (17.18%), 50-54 (15.42%) and 55-59 (13.90%).
1.03	<b>Employee Turnover and Stability (Including Redundancies and Early Retirements)</b>  The mid-year cumulative turnover percentage for 2023/24 is 7.60%. This shows an increase when compared to the previous year (6.71%).  Of the 467 employees that have left during 2023/24, 55% have left voluntarily or moved onto alternative employment (258 employees). The largest area of employees leaving voluntarily or moved onto alternative employment is within Schools (146 employees), which is part of the natural turnover/cycle we see at the end of each academic year. The second largest area is within Social Services (57 employees).
1.04	<b>Attendance</b>  The mid-year cumulative full time equivalent (FTE) days lost for 2023/24 is 4.59, which is an improvement when compared to the same time last year

	<p>(5.41). The forecast for year-end based on the mid-year position for 2023/24 is 9.73 FTE days lost which, if achieved, would represent an improvement when compared to the previous year (11.78).</p> <p>28% of all absences across the Council are related to mental health, 23% musculoskeletal and 8% due to infections.</p> <p>Long-term sickness (absence over four weeks) accounts for 6.07 days per FTE with the remainder (3.65) attributed to short-term absence.</p> <p>The Council continues to work closely in managing attendance, offering additional support, including mindfulness, counselling, stress management courses, stress risk assessments etc. Additional support is also available from Vivup (our employee assistance programme provider).</p>
1.05	<p><b>Resource Management (Agency Workers)</b></p> <p>As of 30 September 2023, there were 96 active agency placements on Matrix across all portfolios. At the time of running the report, 61 placements exceeded 12 weeks (30 Streetscene and Transportation, 21 Housing and Communities, 7 in Social Services, 2 in Governance and 1 in Planning, Environment and Economy).</p> <p>The number of active placements is a snapshot at a point in time and refers to open placements, it does not mean they are all engaged and working.</p> <p>The cumulative agency expenditure for 2023/24 is £2.03m. £904k of overall spend is 'Off-contract', which equates to 44.50% of the overall agency spend.</p> <p>The largest agency spend is within Social Services at £961k. The second largest spend is within Streetscene and Transportation at £694k and further context is included below for these two areas:</p> <p><u>Social Services</u> £324k of the increase in agency spend within Social Services is for the approved use of two managed agency teams in Children's Services.</p> <p>These teams are covering some of the Children's Social Worker vacancies and have proved very successful in providing much needed stability and service delivery. There are 13 workers in total in these teams, 9 Social Workers, 2 Enhanced Social Workers, and two Team Managers.</p> <p><u>Streetscene and Transportation</u> Streetscene and Transportation agency placement hours are monitored weekly by Operational Managers and challenged monthly by the Senior Management Team.</p> <p>Streetscene have recently onboarded 17 agency workers onto the Councils pay and terms and conditions. Service Delivery have implemented a recruitment process specifically designed to reduce the tenure of agency workers and ensure the quality of those being onboarded. November will see further vacancies filled at higher level Streetscene Operative posts, which will then trigger the recruitment of more entry level posts.</p>

In overall terms a large proportion of the projected spend in these areas is mitigated by vacancy savings, grant contributions and approved use of reserves.

The projected additional cost in the current financial year compared with budget is £331k within Social Services and £129k within Streetscene and Transportation and are included within overall projections in the budget monitoring report.

Agency use is a legitimate recruitment pipeline for our services. It enables prospective employees to determine if the role available is right for them and the Council to determine if those workers are suitable. When managed well, this is less risk for both parties.

**1.06 Equality and Diversity Workforce Monitoring**

It is important to us that we recruit and retain the best workforce that reflects the diversity of the communities we serve. We monitor our workforce to find out whether it broadly reflects our local communities and to ensure our practices are free from discrimination, helping us to deliver appropriate and accessible services to all our communities.

The Council collects diversity information on recruitment and the make-up of our workforce to help us meet our obligations under the Single Equality Act 2010, and the Public Sector Equality Duty. Information gathered can, if analysed regularly, help us to identify barriers that prevent access to employment and career development for certain groups of people, and to develop solutions, such as positive action plans or alternative policies and practices.

**1.07 Specific achievements / initiatives during the reporting period**

After a successful recruitment campaign, 21 apprentices across a range of disciplines commenced work in September 2023. The table below shows the discipline, number, and service areas where the apprentices are placed.

Discipline	Total Number of apprentices	Service Areas
Business Administration (standard level apprentice)	9	Benefits, Housing Admin, Capital Works, Clwyd Pension Fund, Flying Start, Domestic Energy, Payroll, Revenues, Streetscene
ICT (standard level apprentice)	1	IT Business Systems
Youth Worker (standard level apprentice)	2	Youth Service
Housing (standard level apprentice)	1	Housing
Customer Service (standard level apprentice)	1	Customer Service
Plastering (standard level apprentice)	1	Housing
Environmental Health (CIEH)	1	P&E - Health Protection
Biodiversity (Masters)	1	P&E - Conservation
Surveyor (Masters)	1	Valuation and Estates
Legal (CILEX)	1	Governance - legal
Accountancy (CIMA)	1	Pensions
Low Carbon Energy (Degree)	1	Housing



	<p>Most of the apprentices attend college once a week, in addition to four corporate days where they join existing trainees (from the previous cohort) in a development activity (for example, team building).</p> <p>Occupational Health colleagues have delivered another successful flu vaccination programme. A total of 1,379 vaccinations have been given to-date to key workers in schools, social care, housing and Streetscene.</p>
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None arising directly from this report.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	None arising directly from this report.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	None arising directly from this report.

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

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><b>Contact Officer:</b> Sharon Carney, Senior Manager, People and Organisational Development.</p> <p><b>Telephone:</b> 01352 702139</p> <p><b>E-mail:</b> <a href="mailto:sharon.carney@flintshire.gov.uk">sharon.carney@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	None.

Mae'r dudalen hon yn wag yn bwrpasol

# CORPORATE DASHBOARD REPORTS

(FLINTSHIRE COUNTY COUNCIL)

MID YEAR 2023/24

(APRIL - SEPTEMBER)

# Table of Contents

<b>1. Flintshire County Council Cumulative Totals</b>	<b>3</b>
<b>2. Non - Schools</b>	
2.1. Headcount and Full Time Equivalent (FTE)	4
2.2. Age Profile	5
2.3. Attendance	6
2.4. Turnover and Stability	7
2.5. Equality and Diversity	8
2.6. Resource Management (Agency)	10
<b>3. Schools</b>	
3.1. Headcount and Full Time Equivalent (FTE)	11
3.2. Age Profile	12
3.3. Attendance	13
3.4. Turnover and Stability	14
3.5. Equality and Diversity	15

# 2023/24 DASHBOARD

## FLINTSHIRE COUNTY COUNCIL CUMULATIVE TOTALS

### TOTAL HEADCOUNT

6,108

TOTAL FTE

4,932

### LEAVERS / TURNOVER

467 / 7.60%

### AGENCY SPEND 2023/24

£2.03m

TARGET 2023/24

£1.70m

### DAYS LOST PER FTE 2023/24

4.59

TARGET 2023/24

8.00

Tudalen 37

# MID YEAR 2023/24 DASHBOARD

## HEADCOUNT AND FULL TIME EQUIVALENT (FTE) - NON SCHOOLS

### TOTAL HEADCOUNT

2,973

### TOTAL FULL TIME EQUIVALENT

2,630

30/09/2022  
2,851

Increase of  
122 people  
(+4.28%)

30/09/2023  
2,973

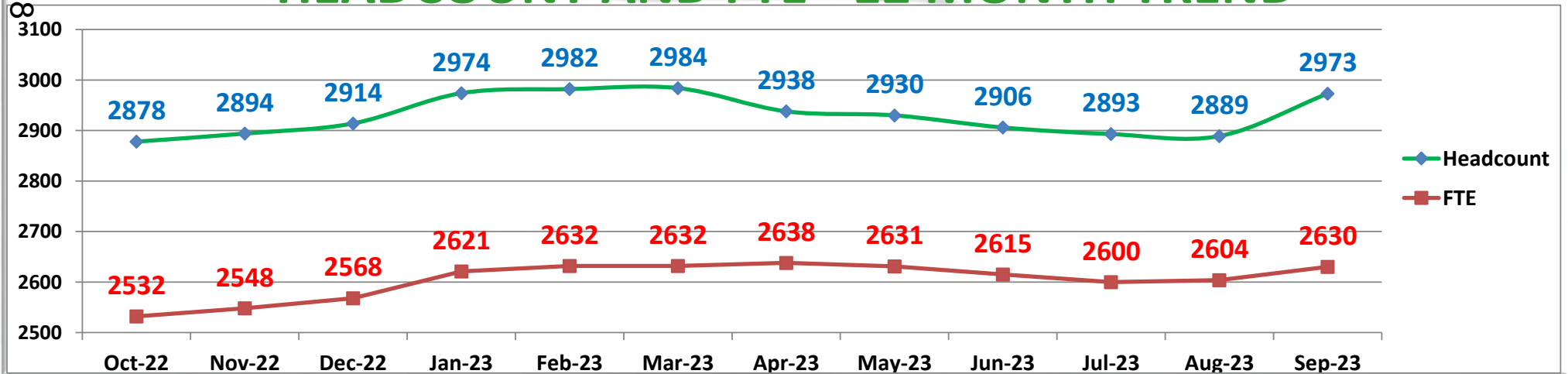
30/09/2022  
2,533

Increase of  
97 FTE  
(+3.83%)

30/09/2023  
2,630

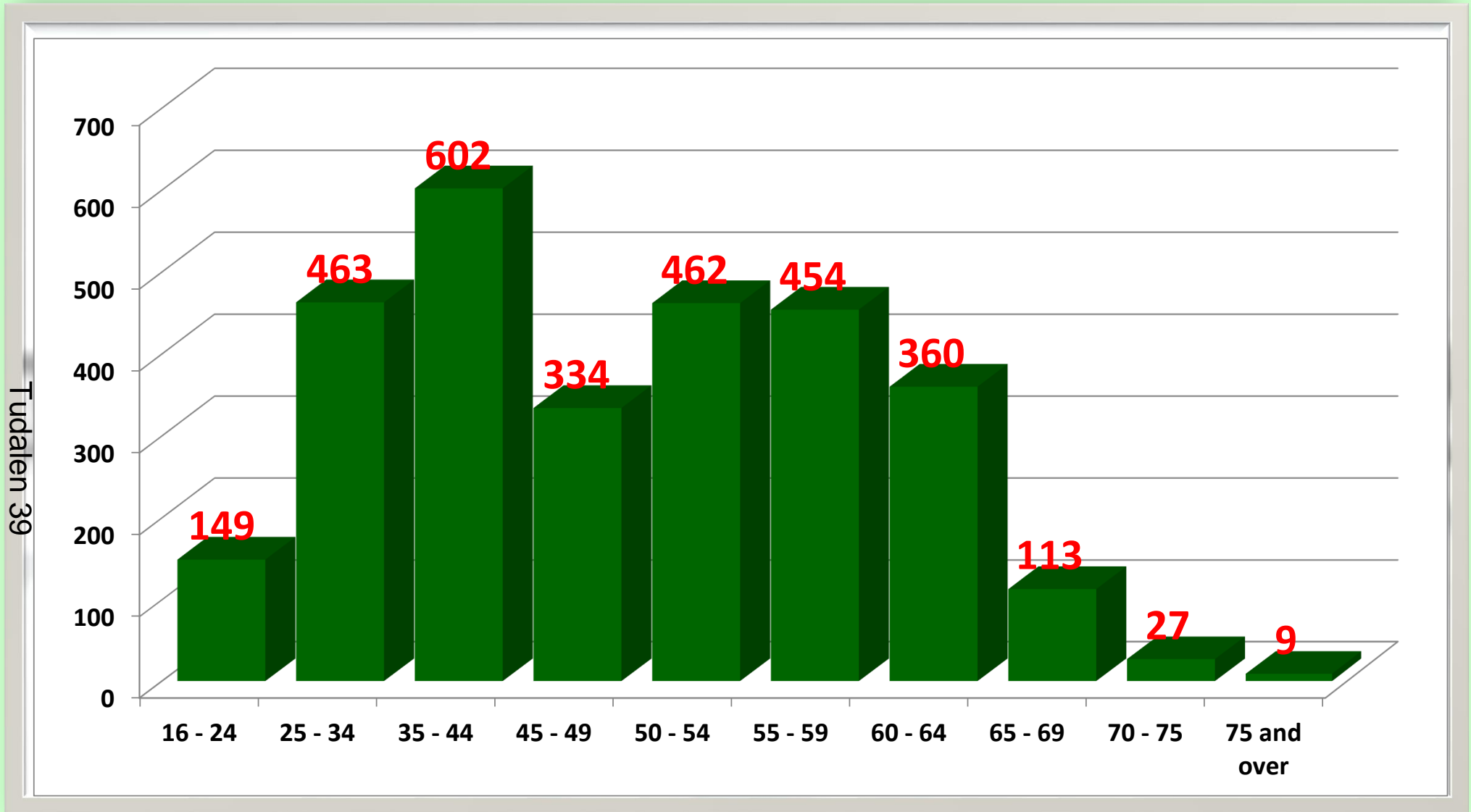
Tudalen 38

### HEADCOUNT AND FTE - 12 MONTH TREND



# MID YEAR 2023/24 DASHBOARD

## AGE PROFILE - NON-SCHOOLS

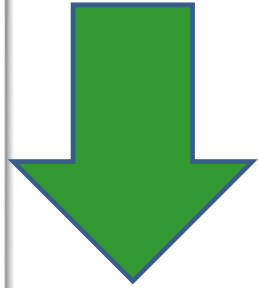


# MID YEAR 2023/24 DASHBOARD

## ATTENDANCE - NON-SCHOOLS

6

### DAYS LOST PER FTE 2023/24



30/09/2022  
6.52

5.76

30/09/2023  
5.76



Improvement of 0.76

Tudalen 40

### TOP 4 REASONS

1. STRESS, DEPRESSION, ANXIETY
2. MUSCULOSKELETAL
3. INFECTIONS
4. STOMACH, LIVER, VOMITING



# MID YEAR 2023/24 DASHBOARD

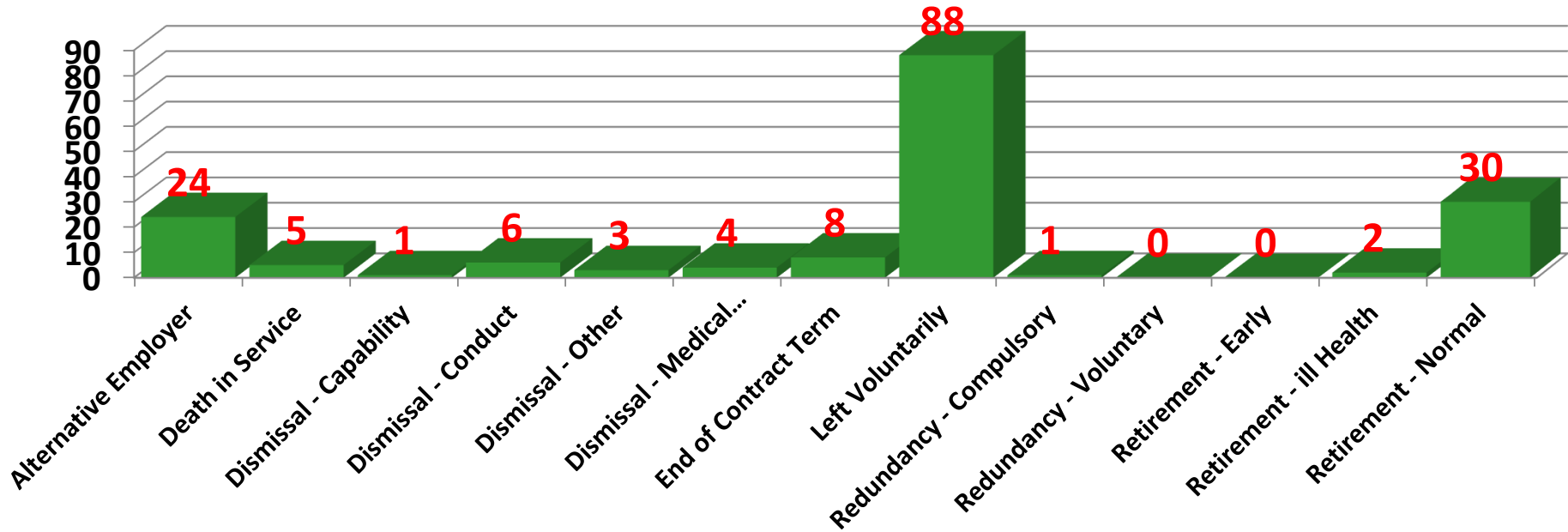
## TURNOVER AND STABILITY - NON SCHOOLS

### LEAVERS - 2023/24

172

### LEAVER REASON - 2023/24

Tudalen 41



# MID YEAR 2023/24 DASHBOARD

## EQUALITY AND DIVERSITY - NON-SCHOOLS

### GENDER BREAKDOWN

**MALE**

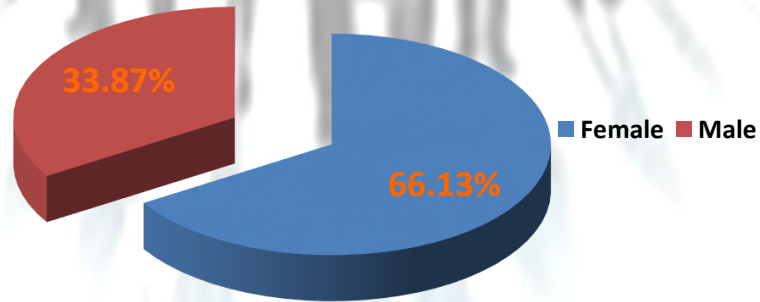
**1,007**  
(33.87%)

**FEMALE**

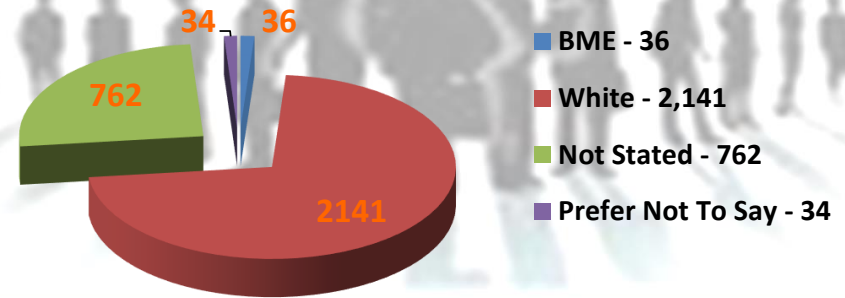
**1,966**  
(66.13%)

Tudalen 42

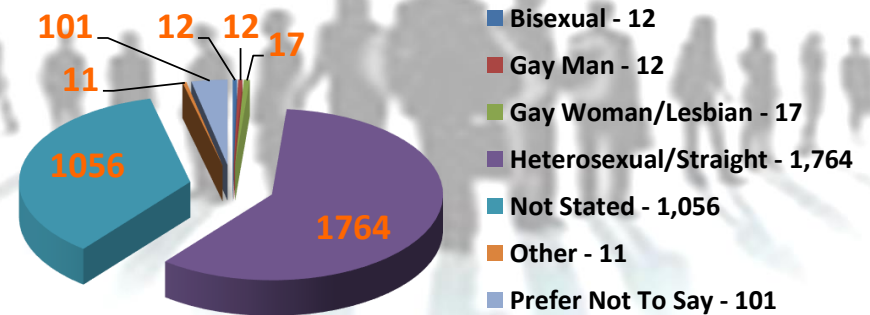
### GENDER BREAKDOWN (%)



