

FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Tuesday, 7 December 2021
Report Subject	Capital Programme 2022/23 – 2024/25
Report Author	Chief Executive Corporate Finance Manager

EXECUTIVE SUMMARY

This report presents the proposed Capital Programme for the period 2022/23 – 2024/25 for approval by Council.

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

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

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

1. Statutory / Regulatory - allocations to cover regulatory and statutory works.
2. Retained Assets - allocations to fund infrastructure works necessary to ensure service and business continuity.
3. Investment - allocations to fund works necessary to remodel services to deliver efficiencies outlined in portfolio business plans and invest in services as outlined in the Council Plan.

Historically, much of the Council's programme has been funded from capital receipts and grants. The Council's ability to generate significant capital receipts is challenging as the assets the Council has available for disposal diminish. Wherever possible every opportunity to identify assets for sale and other sources of funding such as specific grants and revenue contributions will be explored. However, the Council will need to use prudential borrowing to finance more of the programme going forward. In particular, the 21st Century Schools Band B programme, and other schemes included within the investment programme will need to be funded through prudential borrowing.

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

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

RECOMMENDATIONS

1	To approve the allocations and schemes in Table 3 (paragraph 1.09) for the Statutory/Regulatory and Retained Assets sections of the Council Fund Capital Programme 2022/23 - 2024/25.
2	To approve the schemes included in Table 4 (paragraph 1.29) for the Investment section of the Council Fund Capital Programme 2022/23 - 2024/25.
3	To note that the shortfall in funding of schemes in 2022/23, 2023/24 and 2024/25 in Table 5 (paragraph 1.38) 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 2022/23, and included in future Capital Programme reports.
4	To consider and approve the schemes included in Table 6 (paragraph 1.44) for the specifically funded section of the Council Fund Capital Programme which will be funded in part through borrowing.

REPORT DETAILS

1.00	EXPLAINING THE CAPITAL PROGRAMME 2022/23 – 2024/25
1.01	<p>The Council’s Capital Programme encompasses investing significant resources in assets for the long term to enable the delivery of high quality, value for money public services. Assets include buildings (such as schools, care homes and day centres), infrastructure (such as highways, IT networks, and waste transfer stations), and assets not owned by the Council (such as works to improve and adapt private sector homes). The proposed capital investments outlined within this report are closely aligned to portfolio service business plans and the Council Plan.</p> <p>The Council has limited capital resources from Welsh Government (WG) to support Council priorities, needs and liabilities; however, it has the powers to fund capital schemes by borrowing, but this is temporary and ultimately the cost and repayment of any borrowing is charged to the Council’s revenue budget. Schemes funded by borrowing are carefully considered due to the long term impacts on the Council’s revenue budget.</p> <p>The first half of this report covers parts of the Capital Programme where the Council invests in local infrastructure, facilities and assets, which will be funded from general capital resources (General Capital Grant, Unhypothecated Supported Borrowing and Capital Receipts). Regional programmes such as the Growth Deal for North Wales which will draw on national funds, and the Housing Revenue Account (HRA) Capital Programme, which is separate and includes the Welsh Housing Quality Standard (WHQS) work programme and 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 21st Century Schools Programme, delivered in partnership between the Council and WG.</p>
1.02	<p>General Capital Programme 2021/22 – 2023/24 Update</p> <p>The Council’s Capital Strategy divides the Capital Programme into three parts as follows.</p> <ol style="list-style-type: none"><li data-bbox="368 1615 1378 1800">1. Statutory / Regulatory section – to cover regulatory and statutory works. Examples include providing support to improve and adapt private sector homes (Disabled Facilities Grants), adaptations to schools for children with disabilities and any works required to keep buildings open by meeting Health and Safety requirements.<li data-bbox="368 1839 1378 2024">2. Retained Assets section – to ensure service and business continuity. This includes schemes that enhance and improve retained assets and infrastructure to deliver services and meets significant need identified by service plans or through condition surveys etc.

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

1.03 Table 1 below summarises the updated Council funded Capital Programme for 2021/22 – 2023/24 as reported at Month 6 2021/22:

Table 1

ESTIMATED FUNDING 2021/22 - 2023/24				
	2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m
Funding				
Un-hypothecated Supported Borrowing (USB) ¹	4.040	4.040	4.040	12.120
General Capital Grant (GCG) ¹	2.492	2.492	2.492	7.476
Additional General Capital Grant (GCG) 1	1.559	0.000	0.000	1.559
Surplus B/Fwd	4.004	0.000	0.000	4.004
Total Funding	12.095	6.532	6.532	25.159
Expenditure				
Total Capital Programme 2021/22 - 2023/24	8.632	6.502	5.878	21.012
	8.632	6.502	5.878	21.012
Surplus / (Shortfall)	3.463	0.030	0.654	4.147
1 As per 21/22 Final Settlement				

1.04 Table 1 shows the current position of the Capital Programme 2021/22 – 2023/24 as reported at Month 6 to Cabinet and Corporate Resources Overview and Scrutiny Committee an overall surplus in funding of £4.147m, with a surplus in 2021/22 of £3.463m.

When the budget was set in December 2020, there was a shortfall in funding of schemes in 2021/22 and surplus in 2022/23 and 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 2021/22.

1.05 Given the current position in setting the Capital Programme for the next 3 years 2022/23 – 2024/25, careful consideration has been given to new schemes proposed for inclusion as, should other sources of funding not materialise, the Council will need to use prudential borrowing to finance the remainder of the programme going forward.

1.06	<p>Projected General Funding Available 2022/23 - 2024/25</p> <p>Table 2 below shows the general capital funding currently projected to be available to fund the Capital Programme over the next 3 years (2022/23 - 2024/25).</p> <p>Table 2</p> <table border="1" data-bbox="339 432 1374 913"> <thead> <tr> <th colspan="5">ESTIMATED AVAILABLE FUNDING 2022/23 - 2024/25</th> </tr> <tr> <th></th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>Total</th> </tr> <tr> <th></th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td colspan="5">Funding (Excluding Specific Funding)</td> </tr> <tr> <td>Un-hypothecated Supported Borrowing (USB) ¹</td> <td>4.040</td> <td>4.040</td> <td>4.040</td> <td>12.120</td> </tr> <tr> <td>General Capital Grant (GCG) ¹</td> <td>2.492</td> <td>2.492</td> <td>2.492</td> <td>7.476</td> </tr> <tr> <td>Surplus B/Fwd from 2021/22</td> <td>3.463</td> <td>0.000</td> <td>0.000</td> <td>3.463</td> </tr> <tr> <td>Total</td> <td>9.995</td> <td>6.532</td> <td>6.532</td> <td>23.059</td> </tr> <tr> <td colspan="5">¹ As per 21/22 Final Settlement</td> </tr> </tbody> </table>	ESTIMATED AVAILABLE FUNDING 2022/23 - 2024/25						2022/23	2023/24	2024/25	Total		£m	£m	£m	£m	Funding (Excluding Specific Funding)					Un-hypothecated Supported Borrowing (USB) ¹	4.040	4.040	4.040	12.120	General Capital Grant (GCG) ¹	2.492	2.492	2.492	7.476	Surplus B/Fwd from 2021/22	3.463	0.000	0.000	3.463	Total	9.995	6.532	6.532	23.059	¹ As per 21/22 Final Settlement				
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1.07	<p>Table 2 assumes that the Un-hypothecated Supported Borrowing allocation and the General Capital Grant received from WG in the years 2022/23 to 2024/25 remains the same as included in the information provided in the 2021/22 final Financial Settlement for Welsh local government. The 2022/23 Provisional Settlement for Welsh local government announcement has been provisionally set for the 20th December.</p>																																													
1.08	<p>The figures in Table 2 relate to the Council Fund (CF) only, with the HRA Capital Programme being reported separately.</p>																																													
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1.09	<p>Statutory / Regulatory and Retained Asset Allocations – 2022/23 – 2024/25</p> <p>Table 3 shows the proposed allocations for the period 2022/23 - 2024/25 for the Statutory / Regulatory and Retained Asset sections of the Capital Programme.</p>																																													