### ETHNICITY



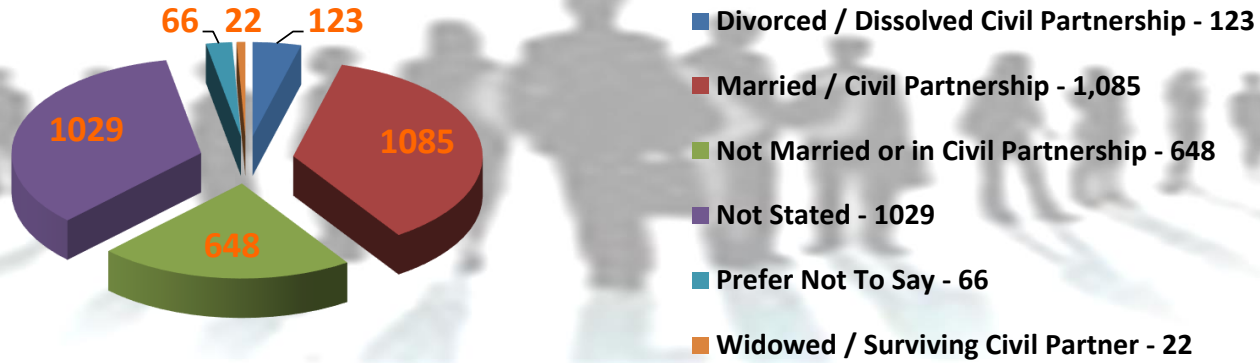
### SEXUAL ORIENTATION



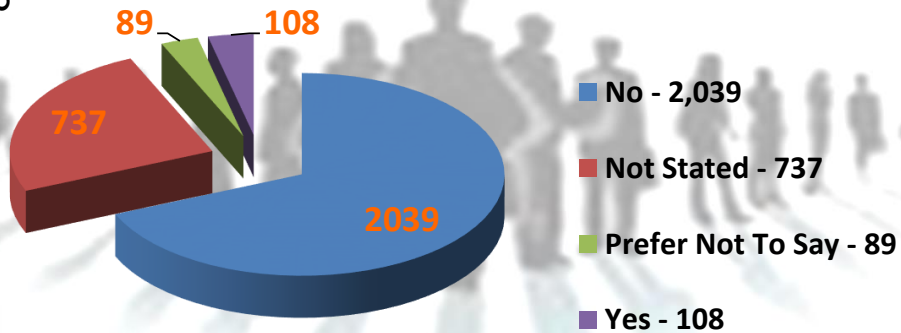
# MID YEAR 2023/24 DASHBOARD

## EQUALITY AND DIVERSITY - NON-SCHOOLS

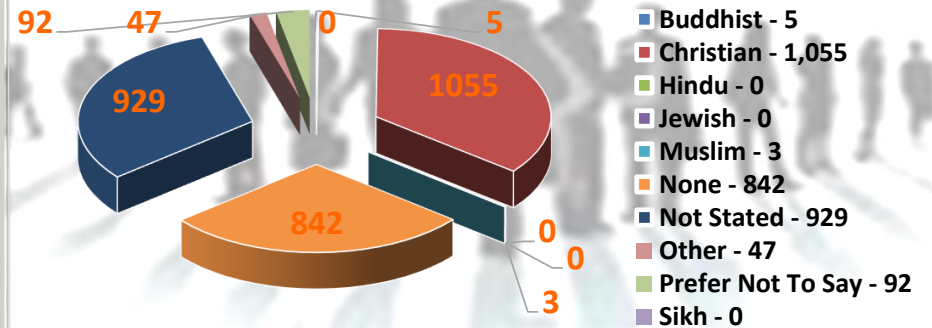
### MARITAL STATUS



### DISABILITY



### RELIGION OR BELIEF

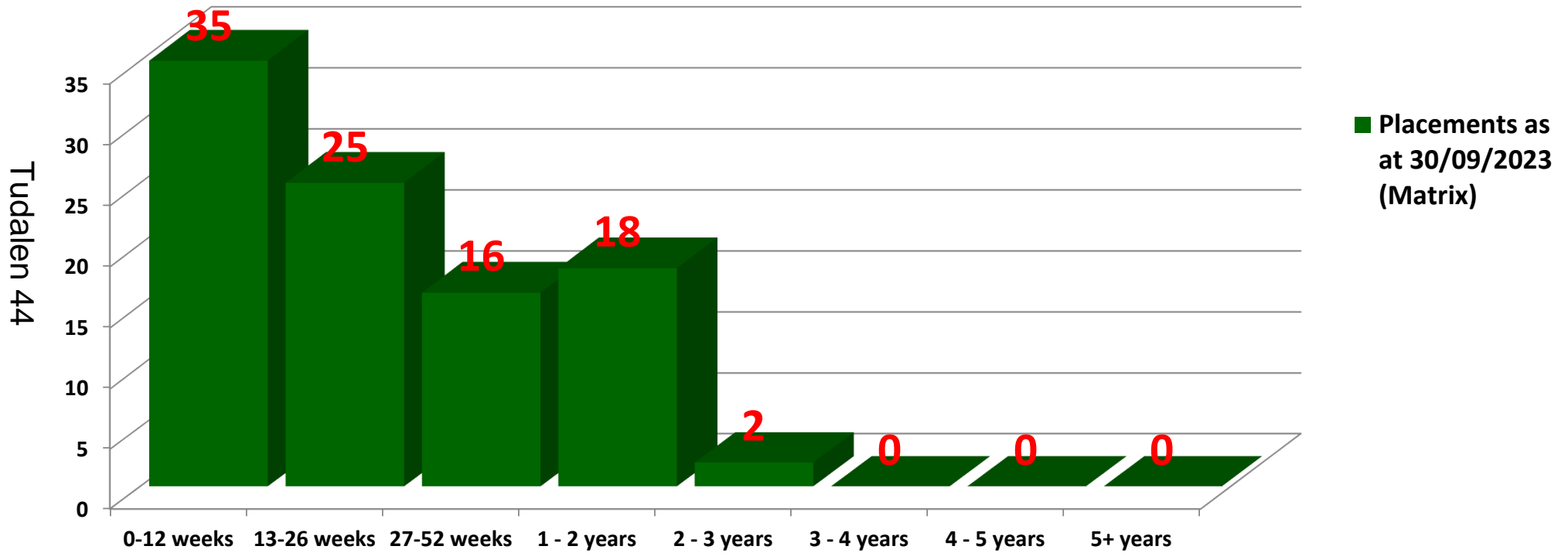


Tudalen 43

# MID YEAR 2023/24 DASHBOARD

## RESOURCE MANAGEMENT - AGENCY

### Agency Tenure Management

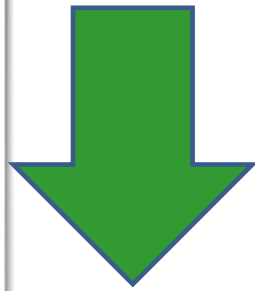


# MID YEAR 2023/24 DASHBOARD

## ATTENDANCE - SCHOOLS

11

### DAYS LOST PER FTE 2023/24



30/09/2022  
4.11

3.43

30/09/2023  
3.43



Improvement of 0.68

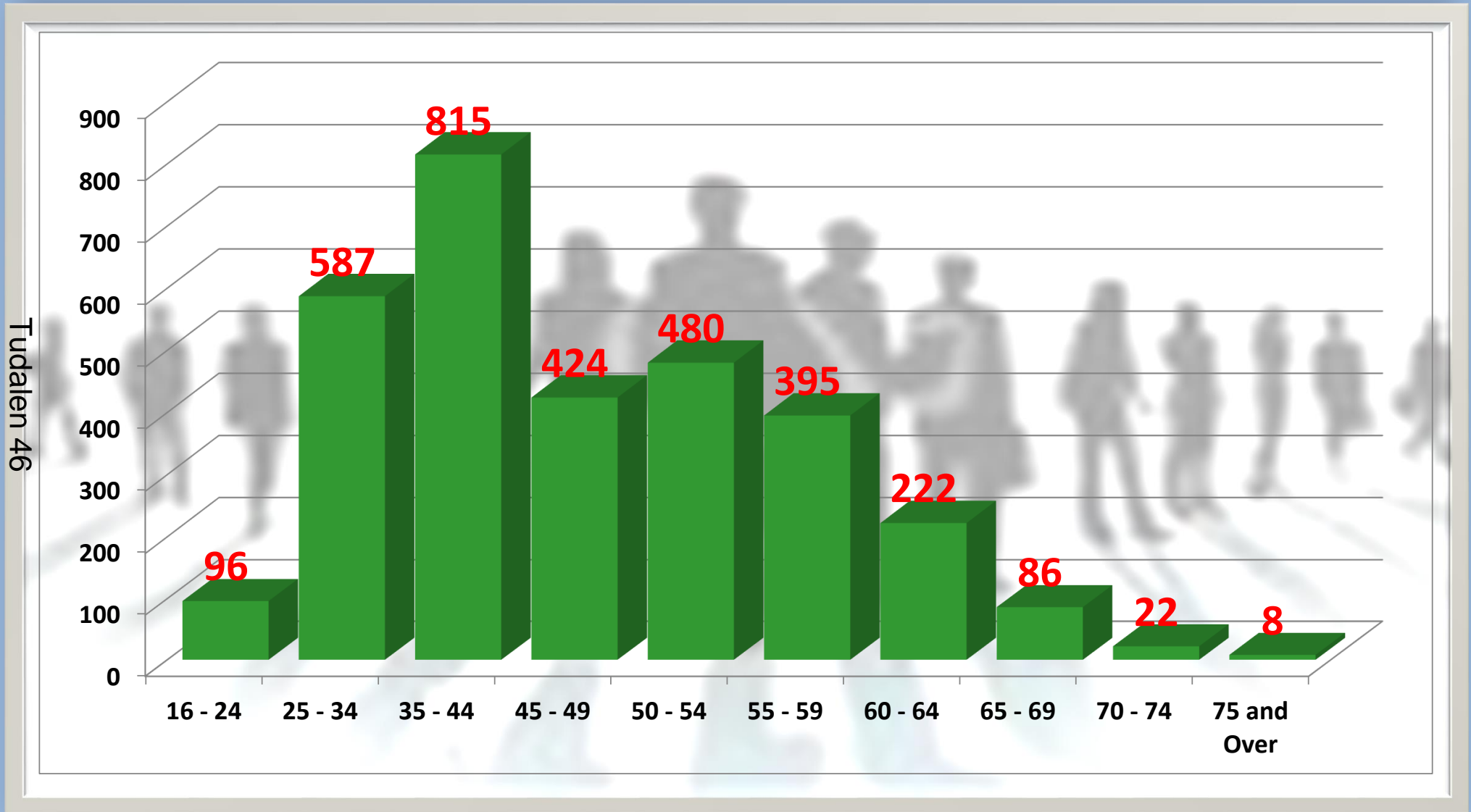
### TOP 4 REASONS

1. STRESS, DEPRESSION, ANXIETY
2. COVID-19
3. MUSCULOSKELETAL
4. INFECTIONS

Tudalen 45

# MID YEAR 2023/24 DASHBOARD

## AGE PROFILE - SCHOOLS



# MID YEAR 2023/24 DASHBOARD

## HEADCOUNT AND FULL TIME EQUIVALENT (FTE) - SCHOOLS

### TOTAL HEADCOUNT

**3,135**

### TOTAL FULL TIME EQUIVALENT

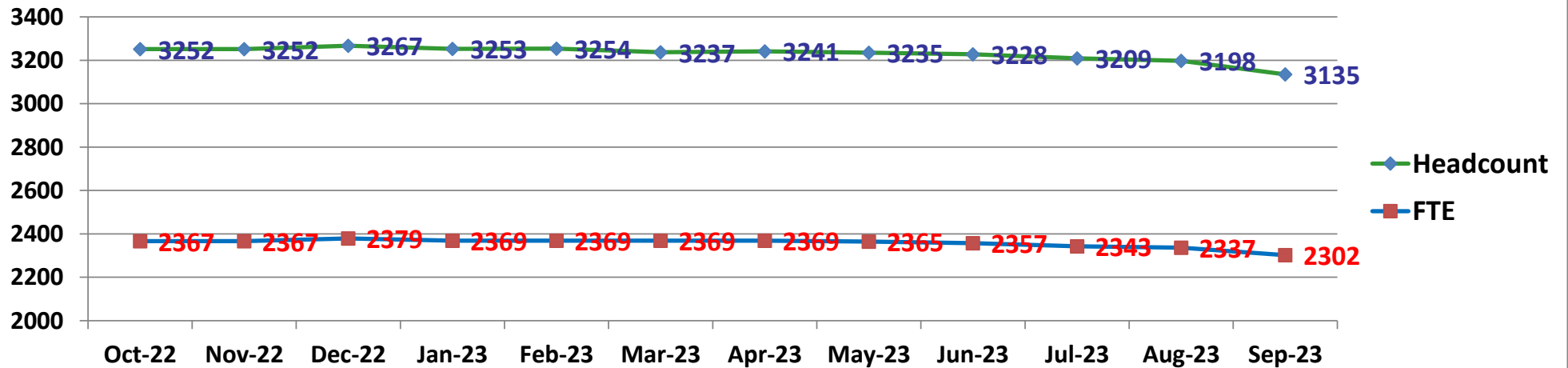
**2,302**

30/09/2022 **3,254**    Decrease of 119 people (-3.66%)    30/09/2023 **3,135**

30/09/2022 **2,365**    Decrease of 63 FTE (-2.66%)    30/09/2023 **2,302**

### HEADCOUNT AND FTE - 12 MONTH TREND

Tudalen 47



# MID YEAR 2023/24 DASHBOARD

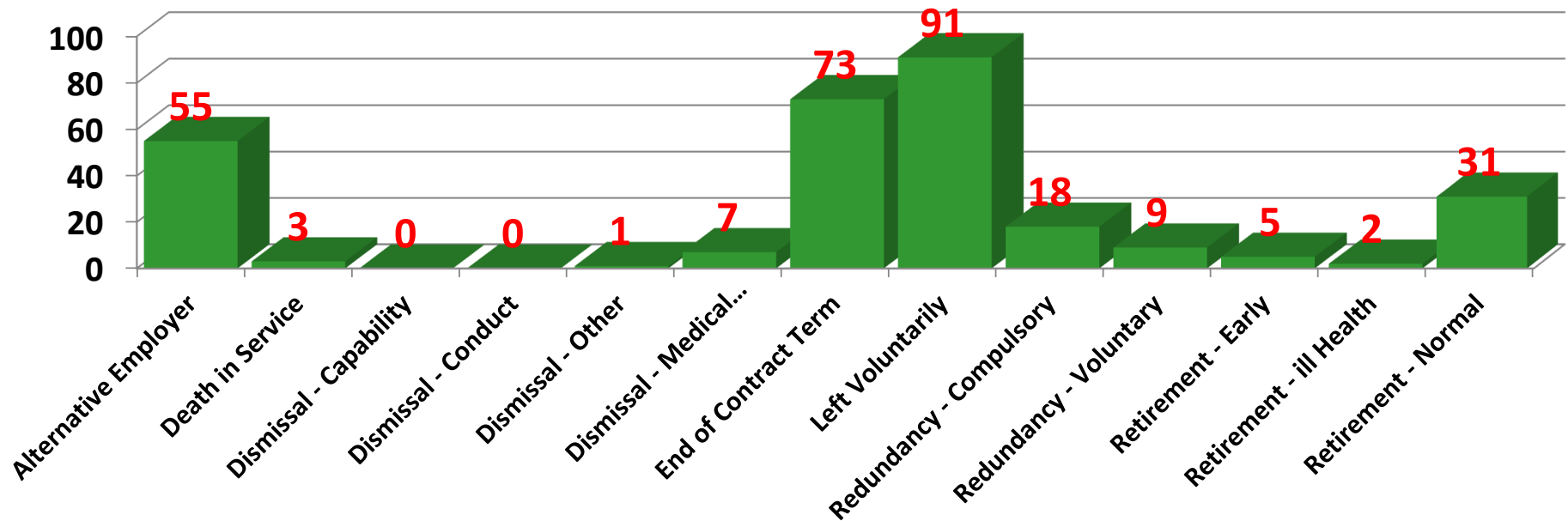
## TURNOVER AND STABILITY - SCHOOLS

### LEAVERS - 2023/24

295

### LEAVER REASON - 2023/24

Tudalen 48





# MID YEAR 2023/24 DASHBOARD

## EQUALITY AND DIVERSITY - SCHOOLS

### GENDER BREAKDOWN

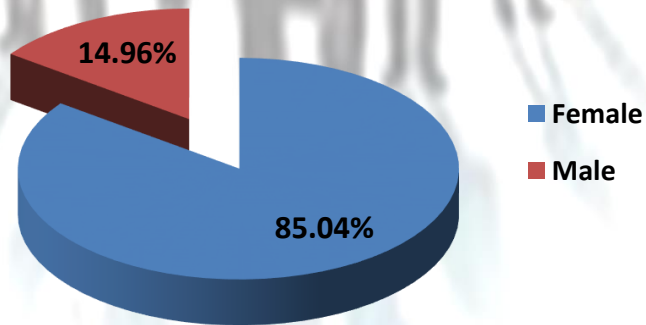
**MALE**

**489**  
(14.96%)

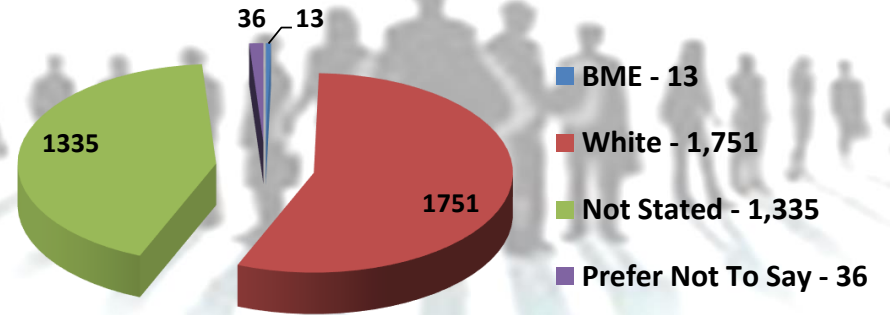
**FEMALE**

**2,667**  
(85.04%)

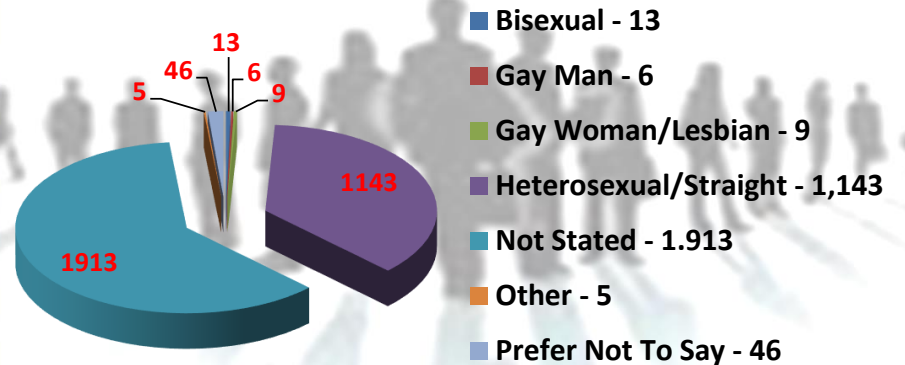
### GENDER BREAKDOWN (%)



### ETHNICITY



### SEXUAL ORIENTATION



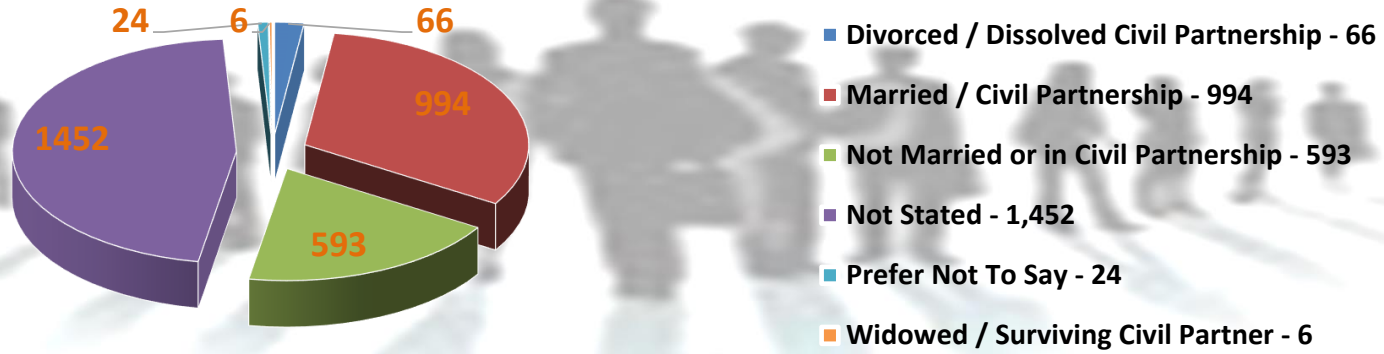
Tudalen 49

# MID YEAR 2023/24 DASHBOARD

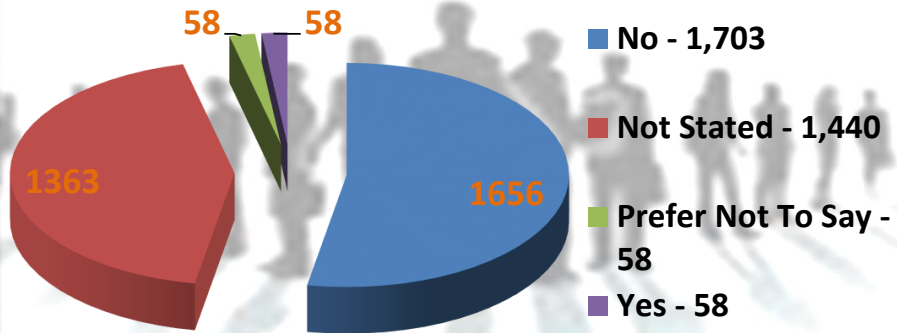
## EQUALITY AND DIVERSITY - SCHOOLS

Tudalen 50

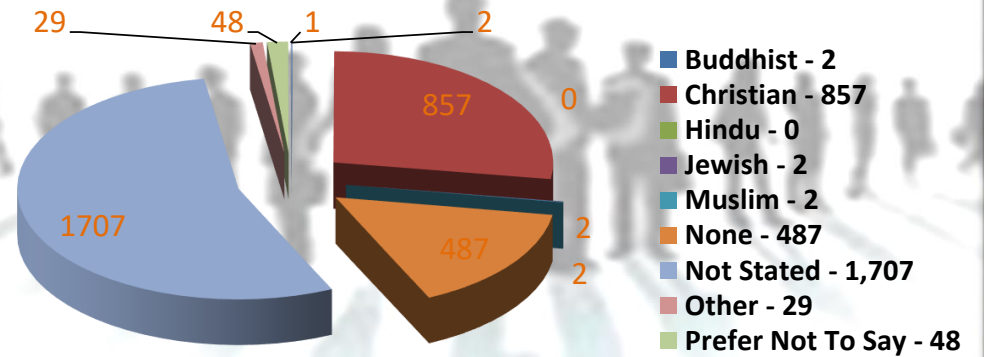
### MARITAL STATUS



### DISABILITY



### RELIGION OR BELIEF



# Eitem ar gyfer y Rhaglen 8



## CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Thursday 16th November, 2023
<b>Report Subject</b>	Revenue Budget Monitoring 2023/24 Month 6 and Capital Programme 2023/24 Month 6
<b>Cabinet Member</b>	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

The purpose of this report is to provide Members with the Revenue Budget Monitoring 2023/24 (Month 6) Report and the Capital Programme 2023/24 (Month 6).

### RECOMMENDATIONS

1	That the committee considers and comments on the Revenue Budget Monitoring 2023/24 (Month 6) report. Any specific matters for attention will be noted and reported back to the Cabinet when it considers the report.
2	That the committee considers and comments on the Capital Programme 2023/24 (Month 6) report. Any specific matters for attention will be noted and reported back to the Cabinet when it considers the report.

### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE REVENUE BUDGET MONITORING POSITION 2023/24 (MONTH 6), CAPITAL PROGRAMME 2023/24 (MONTH 6)</b>
1.01	The Revenue Budget Monitoring 2023/24 (Month 6) report will be presented to Cabinet on Tuesday 21st November, 2023. A copy of the report is attached as Appendix A to this report.

1.02	The Capital Programme 2023/24 (Month 6) report will be presented to Cabinet on Tuesday 21st November, 2023. A copy of the report is attached as Appendix B to this report.
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
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2.01	As set out in Appendix A; Revenue Budget Monitoring 2023/24 (Month 6); in Appendix B; Capital Programme 2023/24 (Month 6).
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<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
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3.01	As set out in Appendix A; Revenue Budget Monitoring 2023/24 (Month 6) ); in Appendix B; Capital Programme 2023/24 (Month 6).
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<b>4.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
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4.01	None required.
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<b>5.00</b>	<b>APPENDICES</b>
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5.01	Appendix A; Revenue Budget Monitoring 2023/24 (Month 6) Appendix B; Capital Programme 2023/24 (Month 6)
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<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
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6.01	None required.
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<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
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7.01	<b>Contact Officer:</b> Dave Ledsham, Finance Manager <b>Telephone:</b> 01352 704503 <b>E-mail:</b> dave.ledsham@flintshire.gov.uk
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<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
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8.01	<p><b>Revenue:</b> 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.</p> <p><b>Budget:</b> a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p><b>Capital Programme:</b> The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.</p>
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## CABINET

<b>Date of Meeting</b>	Tuesday 21 <sup>st</sup> November, 2023
<b>Report Subject</b>	Revenue Budget Monitoring Report 2023/24 (Month 6)
<b>Cabinet Member</b>	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

This monthly report provides the latest detailed overview of the budget monitoring position for the 2023/24 financial year for the Council Fund and Housing Revenue Account and presents the position, based on actual income and expenditure as at Month 6.

The projected year end position is as follows:

#### **Council Fund**

- An operating deficit of £3.559m (excluding the impact of the pay award which will need to be met by reserves – currently estimated as £2.727m) which is a favourable movement of £0.101m from the deficit figure reported at Month 5. It should be noted that the financial impact of the recent storm Babet is not currently included in the projection but is expected to be significant.
- A projected contingency reserve available balance as at 31 March 2024 of £3.776m (after the estimated impact of pay awards and taking account of the Balances released to Reserves at Month 5)

#### **Housing Revenue Account**

- Net in-year revenue expenditure is forecast to be (£0.069m) lower than budget which is a favourable movement of (£0.075m) from the figure reported at Month 5.
- A projected closing balance as at 31 March, 2024 of £3.266m

The economic outlook remains challenging due to inflation levels remaining high.

The impacts of this, together with continued increases in service demand is becoming increasingly hard to deal with as our funding fails to keep up with the scale of these pressures.

To assist with managing these risks and mitigating the overall projected overspend, a moratorium on non-contractually committed spend has been put in place alongside a vacancy management process which continues.

## RECOMMENDATIONS

1	To note the report and the estimated financial impact on the 2023/24 budget.
2	To approve the change of use for £0.100m of an earmarked reserve for the Carelink service as outlined in 1.22.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE REVENUE BUDGET MONITORING 2023/24</b>
1.01	<p>The projected year end position is as follows:</p> <p><b>Council Fund</b></p> <ul style="list-style-type: none"> <li>An operating deficit of £3.559m (excluding the impact of the pay award which will need to be met by reserves – currently estimated as £2.727m) which is a favourable movement of £0.101m from the deficit figure reported at Month 5.</li> <li>A projected contingency reserve available balance as at 31 March 2024 of £3.776m (after the estimated impact of pay awards and taking account of the Balances released to Reserves at Month 5). It should be noted that the financial impact of the recent storm Babet is not currently included in the projection but is expected to be significant.</li> </ul> <p><b>Housing Revenue Account</b></p> <ul style="list-style-type: none"> <li>Net in-year revenue expenditure forecast to be (£0.069m) lower than budget which is a favourable movement of (£0.075m) from the figure reported at Month 5.</li> <li>A projected closing balance as at 31 March, 2024 of £3.266m</li> </ul> <p>To assist with managing these risks and mitigating the overall projected overspend, a moratorium on non contractually committed spend has been put in place alongside a vacancy management process which continues.</p>
1.02	Hardship Funding from Welsh Government helped secure £16m of direct financial help in 2022/23 for areas such as self-isolation payments, statutory sick pay enhancement, free school meals direct payments and winter fuel payments. However, this funding ceased on 31 March 2023.

1.03 **Table 1. Projected Position by Portfolio**

The table below shows the projected position by portfolio:

Portfolio/Service Area	Approved Budget	Projected Outturn	In-Year Over / (Under) spend
	£m	£m	£m
Social Services	86.803	87.333	0.530
Out of County Placements	17.285	18.579	1.293
Education & Youth (Non-Schools)	9.902	9.765	(0.136)
Schools	114.081	114.273	0.193
Streetscene & Transportation	40.745	41.901	1.155
Planning Env & Economy	7.057	6.645	(0.412)
People & Resources	4.339	4.267	(0.072)
Governance	11.460	11.450	(0.011)
Assets	11.045	10.838	(0.208)
Housing & Communities	15.698	18.468	2.770
Chief Executive	1.608	1.617	0.008
Central & Corporate Finance	32.096	30.545	(1.551)
<b>Total</b>	<b>352.121</b>	<b>355.680</b>	<b>3.559</b>

There has been one virement to the approved budget since Month 5, being £0.018m transferred from Social Services Administration Team to People & Resources Human Resources & Organisational Design Team for a 0.6 FTE post to support the Imperago Time and Attendance System.

1.04 The reasons for the monthly movements over £0.025m are shown in Appendix 1, overall projected variances over £0.050m are summarised within Appendix 2 together with a summary of minor variances for each portfolio.

**Significant Movements from Month 5**

1.05 **Out of County Placements £0.215m**

Net impact of 5 new placements, rate changes and placements that have ended.

1.06 **Schools £0.193m**

The reasons for the adverse movement are as follows:

- Redundancy costs £0.250m over budget after taking account of reserves carried forward.

	<ul style="list-style-type: none"> <li>Free School Meals price increase and take up totalling £0.126m</li> </ul> <p>The above variances are mitigated by (£0.100m) underspend in pension added years and a number of minor variances each below (£0.025m).</p>
1.07	<p><b>Central &amp; Corporate Finance (£0.349m)</b></p> <p>The Central Loans and Investment Account (CLIA) is projecting a further positive improvement of (£0.300m) due to the Council not taking out any new short or long-term borrowing and continuing to invest a significant amount of short-term cash flow funds gaining an investment return. This pattern has continued from the previous financial year and through 2023/24 to date and is partly due to continued high and increasing bank interest rates. The budget has also benefited from a 'one off' windfall NDR credit of (£0.048m).</p>
1.08	<p>Cumulative minor variances across the Council of (£0.158m) account for the remainder of the total monthly movement.</p>
1.09	<p><b>Tracking of In-Year Risks and Emerging Issues</b></p> <p>Members were made aware when setting the budget that there were a number of open risks that would need to be kept under close review. An update on these is provided below.</p>
1.10	<p><b>Council Tax Income</b></p> <p>The 'in-year' collection level is 56.6% compared to 57% the previous year. The reduction in collections of 0.4% is mainly because the rising costs-of-living are impacting on the ability of some households to make payment of council tax on time. Other local authorities in Wales are also seeing similar reductions in collections.</p>
1.11	<p><b>Pay Award (Teacher and Non-Teacher)</b></p> <p><u>NJC (Green Book)</u></p> <p>The pay offer for NJC (Green Book) employees for the current year (2023/24) has now been accepted by all Trade Unions following the GMB union accepting the full and final pay offer in late October. This is at a similar level to that awarded in 2022/23 with an increase on each scale point of £1,925. This equates to more than the 5% included in the 2023/24 budget. The amount of the final award in excess of the 5% will need to be funded from reserves in the current financial year. It will also have the impact of increasing the budget requirement for 2024/25.</p> <p>The estimated impact of the current pay offer is an additional £2.727m which is included in the forecast but may be subject to change.</p> <p>The assumptions for the 2024/25 pay award is an increase of 5%.</p> <p><u>Teachers Pay</u></p> <p>Assumptions for teachers' pay calculations are in line with current awards by</p>



	<p>the Minister for Education and Welsh Language. They are an increase of 6.5% from September 2022 and an increase of 5% in September 2023. These have not been accepted by all teaching unions and a formal dispute is ongoing.</p> <p>The 2023/24 budget contained funding for a 5% pay award for Teachers from September 2022. The Minister has increased the pay award to 8%, with 1.5% being a non-consolidated payment, leaving a recurring element of 6.5% which is now included in the forecast.</p> <p>Grant funding has been made available by Welsh Government to fully fund the additional September 2022 pay award in financial years 2022/23 and 2023/24 (over and above the 5% originally awarded).</p> <p>However, in relation to funding from 2024/25 onwards, it has been confirmed that there will not be any additionality for the shortfall of the annual cost to the council – an amount of £1.118m has been included in the MTFS forecast.</p> <p><u>Pay Modelling</u> No figures are currently included for any impact of the pay modelling review which is needed to try and address the difficulties currently being experienced in recruitment and retention. It is due to be completed later this year.</p>
1.12	<p><b>Waste Recycling Infraction Charge</b></p> <p>The Council did not meet the statutory minimum target, (64%) in 2021/22, for the percentage of municipal waste which must be recycled, prepared for re-use and composted, as specified in Section 3 of the Waste (Wales) Measure 2010. Welsh Government can therefore take steps to impose a penalty on the Council by way of an infraction fine. A potential penalty of up to £0.663m has been confirmed so presents a significant financial risk to the Council.</p> <p>Discussions took place in March,2023 between Welsh Government (WG) and the Council as to the reasons for not achieving the target. The Council has subsequently been instructed by WG to engage with the Waste and Resources Action Programme (WRAP) and Local Partnerships to review our waste strategy and develop a new action plan. A report will go to the Committee cycle in November 2023. Depending on the outcome of the review, the Minister will take a decision at that point whether to levy the fine.</p> <p>Unfortunately, the statutory recycling targets have not been achieved in 2022/23 too (non-verified), which means that a further infraction fine could be levied of around £0.470m should WG choose to do so, and monitoring of the authority's recycling performance for 2023/24 to date shows that the rates of recycling and residual waste tonnages are not improving, which could lead to not achieving the targets in 2023/24 also.</p>
1.13	<p><b>Homelessness</b></p>

	<p>There is a significant and growing demand within the Homelessness service. The Council has a statutory duty to provide suitable temporary accommodation for Homeless persons and families who meet the Welsh Government eligibility criteria which are less stringent than in England. The growth in demand commenced in the second half of 2022/23 and has accelerated markedly since the start of 2023.</p> <p>One of the more significant influences of many is the sparsity of affordable accommodation in the private rented sector which is being influenced by the cost-of-living crisis and an increase in the numbers of no-fault evictions as many private rented sector landlords are leaving the sector and seeking to sell their properties. There is also an acute shortage of suitable available accommodation within the Council's own HRA housing stock and with other Registered Social Landlords (RSL's) within the area. This is particularly the case for single persons below age 55 which make up the highest proportion of those who are currently homeless in Flintshire. The Flintshire position in terms of both demand and supply pressures is known to be consistent on both a regional and national basis within Wales.</p> <p>The Council will continue to lobby Welsh Government via the WLGA in conjunction with other Welsh LA's who are experiencing these pressures to seek additional financial support.</p> <p>WG are currently providing support via the No One Left Out grant for which the 2023/24 allocation is currently £0.382m. One favourable impact of the increase in costs and demand is the ability to recover additional Housing Benefit income over and above the amount budgeted which is currently helping to offset the projected overspend by £0.470m.</p>
1.14	<p><b>Storm Babet</b></p> <p>Storm Babet was an intense extratropical cyclone which affected many parts of the County from 19 October through to the end of 21 October 2023. This was followed rapidly by Storm Ciaran, which although saw less impact, still necessitated significant resources in response.</p> <p>The storm caused severe disruption to travel with many roads closed, railways flooded, schools closed, and properties being affected by flood water.</p> <p>The Council is now calculating the financial impact of the emergency response, damage to infrastructure and the scope of remedial works to be carried out in the aftermath.</p> <p>There is an Emergency Financial Assistance Fund (EFAS) that Welsh Government have in place. However, Authorities are expected to make reasonable provision in their budgets to deal with contingencies. Therefore, if an Emergency Financial Assistance Scheme is activated, the authority affected will be expected to meet all eligible expenditure up to the level of its threshold.</p> <p>Thresholds are calculated at 0.2% of authority's annual budget requirement and apply to the whole financial year, not to each incident within the</p>

	<p>financial year and for Flintshire, this amounts to emergency funding being provided at 85% for costs over and above the threshold of £0.711m.</p> <p>There is a Severe Weather Earmarked Reserve totalling £0.250m which could assist in funding some of these costs.</p> <p>The financial impact of the storms will be included in subsequent reports.</p>
1.15	<p><b>Other Tracked Risks</b></p> <p>In addition, there are a number of risks being tracked which may be subject to change and these are summarised below.</p>
1.16	<p><b>Medium Term Financial Strategy (MTFS) Impact</b></p> <p>Cabinet considered the latest projection for the MTFS in September which showed an additional budget requirement of £32.386m together with an update on the work completed over the summer on potential cost reduction options. These, together with service cost pressures, have been considered at individual overview and scrutiny meetings during October and a summary of the feedback from these meetings has been reported back to Corporate Resources Overview and Scrutiny Committee on 16 November.</p> <p>All Portfolios consider their financial position, the risks within their service and the impacts on the Medium Term on a monthly basis as part of their Portfolio Management Team meetings.</p>
1.17	<p><b>Out of County Placements</b></p> <p>The risks include continued high demand for placements where children and young people cannot be supported within in-house provision, and market supply limitation factors and inflationary pressures leading to higher costs. An additional amount of £1m was approved in the 2023/24 budget to reflect this.</p> <p>However, there remains a projected overspend for the current cohort of placements of circa £1.293m, although with 6 months of the year remaining this is likely to increase and a contingency of £0.500m is currently built into the outturn position for this, £0.250m for Children’s Services and £0.250m for Education placements.</p> <p>The service areas within this pooled budget will continue to do everything possible to manage these risks and additional investment has already been made to further develop in-house provision to help to mitigate against such financial pressures.</p>
1.18	<p><b>Streetscene &amp; Transportation</b></p> <p><u>Fleet Contract Renewal</u></p> <p>The current fleet contract, which has been running for 7 years, was renewed for a temporary period of 6 months from October 2023. Due to the current market conditions in re-procurement of contracts of this type, the cost of the new contract is considerably more than what was previously being paid, due to being protected from inflationary increases during the previous contract</p>

	<p>life. The cost of the contract will further increase from April 2024 and provision is being made within the 2024/25 budget considerations for this.</p> <p><u>Sustainable Waste Management Grant (SWMG)</u></p> <p>The Minister for Climate Change has confirmed that the SWMG grant will be retained at the same level for this financial year. However, those local authorities that are not yet meeting the statutory recycling target of 70% will be required to use the grant to reach 70% and be required to demonstrate this. It has also been confirmed that the SWMG grant will likely become part of the Revenue Support Grant (RSG) funding from 2024/25. The current value of the grant is £0.742m per annum, but it is not yet confirmed whether the proportion that Flintshire will receive within the RSG settlement going forward will be similar to current levels.</p>
1.19	<p><b>Education &amp; Youth (Non-Schools)</b></p> <p><u>Inclusion and Progression</u></p> <p>The services that the Inclusion and Progression teams provide within Education and Youth portfolio are under significant pressure.</p> <p>Prior to the pandemic the service had seen increasing numbers of children and young people presenting with an increased level of significant and complex needs, resulting in the council being dependent on non-Flintshire provision.</p> <p>Post pandemic the situation has worsened with increasing numbers of pre-school children needing support and challenging behaviour causing concern across both primary and secondary schools. In addition, there are increased rates of emotionally based school avoidance. As a result, levels of attendance have reduced, whilst all forms of exclusions have increased. All of which contributes to a requirement for more specialist and bespoke intervention.</p> <p>The service is taking steps to actively manage demand, alongside reviewing provision, and seeking to develop and enhance in house provision.</p> <p>The pressures are being experienced across Wales, at a time when schools and central services are implementing the Additional Learning Need (ALN) reforms.</p> <p>Welsh Government have made additional grants available to support schools and councils. However, there are risks over reliance on temporary grant funding and its ability to meet demand within existing budgets and available grants.</p>
1.20	<p><b>Harpur Trust vs Brazel Case</b></p> <p>The potential financial impacts are still being determined in response to the Employment Appeal Tribunal (EAT) decision in the case of Harpur Trust v Brazel. The Supreme Court upheld the EAT judgment in the Brazel case in July 2022 which impacts on the calculation of holiday pay entitlements for</p>

	<p>staff who work for part of the year (i.e., term time). An approved carry forward from 2022/23 for £0.254m will provide some funding towards these costs.</p>
1.21	<p><b>Achievement of Planned In-Year Efficiencies</b></p> <p>The 2023/24 budget contains £9.265m of specific efficiencies which are tracked and monitored throughout the year. The Council aims to achieve a 95% rate in 2023/24 as reflected in the MTFs KPI's and fully achieved all efficiencies in the previous financial year.</p> <p>It is projected that 99% of efficiencies will be achieved in 2023/24 and further details can be seen in Appendix 3.</p>
1.22	<p><b>Earmarked Reserves – request for change of use</b></p> <p><u>Carelink service</u></p> <p>There is currently an urgent need to fund expenditure of £0.100m in respect of ongoing work within the Carelink service to comply with a requirement to convert systems to digital technology by 2025.</p> <p>This work was scheduled to take place during 2024/2025, however an urgent technical problem has come to light which can be addressed via this work being undertaken.</p> <p>Bringing the scheduled work forward will provide assurances and minimise disruption to ensure residents safety is assured. As part of the total investment needed for this digital switchover there is an urgent need to provide sim cards for a total of 1,181 alarms used by customers of the Carelink service.</p> <p>There is no funding source available to provide these sim cards for service continuity although an amount of £0.285m is currently held in earmarked reserves relating to Welfare Reform.</p> <p>It is requested to temporarily utilise this reserve pending the costs being recovered through customer service charges in 2024/25 when the Welfare Reform earmarked reserve will be fully replenished.</p>
1.23	<p><b>Unearmarked Reserves</b></p> <p>The final level of Council Fund Contingency Reserve brought forward into 2023/24 was £9.508m as detailed in the 2022/23 outturn report (subject to Audit).</p> <p>The brought forward balance on the Hardship Reserve was £3.743m. Internal claims for Quarter 1 in 2023/24 totalling £0.152m for Holywell Leisure Centre and Cambrian Aquatics have been approved with some other claims across various services being compiled for consideration in Quarter 2. The current balance is £3.591m.</p> <p>A projected contingency reserve available balance as at 31 March, 2024 is £3.776m (after the estimated impact of final pay awards) and is shown in Appendix 4.</p>

1.24	<b>Housing Revenue Account</b>  The 2022/23 Outturn Report to Cabinet on 18th July 2023 showed an un-earmarked closing balance at the end of 2022/23 of £3.786m and a closing balance of earmarked reserves of £2.690m.
1.25	The 2023/24 budget for the HRA is £39.418m which includes a movement of (£0.589m) from reserves.
1.26	Net in-year revenue expenditure forecast to be (£0.069m) lower than budget with a projected closing balance as at 31 <sup>st</sup> March, 2024 of £3.266m. This is a favourable movement of (£0.075m) since Month 5. A breakdown of the variance is in Appendix 5.
1.27	The budget contribution towards capital expenditure (CERA) is £12.712m.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	As set out within the report.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	The financial impacts as set out in the report are a combination of actual costs and losses to date and estimates of costs and losses for the future. There is the possibility that the estimates will change over time. The budget will be monitored closely, and mitigation actions taken wherever possible.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	None specific.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1: Council Fund – Movement in Variances from Month 5 Appendix 2: Council Fund - Budget Variances Appendix 3: Council Fund – Programme of Efficiencies Appendix 4: Council Fund – Movement on Un-earmarked Reserves Appendix 5: Housing Revenue Account Variances

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Various budget records.
<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>