Table 3

PROPOSED ALLOCATIONS 2022/23 - 2024/25				
	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m
Statutory / Regulatory Section				
Equalities Act - Individual pupils	0.500	0.500	0.500	1.500
Disabled Facilities Grants	1.660	1.660	1.660	4.980
Private Sector Housing Renewal	0.040	0.040	0.040	0.120
School building works	0.500	0.500	0.500	1.500
Corporate property works	0.300	0.300	0.300	0.900
Upgrade of kitchen equipment in schools	0.050	0.050	0.000	0.100
School safeguarding works	0.100	0.100	0.100	0.300
Target Hardening	0.030	0.030	0.030	0.090
Total Statutory / Regulatory	3.180	3.180	3.130	9.490
Retained Assets Section				
School building works	1.000	1.000	1.000	3.000
Corporate property works	0.300	0.300	0.300	0.900
Highways asset management plan	1.000	1.000	1.000	3.000
Play areas	0.200	0.200	0.200	0.600
ICT - Equipment at Datacentres	0.050	0.000	0.510	0.560
ICT - Server Technology	0.210	0.000	0.070	0.280
ICT - Laptop / PC Replacements	0.103	0.104	0.092	0.299
Works to the Greenfield Valley Reservoirs	0.038	0.000	0.000	0.038
Base Provision for Leisure and Libraries Estate	0.200	0.200	0.200	0.600
All Weather Pitches	0.300	0.195	0.000	0.495
Public Space CCTV Upgrades	0.045	0.033	0.000	0.078
New Street Car Park - Retaining Wall / Attenuation	0.144	0.000	0.000	0.144
Shredder replacement at Greenfield HRC	0.400	0.000	0.000	0.400
'Headroom'	0.350	0.350	0.350	1.050
Total Retained Assets Section	4.340	3.382	3.722	11.444

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 1.28 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.

The budget as it currently stands, does not meet the demands for the physical adaptations required. It is proposed to increase the allocation by

	£0.200m, to £0.500m, for 2022/23 to 2024/25 to enable continued delivery of school adaptation works, to meet the needs of pupils with disabilities.
1.12	<p><u>Disabled Facilities Grants (DFG)</u></p> <p>An annual allocation to improve and adapt private sector homes comprising:</p> <ul style="list-style-type: none"> • Disabled Facilities Grants – adaptations enabling residents to continue to live independently in their own homes • Partnership working with Care and Repair to support vulnerable residents <p>No changes are proposed for 2022/23 to 2024/25.</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 2022/23 to 2024/25.</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 2022/23 to 2024/25.</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</p>

	<p>assets sections of the Capital Programme, including managing risks from legionella, fire safety, asbestos, accessibility and health and safety.</p> <p>No changes are proposed for 2022/23 to 2024/25.</p>
1.16	<p><u>Upgrade of kitchen equipment in schools</u></p> <p>The equipment in many of the school kitchens is currently very old and inefficient. Investment in new equipment will produce efficiency savings and will also better ensure the health and safety of NEWydd catering staff.</p> <p>No changes are proposed for 2022/23 to 2023/24.</p>
1.17	<p><u>School safeguarding works</u></p> <p>There is a requirement for a three year funding allocation to carry out works/adaptations at schools, to address safeguarding concerns raised about access at main entrances. These works are required to ensure both children and adults can attend schools in a safe and secure environment.</p> <p>New scheme included in 2022/23 – 2024/25</p>
1.18	<p><u>Target Hardening</u></p> <p>The Target Hardening budget requires replenishment over the next three year period to prevent unauthorised use of land or buildings within the County.</p> <p>New scheme included in 2022/23 – 2024/25</p>
1.19	<p><u>Highways Asset Management Plan (HAMP)</u></p> <p>An annual allocation of £1m to fund the HAMP which includes resurfacing of the classified Highway Network, replacement programme for street lighting columns and structural maintenance, with £0.100m to be top sliced for 'streetscape' improvements.</p> <p>Whilst the Council has a statutory duty to maintain the Highways Network in a safe condition for travel, how the Council does this is not defined. WG set targets for road condition indices, and at present Flintshire is performing better than the target set as a result of significant additional investment from WG in recent years (£0.954m in 2019/20, £0.950m in 2020/21 and £0.949m in 2021/22).</p> <p>See paragraph 1.55 for more detail in regard to the position on the potential development of the HAMP.</p> <p>It is proposed to increase the annual allocation by £0.400m, to £1m, for 2022/23 to 2024/25.</p>
1.20	<p><u>Play areas</u></p> <p>An annual allocation of £0.200m to fund the most urgent requirements to replace play equipment that has reached the end of its useful life at play</p>

	<p>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 2022/23 to 2024/25.</p>
1.21	<p><u>IT Infrastructure</u></p> <p>Various schemes required to maintain service and business continuity;</p> <ul style="list-style-type: none"> • ICT Equipment at Datacentres - £0.170m had previously been approved in the programme for the replacement of equipment such as High Volume Air Conditioning units and batteries to ensure the power supply to data centres is not interrupted. <p>£0.390m is proposed in 2024/25, to replace outdated systems with the technologies required to deliver effective datacentres and improve connection to end users devices. Without these technologies the Council will be unable to run either of the datacentres resulting in the requirement to switch off IT systems hosted within these facilities. As there is a high reliance on IT Business Systems and services across the whole of the authority, the impact on Council wide service delivery would be significant.</p> <ul style="list-style-type: none"> • ICT Server Technologies (Business Systems and SQL Servers) - £0.210m had previously been approved in the programme for the provision of replacement server technologies, to ensure adequate resources to provide the capacity required for the delivery of existing IT Business systems and services used across the whole of the Council. <p>It is proposed that the servers used to support Business systems that utilise SQL as a database technology are replaced in 2024/25, at a cost of £0.070m.</p> <p>The operating lives of server technology was extended from 3 to 5 years to maximise the length from investments. Reliable IT server hardware is key to enabling IT infrastructure that supports the delivery of IT business systems that can cope with the demands of an organisation highly reliant on IT systems to deliver effective and efficient services.</p> <ul style="list-style-type: none"> • ICT - Laptop / PC Replacements - The project will deliver a programme of device replacement based on the "just in time" principle of replacement to ensure the Council maximises the useable life of its laptop estate. It will ensure that the devices used by members of staff are fit for purpose and can deliver the required level of service, and can support the latest operating systems and security software. <p>The absence of a replacement budget for replacement devices will result in devices that perform poorly and will not be able to accommodate the operating system and security software require to ensure the required level of performance. The inability to operate up to date security software poses a significant cyber security risk.</p> <p>Capital funding is required over a three year programme.</p>