7.01	<p><b>Contact Officer:</b> Dave Ledsham Strategic Finance Manager</p> <p><b>Telephone:</b> 01352 704503</p> <p><b>E-mail:</b> <a href="mailto:dave.ledsham@flintshire.gov.uk">dave.ledsham@flintshire.gov.uk</a></p>
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<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
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8.01	<p><b>Budget:</b> a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p><b>Council Fund:</b> the fund to which all the Council's revenue expenditure is charged.</p> <p><b>Financial Year:</b> the period of twelve months commencing on 1 April.</p> <p><b>Housing Revenue Account:</b> the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.</p> <p><b>Projected Outturn:</b> projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.</p> <p><b>Regional Integration Fund (RIF):</b> funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.</p> <p><b>Reserves:</b> these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.</p> <p><b>Revenue:</b> 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.</p> <p><b>Variance:</b> difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.</p> <p><b>Virement:</b> the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.</p>
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## MONTH 6 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
<b>Social Services</b>		
<b>Older People</b>		
Localities	0.049	The adverse variance for home care of £0.077m is due to service demand. This was offset by decreases to staff costs of (£0.024m). The balance in the movement of (£0.004m) is from minor variances.
Resources & Regulated Services	-0.072	There has been additional Regional Integration Fund (RIF) grant funding and an increase in projected property income.
<b>Adults of Working Age</b>		
Children to Adult Transition Services	-0.043	This is caused by a decrease in anticipated costs for placements
Professional and Administrative Support	-0.041	Due to a decrease in admin staff costs
Professional Support	-0.029	There are posts which continue to be vacant and there was a reduction to projected contract costs
Minor Variances	-0.006	
<b>Children's Services</b>		
Residential Placements	0.110	There is a shortfall in RIF funding and a partners costs for short breaks has increased
Professional Support	0.035	Direct Payments for children with disabilities have increased due to meeting a young persons service needs
Minor Variances	-0.026	
<b>Safeguarding &amp; Commissioning</b>		
Management & Support	0.039	Increased legal costs through required use of an external agency
Minor Variances	0.003	
<b>Total Social Services (excl Out of County)</b>	<b>0.018</b>	
<b>Out of County</b>		
Children's Services	0.259	Impacts of 5 new placements less one ended placements plus numerous rate changes including one significant change with an impact of £0.086m alone
Education & Youth	-0.044	Net impacts of rate changes and ended placements
<b>Total Out of County</b>	<b>0.215</b>	
<b>Education &amp; Youth</b>		
Archives	-0.029	Reduction in recharge from DCC for joint service costs
Minor Variances	-0.042	
<b>Total Education &amp; Youth</b>	<b>-0.072</b>	
<b>Schools</b>	<b>0.193</b>	Redundancy costs £0.250m over budget after taking account of reserves carried forward, Free School Meals price increase and take up totalling £0.126m, mitigated by (£0.100m) underspend in pension added years and a number of minor variances each below (£0.0250m).
<b>Streetscene &amp; Transportation</b>		
Service Delivery	-0.077	Changes to the security provision in the Alltami Depot, Greenfield transfer station and HRC sites have generated savings.
Other Minor Variances	0.051	
<b>Total Streetscene &amp; Transportation</b>	<b>-0.026</b>	
<b>Planning, Environment &amp; Economy</b>		
Minor Variances	0.023	
<b>Total Planning &amp; Environment</b>	<b>0.023</b>	
<b>People &amp; Resources</b>		
HR & OD	-0.010	
Corporate Finance	0.005	
<b>Total People &amp; Resources</b>	<b>-0.005</b>	
<b>Governance</b>		
Minor Variances	-0.013	
<b>Total Governance</b>	<b>-0.013</b>	
<b>Assets</b>		
Caretaking & Security	-0.038	Additional staffing savings
Industrial Units	-0.038	Additional rent income
Minor Variances	-0.005	
<b>Total Assets</b>	<b>-0.080</b>	
<b>Housing and Community</b>		
Minor Variances	-0.012	
<b>Total Housing and Community</b>	<b>-0.012</b>	
<b>Chief Executive's</b>	<b>0.009</b>	
<b>Central &amp; Corporate Finance</b>	<b>-0.353</b>	At Month 6 a further review of the CLIA indicates further benefit from not taking out any new short or long term borrowing and continuing to invest a significant amount of funds (£0.300m). In addition, an NDR windfall of (£0.048m) for the corporate windfall account as the credit has remained unclaimed. The Council are unable to refund the credit as the company has been dissolved and the administration is now complete.
<b>Grand Total</b>	<b>-0.101</b>	



## Budget Monitoring Report - Month 6

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	In-year Moratorium (£m)	Cause of Major Variances greater than £0.050m	Action Required
<b>Social Services</b>							
<b>Older People</b>							
Localities	23.196	23.002	-0.194	-0.243		The Older People residential care budget is projecting an underspend of £0.222m, due to client income from property recharges and expected reimbursements where we are waiting on decisions for deputyships and assets held in trust . Homecare is £0.040m overspent. Locality workforce and professional support budgets are overspent by £0.015m and day care is underspending by £0.027m.	
Minor Variances	10.794	10.817	0.023	0.095			
<b>Adults of Working Age</b>							
Resources & Regulated Services	33.469	33.324	-0.145	-0.154		The PDSI (Physically Disabled and Sensory Impaired) budget is reporting a £0.307m overspend due to the net costs of care packages. The in-house Supported Living Service is £0.134m overspent due to care hours and agency costs, a £0.350m contribution from reserves is offsetting further costs. The care package costs for independently provided care for Learning Disability Services is £0.507m underspent. The Learning Disability day provision budget is £0.078m underspent.	
Children to Adult Transition Services	1.001	0.892	-0.109	-0.066		This is the cost of care packages for young adults transferring from Childrens Services to Adult Social Services. Care packages are usually new within this financial year and frequently have to be estimated in the first instance, this can result in projected costs changing during the year as service costs are finalised.	
Professional and Administrative Support	0.421	0.371	-0.050	-0.009		Vacancies within this service are resulting in the in-year underspend.	
Residential Placements	2.607	2.893	0.286	0.284		This is the overall cost of mental health care packages for adults. This is a volatile service and additional service needs can be identified throughout the year leading to increased costs.	
Minor Variances	3.596	3.496	-0.101	-0.054			
<b>Children's Services</b>							
Family Group Meetings	0.122	0.175	0.053	0.053		Demand for this service is resulting in increased sessional worker hours	
Family Placement	3.175	3.011	-0.164	-0.148		This underspend is due to the number of in-house foster carers within the service being less than the number we have historically had.	
Integrated Working	0.206	0.264	0.059	0.059		Cost pressures are due to contributions towards the Integrated Family Support Service and a shortfall in Supported People Funding	
Legal & Third Party	0.262	0.531	0.269	0.278		Legal costs are overspent by £0.136m due to the number of cases going through the courts and some use of external professionals. Client support and Section 17 costs are overspent by £0.121m. Direct Payments are overspending by £0.012m due to demand.	
Residential Placements	1.595	1.307	-0.288	-0.398		The in-house residential care provision continues to expand with an additional group home planned to open this financial year. Some in-year costs for the service are being offset by a significant Welsh Government grant. The grant has been confirmed for 2023/24 and 2024/25, but is not expected to be extended beyond this time.	

## Budget Monitoring Report - Month 6

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	In-year Moratorium (£m)	Cause of Major Variances greater than £0.050m	Action Required
Professional Support	5.824	6.680	0.856	0.821		To support adequate levels of child protection, the established staffing structure needs to be at a sufficient level to meet mandatory safeguarding standards. Vacancies are minimised and additional temporary posts are sometimes required to meet the challenges and demands of the service, the resulting overspend from such arrangements is £0.176m. Two managed agency teams are currently being contracted to support the service, reserves are being used to mitigate most of the costs but there is a projected overspend of £0.454m as a result, costs may change if there is a requirement to extend the contracts further. The Leaving Care budget, which supports young people who were Looked After Children, is overspending by £0.114m due to increasing numbers of care leavers. The cost of some external service contracts are £0.080m overspent due to inflationary pressures. Cost of Direct Payments to provide support to children with disabilities is £0.032m overspent due to demand for services.	
Minor Variances	0.694	0.718	0.024	0.026			
<b>Safeguarding &amp; Commissioning</b>							
Business Systems & Financial Assessments	0.937	1.026	0.089	0.078		A new social service IT system is being implemented which requires additional project management and development costs.	
Charging Policy income	-3.321	-3.476	-0.155	-0.143		This is the income from service users who are charged a contribution towards the care they receive	
Minor Variances	2.226	2.302	0.076	0.033			
<b>Total Social Services (excl Out of County)</b>	<b>86.803</b>	<b>87.333</b>	<b>0.530</b>	<b>0.512</b>	<b>0.000</b>		
<b>Out of County</b>							
Children's Services	12.281	13.352	1.070	0.811		The service is facing continued high demand for placements together with supply market challenges and inflationary pressures with 26 new placements made in the year to date and contingency provision of £0.250m for new placements.	
Education & Youth	5.004	5.227	0.223	0.267		The service is facing continued high demand for placements together with supply market challenges and inflationary pressures with 17 new placements made in the year to date and contingency provision of £0.250m for new placements.	
<b>Total Out of County</b>	<b>17.285</b>	<b>18.579</b>	<b>1.293</b>	<b>1.078</b>	<b>0.000</b>		
<b>Education &amp; Youth</b>							
Integrated Youth Provision	0.947	0.879	-0.068	-0.059		Mainly due to staff vacancies	
School Improvement Systems	1.836	1.743	-0.093	-0.084		There has been a projected reduction in the Early Entitlement service in payments to settings due to demography. Top up subsidy continuing and other Welsh Government grants, allowing core budget to be released within the Service. There is also a reported £0.022m underspend within Schools Improvement Service. This is an underspend on the £0.028m pressure for the Digital Advisor post. The role has been appointed to, but did not start until September, 2023, creating a saving against the additional budget received.	
Minor Variances	7.118	7.143	0.025	0.078			
<b>Total Education &amp; Youth</b>	<b>9.902</b>	<b>9.765</b>	<b>-0.136</b>	<b>-0.065</b>	<b>0.000</b>		

## Budget Monitoring Report - Month 6

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	In-year Moratorium (£m)	Cause of Major Variances greater than £0.050m	Action Required
Schools	114.081	114.273	0.193	0.000	0.000	The variance relates to redundancy costs being £0.250m over budget after also taking account of reserves carried forward. Free School Meals increase in both price and take up results in a £0.126m variance. This is mitigated by a (£0.100m) underspend on added years and a combination of smaller underspends each below (£0.050m).	
<b>Streetscene &amp; Transportation</b>							
Service Delivery	9.808	10.028	0.220	0.297	-0.077	Service Delivery have implemented tight controls to the allocation of PPE, materials and receptacles through the in-house stores. Changes to the security provision in the Alltami Depot, Greenfield transfer station and HRC sites have generated savings as per the 2023/24 moratorium, following a review of the service needs. Cleaning costs have also been reviewed and reduced. The service is subject to increasing inflationary pressures and demand for temporary repairs on the road network, largely due to a lack of funding and investment in the highway network and fluctuating costs of tar and traffic management for repairs. Any overall overspend, is partly offset by the performance of the in-house construction team delivering work in-house more cost effectively rather than contracting the work externally.	
Highways Network	8.514	9.248	0.734	0.710		The renewal of the fleet contract through contract extension from October 2023 has realised an in-year overspend of £0.658m. The remaining variance of £0.170m is attributable to increases in costs on road fuel and streetlighting energy, plus increased insurance premiums, and defective highway network infrastructure repairs that are necessary.	Further year increases on the Fleet Contract are being considered within the MTFS and 2024/25 budget.
Regulatory Services	11.305	11.525	0.220	0.199		The overspend variance is due to sustained high volumes of residual black waste being collected, together with the reduction in income levels for both recyclable materials and a reducing return on electricity generation from gas and solar at the former landfill sites.	
Other Minor Variances	11.118	11.100	-0.018	-0.025			
<b>Total Streetscene &amp; Transportation</b>	<b>40.745</b>	<b>41.901</b>	<b>1.155</b>	<b>1.181</b>	<b>-0.077</b>		
<b>Planning, Environment &amp; Economy</b>							
Development	0.024	-0.305	-0.328	-0.308		Receipt of a one-off high value Planning Fee (£0.300m for Northern Gateway)	
Access	1.544	1.706	0.162	0.142		Variance relates to estimated costs for Ash Die Back Tree works to March, 2024	
Climate Change	0.165	0.102	-0.062	-0.062		Staff savings from vacant posts	
Regeneration	0.846	0.796	-0.050	-0.050		Staff savings from vacant posts and Wales Rally GB Budget not required	
Management & Strategy	1.354	1.148	-0.206	-0.220		Staff savings from vacant posts	
Minor Variances	3.125	3.197	0.072	0.063			
<b>Total Planning &amp; Environment</b>	<b>7.057</b>	<b>6.645</b>	<b>-0.412</b>	<b>-0.435</b>	<b>0.000</b>		
<b>People &amp; Resources</b>							
HR & OD	2.257	2.199	-0.058	-0.048		Staff savings from vacant posts	
Corporate Finance	2.082	2.068	-0.014	-0.019			
<b>Total People &amp; Resources</b>	<b>4.339</b>	<b>4.267</b>	<b>-0.072</b>	<b>-0.067</b>	<b>0.000</b>		
<b>Governance</b>							
Legal Services	0.942	1.143	0.201	0.200		Additional costs for locum services covering vacant posts	

## Budget Monitoring Report - Month 6

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	In-year Moratorium (£m)	Cause of Major Variances greater than £0.050m	Action Required
Democratic Services	2.411	2.480	0.069	0.069		Backdated Superannuation costs and current level of Members Allowances	
ICT	5.168	5.235	0.067	0.064		In year pressure following the delay in Agile Apps Project requiring additional funding	
Customer Services	1.040	0.897	-0.143	-0.128		Staff savings from vacant posts and higher than anticipated fee income levels	
Revenues	0.566	0.374	-0.192	-0.194		Projected surplus on the Council Tax Collection Fund	
Minor Variances	1.333	1.321	-0.012	-0.010			
<b>Total Governance</b>	<b>11.460</b>	<b>11.450</b>	<b>-0.011</b>	<b>0.003</b>	<b>0.000</b>		
<b>Assets</b>							
CPM & Design Services	0.674	0.581	-0.093	-0.093		Due to increased fee income	
Minor Variances	-0.674	-0.581	-0.114	-0.034			
<b>Total Assets</b>	<b>11.045</b>	<b>10.838</b>	<b>-0.208</b>	<b>-0.128</b>	<b>0.000</b>		
<b>Housing and Community</b>							
Housing Solutions	2.232	4.980	2.748	2.763		The Housing Solutions service is currently reflecting a net projected overspend of £2.748m. This is mainly due to a projected overspend of £3.547m on temporary accommodation within Hotels and B and B provision, which is being offset by additional Housing Benefit income of (£0.470m). There are also other projected underspends and mitigation impacts within the wider Housing Solutions service amounting to a net figure of £0.329m, including use of reserves, minor salary savings due to vacancies and use of WG grant income. The service are actively exploring a number of mitigation measures, some of which may have operational impacts on other parts of the wider Housing service, which when approved will be incorporated within an action plan to reduce the current level of projected overspend within the Homelessness service.	
Minor Variances	13.466	13.488	0.022	0.018			
<b>Total Housing and Community</b>	<b>15.698</b>	<b>18.468</b>	<b>2.770</b>	<b>2.782</b>	<b>0.000</b>		
<b>Chief Executive's</b>	<b>1.608</b>	<b>1.617</b>	<b>0.008</b>	<b>-0.001</b>	<b>0.000</b>		
<b>Central &amp; Corporate Finance</b>	<b>32.096</b>	<b>30.545</b>	<b>-1.551</b>	<b>-1.198</b>	<b>0.000</b>	The projection on the Central Loans and Investment Account (CLIA) at Month 4 was an underspend of (£1m) which was further increased by £0.250m at Month 5 and by a further £0.300m again at Month 6 where the Council has not taken out any new short or long term borrowing and continues to invest a significant amount of funds. This pattern has continued from the previous financial year resulting in no short term borrowing costs being incurred and the Council generating increased income from investments, which have increased in line with bank interest rates. The favourable variance has increased further following the benefit of a £0.048m NDR windfall.	
<b>Grand Total</b>	<b>352.121</b>	<b>355.680</b>	<b>3.559</b>	<b>3.660</b>	<b>-0.077</b>		

2023/24 Efficiencies Outturn Tracker - Month 6

Efficiency Description	Accountable Officer	Efficiency Target	Projected Efficiency	(Under)/Over Achievement	Efficiency Open/Closed (O/C)	Reason for variation	Mitigating Action if Amber or Red
		2023/24 £m	2023/24 £m	2023/24 £m			
<b>Portfolio</b>							
<b>Corporate</b>							
Reduction In CLIA	Chris Taylor	0.364	0.364	0.000	C		
Actuarial Review	Gary Ferguson	1.874	1.874	(0.000)	C		
NI Reversal	Rachel Parry Jones	0.474	0.474	0.000	C		
<b>Total Corporate Services</b>		<b>2.712</b>	<b>2.712</b>	<b>(0.000)</b>			
<b>Chief Executives / Assets</b>							
Transport Savings	Neal Cockerton	0.010	0.010	0.000	C		
Vacancy Savings	Neal Cockerton	0.048	0.048	0.000	C		
3rd Sector Budget	Neal Cockerton	0.041	0.041	0.000			
<b>Total Chief Executives</b>		<b>0.099</b>	<b>0.099</b>	<b>0.000</b>			
<b>People &amp; Resources</b>							
Modern Apprentices HR&OD	Sharon Carney	0.072	0.072	0.000	C		
Vacancy Savings Corporate Finance	Gary Ferguson	0.086	0.086	0.000	C		
Transport and Training Savings Corporate Finance	Gary Ferguson	0.016	0.016	0.000	C		
<b>Total People &amp; Resources</b>		<b>0.174</b>	<b>0.174</b>	<b>0.000</b>			
<b>Assets - ADMs</b>							
Newydd	Rachael Corbelli	0.019	0.019	0.000	C		
Newydd NI	Rachael Corbelli	0.023	0.023	0.000	C		
<b>Total Assets - ADMs</b>		<b>0.042</b>	<b>0.042</b>	<b>0.000</b>			
<b>Housing &amp; Communities</b>							
CTRS Reduction	Vicky Clark	0.147	0.147	0.000	C		
<b>Total Housing &amp; Communities</b>		<b>0.147</b>	<b>0.147</b>	<b>0.000</b>			
<b>Governance</b>							
Members Support Budget	Gareth Owen	0.016	0.016	0.000	C		
Members Allowances	Gareth Owen	0.060	0.060	0.000	C		
Central Despatch	Gareth Owen	0.022	0.022	0.000	C		
Mold & Buckley Connects	Gareth Owen	0.060	0.060	0.000	C		
<b>Total Governance</b>		<b>0.158</b>	<b>0.158</b>	<b>0.000</b>			
<b>Planning, Environment &amp; Economy</b>							
Vacancy Savings	Andrew Farrow	0.020	0.020	0.000	C		
Fee Income	Andrew Farrow	0.180	0.180	0.000	C		
<b>Total Planning, Environment &amp; Economy</b>		<b>0.200</b>	<b>0.200</b>	<b>0.000</b>			
<b>Streetscene &amp; Transportation</b>							
Enhanced Enforcement for Recycling	Katie Wilby	0.046	0.046	0.000	O	Side waste enforcement is already taking place with FPNs being issued, but the next steps for enforcing against those who do not habitually recycle will be to take enforcement action if residents place recyclable waste in their black bin. To introduce this will first require a period of education and engagement. Additional x3 recycling officers are currently being recruited and, once appointed, the aim is for these officers to support with door-knocking campaigns and community events in advance of introducing enhanced enforcement	Likely introduction is January 2024.
Part night Street Lighting	Katie Wilby	0.018	0.000	(0.018)	O	Difficult to implement in year due to the consultation required, and the limited opportunity following previous roll-outs. This will also require investment in the equipment to allow the switch-offs	Discussions being held with an update to come how we can achieve this saving.
Review Provision of Public Conveniences	Katie Wilby	0.012	0.000	(0.012)	O	The efficiency is largely reliant on the review of sites following the implementation of the Local Toilet Strategy and capital investment in FY 24/25-26/27.	
Extend, Repair & Reuse Initiatives	Katie Wilby	0.010	0.000	(0.010)	O	When this was put forward, we stated that the initiative would be dependent on investment funding either from WG Circular Economy grant funding or capital programme. We are still awaiting the outcome of our bid to WG, which is now unlikely given the current economic climate. Without the grant funding the initiative cannot be introduced and the efficiency will not be met.	
Waste & Recycling Round Review	Katie Wilby	0.075	0.075	0.000	C		
In House Highways Service	Katie Wilby	0.025	0.025	0.000	C		
Review of Security Arrangements Alltami Depot	Katie Wilby	0.050	0.050	0.000	C		
Apprenticeship Trainee Scheme Reduction	Katie Wilby	0.035	0.035	0.000	C		

Efficiency Description	Accountable Officer	Efficiency Target	Projected Efficiency	(Under)/Over Achievement	Efficiency Open/Closed (O/C)	Reason for variation	Mitigating Action if Amber or Red
		2023/24 £m	2023/24 £m	2023/24 £m			
<b>Portfolio</b>							
Increase Car Parking Charges	Income Generation	Katie Wilby	0.187	0.187	0.000	C	Decision approved and new charges will come into effect from October 2023 (original date planned was July 2023). Additional initiatives e.g. Free after Three and extension to parking times will mean that the original efficiency will be difficult to achieve unless the utilisation levels increase beyond current levels. Delays in being implemented.
Introduce Car Parking Charges on all Council Owned Car Parks	Income Generation	Katie Wilby	0.035	0.000	(0.035)	O	
Fleet Workshop	Income Generation	Katie Wilby	0.010	0.010	0.000	C	
Training Facility	Income Generation	Katie Wilby	0.010	0.010	0.000	C	
Funeral Services	Income Generation	Katie Wilby	0.010	0.010	0.000	C	
<b>Total Streetscene &amp; Transportation</b>			<b>0.523</b>	<b>0.448</b>	<b>(0.075)</b>		
<b>Social Services</b>							
Contribution to Regional Team	Reduction in Contribution	Neil Ayling	0.050	0.050	0.000	C	
Reduced Contribution to EDT	Contract Costs Reduced	Neil Ayling	0.011	0.011	0.000	C	
Retendering of HFT	Contract Costs Reduced	Neil Ayling	0.040	0.040	0.000	C	
<b>Total Social Services</b>			<b>0.101</b>	<b>0.101</b>	<b>0.000</b>		
<b>Education &amp; Youth</b>							
Central Management Budget	Vacant Post	Claire Homard	0.060	0.060	0.000	O	
ALN Advocacy	Offset costs from LAEG ALN Grant	Claire Homard	0.020	0.020	0.000	O	
ALN Legal	Offset costs from LAEG ALN Grant	Claire Homard	0.010	0.010	0.000	O	
ALN Resource Provisions	Offset costs from LAEG ALN Grant	Claire Homard	0.100	0.100	0.000	O	
Early Years Entitlement	Budget Reductions	Claire Homard	0.095	0.095	0.000	O	
Youth Club Buildings	Building Closure	Claire Homard	0.017	0.017	0.000	O	
Youth Services	Vacant Posts (1 FTE 1 PT)	Claire Homard	0.056	0.056	0.000	O	
Youth Justice	Offset costs from Grant	Claire Homard	0.016	0.016	0.000	O	
<b>Total Education &amp; Youth</b>			<b>0.374</b>	<b>0.374</b>	<b>0.000</b>		
<b>Schools</b>							
3% Reduction in Delegated Funding		Claire Homard	3.103	3.103	0.000	O	
NI Reversal (Schools & Teachers)		Claire Homard	0.857	0.857	0.000	O	
Actuarial Review		Claire Homard	0.776	0.776	0.000	O	
<b>Total Schools</b>			<b>4.736</b>	<b>4.736</b>	<b>0.000</b>		
<b>Total 2023/24 Budget Efficiencies</b>			<b>9.265</b>	<b>9.190</b>	<b>(0.075)</b>		

	%	£
<b>Total 2023/24 Budget Efficiencies</b>	<b>100</b>	<b>9.265</b>
<b>Total Projected 2023/24 Budget Efficiencies Underachieved</b>	<b>-1</b>	<b>(0.075)</b>
<b>Total Projected 2023/24 Budget Efficiencies Achieved</b>	<b>99</b>	<b>9.190</b>
<b>Total 2023/24 Budget Efficiencies (Less Previously agreed Decisions)</b>	<b>100</b>	<b>0.000</b>
<b>Total Projected 2023/24 Budget Efficiencies Underachieved</b>	<b>0</b>	<b>0.000</b>
<b>Total Projected 2023/24 Budget Efficiencies Achieved</b>	<b>0</b>	<b>0.000</b>

**Movements on Council Fund Unearmarked Reserves**

	£m	£m
Total Reserves as at 1 April 2023	19.162	
Less - Base Level	(5.769)	
<b>Total Reserves above base level available for delegation to Cabinet</b>		13.393
Less - COVID-19 Hardship Funding Allocation		3.743
Less - Children's Services Legal Costs		0.142
Add - Transfer to Reserve Budget 2023/24		0.006
Less - Clwyd Theatr Cymru (Month 2)		0.100
Less - estimated impact of the pay award		2.727
Add - Total Balances Released to Reserves (Month 5)		0.648
Less - Month 6 projected outturn		3.559
<b>Total Contingency Reserve available for use</b>		<b>3.776</b>

Brought Forward 9.508

**Budget Monitoring Report**  
**Housing Revenue Account Variances**

**MONTH 6 - SUMMARY**

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
<b>Housing Revenue Account</b>						
Income	(38.829)	(38.590)	0.239	0.284	There is a net pressure relating to void properties of £0.252m. This relates to costs such as void rent loss, council tax charges and service charges and is net of additional income relating to new build properties and voids moving to target rent. We are anticipating a variance of approximately £0.023m on garage rents. At Month 6, forecasting a reduction in the requirement to top up the Bad Debt Provision of (0.025). Other minor variances of (£0.012m).	
Capital Financing - Loan Charges	7.010	7.010				
Estate Management	3.125	2.873	(0.253)	(0.254)	Projected vacancy savings of approximately (£0.269m) which is being offset by agency costs of £0.147m. Additional allocation of Housing Support Grant (£0.100m). Other minor variances of (£0.031m).	
Landlord Service Costs	1.617	1.517	(0.100)	(0.064)	Projected vacancy savings of approximately (£0.148m). We are also forecasting an increase in fleet costs of £0.028m and materials and hire of £0.046m. At Month 6, there is an anticipated reduction in subcontractor spend of (£0.021m). Other minor variances of (£0.005m).	
Repairs & Maintenance	12.150	12.193	0.043	0.044	Projected vacancy savings of approximately (£0.114m). Increased Fleet Contract renewal costs of £0.126m. Other minor variances of £0.031m.	
Management & Support Services	2.678	2.681	0.003	(0.006)	Projected vacancy savings of approximately (£0.076m). Insurance Costs £0.040m. Other minor variances of £0.039m.	
Capital Expenditure From Revenue (CERA)	12.712	12.712				
HRA Projects	0.126	0.126	0.000	0.003		
Contribution To / (From) Reserves	(0.589)	(0.589)				
<b>Total Housing Revenue Account</b>	<b>(0.000)</b>	<b>(0.069)</b>	<b>(0.069)</b>	<b>0.006</b>		

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## CABINET

<b>Date of Meeting</b>	Tuesday, 21 <sup>st</sup> November 2023
<b>Report Subject</b>	Capital Programme Monitoring 2023/24 (Month 6)
<b>Cabinet Member</b>	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

The report summarises changes made to the Capital Programme 2023/24 since it was set in January 2023 to the end of Month 6 (September 2023), along with expenditure incurred to date and the projected outturn.

The Capital Programme has seen a net decrease in budget of (£4.422m) during the period which comprises of:-

- Net budget decrease in the programme of (£1.342m) (See Table 2 - Council Fund (CF) £4.326m, Housing Revenue Account (HRA) (£5.668m);
- Net Carry Forward to 2024/25 approved at Month 4 of (£3.080m)

Actual expenditure was £27.517m (See Table 3).

Capital receipts received in the second quarter of 2023/24 total £0.043m. This provides a revised projected surplus in the Capital Programme at Month 6 of £1.996m (from a Month 4 funding surplus of £1.953m) for the 2023/24 – 2025/26 Capital Programme, prior to the realisation of additional capital receipts and/or other funding sources.

## RECOMMENDATIONS

	Cabinet are requested to:
1	Approve the overall report.
2	Approve the carry forward adjustments, as set out at 1.12.
3	Approve the additional allocations, as set out in 1.14.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE 2023/24 CAPITAL PROGRAMME MONITORING POSITION – MONTH 6</b>
1.01	<b>Background</b> Council approved a Council Fund (CF) Capital Programme of £33.041m and a Housing Revenue Account (HRA) Capital Programme of £29.457m for 2023/24 at its meeting on 24 January 2023.
1.02	For presentational purposes the Capital Programme is shown as a whole, with sub-totals for the Council Fund and HRA. The HRA programme is 'ring fenced' and can only be used for HRA purposes.
1.03	<b>Changes since Budget approval</b> Table 1 below sets out how the programme has changed during 2023/24. More detailed cumulative information relating to each Portfolio is provided in Appendix A:-

**Table 1**

REVISED PROGRAMME	Original Budget 2023/24	Carry Forward from 2022/23	2023/24 Previously Reported		Changes - This Period	Revised Budget 2023/24
			Changes	Carry Forward to 2024/25		
			£m	£m		
People & Resources	0.350	0.150	(0.058)	0.000	(0.055)	0.387
Governance	0.357	0.294	0.530	(0.143)	0.055	1.093
Education & Youth	3.696	8.462	1.087	(0.197)	3.715	16.763
Social Services	3.680	0.171	2.210	(1.337)	0.000	4.724
Planning, Environment & Economy	0.040	1.018	1.232	(0.508)	0.299	2.081
Streetscene & Transportation	1.500	5.756	9.398	(0.046)	0.294	16.902
Housing and Communities	1.660	0.186	0.986	0.000	0.001	2.833
Capital Programme and Assets	21.758	1.992	0.681	(0.849)	0.017	23.599
<b>Council Fund Total</b>	<b>33.041</b>	<b>18.029</b>	<b>16.066</b>	<b>(3.080)</b>	<b>4.326</b>	<b>68.382</b>
<b>HRA Total</b>	<b>29.457</b>	<b>0.000</b>	<b>2.491</b>	<b>0.000</b>	<b>(5.668)</b>	<b>26.280</b>
<b>Programme Total</b>	<b>62.498</b>	<b>18.029</b>	<b>18.557</b>	<b>(3.080)</b>	<b>(1.342)</b>	<b>94.662</b>

1.04

**Carry Forward from 2022/23**

Carry forward sums from 2022/23 to 2023/24, totalling £18.029m (all CF), were approved as a result of the quarterly monitoring reports presented to Cabinet during 2022/23.

1.05

**Changes during this period**

Funding changes during this period have resulted in a net decrease in the programme total of (£1.342m) (CF £4.326m, HRA (£5.668m)). A summary of the changes, detailing major items, is shown in Table 2 below:-

**Table 2**

<b>CHANGES DURING THIS PERIOD</b>		
	<b>Para</b>	<b>£m</b>
<b><u>COUNCIL FUND</u></b>		
<b>Increases</b>		
Schools Modernisation	1.06	2.680
Education - General	1.07	1.035
Other Aggregate Increases		0.858
		4.573
<b>Decreases</b>		
Other Aggregate Decreases		(0.247)
		(0.247)
<b>Total</b>		<b>4.326</b>
<b><u>HRA</u></b>		
<b>Decreases</b>		
SHARP Programme	1.08	(5.668)
		(5.668)
<b>Total</b>		<b>(1.342)</b>

1.06 Introduction of grant funding from Welsh Government for Ysgol Croes Atti Flint, to support the new Welsh Medium Primary School as part of the school modernisation programme.

1.07 Introduction of Welsh Government grant funding to support learning environments for those with Additional Learning Needs and increase accessibility to promote inclusive practice, support learning and pupil wellbeing.

1.08 Re-profiling of prudential borrowing for the Strategic Housing and Regeneration Programme (SHARP), due to schemes progressing into 2024/25.

1.09 **Capital Expenditure compared to Budget**  
 Expenditure incurred as at Month 6, across the whole of the Capital Programme was £27.517m. The breakdown of expenditure is analysed in Table 3, along with the percentage spend against budget.  
 This shows that 29.07% of the budget has been spent (CF 25.81%, HRA 37.56%). Corresponding figures for Month 6 2022/23 were 24.43% (CF 17.21%, HRA 41.27%).

1.10 The table also shows a projected underspend (pending carry forward and other adjustments) of £1.213m on the Council Fund and a break-even position on the HRA.

**Table 3**

EXPENDITURE	Revised Budget	Cumulative Expenditure Month 6	Percentage Spend v Budget	Projected Outturn	Variance Budget v Outturn (Under)/Over
	£m	£m	%	£m	£m
People & Resources	0.387	0.000	0.00	0.387	0.000
Governance	1.093	0.611	55.90	1.081	(0.012)
Education & Youth	16.763	3.571	21.30	16.433	(0.330)
Social Services	4.724	0.773	16.36	4.724	0.000
Planning, Environment & Economy	2.081	0.249	11.97	1.864	(0.217)
Streetscene & Transportation	16.902	4.649	27.51	16.402	(0.500)
Housing & Communities	2.833	1.156	40.80	2.833	0.000
Capital Programme & Assets	23.599	6.637	28.12	23.445	(0.154)
<b>Council Fund Total</b>	<b>68.382</b>	<b>17.646</b>	<b>25.81</b>	<b>67.169</b>	<b>(1.213)</b>
Disabled Adaptations	1.100	0.445	40.45	1.100	0.000
Energy Schemes	5.235	2.218	42.37	5.235	0.000
Major Works	1.714	0.682	39.79	1.714	0.000
Accelerated Programmes	0.595	0.146	24.54	0.595	0.000
WHQS Improvements	13.436	5.577	41.51	13.436	0.000
Modernisation / Improvements	2.200	0.000	0.00	2.200	0.000
SHARP Programme	2.000	0.803	40.15	2.000	0.000
<b>Housing Revenue Account Total</b>	<b>26.280</b>	<b>9.871</b>	<b>37.56</b>	<b>26.280</b>	<b>0.000</b>
<b>Programme Total</b>	<b>94.662</b>	<b>27.517</b>	<b>29.07</b>	<b>93.449</b>	<b>(1.213)</b>

1.11 Details of the variances for individual programme areas are listed in Appendix B, which includes the reasons, and remedial actions which may be required, where those variances exceed +/- 10% of the revised budget. In addition, where carry forward into 2024/25 has been identified, this is also included in the narrative.

1.12 **Carry Forward into 2024/25**  
During the quarter, carry forward requirements of £1.213m (all CF) have been identified which reflects reviewed spending plans across all programme areas. These amounts can be split into two areas, those required to meet the cost of programme works and/or retention payments in 2024/25.

1.13 Information relating to each programme area is contained in Appendix B and summarised in Table 4 below:

**Table 4**

<b>CARRY FORWARD INTO 2024/25</b>					<b>Total</b>
	<b>Month 4</b>	<b>Reversed</b>	<b>Sub Total</b>	<b>Month 6</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Governance	0.143	0.000	0.143	0.012	0.155
Education & Youth	0.197	0.000	0.197	0.330	0.527
Social Services	1.337	0.000	1.337	0.000	1.337
Planning, Environment & Economy	0.508	0.000	0.508	0.217	0.725
Streetscene & Transportation	0.046	0.000	0.046	0.500	0.546
Capital Programme & Assets	0.898	(0.049)	0.849	0.154	1.003
<b>Council Fund</b>	<b>3.129</b>	<b>(0.049)</b>	<b>3.080</b>	<b>1.213</b>	<b>4.293</b>
<b>TOTAL</b>	<b>3.129</b>	<b>(0.049)</b>	<b>3.080</b>	<b>1.213</b>	<b>4.293</b>

1.14

**Additional Allocations**

Additional allocations have been identified in the programme in this quarter as follows:

- Registry Office - £0.023m. Following a recent inspection, new record cabinets are required in order to ensure compliance with statutory and legal standards in order to meet our responsibility for the safe custody of registrations within Flintshire.

This can be funded from within the current 'headroom' provision.

1.15

**Savings**

No savings have been identified in the programme in this quarter.

1.16

**Funding of 2023/24 Approved Schemes**

The position at Month 6 is summarised in Table 5 below for the three year Capital Programme between 2023/24 – 2025/26:-

**Table 5**

<b>FUNDING OF APPROVED SCHEMES 2023/24 - 2025/26</b>		
	<b>£m</b>	<b>£m</b>
Balance carried forward from 2022/23		(0.937)
<b>Increases</b>		
Surplus in 2023/24 to 2025/26 Budget	(0.365)	
		<u>(0.365)</u>
<b>Decreases</b>		
Actual In year receipts	(0.694)	<u>(0.694)</u>
<b>Funding - (Available)/Shortfall</b>		<b>(1.996)</b>

1.17 Capital receipts received in the second quarter of 2023/24, total £0.043m. This provides a revised projected surplus in the Capital Programme at Month 6 of £1.996m (from a Month 4 funding surplus of £1.953m) for the 2023/24 – 2025/26 Capital Programme, prior to the realisation of additional capital receipts and/or other funding sources.

1.18 **Investment in County Towns**  
At its meeting on 12<sup>th</sup> December 2017, the Council approved a Notice of Motion relating to the reporting of investment in county towns. The extent and format of the reporting was agreed at the Corporate Resources Overview and Scrutiny Committee on 14<sup>th</sup> June 2018.

1.19 Table 6 below shows a summary of the 2022/23 actual expenditure, the 2023/24 revised budget and budgets for future years as approved by Council at its meeting of 24<sup>th</sup> January, 2023. Further detail can be found in Appendix C, including details of the 2023/24 spend to Month 6.

**Table 6**

<b>INVESTMENT IN COUNTY TOWNS</b>			
	<b>2022/23</b>	<b>2023/24</b>	<b>2023 -</b>
	<b>Actual</b>	<b>Revised</b>	<b>2025</b>
	<b>£m</b>	<b>Budget</b>	<b>Budget</b>
		<b>£m</b>	<b>£m</b>
Buckley / Penyffordd	0.745	5.065	9.288
Connah's Quay / Shotton	2.225	1.428	0.000
Flint / Bagillt	2.135	6.810	16.541
Holywell / Caerwys / Mostyn	4.195	1.246	0.000
Mold / Treuddyn / Cilcain	5.713	24.413	22.079
Queensferry / Hawarden / Sealand	0.520	2.669	0.000
Saltney / Broughton / Hope	1.250	0.298	16.000
Unallocated / To Be Confirmed	0.980	6.443	16.600
<b>Total</b>	<b>17.763</b>	<b>48.372</b>	<b>80.508</b>

- 1.20 The inclusion of actuals for 2022/23 and approved schemes for future years allows a slightly fuller picture of investment plans. However, expenditure which has occurred in years prior to 2022/23 has not been included, and the expenditure and budgets reported should be considered in that context.
- 1.21 There are two significant factors which increase allocations to areas, which are homes developed under SHARP, and new or remodelled schools. The impact of these can be seen in the detail shown in Appendix C.
- 1.22 Some expenditure cannot yet be allocated to specific towns as schemes are not yet fully developed or are generic in nature and not easily identifiable to one of the seven areas. As such schemes are identified the expenditure will be allocated to the relevant area.
- 1.23 Information on the split between internal and external funding can be found in Appendix C.
- 1.24 In addition to the information contained in Appendix C, there is also considerable capital expenditure on the HRA Welsh Housing Quality Standard (WHQS), which was originally outside the scope of this analysis. A summary is provided in Table 7 below, albeit using a slightly different catchment area basis.



**Table 7**

<b>WHQS Programme</b>		
	<b>2022/23 Actual £m</b>	<b>2023/24 Budget £m</b>
Holywell	3.380	4.210
Flint	1.450	1.390
Deeside & Saltney	2.250	1.390
Buckley	1.060	1.390
Mold	3.000	3.451
Connah's Quay & Shotton	1.970	1.390
<b>Total</b>	<b>13.110</b>	<b>13.221</b>

1.25 The 2021 Prudential Code introduced a new requirement that monitoring of prudential indicators should be reported quarterly as part of capital monitoring. This update is provided in Appendix D.

## **2.00 RESOURCE IMPLICATIONS**

2.01 Financial implications - As set out in the body of the report.

2.02 Personnel implications - None directly as a result of this report.

## **3.00 IMPACT ASSESSMENT AND RISK MANAGEMENT**

3.01 The legacy impacts of the pandemic along with the supply and demand of materials, leading to cost increases, higher tender prices and project delays will continue to be monitored closely during the year. Due to the re-profiling of schemes from 2022/23 and resources available to manage and deliver schemes, the levels of planned expenditure in 2023/24 may be affected, resulting in a high level of carry forward requests to re-phase budgets into the 2024/25 programme.

Grants received will also to be closely monitored to ensure that expenditure is incurred within the terms and conditions of the grant. The capital team will work with project leads to report potential risks of achieving spend within timescales and assist in liaising with the grant provider.

The Council has a prudent policy of allocating its own capital receipts to fund capital projects only when receipts are received rather than when it is anticipated the receipt will be received, and this position continues to be the case. In line with current policy no allowance has been made for these receipts in reporting the Council's capital funding position.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	No consultation is required as a direct result of this report.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A: Capital Programme - Changes during 2023/24
5.02	Appendix B: Variances
5.03	Appendix C: Investment in Towns
5.04	Appendix D: Prudential Indicators – Quarter 2 2023/24

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Capital Programme monitoring papers 2023/24.

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

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<p><b>Budget Re-profiling:</b> Capital schemes are very dynamic and a number of factors can influence their timing and funding. Budget re-profiling assures that the correct resources are available in the correct accounting period to finance the actual level of expenditure.</p> <p><b>Capital Expenditure:</b> Expenditure on the acquisition of <b>non-current assets</b> or expenditure which extends the useful life of an existing asset</p> <p><b>Capital Programme:</b> The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.</p> <p><b>Capital Receipts:</b> Receipts (in excess of £10,000) realised from the disposal of assets.</p> <p><b>Carry Forward:</b> Carry forward occurs when schemes due to be completed in a given financial year are delayed until a subsequent year. In this case the relevant funding is carried forward to meet the delayed, contractually committed expenditure.</p>

**CERA:** Capital Expenditure charged to Revenue Account. The Council is allowed to use its revenue resources to fund capital expenditure. However the opposite is not permissible.

**Council Fund (CF):** The fund to which all the Council's revenue and capital expenditure is charged.

**Housing Revenue Account (HRA):** The fund to which all the Council's revenue and capital expenditure relating to its housing stock is charged.