1.22	<p><u>Works to the Greenfield Valley Reservoirs</u></p> <p>The Reservoirs Act 1975 allocates responsibility for reservoir safety and maintenance to Flintshire County Council as ‘undertaker’ to the series reservoirs located within Greenfield Valley Park.</p> <p>In recent years the annual inspections have identified works required across all six of the reservoirs within the park. There is increased public safety risk from failure to manage impounding raised reservoirs of water. The condition of the reservoirs infrastructure is likely to deteriorate further and the associated costs to remedy increase.</p> <p>Unlike Flood Alleviation schemes, Welsh Government Flood Defence Grant in Aid (FDGiA) is not available to fund works on reservoirs as this is considered to be a duty on the Council as a statutory ‘undertaker’.</p> <p>No changes are proposed for 2022/23.</p>
1.23	<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 2022/24 to 2024/25.</p>
1.24	<p><u>All Weather Pitches</u></p> <p>Replace the playing surface of all weather sport pitches which are in poor condition and have reached the end of their useful lives.</p> <p>A forward work plan has been put together of pitches the Council are responsible for maintaining, to ensure that their life cycle costs are captured.</p> <p>Pitches at Holywell High School and Deeside Leisure Centre will require resurfacing in 2022/23 and 2023/24 respectively, based on the outcome of condition surveys that will be completed.</p> <p>No changes are proposed for 2022/24 to 2023/24.</p>
1.25	<p><u>Public Space CCTV Upgrades</u></p> <p>The upgrade of the public space CCTV cameras and associated control equipment has come through necessity, due to its age and a strong desire to reduce the increasing annual operational costs. Most of the existing analogue cameras have been declared obsolete “end of life”, meaning they are no longer supported by manufacturer(s) which makes it increasingly difficult to carry out repairs as faults arise. The provision of a public space CCTV scheme forms part of the Councils commitment to the Community Safety Partnership initiative.</p>

	<p>This project will provide the opportunity to upgrade the existing CCTV cameras to state of the art and “future proofed” technologies.</p> <p>Investment in the upgrade of an outdated CCTV system, the infrastructure and camera stock will reduce annual operational costs through projected savings on annual transmission costs and maintenance charges.</p> <p>No changes are proposed for 2022/24 to 2023/24.</p>
1.26	<p><u>New Street Car Park - Retaining Wall / Attenuation</u></p> <p>Urgent flood prevention works relating to the creation of a retaining wall/barrier from New Street Car Park will be carried out in 2021/22 and will require funding from ‘headroom’ in the current programme.</p> <p>The second phase relates to the potential creation of a large attenuation tank underneath the car park to slow flows into the main drainage system and reduce impact of flooding in this area of Mold, which will take place in 2022/23.</p> <p>New scheme included in 2022/23.</p>
1.27	<p><u>Shredder replacement at Greenfield Household Recycling Centre</u></p> <p>Funding required to replace the existing shredder at the Greenfield composting site. The machine has become increasingly expensive to repair annually, and the purchase of a new machine would improve site efficiencies and reduce maintenance costs. Ongoing breakdowns are impacting on the operational management of the service in line with legal requirements.</p> <p>New scheme included in 2022/23.</p>
1.28	<p><u>Funding ‘Headroom’</u></p> <p>‘Headroom’ has been built in to the Capital Programme to enable the programme to be more flexible so that funding can be allocated to small schemes as they present in year either as a result of opportunities or unforeseen circumstances (£0.350m per annum). An example would be the need to complete further highways works as a result of an exceptionally severe winter over and above any planned works funded from the annual allocation.</p> <p>No changes are proposed for 2022/23 to 2024/25.</p>
1.29	<p>Investment Section of the Capital Programme 2022/23 – 2024/25</p> <p>Table 4 below shows the proposed schemes for the period 2022/23 - 2024/25 for the Investment section of the Capital Programme. Details are provided in paragraphs 1.30 to 1.37.</p>

Table 4

PROPOSED INVESTMENT SCHEMES 2022/23 - 2024/25				
	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m
Investment Section				
<u>Previously Approved</u>				
Historic Building Conservation	0.050	0.000	0.000	0.050
Foster carers home adaptations	0.060	0.000	0.000	0.060
Joint Archive Facility, FCC and DCC	0.000	1.419	1.364	2.783
	0.110	1.419	1.364	2.893
<u>New Schemes for Approval</u>				
Improvements to Standard Yard Waste Transfer Station	1.475	0.000	0.000	1.475
Penyffordd CP School Extension	0.257	0.000	0.000	0.257
Decarbonisation of the Vehicle Fleet	0.500	0.000	0.000	0.500
Croes Atti Residential Care Home	0.650	0.000	0.000	0.650
Relocation of Tri-ffordd Day Service Provision	0.270	2.430	0.000	2.700
	3.152	2.430	0.000	5.582
Total Investment Section	3.262	3.849	1.364	8.475

1.30

Historic Building Conservation

This allocation grants funding to the owners of historical buildings on a match funding basis to preserve buildings in need of capital works across the County for future generations.

Direct Cost:

- £0.050m per annum is utilised from the Council's capital programme budget

Direct Benefits:

- Encourages listed building owners to seek advice and guidance in relation to the repair of their listed buildings
- Provides a simple incentive for the owners to seek advice on the right process for repair as well as providing the means to prompt them to invest in essential repairs to their buildings, hence improving and enhancing the long term conservation status of the buildings
- Supports the policy intentions within the Local Built Heritage Strategy and allow the team to work more on a proactive basis, rather than, as is more the case at present, a reactive service
- Potential to attract funding from other sources (e.g. Cadw) which would further enhance the remit of the service and the ability to reach as many listed buildings as possible that are in need of repair. It would also facilitate the opportunity to carry out repairs at an earlier stage, which may be less of an impact on the original fabric of the listed building, thereby reducing scope for more complex and costly repairs if left to a later stage of deterioration