**MRA:** Major Repairs Allowance. A general capital grant from WG for HRA purposes.

**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.

**Section 106:** Monies are received from developers/contractors pursuant to Section 106 of the Town & Country Planning Act 1990. These sums are available for use once the relevant terms of the individual agreement have been met. The monies are most commonly used for educational enhancement, play areas, highways and affordable housing.

**Target Hardening:** Measures taken to prevent unauthorised access to Council sites.

**Unhypothecated Supported Borrowing (USB), commonly referred to as Supported Borrowing** - Each year Welsh Government provide Councils with a Supported Borrowing allocation. Councils borrow to fund capital expenditure equivalent to that annual allocation, Welsh Government then include funding to cover the revenue costs associated with the borrowing for future years within the Revenue Support Grant. The Council decides how this funding is spent.

**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.

## CAPITAL PROGRAMME - CHANGES DURING 2023/24

	Original Budget 2023/24	Carry Forward from 2022/23	2023/24 Previously Reported		Changes (Current)	Revised Budget 2023/24
			Changes	Carry Forward to 2024/25		
	£m	£m	£m	£m	£m	£m
<b>Council Fund :</b>						
<b>People &amp; Resources</b>						
'Headroom'	0.350	0.150	(0.058)	0.000	(0.055)	0.387
	<b>0.350</b>	<b>0.150</b>	<b>(0.058)</b>	<b>0.000</b>	<b>(0.055)</b>	<b>0.387</b>
<b>Governance</b>						
Information Technology	0.357	0.294	0.530	(0.143)	0.055	1.093
	<b>0.357</b>	<b>0.294</b>	<b>0.530</b>	<b>(0.143)</b>	<b>0.055</b>	<b>1.093</b>
<b>Education &amp; Youth</b>						
Education - General	0.650	6.999	0.936	(0.197)	1.035	9.423
Primary Schools	1.000	0.813	(0.524)	0.000	0.005	1.294
Schools Modernisation	1.546	0.000	(0.651)	0.000	2.680	3.575
Secondary Schools	0.000	0.560	1.326	0.000	(0.005)	1.881
Special Education	0.500	0.090	0.000	0.000	0.000	0.590
	<b>3.696</b>	<b>8.462</b>	<b>1.087</b>	<b>(0.197)</b>	<b>3.715</b>	<b>16.763</b>
<b>Social Services</b>						
Services to Older People	1.250	0.097	1.000	(1.337)	0.000	1.010
Learning Disability	2.430	0.000	0.031	0.000	0.000	2.461
Children's Services	0.000	0.074	1.179	0.000	0.000	1.253
	<b>3.680</b>	<b>0.171</b>	<b>2.210</b>	<b>(1.337)</b>	<b>0.000</b>	<b>4.724</b>
<b>Planning, Environment &amp; Economy</b>						
Closed Landfill Sites	0.000	0.250	0.000	(0.250)	0.000	0.000
Engineering	0.000	0.383	0.000	(0.258)	0.000	0.125
Energy Services	0.000	0.000	0.207	0.000	0.142	0.349
Ranger Services	0.000	0.035	0.105	0.000	0.000	0.140
Town Centre Regeneration	0.000	0.320	0.858	0.000	0.188	1.366
Private Sector Renewal/Improv't	0.040	0.030	0.062	0.000	(0.031)	0.101
	<b>0.040</b>	<b>1.018</b>	<b>1.232</b>	<b>(0.508)</b>	<b>0.299</b>	<b>2.081</b>
<b>Streetscene &amp; Transportation</b>						
Waste Services	0.000	3.805	0.217	0.000	0.000	4.022
Cemeteries	0.000	0.259	0.000	0.000	0.000	0.259
Highways	1.500	1.640	0.867	0.000	(0.156)	3.851
Local Transport Grant	0.000	0.006	8.314	0.000	0.450	8.770
Solar Farms	0.000	0.046	0.000	(0.046)	0.000	0.000
	<b>1.500</b>	<b>5.756</b>	<b>9.398</b>	<b>(0.046)</b>	<b>0.294</b>	<b>16.902</b>

	Original Budget 2023/24	Carry Forward from 2022/23	2023/24 Previously Reported		Changes (Current)	Revised Budget 2023/24
			Changes	Carry Forward to 2024/25		
	£m	£m	£m	£m	£m	£m
<b>Housing &amp; Communities</b>						
Affordable Housing	0.000	0.000	0.700	0.000	0.000	0.700
Disabled Facilities Grants	1.660	0.186	0.286	0.000	0.001	2.133
	<b>1.660</b>	<b>0.186</b>	<b>0.986</b>	<b>0.000</b>	<b>0.001</b>	<b>2.833</b>
<b>Capital Programme &amp; Assets</b>						
Administrative Buildings	0.663	0.325	0.034	(0.028)	0.000	0.994
Community Asset Transfers	0.000	0.597	0.227	(0.548)	0.000	0.276
Leisure Centres & Libraries	0.395	0.419	0.259	(0.245)	0.000	0.828
Play Areas	0.200	0.376	0.161	0.000	0.017	0.754
Theatr Clwyd	20.500	0.275	0.000	(0.028)	0.000	20.747
	<b>21.758</b>	<b>1.992</b>	<b>0.681</b>	<b>(0.849)</b>	<b>0.017</b>	<b>23.599</b>
<b>Housing Revenue Account :</b>						
Disabled Adaptations	1.100	0.000	0.000	0.000	0.000	1.100
Energy Schemes	2.311	0.000	2.924	0.000	0.000	5.235
Major Works	1.836	0.000	(0.122)	0.000	0.000	1.714
Accelerated Programmes	1.121	0.000	(0.526)	0.000	0.000	0.595
WHQS Improvements	13.221	0.000	0.215	0.000	0.000	13.436
Modernisation / Improvements	2.200	0.000	0.000	0.000	0.000	2.200
SHARP Programme	7.668	0.000	0.000	0.000	(5.668)	2.000
	<b>29.457</b>	<b>0.000</b>	<b>2.491</b>	<b>0.000</b>	<b>(5.668)</b>	<b>26.280</b>
<b>Totals :</b>						
<b>Council Fund</b>	33.041	18.029	16.066	(3.080)	4.326	68.382
<b>Housing Revenue Account</b>	29.457	0.000	2.491	0.000	(5.668)	26.280
<b>Grand Total</b>	<b>62.498</b>	<b>18.029</b>	<b>18.557</b>	<b>(3.080)</b>	<b>(1.342)</b>	<b>94.662</b>

PEOPLE & RESOURCES

Capital Budget Monitoring 2023/24 - Month 6

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
'Headroom'	0.387	0.000	0.387	0.000	0	0.000		Corporate provision - to be allocated as requested and approved.	Any unspent allocation will be the subject of a carry forward request at outturn.
<b>Total</b>	<b>0.387</b>	<b>0.000</b>	<b>0.387</b>	<b>0.000</b>	<b>0</b>	<b>0.000</b>			

GOVERNANCE

Capital Budget Monitoring 2023/24 - Month 6

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Information Technology	1.093	0.611	1.081	(0.012)	-1	(0.143)	Laptop replacement scheme to continue into 2024/25.	<b>Carry Forward</b> - Request approval to move funding of <b>£0.012m</b> to 2024/25.	
<b>Total</b>	<b>1.093</b>	<b>0.611</b>	<b>1.081</b>	<b>(0.012)</b>	<b>-1</b>	<b>(0.143)</b>			

Variance = Budget v Outturn

Tudalen 86

EDUCATION & YOUTH

Capital Budget Monitoring 2023/24 - Month 6

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Education - General	9.423	2.510	9.423	0.000	0	(0.197)			
Primary Schools	1.294	0.472	1.294	0.000	0	0.000			
Schools Modernisation	3.575	0.088	3.575	0.000	0	0.000			
Secondary Schools	1.881	0.506	1.881	0.000	0	0.000			
Special Education	0.590	(0.005)	0.260	(0.330)	-56	0.000	DDA expenditure now likely cross over financial years fall into 2024/25.	Carry Forward - Request approval to move funding of £0.330m to 2024/25.	
<b>Total</b>	<b>16.763</b>	<b>3.571</b>	<b>16.433</b>	<b>(0.330)</b>	<b>-2</b>	<b>(0.197)</b>			

Variance = Budget v Outturn

SOCIAL SERVICES

Capital Budget Monitoring 2023/24 - Month 6

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Services to Older People	1.010	0.238	1.010	0.000	0	(1.337)			
Learning Disability Services	2.461	(0.010)	2.461	0.000	0	0.000			
Children's Services	1.253	0.545	1.253	0.000	0	0.000			
<b>Total</b>	<b>4.724</b>	<b>0.773</b>	<b>4.724</b>	<b>0.000</b>	<b>0</b>	<b>(1.337)</b>			

Variance = Budget v Projected Outturn



PLANNING, ENVIRONMENT & ECONOMY

Capital Budget Monitoring 2023/24 - Month 6

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Closed Landfill Sites	0.000	0.000	0.000	0.000	0	(0.250)			
Engineering	0.125	0.000	0.027	(0.098)	-78	(0.258)	Works at Greenfield reservoir are to be determined and scheduled in 2024/25 following an inspection.	<b>Carry Forward</b> - Request approval to move funding of <b>£0.098m</b> to 2024/25.	
Energy Services	0.349	(0.155)	0.349	0.000	0	0.000			
Ranger Services	0.140	0.083	0.140	0.000	0	0.000			
Townscape Heritage Initiatives	1.366	0.288	1.247	(0.119)	-9	0.000	The Historic Building Repair Grant expenditure is incurred as and when suitable grant applications are received, £0.089m.  The Shotton Green Infrastructure works are to progress into 2024/25, £0.030m.	<b>Carry Forward</b> - Request approval to move funding of <b>£0.119m</b> to 2024/25.	
Private Sector Renewal/Improvement	0.101	0.033	0.101	0.000	0	0.000			
<b>Total</b>	<b>2.081</b>	<b>0.249</b>	<b>1.864</b>	<b>(0.217)</b>	<b>-10</b>	<b>(0.508)</b>			

Variance = Budget v Outturn

STREETSCENE & TRANSPORTATION

Capital Budget Monitoring 2023/24 - Month 6

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Waste Services	4.022	0.000	4.022	0.000	0	0.000			
Cemeteries	0.259	0.000	0.259	0.000	0	0.000			
Highways	3.851	0.244	3.351	(0.500)	-13	0.000	Decarbonisation of fleet vehicles project to progress into 2024/25.	Carry Forward - Request approval to move funding of <b>£0.500m</b> to 2024/25.	
Local Transport Grant	8.770	4.405	8.770	0.000	0	0.000			
Solar Farms	0.000	0.000	0.000	0.000		(0.046)			
<b>Total</b>	<b>16.902</b>	<b>4.649</b>	<b>16.402</b>	<b>(0.500)</b>	<b>-3</b>	<b>(0.046)</b>			

Variance = Budget v Outturn

## HOUSING &amp; COMMUNITIES

## Capital Budget Monitoring 2023/24 - Month 6

Programme Area	Total Budget	Actual Exp.	Projected Outturn	Variance (Under)/ Over	Variance %age	Variance Prev Qtr	Cause of Variance	Action Required	Comments
	£m	£m	£m	£m	%	£m			
Affordable Housing	0.700	0.000	0.700	0.000	0	0.000			
Disabled Facilities Grants	2.133	1.156	2.133	0.000	0	0.000			DFG spend is customer driven and volatile.
<b>Total</b>	<b>2.833</b>	<b>1.156</b>	<b>2.833</b>	<b>0.000</b>	<b>0</b>	<b>0.000</b>			

Variance = Budget v Outturn

## CAPITAL PROGRAMME &amp; ASSETS

## Capital Budget Monitoring 2023/24 - Month 6

Tudalen 91	Programme Area	Total Budget	Actual Exp.	Projected Outturn	Variance (Under)/ Over	Variance %age	Variance Prev Qtr	Cause of Variance	Action Required	Comments
		£m	£m	£m	£m	%	£m			
	Administrative Buildings	0.994	0.160	0.970	(0.024)	-2	(0.028)	Expenditure is incurred as and when unauthorised encampments occur which prompt target hardening vulnerable locations.	<b>Carry Forward</b> - Request approval to move funding of <b>£0.024m</b> to 2024/25.	
	Community Asset Transfers	0.276	0.276	0.276	0.000	0	(0.548)			
	Leisure Centres & Libraries	0.828	0.517	0.828	0.000	0	(0.245)			
	Play Areas	0.754	0.242	0.624	(0.130)	-17	0.000	Works to progress into 2024/25.	<b>Carry Forward</b> - Request approval to move funding of <b>£0.130m</b> into 2024/25.	Playarea spend is volatile and is driven by the replacement rolling programme.
	Theatr Clwyd	20.747	5.442	20.747	0.000	0	(0.028)			
	<b>Total</b>	<b>23.599</b>	<b>6.637</b>	<b>23.445</b>	<b>(0.154)</b>	<b>-1</b>	<b>(0.849)</b>			

Variance = Budget v Outturn

HOUSING REVENUE ACCOUNT

Capital Budget Monitoring 2023/24 - Month 6

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Disabled Adaptations	1.100	0.445	1.100	0.000	0	0.000			
Energy Services	5.235	2.218	5.235	0.000	0	0.000			
Major Works	1.714	0.682	1.714	0.000	0	0.000			
Accelerated Programmes	0.595	0.146	0.595	0.000	0	0.000			
WHQS Improvements	13.436	5.577	13.436	0.000	0	0.000			
Modernisation/Improvements	2.200	0.000	2.200	0.000	0	0.000			
SHARP	2.000	0.803	2.000	0.000	0	0.000			
<b>Total</b>	<b>26.280</b>	<b>9.871</b>	<b>26.280</b>	<b>0.000</b>	<b>0</b>	<b>0.000</b>			

Variance = Budget v Outturn

## SUMMARY

## Capital Budget Monitoring 2023/24 - Month 6

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
People & Resources	0.387	0.000	0.387	0.000	0	0.000			
Governance	1.093	0.611	1.081	(0.012)	-1	(0.143)			
Education & Youth	16.763	3.571	16.433	(0.330)	-2	(0.197)			
Social Services	4.724	0.773	4.724	0.000	0	(1.337)			
Planning, Environment & Economy	2.081	0.249	1.864	(0.217)	-10	(0.508)			
Streetscene & Transportation	16.902	4.649	16.402	(0.500)	-3	(0.046)			
Housing & Communities	2.833	1.156	2.833	0.000	0	0.000			
Capital Programme & Assets	23.599	6.637	23.445	(0.154)	-1	(0.849)			
<b>Sub Total - Council Fund</b>	<b>68.382</b>	<b>17.646</b>	<b>67.169</b>	<b>(1.213)</b>	<b>-2</b>	<b>(3.080)</b>			
Housing Revenue Account	26.280	9.871	26.280	0.000	0	0.000			
<b>Total</b>	<b>94.662</b>	<b>27.517</b>	<b>93.449</b>	<b>(1.213)</b>	<b>-1</b>	<b>(3.080)</b>			

Variance = Budget v Outturn

INVESTMENT IN COUNTY TOWNS - 2022/23 ACTUAL SPEND

APPENDIX C

TOWN FUNDING	22/23 ACTUAL £000	BUCKLEY		CONNAH'S QUAY		FLINT		HOLYWELL		MOLD		QUEENSFERRY		SALTNEY		UNALLOCATED		TOTALS			
		Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Total £000	
<b>EXPENDITURE</b>																					
<b>HOUSING - HRA</b>																					
SHARP	4,278	32		402		255		3,456		10		33					90		4,278	0	4,278
<b>EDUCATION &amp; YOUTH</b>																					
Ysgol Glanrafon	428									332	96								332	96	428
Ysgol Croes Atti, Flint	431					128	303												128	303	431
Ysgol Croes Atti, Shotton	556			297	259														297	259	556
<b>SOCIAL SERVICES</b>																					
Ty Nyth, Children's Residential Care	1,408									812	596								812	596	1,408
Croes Atti Newydd Residential Care Home, Flint	913					913													913	0	913
Relocation of Tri-Ffordd Day Service provision	239												239						239	0	239
<b>PLANNING, ENVIRONMENT &amp; ECONOMY</b>																					
Solar PV Farms	759			759															759	0	759
<b>STREETSCENE &amp; TRANSPORTION</b>																					
Improvements to Standard Yard Waste Transfer Station	249		249																0	249	249
Highways Maintenance	2,312	331		309				545		595		286		68		179			2,313	0	2,313
Transport Grant	2,992		133		199	15	521	11	183		75		201	70	873		711		96	2,896	2,992
<b>CAPITAL PROGRAMME &amp; ASSETS</b>																					
Trastr Clwyd - Redevelopment	3,197										3,197								0	3,197	3,197
	17,762	363	382	1,767	458	1,311	824	4,012	183	1,749	3,964	319	201	377	873	269	711		10,167	7,596	17,763
<b>AREA TOTAL</b>			745		2,225		2,135		4,195		5,713		520		1,250		980				

AREA TOTAL

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INVESTMENT IN COUNTY TOWNS - 2023/24 REVISED BUDGET

APPENDIX C (Cont)

TOWN FUNDING	REVISED BUDGET £000	BUCKLEY		CONNAH'S QUAY		FLINT		HOLYWELL		MOLD		QUEENSFERRY		SALTNEY		UNALLOCATED		TOTALS			
		Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Total £000	
<b>EXPENDITURE</b>																					
<b>HOUSING - HRA</b>																					
SHARP	2,000						14		736								1,250		0	2,000	2,000
<b>EDUCATION &amp; YOUTH</b>																					
Ysgol Croes Atti, Flint	5,496						5,496												0	5,496	5,496
Ysgol Penyffordd Extension	882	882																	882	0	882
<b>SOCIAL SERVICES</b>																					
Croes Atti Newydd Residential Care Home, Flint	1,000						1,000												0	1,000	1,000
Relocation of Tri-Ffordd Day Service provision	2,461									2,461									2,461	0	2,461
<b>STREETSCENE &amp; TRANSPORTION</b>																					
Improvements to Standard Yard Waste Transfer Station	3,622	3,405	217																3,405	217	3,622
Highways Maintenance	2,694				43				16						11		2,613		2,694	0	2,694
Transport Grant	8,770		561		1,385		300	6	488		505			2,658		287	111	2,469	117	8,653	8,770
<b>CAPITAL PROGRAMME &amp; ASSETS</b>																					
Theatr Clwyd - Redevelopment	20,747									8,747	12,000								8,747	12,000	20,747
<b>HOUSING &amp; COMMUNITIES</b>																					
Affordable Housing	700									700									700	0	700
	48,372	4,287	778	43	1,385	0	6,810	22	1,224	11,908	12,505	11	2,658	11	287	2,724	3,719	19,006	29,366	48,372	

AREAS TOTAL

5,065      1,428      6,810      1,246      24,413      2,669      298      6,443

Tudalen 95

INVESTMENT IN COUNTY TOWNS - 2023/24- MONTH 6

APPENDIX C (Cont)

TOWN FUNDING	ACTUAL TO DATE £000	BUCKLEY		CONNAH'S QUAY		FLINT		HOLYWELL		MOLD		QUEENSFERRY		SALTNEY		UNALLOCATED		TOTALS			
		Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Total £000	
<b>EXPENDITURE</b>																					
<b>HOUSING - HRA</b>																					
SHARP	804						14		736								54		0	804	804
<b>EDUCATION &amp; YOUTH</b>																					
Ysgol Croes Atti, Flint	84						84												0	84	84
Ysgol Penyffordd Extension	111	111																	111	0	111
<b>SOCIAL SERVICES</b>																					
Croes Atti Newydd Residential Care Home, Flint	238						238												0	238	238
<b>STREETSCENE &amp; TRANSPORTION</b>																					
Highways Maintenance	227			43				16				11		11		146			227	0	227
Transport Grant	4,405				1,326		71	2	15		278		2,396		178		139	2	4,403	4,405	
<b>CAPITAL PROGRAMME &amp; ASSETS</b>																					
Theatr Clwyd - Redevelopment	5,441									5,441									0	5,441	5,441
	11,310	111	0	43	1,326	0	407	18	751	0	5,719	11	2,396	11	178	146	193	340	10,970	11,310	

AREA TOTAL

111

1,369

407

769

5,719

2,407

189

339

Tudalen 96



INVESTMENT IN COUNTY TOWNS - 2024- 2026 BUDGET

APPENDIX C (Cont)

TOWN FUNDING	FUTURE BUDGET £000	BUCKLEY		CONNAH'S QUAY		FLINT		HOLYWELL		MOLD		QUEENSFERRY		SALTNEY		UNALLOCATED		TOTALS			
		Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Total £000			
<b>EXPENDITURE</b>																					
<b>EDUCATION &amp; YOUTH</b>																					
Joint Archive Facility, FCC and DCC	3,079									3,079									3,079	0	3,079
Ysgol Croes Atti, Flint	10,404					4,672	5,732												4,672	5,732	10,404
Drury County Primary	4,800	1,680	3,120																1,680	3,120	4,800
Elfed High School	4,488	1,571	2,917																1,571	2,917	4,488
Sallney/Broughton Area	16,000												5,600	10,400					5,600	10,400	16,000
<b>SOCIAL SERVICES</b>																					
Croes Atti Newydd Residential Care Home, Flint	6,137					6,137													6,137	0	6,137
<b>STREETSCENE &amp; TRANSPORTION</b>																					
Highways Asset Management Plan	3,000															3,000			3,000	0	3,000
<b>CAPITAL PROGRAMME &amp; ASSETS</b>																					
Theatr Clwyd - Redevelopment	19,000									19,000									0	19,000	19,000
<b>HOUSING &amp; COMMUNITIES</b>																					
Affordable Housing	13,600															13,600			13,600	0	13,600
	<b>80,508</b>	<b>3,251</b>	<b>6,037</b>	<b>0</b>	<b>0</b>	<b>10,809</b>	<b>5,732</b>	<b>0</b>	<b>0</b>	<b>3,079</b>	<b>19,000</b>	<b>0</b>	<b>0</b>	<b>5,600</b>	<b>10,400</b>	<b>16,600</b>	<b>0</b>	<b>39,339</b>	<b>41,169</b>	<b>80,508</b>	
<b>AREA TOTAL</b>			<b>9,288</b>	<b>0</b>	<b>0</b>	<b>16,541</b>	<b>0</b>	<b>0</b>	<b>22,079</b>	<b>0</b>	<b>16,000</b>	<b>0</b>	<b>16,000</b>	<b>16,600</b>							

**Prudential Indicators Q2 2023/24**

The Council measures and manages its capital expenditure, borrowing and commercial and service investments with references to the following indicators.

It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

**Table 1 - Capital Expenditure in £ millions:** The Council has undertaken and is planning capital expenditure as summarised below. The increase in forecasted expenditure between 2022/23 to 2023/24, in the main relate to works at Theatr Clwyd and the Band B schools programme.

	<b>2022/23 Actual</b>	<b>2023/24 Forecast</b>	<b>2024/25 Budget *</b>	<b>2025/26 Budget</b>
Council Fund	30.016	67.169	28.626	29.737
Housing Revenue Account	24.997	26.280	29.498	24.664
<b>Total</b>	<b>55.013</b>	<b>93.449</b>	<b>58.124</b>	<b>54.401</b>

\* £3.3m of capital expenditure in 2024/25 arises from a change in the accounting for leases and does not represent cash expenditure.

**Table 2 - Capital Financing Requirement in £ millions:** The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt.

	<b>2022/23 Actual</b>	<b>2023/24 Forecast</b>	<b>2024/25 Budget *</b>	<b>2025/26 Budget</b>
Council Fund	218.939	234.594	322.415	330.272
Housing Revenue Account	133.623	135.942	142.334	148.594
<b>Total</b>	<b>352.562</b>	<b>370.536</b>	<b>464.749</b>	<b>478.866</b>

\* £75m of the CFR increase in 2024/25 arises from a change in the accounting for leases.

**Table 3 - Gross Debt and the Capital Financing Requirement in £ millions:** Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	<b>2022/23 Actuals</b>	<b>2023/24 Forecast</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>
Debt (Incl Leases)	297.951	314.336	419.803	432.232
Capital Financing Requirement	352.562	370.536	464.749	478.866

**Table 4 - Debt and the Authorised Limit and Operational Boundary in £ millions:** The Council is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	<b>2023/24 Limit</b>	<b>30.09.23 Actual</b>
Operational Boundary - Total	403	298
Authorised Limit - Total	438	298

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

**Table 5 - Net Income from Commercial and Service Investments to Net Revenue Stream in £ millions:** The Council’s income from commercial and service investments as a proportion of its net revenue stream has been and is expected to be as indicated below.

	<b>2022/23 Actual</b>	<b>2023/24 Forecast</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>
Total net income from service and commercial investment	1.672	1.652	1.652	1.652
Proportion of net revenue stream	0.51%	0.47%	0.46%	0.46%

**Table 6 - Proportion of Financing Costs to Net Revenue Stream in £ millions:** Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue.

The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	<b>2022/23 Actual</b>	<b>2023/24 Forecast</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>
Council Fund	3.6%	3.9%	4.2%	4.4%
HRA	17.2%	17.7%	16.2%	16.7%

Mae'r dudalen hon yn wag yn bwrpasol

# Eitem ar gyfer y Rhaglen 9



## CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Thursday, 16 <sup>th</sup> November 2023
<b>Report Subject</b>	Capital Strategy Including Prudential Indicators 2024/25 to 2026/27
<b>Cabinet Member</b>	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Strategic

### EXECUTIVE SUMMARY

This report updates the Council's Capital Strategy and seeks the Committee's recommendation to Cabinet.

The report explains the need for the Strategy, its key aims, and the content of each of its sections.

Under the Prudential Code for Capital Finance in Local Authorities (the Prudential Code), authorities are required to set a range of Prudential Indicators (PI's). The Capital Strategy includes details of the Council's Prudential Indicators for 2024/25 – 2026/27.

### RECOMMENDATIONS

1	To consider and recommend the Capital Strategy to Cabinet.
2	To consider and recommend to Cabinet:- <ul style="list-style-type: none"><li>• The Prudential Indicators for 2024/25 - 2026/27 as detailed within Tables 1, and 4 – 8 of the Capital Strategy.</li><li>• Delegated authority for the Corporate Finance Manager to effect movements between the separately agreed limits within the authorised limit for external debt and the operational boundary for external debt (Table 6 of the Capital Strategy).</li></ul>

## REPORT DETAILS

<b>1.00</b>	<b>CAPITAL STRATEGY 2024 – 2027</b>
1.01	The Chartered Institute of Public Finance and Accountancy’s Treasury Management in the Public Services: Code of Practice 2021 Edition (the Code), requires that the Council has in place a Capital Strategy (the Strategy). The guidance to the Code defines the specific requirements of the Strategy. This report updates the Strategy for Council’s consideration.
1.02	The key aims of the Strategy are to explain the ways in which the capital programme is developed and funded, the potential impact it has on the Council’s Medium Term Financial Strategy (MTFS) and the way in which it relates to the Council’s Treasury Management Strategy. The Strategy is an overarching document and refers to other documents such as the Capital Programme, the Treasury Management Strategy, and the Minimum Revenue Provision Policy. The Strategy is split into a number of sections as described below. The Strategy is enclosed as Appendix 1.
1.03	<b>Capital Expenditure</b>  This section defines capital expenditure. There is some limited local discretion in the definition as reflected in the Council’s accounting policies.
1.04	<b>Resources</b>  This section explains the way in which the Capital Programme is funded. The Council has a number of funding sources, but these sources are limited and in some cases, particularly capital receipts, diminishing. Some of those sources, particularly prudential borrowing, add pressure to the Council’s MTFS.
1.05	<b>Prioritisation of Capital Expenditure</b>  This section explains the way in which the Capital Programme is divided into three sections and how decisions are made as to which schemes to include in each section in each year.
1.06	<b>Governance</b>  This section explains the governance arrangements in place in the development and monitoring of the capital programme.
1.07	<b>Capital Expenditure Plans</b>  This section refers to the Council’s capital expenditure plans as agreed in its Capital Programme. It covers: <ul style="list-style-type: none"><li>• Capital expenditure plans</li><li>• The way in which those plans are expected to be financed</li><li>• Minimum Revenue Provision</li><li>• Estimates of the Capital Financing Requirement, a measure of unfinanced expenditure</li></ul>

1.08	<p><b>Treasury Management</b></p> <p>This section covers the way in which the Strategy relates to the Council's treasury management activity. It covers:</p> <ul style="list-style-type: none"> <li>• The Council's Borrowing Strategy</li> <li>• The relationship between the Council's debt portfolio and its Capital Financing Requirement</li> <li>• The Authorised Limit and Operational Debt Limits for borrowing, ensuring the limits on the Council's exposure to debt are set</li> <li>• The Council's Investment Strategy</li> <li>• Treasury management governance.</li> </ul>
1.09	<p><b>Commercial activities</b></p> <p>This section reports that the Council has limited commercial activity, having a limited portfolio of investment properties (agricultural properties and industrial units). The Council does not borrow to invest for the primary purpose of financial return.</p>
1.10	<p><b>Liabilities</b></p> <p>This section explains the liabilities which the Council has, in particular the deficit on its pension fund, and links with the Council's Statement of Accounts.</p>
1.11	<p><b>Revenue budget implications</b></p> <p>This section shows the impact of the capital financing costs on the revenue stream of the Council's budget.</p>
1.12	<p><b>Knowledge and skills</b></p> <p>This section details the skills of officers involved in developing and managing the capital programme and treasury management activity, and explains that the Council makes use of external advisers to assist with this activity.</p>
1.13	<p><b>Prudential Indicators</b></p> <p>The Council is required by the Code to develop and monitor Prudential Indicators. These are contained within the various sections of the Strategy, and are indicated as such.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	Financial consequences for capital resources are as set out within the report and in Appendix 1.
2.02	Financial consequences for revenue resources are as set out within the report and in Appendix 1.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>								
3.01	Decisions made which involve the Council's assets and its Capital Programme often have very large and long-term financial implications. The purpose of the Capital Strategy includes setting a clear framework within which such decisions can be made, therefore mitigating the risks involved.								
3.02	<b>Ways of Working (Sustainable Development) Principles Impact</b>								
	<table border="1"> <tr><td>Long-term</td></tr> <tr><td>Prevention</td></tr> <tr><td>Integration</td></tr> <tr><td>Collaboration</td></tr> <tr><td>Involvement</td></tr> </table>	Long-term	Prevention	Integration	Collaboration	Involvement	The impacts upon sustainable development principles of the Capital Programme which influences the Capital Strategy are listed in the Capital Programme 2024/25 – 2026/27 report included elsewhere on this agenda.		
Long-term									
Prevention									
Integration									
Collaboration									
Involvement									
3.03	<b>Well-being Goals Impact</b>								
	<table border="1"> <tr><td>Prosperous Wales</td></tr> <tr><td>Resilient Wales</td></tr> <tr><td>Healthier Wales</td></tr> <tr><td>More equal Wales</td></tr> <tr><td>Cohesive Wales</td></tr> <tr><td>Vibrant Wales</td></tr> <tr><td>Globally responsible Wales</td></tr> </table>	Prosperous Wales	Resilient Wales	Healthier Wales	More equal Wales	Cohesive Wales	Vibrant Wales	Globally responsible Wales	The impacts upon the well-being goals of the Capital Programme which influences the Capital Strategy are listed in the Capital Programme 2024/25 – 2026/27 report included elsewhere on this agenda.
Prosperous Wales									
Resilient Wales									
Healthier Wales									
More equal Wales									
Cohesive Wales									
Vibrant Wales									
Globally responsible Wales									
3.04	<b>Integrated Impact Assessments</b>								
	The integrated impact assessment of the Capital Programme which influences the Capital Strategy are discussed in the Capital Programme 2024/25 – 2026/27 report included elsewhere on this agenda.								

<b>4.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>	
4.01	Any comments from Corporate Resources Overview and Scrutiny Committee on the proposed Capital Strategy will be referred back to the November 2023 meeting of the Cabinet for consideration before the final Capital Strategy for 2024-2027 is considered and approved by County Council in December 2023.	

<b>5.00</b>	<b>APPENDICES</b>	
5.01	Appendix 1 – Capital Strategy 2024/25 – 2026/27	



<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None

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

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<p><b>Capital Expenditure</b> - Expenditure on the acquisition of <b>Non-current Assets</b> or expenditure that extends the life or value of an existing asset</p> <p><b>Capital Programme</b> - The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme</p> <p><b>Capital Receipt</b> - Receipts (in excess of £10,000) from the disposal of an asset</p> <p><b>Capital Scheme</b> - An individual capital project which is monitored and managed in isolation. The aggregate of all schemes comprises the <b>Capital Programme</b></p> <p><b>Capital Strategy</b> - A corporate document providing clear strategic guidance about an authority's objectives, priorities and spending plans, demonstrating the link to key corporate and service objectives</p> <p><b>Council Fund</b> - The fund to which all the Council's revenue and capital expenditure is charged</p> <p><b>Disposal</b> - The decommissioning or transfer of an asset to another party</p> <p><b>Non-current Asset</b> - A resource controlled (but not necessarily owned) by the Council, from which economic benefits or service potential are expected to flow to the Council for more than 12 months</p> <p><b>Prudential Code</b> - The Code of Practice drawn up by the Chartered Institute of Public Finance and Accountancy (CIPFA) to underpin the requirements of the Local Government Act 2003 in respect of an authority's duty to determine the affordability, prudence and sustainability of its capital investment needs</p> <p><b>Prudential Indicators</b> - Required by the <b>Prudential Code</b>, these take the form of limits, estimates or actual figures used to support the local decision making process for capital investment</p>

<p><b>Unsupported Prudential Borrowing</b> - Borrowing administered under the <b>Prudential Code</b>, 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</p>
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# **CAPITAL STRATEGY**

**2024/25 TO 2026/27**

## **CONTENTS**

1	INTRODUCTION
2	CAPITAL EXPENDITURE
3	RESOURCES
4	PRIORITISATION OF CAPITAL EXPENDITURE
5	GOVERNANCE
6	TREASURY MANAGEMENT
7	COMMERCIAL ACTIVITIES
8	LIABILITIES
9	REVENUE BUDGET IMPLICATIONS
10	KNOWLEDGE AND SKILLS

# CAPITAL STRATEGY REPORT 2024/25

## 1. INTRODUCTION

The creation and approval of a capital strategy is now a requirement of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code).

The Code requires the Council to set Prudential Indicators in relation to its Capital Programme. This document includes those Prudential Indicators in tables 1 and, 4 - 8.

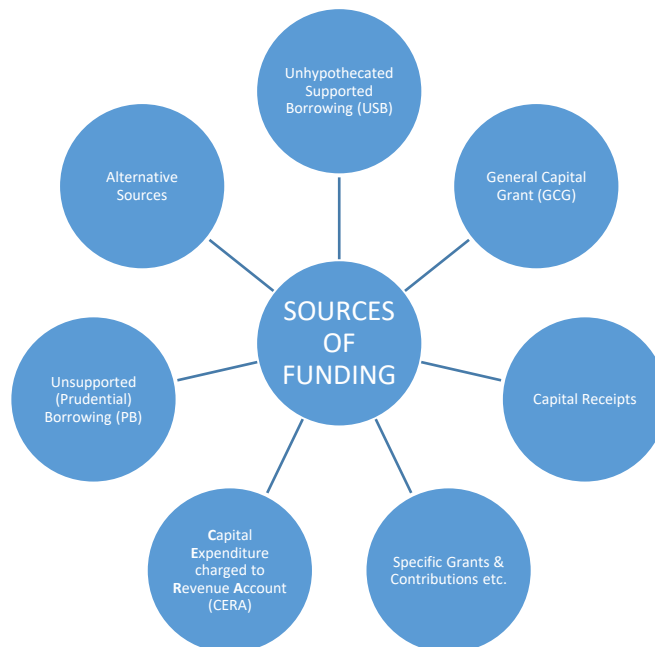
This document updates the capital strategy approved by Council in January 2023. It gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

## 2. CAPITAL EXPENDITURE

Capital expenditure occurs when the Council spends money on assets, such as property or vehicles, which will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

## 3. RESOURCES

The sources of funding available to the Council are described below:



## **Unhypothecated Supported Borrowing (USB), commonly referred to as Supported Borrowing**

Each year Welsh Government provides councils with a Supported Borrowing capital allocation. Councils can then borrow to fund capital expenditure up to that annual allocation, and Welsh Government will include funding to cover the revenue costs associated with that level of borrowing in future years within the Revenue Support Grant. The Council decides how this funding is spent.

## **General Capital Grant (GCG)**

This is the annual capital grant from Welsh Government. The Council decides how this funding is spent.

Supported borrowing and general capital grant will be used to fund capital schemes which:

- invest in, or maintain the life of, existing assets which will be retained for future service delivery
- are statutory / regulatory in nature

The Housing Revenue Account (HRA) equivalent is known as the Major Repairs Allowance (MRA).

## **Capital Receipts**

These are funds raised from the sale of council assets, usually, but not restricted to, land and buildings. Other examples include repayments of loans for capital purposes and release of restrictive covenants.

Capital finance regulations dictate that capital receipts can only be used to fund capital expenditure or repay debt. In the past, regulations required a proportion of all receipts be set aside to repay debt, but this requirement was removed some time ago for the Council Fund and was removed for the HRA with the introduction of self-financing. The Council's policy is to use capital receipts to fund capital expenditure rather than voluntarily set aside to repay debt. The Council sets a Minimum Revenue Provision policy each year which sets out our prudent methods for repayment of debt.

The current policy of pooling all capital receipts to allocate to capital schemes in accordance with the Council's strategic aims and priorities will continue. Capital receipts will not be 'ring-fenced' to fund schemes in the same service or geographical areas (with the exception of the HRA). Capital receipts represent a finite funding source based on a planned approach to asset disposals in support of the Council's priorities. They will be used to fund new capital investment schemes.

Generation of capital receipts depends on our ability to identify assets that are surplus to requirements, and to sell them at an appropriate time which will be subject to local economic factors. In recent years this has been challenging, and will continue to be so. Careful and prudent planning around the timing of capital receipts is needed to ensure schemes funded by capital receipts don't begin until we have received the receipt.

Capital receipts will be generated by continuing with our agricultural disposal policy, our policy to reduce the number of assets that we have and the review of the commercial estate.

Our assets are also supporting the Strategic Housing and Regeneration Programme (SHARP) in innovative ways. We have identified surplus Council owned sites which will be used to develop new housing. This input will need to continue throughout the life of the programme. The impact of this on the generation of capital receipts will need to be carefully mapped and reflected within the wider Capital Programme.

## **Specific Grants and Contributions etc.**

### **Specific Grants**

These are grant allocations received from a range of sponsoring bodies including Welsh Government, Lottery, etc. for associated specific programmes and projects, with limited local discretion on how the funding is spent. Often the terms and conditions of such funding will require unused funding to be returned, and can require the Council to match fund. In times where capital resources are declining the Council will seek to maximise such funding streams, subject to the initiative/scheme reflecting both the third party's agenda and the Council's priorities.

### **Specific Contributions**

These are contributions from developers towards the provision of public assets or facilities. Sometimes these are to mitigate the impact of their development on communities and are often referred to as Section 106 contributions. Contributions are earmarked for specific purposes in planning agreements and often relate to infrastructure projects including play areas, open spaces, and schools, but also including affordable housing. Developers also contribute to highways infrastructure developments through Section 38 and 278 agreements.

### **Specific Capital Loans**

Increasingly, as Welsh Government's funding comes under pressure, capital funding that was previously issued as a specific capital grant is converted into a repayable loan, examples include the Home Improvement Loans fund, and Town Centre Loans funding. Grant funding will always be preferable to loan funding as it does not require repayment, however, loan funding does have benefits. Its use to date has been to provide recyclable loan funding for regeneration purposes. The benefit is that rather than being used to fund a single project, the funding can be recycled and used to fund a number of projects over the term of the loan.

Capital Loans are also available, and have been used, from other sources such as Salix in relation to energy saving projects.

As with grants, the Council will seek to maximise such developments that are in line with its priorities, whilst carefully considering the additional administrative burden in issuing and collecting loans, and the risk it carries from loan defaults.

### **Local Government Borrowing Initiative (LGBI)**

In recent years, as Welsh Government funding has been under pressure, schemes that would have been funded by capital grant have been funded by LGBI. Welsh Government provides the revenue support for borrowing costs incurred by the Council in borrowing to fund capital schemes (the difference with supported borrowing being that it's for a specific purpose aligned to Welsh Government priorities). LGBI has been used for highways maintenance and used to part fund the Welsh Government element of the Sustainable Communities for Learning – 'Band A'.

### **Capital Expenditure charged to Revenue Account (CERA)**

Capital expenditure can be funded via a direct contribution from revenue funding (note: capital financing regulations mean it is not possible to use capital funding to fund revenue expenditure). This method of funding is extensively used by the HRA and will continue to be in the future. Its use for Council Fund activity is generally quite limited as this would add pressure to the revenue budget as forecast in the Medium Term Financial Strategy (MTFS).

## **Unsupported Prudential Borrowing (commonly referred to as Prudential Borrowing)**

The Prudential Code for Capital Finance in Local Authorities supports local authorities in determining their programmes for capital investment in assets (we are required by regulation to follow its requirements). The Prudential Code gives councils discretion to undertake borrowing to fund capital projects with the full cost of borrowing funded from future council revenue resources subject to the Council demonstrating, within a clear framework, that the capital investment plans are affordable, prudent and sustainable. A range of prudential indicators must be produced and approved demonstrating the impact of the programme. This option for funding additional capital developments is one which is funded from within existing revenue budgets or from generating additional and ongoing income streams, there is no support from any external funding which is a major constraint on its use as any scheme funded by prudential borrowing will add to the forecast budget deficit in the MTFS.

To date, limited use has been made of the option following cautious and prudent consideration of long term impacts. This approach will continue to be used with schemes that have a clear financial benefit such as 'invest to save', 'spend to earn', and those that generate returns over and above the costs of debt. The focus will be to fund schemes that are the Council's priorities, attract third party funding and generate revenue benefits in future financial years in the form of revenue savings, income generation or increasing Council Tax yield. In addition, prudential borrowing will be used to fund the Council element of Sustainable Communities for Learning – 'Band B', Croes Atti Residential Care Home and the HRA SHARP schemes.

### **Alternative Sources**

There are a number of other alternative sources of capital funding which the Council could make use of, depending on circumstances and cost:-

- Finance Leases - Leases that transfers (to the lessee) substantially all the risks and rewards of ownership of an asset, even though ownership may not be transferred. This method was used for the equipment at Deeside Leisure Centre and the Jade Jones Pavilion, Flint.
- Public Private Partnerships (PPPs) - This is a broad term for various arrangements in which the Council has a longer and more intensive relationship with a private sector supplier than it does under a traditional contract. It includes:-
  - PFI contracts;
  - Local Asset Backed Vehicles (LABVs);
  - Strategic partnering;
  - Sale and Lease back;
  - Joint Ventures;
  - Deferred Purchase, and
  - Mutual Investment Model (MIM)

To date, the Council has made very limited use of alternative funding options listed above. In future all options, along with any new initiatives, will be explored and used carefully. Capital schemes funded from alternative sources are likely to increase the Council's debt liability, therefore use will be restricted and considered in the same way as prudential borrowing.