	<ul style="list-style-type: none"> • Provides the opportunity for the service to step in in exceptional circumstances to secure the structure of a building to prevent imminent damage or collapse, and place a charge on the building that is recoverable on resale • There has been no funding available in the Built Conservation Budget for 10 years or more, and the number of listed buildings at risk on the Council's register is as high as ever. The funding will help reduce the number of buildings on the risk register <p>Indirect Benefits:</p> <ul style="list-style-type: none"> • Lessens the need to take negative enforcement action where unauthorised works are found, or neglect of a building has taken place. This allows a more proactive dialogue to take place between the Council and owners • Reduction in officer time spent on enforcement matters relating to historic buildings <p>No changes are proposed for 2022/23.</p>
1.31	<p><u>Adaptations to Foster Carers' Homes</u></p> <p>This will enable foster carers to carry out adaptations or improvements to their homes to provide a suitable environment to support a child. This will help the increase placements across the County and reduce the annual burden on the Out of County revenue budget.</p> <p>Payments made to foster carers will subject to 'clawback' should they cease being a foster carer within a set period of time.</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> • £0.060m per annum is utilised from the Council's capital programme budget. Capital funding will be used for individual projects costing over £0.020m. Funding for projects below £0.020m will be sought from other funding streams including the Integrated Care Fund (ICF), and other grant opportunities. Funding for projects under £0.020m would be the responsibility of Social Services • No direct revenue or human resource implications for the approved revenue budget/workforce structures or roles for this service for the current financial year. Any grant applied for will have its own business case considering the individual circumstance and context and may have an impact on future revenue budgets <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Increase the range and choice of available placements for children who require a home outside of their birth family, locally • Enable skilled and able foster carers to extend the number of places they are able to offer, or to maintain existing placements as circumstances or needs change • Seek best value for money from the range of placements available by using them in the most efficient and effective way • Any placements made are first and foremost in the best interests of the children • Secure stability or permanence for a children

	<p>Indirect Benefits:</p> <ul style="list-style-type: none"> • Enables the Council to seek better value for money in comparison to alternative Out of County or high cost placement options • Offers the Councils more cost effective options for placements for children in its care as well as having a robust and transparent process for doing so <p>No changes are proposed for 2022/23.</p>
1.32	<p><u>Joint Archive Facility, Flintshire and Denbighshire Councils</u></p> <p>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.</p> <p>The funding application for Heritage Horizon Award was unsuccessful, with the project board now seeking alternative grant funding from the National Lottery Fund Wales, however this will be at a significantly reduced funding level. Further work will continue to deliver a scaled back scheme, within the funding envelope, which still delivers against the business case for both authorities.</p> <p>Expressions of interest for funding are due to be submitted by the end of November 2021, and a decision on the outcome of this expected in March 2022.</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> • Estimated funding available for the project is £10.363m, with £5.3m from grant funding, £3.028m from Flintshire County Council and £2.035m from Denbighshire County Council • It has been assumed that borrowing will be required to fund this project. The estimated revenue costs associated with borrowing £3.028m over 50 years totals £8.327m. In year 1 revenue debt costs are estimated to be £0.142m, rising to £0.200m in year 50, with an average of £0.167m over 50 years. <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Sustainable and improved archive service for Denbighshire and Flintshire via the creation of a single shared service. • The construction of a new purpose built Passivhaus building adjacent to Theatr Clwyd, Mold, to house both the physical archives and the new service operations. Provide a sustainable archive repository for the region for the foreseeable future from the perspective of storage space and building maintenance and management. • The overall revenue impact is an estimated saving of £11,647 per annum once the new building is open, with a potential further revenue saving once the joint service is running.

	<p>Indirect Benefits:</p> <ul style="list-style-type: none"> • Share knowledge and skills between the workforce of both Councils • Sphere of health, education and wellbeing (connectivity, involvement, identity) can be achieved. • The transferrable skills of our volunteers will develop will contribute to increasing their employability. • Deliver the long-term development of a resilient, relevant service: inspiring communities in North East Wales and enacting the Wellbeing of Future Generations Act; securing historic collections, diversifying audiences, volunteers and depositors. • Cost avoidance of £10,000 per annum additional revenue storage costs, and in excess of £0.718m to address the need for environmental management equipment, compliant storage areas and upgrading public facilities and access.
1.33	<p><u>Improvements to Standard Yard Waste Transfer Station</u></p> <p>Infrastructure improvements, renewal and upgrade of large plant, equipment and welfare facilities at Standard Yard Waste Transfer Station (WTS) in Buckley, to accommodate growth in recycling rates and an increase in resilience and processing capacity for future waste streams.</p> <p>Funding of £3.325m has already been secured for the scheme based on costs that were estimated in 2019/20. Over the last 12-18 months, significant work has been undertaken to progress the scheme through the necessary planning consents and environmental permitting processes.</p> <p>However, due to the delays incurred owing to COVID-19, increased costs for design work and planning consultation, along with the complexities around ground investigation work, gas mitigation measures and drainage, additional funding of £1.475m is being requested to ensure that the scheme can be completed.</p> <p>The total cost of the scheme is estimated to be £4.8m.</p> <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Development of the site will ensure that we achieve the 70% target set by WG for recycling, and accommodate increased recyclable materials in the future • Proposals are part of the Council's Plan under the theme 'Green Council' for sustainable development and environmental management, which has a sub-priority of affordable and sustainable collection and treatment services for recyclable, compostable and residual waste • The new facility will increase recycling rates further, reduce material contamination and increase the quality of the recyclable materials, thereby maximising potential income for recyclable materials for the Council • Renewing the baling machine, plant and equipment, and introducing increased automated processing on site, with less manual processing. This will increase the efficiency of the site operations

	<ul style="list-style-type: none"> • Reduced revenue costs for repairs and maintenance at the site, will increase capacity and resilience, resulting in increased productivity and reduced downtime <p>Indirect Benefits:</p> <ul style="list-style-type: none"> • Improved welfare facilities for operatives – resulting in increased job satisfaction and contributes to their well-being • Construction of a new access road to adoptable highway standards will enable improved access for businesses on the industrial estate and allow the WTS to operate over one single site rather than the current operation of both sides of the access road, which has its limitations • Improved hauliers access for processing operations, which in turn would reduce downtime when haulage companies collect baled materials and increase productivity for processing operators
1.34	<p><u>Penyffordd CP School Extension</u></p> <p>A new replacement school for Penyffordd C.P. was constructed and opened in September 2019. At the time, planning permission was approved to future proof the school for an additional 60 pupil place extension, as a consequence of housing developments in the area. Forecasts indicate that by 2025 the school will be full without any flexibility to accommodate additional pupils from local housing developments. The extension will provide a sufficient number of school places to meet the demands of the local area, with a level of accommodation that meets both School Modernisation and 21st Century schools standards.</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> • Capital investment required is £0.600m, with £0.343m being funded from Section 106 contributions <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Enabling 57% of external investment in the school • Remove the requirement for the provision of two mobile classrooms, along with the associated revenue implications • Provide a sufficient number of school places to meet the demands of the local area, with a level of accommodation that meets both School Modernisation and 21st Century schools standards. <p>Indirect Benefits:</p> <ul style="list-style-type: none"> • Will respond to the needs of the Authority’s Local Development Plan for additional school places in the Flintshire area as a result of approved housing developments • Improving learner outcomes by ensuring that school buildings are effective in creating the conditions for learners to succeed
1.35	<p><u>Decarbonisation of the Vehicle Fleet</u></p> <p>Investment will be directed to develop Electric Vehicle (EV) Infrastructure at viable County Offices and Depots. Initial investigations are underway to identify capacity and usage at existing sites, and this is being compared against options for operating models of electric vehicles. This work is</p>