## 4. PRIORITISATION OF CAPITAL EXPENDITURE

The purpose of the Capital Programme is to optimise the Council’s use of capital resources by allocation to those areas identified as representing the strategic priorities of the Council. The Programme is split into 3 sections;

- Statutory / Regulatory Programme consisting of an annual allocation to fund schemes of a statutory / regulatory nature. Examples include providing financial support to repair, improve and adapt private sector homes, and adapting schools for disabled children. Service areas will be required to submit plans for approval before the start of each financial year.
- Retained Asset Programme consisting of an annual allocation to fund schemes that maintain, improve or lengthen the economic life of the assets that we retain to use in delivering services where there is already a significant amount of capital work needed, identified by service plans / condition surveys etc. Service areas identified are: schools, highways, and corporate office accommodation. Service areas are required to submit plans for approval before the start of each financial year.
- Investment Programme consisting of allocations to fund new schemes arising from Portfolio Business Plans. Such schemes will be necessary to achieve revenue efficiencies included within Portfolio Business Plans, the MTFS and our strategic priorities as included in the Council Plan. Approval of such schemes will be through the submission of a full business case identifying the source of capital funding and the asset’s lifetime costs going forward.

**Funding of schemes will be allocated as shown below:**

Statutory / Regulatory Programme	Retained Asset Programme	Investment Programme	
General Capital Grant	Supported Borrowing	Capital Receipts	Debt and Alternative Sources of Funding

Capital Programmes will be set every year covering a timeframe of the next 3 financial years on a rolling basis, reflecting that capital schemes don’t match financial years and span more than 1 financial year. Schemes starting in that first financial year will be approved along with any costs and funding required in the subsequent 2 financial years. Schemes starting later than the first financial year will be given indicative support to enable services to plan, but will ultimately require formal approval through the process of approving the subsequent years’ Capital Programme.

Sufficient ‘headroom’ will be built into the Capital Programme to facilitate more flexibility, thus allowing smaller schemes to be presented, considered and approved by Cabinet in year. Such schemes arise in year due to, for example, grants that require an element of match funding or unforeseen events such as regulatory works etc.

The development of the Capital Programme will be considered in the context of its impact on the Council’s MTFS and in particular the added pressure the Capital Programme may bring to the revenue budget.

## 5. GOVERNANCE

Planning for the Capital Programme is determined in parallel with service and revenue budget planning process within the framework of the MTFS.

New investment capital schemes will be rigorously appraised through submission of full business cases which will include schemes funded by grants or contributions from 3<sup>rd</sup> parties. Large schemes which are programmes in their own right will be subject to gateway reviews at stages during the programme, for example Sustainable Communities for Learning and SHARP. This ensures that the evidence and the case for change when the scheme was initially approved is still valid, and that lessons learned from early stages can be applied to future stages.

Those portfolios with core allocations will submit annual plans for assessment and challenge by the Capital and Assets Programme Board to ensure compliance with the Capital Strategy and the Asset Management Plan.

The Capital Programme, where possible, will be set for each coming financial year before the annual budget, and will include indicative figures spanning the same time frame as the MTFS.

Monitoring of the annual Capital Programme will be undertaken at a Portfolio level by the Capital and Technical Accounting Team, with progress updates given to the Capital and Assets Programme Board. Reporting to Members will take place quarterly to Cabinet and Corporate Resources Overview and Scrutiny Committee including:

- New schemes or additions to existing schemes
- Removal of or reductions to schemes
- Slippage on schemes, and impact on future years capital programme
- Funding virements between schemes
- Other necessary revisions to the scheme

The Capital and Assets Programme Board will develop processes for monitoring the outcomes of capital schemes and measures to monitor the performance of assets.

### Capital expenditure plans

The Council's planned capital expenditure for the period 2024/25 to 2026/27 is summarised below:

**Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions**

	<b>2024/25 Estimate *</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Council Fund	28.626	29.737	26.079
Housing Revenue Account	29.498	24.664	25.018
<b>Total</b>	<b>58.124</b>	<b>54.401</b>	<b>51.097</b>

\*£3.3m of capital expenditure in 2024/25 arises from a change in the accounting for leases and does not represent cash expenditure.

The Council's Capital Programme is due to be approved by Council in December 2023, and details can be found on the Council's website.

The Council is planning a number of significant investments during the period of this strategy. In particular, it is investing substantially in its schools in conjunction with Welsh Government through the Sustainable Communities for Learning Band B programme; build of a new Croes Atti Residential Care Home, to develop care homes that value older people and provide good quality support; has plans, and in conjunction with its partners, to create a new archive building to deliver a single archive service for North East Wales. More detail is available in the Capital Programme 2024/25 – 2026/27 report.

The HRA is a ‘ring-fenced’ account which ensures that council housing does not subsidise, or is itself subsidised by, other local services. HRA capital expenditure is therefore recorded separately. The Council has plans to invest significantly in housing assets over the period of the strategy, including the building of new homes as part of the SHARP, as well as maintaining its stock in line with the Welsh Housing Quality Standard (WHQS).

In addition, part of SHARP is to build new homes for rent at intermediate rent levels (between social housing rents and market rents). This is achieved by making capital loans to the Council’s wholly owned subsidiary, North East Wales Homes Ltd (NEW Homes) to build affordable homes.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council’s own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing etc.). The planned financing of the above expenditure is as follows, broken down into the sources detailed above:

**Table 2: Capital Financing in £ millions**

	<b>2024/25 Estimate *</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
<b>Council Fund</b>			
<u>External Sources</u>			
USB	4.025	4.025	4.025
GCG	4.134	4.134	4.134
Specific Grants/Contrib's/Loans	9.464	15.280	12.946
<u>Own Resources</u>			
Capital Receipts	2.927	0.000	0.000
<u>Debt</u>			
Prudential Borrowing	8.076	6.298	4.974
<b>Sub Total - Council Fund</b>	<b>28.626</b>	<b>29.737</b>	<b>26.079</b>

<b>Housing Revenue Account</b>			
<u>External Sources</u>			
MRA	4.978	4.978	4.978
Specific Grants/Contrib's/Loans	1.900	0.300	0.300
<u>Own Resources</u>			
CERA	14.467	15.233	15.587
<u>Debt</u>			
Prudential Borrowing	8.153	4.153	4.153
<b>Sub Total - HRA</b>	<b>29.498</b>	<b>24.664</b>	<b>25.018</b>
<b>TOTAL</b>	<b>58.124</b>	<b>54.401</b>	<b>51.097</b>

\*£3.3m of capital expenditure in 2024/25 arises from a change in the accounting for leases and does not represent cash expenditure.

Debt is only a temporary source of finance, as any loans or leases must be repaid. Local authorities are required each year under regulations, to set aside some of their revenue resources as provision for the repayment of debt. The annual charge to the revenue account for repaying debt is known as the Minimum Revenue Provision (MRP). Planned MRP is as follows:

**Table 3: Replacement of prior years' debt finance in £ millions**

	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Council Fund	3.563	3.982	4.341
Housing Revenue Account	1.762	1.893	2.028

Local authorities are required to set a policy for MRP each financial year. The Council sets its annual MRP policy in February each year and this is available on its website.

Alternatively, capital receipts may be used to repay debt by applying capital receipts to the Capital Financing Requirement (CFR).

The Council's cumulative outstanding amount of capital expenditure financed by debt is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and any capital receipts used to repay debt. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

**Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions**

	<b>2024/25 Estimate *</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Council Fund	322.415	330.272	340.555
Housing Revenue Account	142.334	148.594	154.719
<b>Total</b>	<b>464.749</b>	<b>478.866</b>	<b>495.274</b>

\*£75m of the CFR increase in 2024/25 arises from a change in the accounting for leases.

## 6. TREASURY MANAGEMENT

Treasury Management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs as they fall due, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

Due mainly to decisions taken in the past, the Council currently (30<sup>th</sup> September 2023) has £293m long term borrowing at an average interest rate of 4.5%, and no short term borrowing. It also has £33m treasury investments at an average interest rate of 5.08%.

**Borrowing strategy:** The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheaper short-term loans (currently available at around 5.5%) and long-term fixed rate loans where the future cost is known but higher (currently 5.6% to 5.8%).

The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.

Projected levels of the Council's total outstanding debt (which comprises borrowing and leases) are shown below, compared with the capital financing requirement (see above).

**Table 5: Prudential Indicator: Gross Debt & the Capital Financing Requirement in £ millions**

	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Debt (Incl Leases)	419.803	432.232	445.785
Capital Financing Requirement	464.749	478.866	495.274

Statutory guidance is that debt should remain below the Capital Financing Requirement, except in the short-term. As can be seen from Table 5, the Council expects to comply with this in the medium term.

**Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

**Table 6: Prudential Indicators: Authorised Limit & Operational Boundary for external debt in £m**

	2024/25 Limit	2025/26 Limit	2026/27 Limit
Authorised Limit - Borrowing	485	499	515
Authorised Limit - Other long term liabilities	35	35	35
Authorised Limit - Total External Debt	520	534	550
Operational Boundary - Borrowing	410	425	443
Operational Boundary - Other long term liabilities	75	74	72
Operational Boundary - Total External Debt	485	499	515

**Treasury Investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council’s policy on treasury investments is to prioritise security and liquidity over yield that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

**Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Corporate Finance Manager and the Treasury Management team, who must act in line with the Treasury Management Strategy approved annually by the Council in February. Quarterly reports on treasury management activity are presented to the Governance and Audit Committee. The Governance and Audit Committee is responsible for scrutinising treasury management decisions.

The Council sets a Treasury Management Policy Statement, an annual Treasury Management Strategy and Treasury Management Schedules and Practices which contain further details on the Council’s borrowing strategy, investment strategy and treasury management governance which are available on its website.

## 7. COMMERCIAL ACTIVITIES

The Council has a portfolio of investment properties, in the form of agricultural property and industrial units. Although these are classified as investment properties, they are legacy assets and the Council is managing down its agricultural portfolio and is reviewing its position in regard to industrial units. The Council does not borrow to invest for the primary purpose of financial return.

**Table 7: Prudential Indicator: Net Income from Commercial and Service Investments to Net Revenue Stream**

	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Total net income from service and commercial investment	1.652	1.652	1.652
Proportion of net revenue stream	0.46%	0.46%	0.46%

## 8. LIABILITIES

In addition to debt of £293m detailed above, the Council is committed to making future payments to cover any required pension fund deficit (valued at £78m, March 2023). It has also set aside £1m to cover the risks associated with the aftercare of former landfill sites, and £3.3m as a provision against bad debts.

The Council is also at risk of having to pay for any additional works necessary at landfill sites, payments in respect of historic insurance, abuse and housing disrepair claims, costs involved in some employment tribunal cases, and has given pension guarantees on behalf of various alternative service delivery models. The Council has not set aside any funds because of a lack of certainty in estimating the size and timing of these liabilities.

**Governance:** Decisions on incurring new discretionary liabilities are taken by Chief Officers in consultation with the Corporate Finance Manager. The risk of liabilities crystallising and requiring payment is monitored by corporate finance and reported as required to Cabinet.

Further details on liabilities and guarantees are in the contingent liability section in Note 34 of the Council's 2022/23 Statement of Accounts available on its website.

## 9. REVENUE BUDGET IMPLICATIONS

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Revenue Support Grant, Council Tax and business rates (NNDR) for the Council Fund, and the HRA equivalent is the amount to be met from Welsh Government grants and rent payers.

**Table 8: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream**

	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Council Fund	4.17%	4.43%	4.56%
HRA	16.16%	16.71%	16.66%

**Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Corporate Finance Manager is satisfied that the proposed Capital Programme is prudent, affordable and sustainable because the impact of the existing Capital Programme on the MTFS has been considered, and the revenue implications of future capital schemes are included when considering the approval of the capital budget.

Other revenue implications of capital expenditure are included in business cases and are factored into the MTFS.

## **10. KNOWLEDGE AND SKILLS**

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Corporate Finance Manager is a qualified accountant with significant experience. The Council pays for junior staff to study towards relevant professional qualifications, including CIPFA and AAT.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisors. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.



# Eitem ar gyfer y Rhaglen 10



## CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Thursday, 16 <sup>th</sup> November 2023
<b>Report Subject</b>	Capital Programme 2024/25 – 2026/27
<b>Cabinet Member</b>	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
<b>Report Author</b>	Chief Executive Corporate Manager – Capital Programme and Assets Corporate Finance Manager
<b>Report Type</b>	Strategic

### EXECUTIVE SUMMARY

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

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

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

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

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

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

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

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

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

## RECOMMENDATIONS

1	To 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 2024/25 - 2026/27.
2	To consider and support the schemes included in Table 4 (paragraph 1.32) for the Investment section of the Council Fund Capital Programme 2024/25 - 2026/27.
3	To note that the shortfall in funding of schemes in 2024/25 and 2025/26 in Table 5 (paragraph 1.37) at this point in the approval process allows flexibility. Options including a combination of future capital receipts, alternative grants (if available), prudential borrowing or the re-phasing of schemes will be considered during 2024/25 and included in future Capital Programme reports.
4	To consider and support 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.
5	To consider the report and feedback any comments for Cabinet to consider before the Capital Programme 2024/25 – 2026/27 report is considered by Council.

## REPORT DETAILS

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

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

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

**Table 1**

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

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

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

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

1.06

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

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

**Table 2**

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

1.07

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

1.08

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

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

1.09

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

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

**Table 3**

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

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

1.11 Equalities Act – Individual pupils

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

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

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

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



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

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

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

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

**Table 4**

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

1.33

Joint Archive Facility, Flintshire and Denbighshire Councils

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

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

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

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

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

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

#### Direct Costs:

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

#### Direct Benefits:

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

#### Indirect Benefits:

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

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

Direct Costs:

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

Direct Benefits:

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

Indirect Benefits:

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



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

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

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

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

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

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

Direct Costs:

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

Direct Benefits:

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

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

Indirect Benefits:

- Reduced travel costs and time with children placed locally

1.37

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

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

**Table 5**

<b>SUMMARY (GENERALLY FUNDED) CAPITAL PROGRAMME 2024/25 - 2026/27</b>				
	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Statutory / Regulatory Section	2.970	2.970	2.970	8.910
Retained Assets Section	7.073	6.018	4.051	17.142
Investment Section	5.800	1.119	3.018	9.937
<b>Total (All Sections)</b>	<b>15.843</b>	<b>10.107</b>	<b>10.039</b>	<b>35.989</b>
Estimated available general funding <sup>1</sup>	11.086	8.159	8.159	27.404
<b>Total</b>	<b>11.086</b>	<b>8.159</b>	<b>8.159</b>	<b>27.404</b>
<b>Surplus / (Shortfall) - no borrowing</b>	<b>(4.757)</b>	<b>(1.948)</b>	<b>(1.880)</b>	<b>(8.585)</b>
<b>Schemes requiring funding by borrowing:</b>				
Joint Archive Facility, FCC and DCC	0.000	0.019	2.618	2.637
Croes Atti Residential Care Home	3.500	0.000	0.000	3.500
Re:Fit Framework	1.000	0.500	0.000	1.500
Development of Children's Residential Care	0.000	0.600	0.400	1.000
<b>Total</b>	<b>4.500</b>	<b>1.119</b>	<b>3.018</b>	<b>8.637</b>
<b>Surplus / (Shortfall) - with borrowing</b>	<b>(0.257)</b>	<b>(0.829)</b>	<b>1.138</b>	<b>0.052</b>
<sup>1</sup> As per 2023/24 Settlement				

1.38

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

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

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

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

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

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

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

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

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

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

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

Direct Benefits:

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

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

Direct Costs:

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

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

Indirect Benefits:

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

1.41

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

**Table 6**

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

1.42	At the time of setting the budget, the details of many capital grants have not been released by WG, and so are not included in Table 6 above. As details become available they will be reported to Members via the quarterly 2024/25 Capital Programme monitoring reports.																																																																																
1.43	All of the schemes proposed for inclusion within the Capital Programme invest in assets and / or reconfigure models of service provision. They are pivotal to support the delivery of the Council's strategic priorities outlined in portfolio business plans and the Council Plan.																																																																																
1.44	<p><b>Summary Total Council Fund Capital Programme 2024/25 - 2026/27</b></p> <p>Table 7 summarises the total proposals for the 2024/25 - 2026/27 Capital Programme.</p> <p><b><u>Table 7</u></b></p> <table border="1" data-bbox="365 768 1383 1597"> <thead> <tr> <th colspan="5" style="text-align: center;"><b>SUMMARY CAPITAL PROGRAMME 2024/25 - 2026/27</b></th> </tr> <tr> <th></th> <th style="text-align: center;">2024/25</th> <th style="text-align: center;">2025/26</th> <th style="text-align: center;">2026/27</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"><b>Expenditure</b></td> </tr> <tr> <td>Statutory / Regulatory Section</td> <td style="text-align: right;">2.970</td> <td style="text-align: right;">2.970</td> <td style="text-align: right;">2.970</td> <td style="text-align: right;">8.910</td> </tr> <tr> <td>Retained Assets Section</td> <td style="text-align: right;">7.073</td> <td style="text-align: right;">6.018</td> <td style="text-align: right;">4.051</td> <td style="text-align: right;">17.142</td> </tr> <tr> <td>Investment Section</td> <td style="text-align: right;">5.800</td> <td style="text-align: right;">1.119</td> <td style="text-align: right;">3.018</td> <td style="text-align: right;">9.937</td> </tr> <tr> <td>Specific Section</td> <td style="text-align: right;">9.483</td> <td style="text-align: right;">12.430</td> <td style="text-align: right;">8.840</td> <td style="text-align: right;">30.753</td> </tr> <tr> <td><b>Total Programme (All Sections)</b></td> <td style="text-align: right;"><b>25.326</b></td> <td style="text-align: right;"><b>22.537</b></td> <td style="text-align: right;"><b>18.879</b></td> <td style="text-align: right;"><b>66.742</b></td> </tr> <tr> <td colspan="5"><b>Funding</b></td> </tr> <tr> <td>General Funding <sup>1</sup></td> <td style="text-align: right;">11.086</td> <td style="text-align: right;">8.159</td> <td style="text-align: right;">8.159</td> <td style="text-align: right;">27.404</td> </tr> <tr> <td>Grant Funding</td> <td style="text-align: right;">6.164</td> <td style="text-align: right;">8.080</td> <td style="text-align: right;">5.746</td> <td style="text-align: right;">19.990</td> </tr> <tr> <td>Unsupported (Prudential) Borrowing</td> <td style="text-align: right;">7.819</td> <td style="text-align: right;">5.469</td> <td style="text-align: right;">6.112</td> <td style="text-align: right;">19.400</td> </tr> <tr> <td><b>Total Projected Funding</b></td> <td style="text-align: right;"><b>25.069</b></td> <td style="text-align: right;"><b>21.708</b></td> <td style="text-align: right;"><b>20.017</b></td> <td style="text-align: right;"><b>66.794</b></td> </tr> <tr> <td><b>Surplus / (Shortfall)</b></td> <td style="text-align: right;"><b>(0.257)</b></td> <td style="text-align: right;"><b>(0.829)</b></td> <td style="text-align: right;"><b>1.138</b></td> <td style="text-align: right;"><b>0.052</b></td> </tr> <tr> <td colspan="5"><small>1 As per 2023/24 Provisional Settlement</small></td> </tr> </tbody> </table>	<b>SUMMARY CAPITAL PROGRAMME 2024/25 - 2026/27</b>						2024/25	2025/26	2026/27	Total		£m	£m	£m	£m	<b>Expenditure</b>					Statutory / Regulatory Section	2.970	2.970	2.970	8.910	Retained Assets Section	7.073	6.018	4.051	17.142	Investment Section	5.800	1.119	3.018	9.937	Specific Section	9.483	12.430	8.840	30.753	<b>Total Programme (All Sections)</b>	<b>25.326</b>	<b>22.537</b>	<b>18.879</b>	<b>66.742</b>	<b>Funding</b>					General Funding <sup>1</sup>	11.086	8.159	8.159	27.404	Grant Funding	6.164	8.080	5.746	19.990	Unsupported (Prudential) Borrowing	7.819	5.469	6.112	19.400	<b>Total Projected Funding</b>	<b>25.069</b>	<b>21.708</b>	<b>20.017</b>	<b>66.794</b>	<b>Surplus / (Shortfall)</b>	<b>(0.257)</b>	<b>(0.829)</b>	<b>1.138</b>	<b>0.052</b>	<small>1 As per 2023/24 Provisional Settlement</small>				
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1.46	<p><b>Sustainable Communities for Learning</b></p> <p>The WG schools investment programme is expected to continue into a more fluid rolling 'Band C' programme, with the expectation is that this will run from 2025 to 2030.</p>																																																																																

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



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

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

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

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

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

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

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



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

<b>4.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
4.01	<p>Any comments from Corporate Resources Overview and Scrutiny Committee on the proposed Capital Programme will be referred back to the November 2023 meeting of the Cabinet for consideration before the final Capital Programme for 2024/25 – 2026/27 is considered and approved by County Council in December 2023.</p>

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

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

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

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

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.

Mae'r dudalen hon yn wag yn bwrpasol