	<p>required to aid the transition to Ultra Low Emission Vehicle (ULEV) fleet to support the County's Carbon Reduction ambitions.</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> • Capital investment required is £0.500m <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Pump-prime the transition to EVs • Proposals are part of the Council's Plan under the theme 'Green Council' for sustainable development and environmental management • Reduction in fuel usage and costs • Reduction in Greenhouse Gas emissions <p>Indirect Benefits:</p> <ul style="list-style-type: none"> • Promote the wider use of Electric Vehicles • Promote Flintshire as a Green Council
1.36	<p><u>Croes Atti Residential Care Home</u></p> <p>The care sector in Flintshire is working within an increasingly challenging environment as a result of a range of factors, including the complexity of need, an ageing population, rising costs, increasing expectations and regulation and difficulties with recruitment and retention of high quality staff. As a result of these pressures there is limited resilience and Flintshire is particularly challenged, with only a small number of independent providers who are part of a reducing and fragile market. As a Council, we are taking a positive approach to rebalancing the care home provision, taking a lead as a local authority to develop care homes that value older people and provide good quality support that would place the Council in a good position for the future.</p> <p>Croes Atti is a single storey 31 bed care home purpose built for older people, which was refurbished in 2005. The 31 bedrooms are small and less than 12 square metres which makes it increasingly difficult to support people with complex physical care needs and there are only 3 bedrooms with an en-suite facility. The living and day time spaces are well used and whilst we have a number of assisted bathing / shower rooms, they are not all DDA compliant. The existing accommodation does not meet new RISA 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 has recently been awarded ICF grant, to fund feasibility works for a potential new build which will increase capacity for a further 25 placements. The new facility is being developed with Betsi Cadwaladr University Health Board (BCUHB) and it is anticipated that support for the scheme will be received from WG, however the value of funding, at this stage, is yet to be confirmed.</p>

Detailed design and development works needs to take place following the feasibility study, which is expected to cost £0.650m. These works will result in detailed costings being completed, which will be used to support a formal application for funding to be submitted to WG for the scheme.

Following clarity on funding obligations, all partners will need to make a decision on the next steps. There may be a need to consider low and sustainable levels of long term borrowing to ensure the scheme is delivered. Should the project not go ahead then the Council's design and development of £0.650m cannot be capitalised and would be a charge to the Council's revenue account.

Direct Costs:

- £0.650m required for the design and development stage
- Estimated total costs of the scheme is assessed at £15m
- Following the design and development stage of the project, construction would begin in 2023/24 over a two year period. Funding will be sought from a mix of WG grants, FCC capital receipts and prudential borrowing

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

1.37

Relocation of Tri-ffordd Day Service Provision

Tri-ffordd is a day service provision in a horticultural environment set on 1.09 acres in Broughton for adults who have a learning disability, providing an opportunity for meaningful work orientated activity. The individuals who

attend have a range of abilities and require varying levels of support and encouragement throughout the day to engage in activities and assist them with their daily needs.

The current building at Tri-ffordd are farm houses, knocked through in to one, with restricted internal space for service users. The site is located on a busy road, and offers no opportunity for further development. Social Services need to relocate the provision to provide a high quality service, taking in to account the needs of the individuals and of the service, in to the future.

Through an options appraisal, a 10 acre site on the outskirts of Mold has been identified as a potential new location for Tri-ffordd's activities, alongside further service developments.

Direct Costs:

- Capital investment required is £2.7m, for the development of new workshop buildings, alongside an office and other necessary facilities, toilets, boot room, garage for equipment
- It has been assumed that borrowing will be required to fund this project. The estimated revenue costs associated with borrowing £2.7m over 50 years totals £7.4m. In year 1 revenue debt costs are estimated to be £0.126m, rising to £0.179m in year 50, with an average of £0.149m over 50 years

Direct Benefits:

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

Indirect Benefits:

- The new site presents an opportunity for service development. There is potential for services to be offered 7 days a week, providing additional support to individuals and families in Flintshire. Primarily, an additional development on the site could include local day services for autistic individuals. Many autistic individuals current access day provision on Wirral, as provision is not available locally
- There is scope for the wider site to develop in to a community asset, not only for the people supported, but for other members of the local community
- Location of a service in Mold would provide a balance of the learning disability day/work opportunities offer across the county, complimenting sites in Queensferry (Hwb Cyfle), Flint (Abbey

Upcycling, charity shop and Project SEARCH), Shotton (Rowleys Cafe) and Greenfield (Hwb Dyffryn and Freshfields Café)

- The Tri-ffordd site will be freed up for other uses

1.38 Summary (Generally funded) Capital Programme 2022/23 – 2024/25

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

Table 5

SUMMARY (GENERALLY FUNDED) CAPITAL PROGRAMME 2022/23 - 2024/25				
	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m
Statutory / Regulatory Section	3.180	3.180	3.130	9.490
Retained Assets Section	4.340	3.382	3.722	11.444
Investment Section	3.262	3.849	1.364	8.475
Total (All Sections)	10.782	10.411	8.216	29.409
Estimated available general funding ¹	9.995	6.532	6.532	23.059
Total	9.995	6.532	6.532	23.059
Surplus / (Shortfall) - no borrowing	(0.787)	(3.879)	(1.684)	(6.350)
Schemes requiring funding by borrowing:				
Joint Archive Facility, FCC and DCC	0.000	1.419	1.364	2.783
Relocation of Tri-ffordd Day Service Provision	0.270	2.430	0.000	2.700
Total	0.270	3.849	1.364	5.483
Surplus / (Shortfall) - with borrowing	(0.517)	(0.030)	(0.320)	(0.867)

¹ As per 21/22 Final Settlement

1.39 Table 5 shows that before any prudential borrowing is considered there is an overall shortfall in projected funding of £6.350m over the 3 year period, with an estimated shortfall of £0.787m in 2022/23.

Given the size of the shortfall, in particular in 2023/24 and 2024/25, it is recommended that the new large investment schemes being proposed are funded from borrowing with the associated costs of borrowing included as revenue pressures within the Medium Term Financial Strategy (MTFS).

Table 5 above shows which schemes would be funded from borrowing.

1.40 Table 5 shows that after prudential borrowing is considered, there is an overall shortfall in projected funding of £0.867m over the 3 year period, with an estimated shortfall of £0.517m in 2022/23.

	<p>The Council's contribution towards the construction works at Croes Atti Residential Care Home, will need to be built into next year's programme following confirmation of WG grant funding for the scheme.</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>The current projection for capital receipts is expected to cover the shortfall of the three year programme. There is risk relating to these due to their size and complexity. The timing of these receipts are also subject to market forces outside of the Council's control. In line with current policy no allowance can be made for these receipts in funding the deficit above.</p> <p>Options to fund the shortfall include a combination of future capital receipts, alternative grants, and scheme phasing as the expenditure profile of large complex projects such as those included in the investment section of the programme could change. Every effort will be made to ensure that other sources of funding are utilised to fund the programme.</p> <p>Ultimately, should other sources of funding not materialise the Council will need to use prudential borrowing to finance the shortfall. This could be short term during the three years, or if necessary, long term to fund the overall shortfall.</p>
1.41	<p>Specific Grants and Borrowing</p> <p>21st Century Schools Band B</p> <p>WG has approved the Council's in principle submission for 21st Century Schools Band B. The programme is to be funded from specific grant from WG at an agreed intervention rate, with the Council's contribution to be funded by prudential borrowing. The WG intervention rate for funding the 21st Century Band B programme has increased from 50% to 65% for schools, 75% for Pupil Referral Units (PRUs) and 81% for Mutual Investment Models (MIM).</p> <p>The current revised financial forecast for the Band B programme is projecting a total cost of £104m against the approved funding envelope from WG of £85m. Discussions have taken place with WG and the national picture is that other Councils are in the same position. WG's position is that they cannot commit to individual requests for funding currently, but wish to remain flexible with Councils as they work through their programmes.</p>

Each of the projects is subject to individual approval to ensure that each meets the Council's continuing priorities and is affordable in the context of the Council's MTFS.

Over the last number of years, the following 21st Century Schools Band B schemes have been included within the Council capital programme, those being at Connah's Quay High School, Queensferry CP/Plas Derwen PRU, Ysgol Croes Atti, Shotton, Ysgol Croes Atti, Flint, Saltney / Broughton Area and Mynydd Isa Area (MIM project).

In recent months the Council have been reviewing the final individual projects for inclusion in the Band B tranche of funding. These are schemes at Drury Primary School and Elfed High School, Buckley.

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

Band B	Total Cost	WG funded	Council funded
	£m	£m	£m
Connah's Quay HS	4.300	2.795	1.505
Queensferry CP / Plas Derwen PRU	8.000	5.700	2.300
Ysgol Croes Atti, Shotton	0.750	0.488	0.262
Ysgol Croes Atti, Flint	5.500	3.575	1.925
Saltney / Broughton Area	25.000	16.250	8.750
Mynydd Isa Area*	2.718	1.767	0.951
Drury CP	3.650	2.372	1.278
Elfed HS	4.488	2.917	1.571
Total	54.406	35.864	18.542

* ICT & Fixtures, Fittings & Equipment funded through traditional capital.

WG have confirmed that proposed 3-16 campus project at Mynydd Isa is a national Pathfinder project. This provides the benefit of a WG funded technical team to support officers with Flintshire through the MIM process. Councils who have nominated MIM within their strategic programme projects have signed the Strategic Partnering Agreements. The WEPco (Welsh Education Partnership Company), which is the vehicle being used by WG to deliver MIM projects, was available to LA's and FEI's on the 1st October 2020.

MIM enables WG to deliver infrastructure projects beyond that set by present UK Government borrowing limits. If WG do not use MIM, £500 million pounds of investment in the education estate will not be available to Councils within Wales and this would have implications on the Council's proposed programme locally.

A private sector contractor is appointed via a new WG framework and the contractor finances, constructs and provides a 25 year life-cycled building product. Responsibility for funding and constructing the building, and then repairing and maintaining the building for 25 years once built, remains with

the contractor. This results in buildings funded by MIM being maintained at a consistently high level for 25 years.

The Council pays an annual charge which is funded from revenue, similar to a rental payment, called the 'service payment'. Through this programme Councils will receive intervention rate funding at 81% from WG for a period of 25 years, thereafter the building is handed over to the Council. The funding from WG will be received in the form of a specific grant.

The capital works in MIM are managed and funded by the contractor so the Council won't borrow to fund the capital works and the associated risks are transferred to the contractor. Revenue payments will not start until the facilities have been built and become available for use, and will be paid for via a monthly revenue charge over a period of 25-years (the Service Payment).

The required accounting is that the asset remains on the LA's balance sheet matched with the total liability to pay the unitary charge over 25 years. Revenue pressures relating to this scheme will need to be considered at the time of approval.

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).
- For Elfed High, the removal of suitability and condition issues through investment
- 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
Connah's Quay HS	0.063	0.092	0.075
Queensferry CP / Plas Derwen PRU	0.096	0.141	0.115
Ysgol Croes Atti, Shotton	0.011	0.016	0.013
Ysgol Croes Atti, Flint	0.093	0.130	0.109
Saltney / Broughton Area	0.423	0.592	0.494
Mynydd Isa Area	0.046	0.065	0.054
Drury CP	0.060	0.085	0.070
Buckley Elfed HS	0.074	0.104	0.086
Total	0.866	1.225	1.016

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

1.42

Theatr Clwyd Redevelopment

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

The Council will receive significant levels of external funding for the construction stage of the scheme, with £22m expected to be awarded from WG, £5m from the Arts Council of Wales (ACW) and £4m from Theatr Clwyd. The Council will contribute £7m towards the scheme through low and sustainable levels of long term borrowing. Flintshire's contribution equates to 20% of the scheme costs which indicates the low level of debt to equity on the project.

The planned construction start date for the project is April 2022.

Current financial commitments from Council will be carried forward. Should the project not go ahead then the Council's share of the design development costs cannot be capitalised and would be a charge to the Council's revenue account.

	<p>Direct Costs:</p> <ul style="list-style-type: none"> • Capital investment of £38m required with funding commitments shared between WG (£22m), ACW (£5m), Theatr Clwyd (£4m) and the Council (£7m), as detailed above. • The estimated revenue costs associated with borrowing £7m over 50 years totals £19.2m. In year 1 revenue debt costs are estimated to be £0.328m, rising to £0.463m in year 50, with an average of £0.385m over 50 years <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Enabling 80% external investment in Theatr Clwyd • Development to improve and increase the biggest and a highly regarded Welsh theatre • A better facility for Flintshire communities, a base for increased community engagement, and multi-use spaces to be used for community needs • Improved facilities to increase secondary revenue generation restaurant, bars, event spaces, etc • Reduced revenue and capital maintenance costs <p>Indirect Benefits:</p> <ul style="list-style-type: none"> • A base for young people to gather, learn and develop (currently 30,000 young people per year engaged with) • Specific spaces for Health and Wellbeing user groups • More facilities for work placed training in building (woodwork, carpentry) and other transferable theatre making crafts as well as hospitality, marketing, IT, arts management • Increase local footfall and marketing of Flintshire across the UK (In 2016 over 200,000 people visited work at Theatr Clwyd and another 220,000 people saw a Theatr Clwyd production elsewhere in the UK) • Improvement of working conditions for employees and protection, and growth, of work for local people (In 2016 nearly 200 local people were directly employed by TC, not including impact of trade with other local suppliers) • Development of economic contribution (currently 46% of Theatr Clwyd's audiences visit Flintshire from elsewhere in the UK) <p>The Council will retain ownership of the theatre and is responsible for all of its infrastructure, external envelope and grounds. These assets are specialised and expensive to replace, which is one of the reasons why such major investment is required. However, on the lead up to the major refurbishment scheme and post refurbishment, there will be a need to fund landlord retained service and equipment proportionally, and in line with agreed responsibilities that may be set out in any future management agreement. This is no different than those that exist for the libraries and leisure centres.</p>
1.43	<p>Mockingbird Family Model</p> <p>The aim of the project is to transform the Fostering Service to meet the placement needs of looked after children and avoid the escalating costs of external care provision.</p>

	<p>The Mockingbird Family Model (MFM) replicates an extended family and groups foster carers of 6-10 fostering households supported by a central foster carer (Hub Home Carer).</p> <p>The number of looked after children has been increasing year on year with greater demand for suitable placements for our children and young people. Overall demand is not being met from in-house provision and reliance is being placed on the use of independent fostering agencies and residential placements which are costly.</p> <p>Children and young people who are provided consistent and stable placements have better outcomes than those who move from placement to placement. Each change of placement, often further away from a child's home, brings a greater sense of detachment and loss and it is common for children's emotional investment in subsequent placements to reduce, perpetuating the cycle of placement breakdown and disconnection. The MFM creates an 'extended family' around our children and young people, promoting their sense of belonging.</p> <p>A detailed business plan has been submitted to WG for an 'Innovate to Save' interest free loan. The intention is to set up the new service gradually over 3 years funded from the interest free loan totalling £1.150m. The loan will be repaid from savings made in years 4 to 7 which are estimated to be £0.530 per annum, which after repaying the loan will be reduced to £0.243m. The project costs are revenue costs, and therefore ordinarily cannot be funded by loans or borrowing. The Welsh Government's 'Innovate to Save' programme requires the revenue costs to be treated as capital, and the only way to achieve this is to gain a Capitalisation Direction from WG Ministers as each year of the project passes. An indication will be given by WG officials if the Capitalisation Direction will be granted when the business plan is approved. This is the final year of the three year funding.</p>
1.44	<p>Details of schemes specifically funded by specific grant and borrowing is shown in Table 6 below:</p>

Table 6

SPECIFICALLY FUNDED SCHEMES 2022/23 - 2024/25				
	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m
Specifically Funded Schemes				
21st Century Schools - Band B	7.303	17.939	14.360	39.602
Theatr Clwyd Redevelopment	19.000	19.000	0.000	38.000
Mockingbird Family Model	0.384	0.000	0.000	0.384
Total Schemes	26.687	36.939	14.360	77.986
Funding				
Specific Capital Grants	23.747	19.853	9.141	52.741
Unsupported (Prudential) Borrowing	2.556	13.086	5.219	20.861
Theatr Clwyd Contribution	0.000	4.000	0.000	4.000
Innovate to Save Loan	0.384	0.000	0.000	0.384
Total Schemes	26.687	36.939	14.360	77.986

1.45 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 2022/23 Capital Programme monitoring reports.

1.46 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.

1.47 **Summary Total Council Fund Capital Programme 2022/23 - 2024/25**
Table 7 summarises the total proposals for the 2022/23 - 2024/25 Capital Programme.

Table 7

SUMMARY CAPITAL PROGRAMME 2022/23 - 2024/25				
	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m
Expenditure				
Statutory / Regulatory Section	3.180	3.180	3.130	9.490
Retained Assets Section	4.340	3.382	3.722	11.444
Investment Section	3.262	3.849	1.364	8.475
Specific Section	26.687	36.939	14.360	77.986
Total Programme (All Sections)	37.469	47.350	22.576	107.395
Funding				
General Funding ¹	9.995	6.532	6.532	23.059
Grant Funding	23.747	19.853	9.141	52.741
Unsupported (Prudential) Borrowing	2.826	16.935	6.583	26.344
Theatr Clwyd Contribution	0.000	4.000	0.000	4.000
Innovate to Save Loan	0.384	0.000	0.000	0.384
Total Projected Funding	36.952	47.320	22.256	106.528
Surplus / (Shortfall)	(0.517)	(0.030)	(0.320)	(0.867)
1 As per 21/22 Provisional Settlement				

Potential future schemes

1.48 All capital schemes need to be considered in the context of the position of the Council's MTFs. All schemes which require prudential borrowing to fund them add revenue pressures in the form of interest charges and charges to the Minimum Revenue Provision (MRP).

1.49 21st Century Schools & Colleges Investment Programme - Band C

The WG schools investment programme is expected to continue into Band C, with the expectation is that this will run from 2025 to 2030.

Unknown's at this stage are the WG intervention rates and also whether WG will be using MIM funding in Band C, although the Strategic Partnering Agreement set up to deliver MIM projects in Wales has a ten year duration.

WG are also likely to introduce additional criteria for Net Zero Carbon (NZC) in construction and, or operation for new build schools with the next phase of the programme. To this end, early industry indications are that this is likely to increase construction costs by 10% in construction and 20% in operation.

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.

1.50	<p>Llys Gwenffrwd, Holywell Care Home Review</p> <p>Llys Gwenffrwd is a 31 bed, three storey care home built in the 1970s which was refurbished in early 2000. There are challenges associated with the current building as it is built on a sloping site, as a result there are a number of levels requiring the need for ramps to access many areas both inside and outside. It includes the provision of a single undersized lift to reach the three stories which does not meet DDA requirements and there are a number of living and day spaces which are some distance from the bedroom areas. Outside space is difficult to access because of the site levels and parking can be difficult. The Holywell locality has the fewest number of care home placements available and would benefit from a new build facility on a different more accessible site which requires further consideration.</p>
1.51	<p>Children's in-house Residential Care Home</p> <p>Three properties have been acquired by the Council using a capital grant from WG. Further grant in 2021/22 has been approved to cover the costs of the refurbishment of the properties. Where possible, the Council will continue to look at other potential in-house residential care opportunities going forward.</p>
1.52	<p>Additional Learning Needs Reform</p> <p>In previous Cabinet reports, the need for specialist Autism and Moderate Learning Difficulties facilities had been highlight as short/medium term ambition. In reviewing the impact of Additional Learning Needs (ALN) transformation, extending existing ALN provision would also be a requirement along with consideration for a Secondary Phase Behaviour, Emotional & Social Difficulties (BESD) Resourced Unit, the County only has primary provision currently. A technical feasibility is currently being undertaken to provide a range of options with high level cost estimates around effective building solutions. As an alternative option to a Council funded solution, it would be prudent to consider whether ALN transformation could be included as a project (or series of projects) from 2024. For larger value cost options it would be prudent to consider the next phase of the WG 21st Century schools (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>
1.53	<p>County Hall Campus</p> <p>The redevelopment of the County Hall campus site needs to be progressed through the formulation of a comprehensive and visionary masterplan, which addresses the future needs to the Council and other public sector partners; linking this with an integrated approach around the Courts and theatre, together with a wider site development. This work has started with the demolition of phase 3 and 4 of County Hall, which was completed in November 2020. The site has huge potential being framed within a mature semi-rural landscape; with work on a comprehensive plan currently ongoing.</p>

1.54	<p>Review of Industrial Estates</p> <p>The Council's industrial estates are widely dispersed throughout the County and provide much needed commercial accommodation to many local businesses, preventing them from leaving the County and maintaining local sources of employment. They also bring into the Council significant revenue through rental income but are of an age where they are now likely to require investment.</p> <p>The Council is currently undertaking a detailed review of two of our industrial estates. This will be a detailed study of various options which will then be explored in more detail. Various factors will be considered such as regeneration, employment opportunities, sustainability and economic viability. This will then form a template approach for the review of the remainder of our industrial portfolio.</p>
1.55	<p>Highways Asset Management Plan</p> <p>The core Capital Programme includes £1m per annum for the HAMP. In 2021/22, as in previous years, this has been supplemented by additional WG grant. It has been estimated that the investment required to maintain current network performance is £3.2m per annum, an increase of £2.2m per annum. The Council are awaiting an announcement from WG on the level of funding from the Public Highways Refurbishment Grant for the 2022/23 financial year.</p>
1.56	<p>Digital Strategy</p> <p>A planned programme of projects required to increase the number and range of services available digitally are under consideration. The projects have an impact across a range of services, rather than in a single specific service e.g. web payment portal that will be used for all payments to the council. These will be used to enhance the ability of customers to interact with the Council on line.</p> <p>The capital costs of purchasing new software will be calculated on a project by project basis at the time each project is ready to proceed in order to accurately capture not only the technical requirements for the software but also the costs prevailing at the time.</p> <p>The range of cross cutting projects under consideration include:</p> <ul style="list-style-type: none"> • Software that can automate answering simple telephone calls or email enquiries (so called "chat bots") • A generic web booking system to allow customers to make appointments for services on line • Integration of webchat and email into the Customer Relationship Manager application • A generic facility for customers to upload and store commonly needed documents e.g. proof of entitlement to benefits • Software to link information held in separate databases so that we can update them all at once in a single contact with the customer

1.57	<p>Deeside Leisure Centre</p> <p>Deeside Leisure Centre (DLC) is 50 years old and reaching the end of its economic useful life. It is the largest sports facility in the County at 15,000m² and is of strategic importance regionally and locally in terms of sports participation and health and wellbeing. It is an ageing building occupying too large a footprint with inefficient energy systems. The building is not sustainable beyond the medium term.</p> <p>DLC is partially occupied by the Health Board at present with the ice rink arena currently being used as a COVID-19 vaccination centre until March 2022. Once the need for additional health care services in North Wales is over, the leisure centre will be returned to full use. The Council is in ongoing discussions with WG regarding 1) financial support to reinstate the facilities at DLC following its initial use as a field hospital, and 2) financial support during the period of phased recovery (loss of income).</p> <p>The Council, and its strategic partner Aura, has recently 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>
1.58	<p>Homelessness – Young Persons Hub</p> <p>Responding to the needs of young people and particularly those who may be at a risk of homelessness is a key focus for the Council. Consideration needs to be given to not only accommodation needs but also support to assist young people with the key life skills needed to live independently and reduce risks of homelessness. When looking at best practice in this area of work, there are a number of examples of positive practice which seek to not only provide accommodation, but also co-ordinate support and service delivery.</p> <p>Over the next 12 months the Housing & Prevention Service is to consider 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 offered local facilities for co-location of services within a “housing hub”. A feasibility study will be considered to inform this approach which may provide 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.</p>
1.59	<p>Homelessness – Emergency Bed Provision</p> <p>In late 2019, the Council undertook work to develop an Emergency Bed provision for people who are homeless and may otherwise face the prospect of sleeping rough. Significant works were completed within the Glanrafon Resource Centre in Queensferry to transform the building into a Night Shelter offering up to 12 Emergency Beds. The Council, as the</p>

	<p>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>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 particular focus on “night shelters” and “bed spaces” with a clear steer on moving away from shared housing models with communal spaces and offering self-contained accommodation for people experiencing homelessness.</p> <p>The Glanrafon Night Shelter was always a medium term solution for rough sleeping in Flintshire with other approaches to be developed in future years with a commitment to develop more support to prevent rough sleeping and ensuring a self-contained accommodation offer. Funding has been secured through WG (Phase 2 Homelessness Funding) which will assist with the immediate pressures on our homeless cohort, but additional capacity and revised models of emergency accommodation will need to be explored and may require capital funding in future years.</p>
1.60	<p>Net Zero Carbon Aims</p> <p>WG has set out its legal commitment to achieve net zero emissions by 2050 and work towards a net zero public sector in Wales by 2030. One of the Council’s key priorities within the Council Plan is to become a NZC Council by 2030 and to support wider decarbonisation actions across the County. The capital works programme plays a vital role in accelerating the shift towards achieving the NZC target. The Council has been investing in low carbon and renewable energy systems and energy efficiency for over 10 years which has led to a 51% reduction in scope 1 and 2 greenhouse gas emissions against a 2007/08 baseline year.</p> <p>Inclusion of this priority within the programme reinforces our commitment to tackling climate change and acknowledges that we have a significant role to play in further reducing our own greenhouse gas emissions. This commitment values energy efficiency, low carbon and smart technologies as a fundamental requirement of reaching net zero for across a multitude of Council services, acting as an important contributing factor towards decarbonisation.</p>
1.61	<p>Schools IT Networking Infrastructure (2025 – 2034)</p> <p>Flintshire, along with all other authorities in Wales were awarded by WG a significant amount of money to replace old and outdated networking infrastructures within all school. 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>

1.62	<p>Abbey Upcycling</p> <p>Abbey Upcycling is part of the services operated by Hft for people with Learning Disabilities on behalf of the Council.</p> <p>The service is split into three projects: bike upcycling, electronics and woodwork. This is working well as people are able to choose which activity they want to do the most and which they are enjoying the most. Abbey Upcycling now work in partnership with Sandycroft Household Recycling Centre, where operatives put aside discarded bikes, which are then collected.</p> <p>The site is located in Heinzl Park, Flint with the building continuing to deteriorate. It will require structural repairs in the future to enable the service to continue to occupy the premises.</p>
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2.00	RESOURCE IMPLICATIONS																																		
2.01	Financial consequences for capital resources are as set out within the report.																																		
2.02	<p>As previously stated there are revenue consequences of borrowing in interest costs and revenue provision for debt repayment which will bear on the MTFS as new pressures.</p> <p>Assuming the shortfall is as estimated (£0.867m), and that the asset life of schemes is 50 years the pressures on the revenue budget are shown in the table below. The pressures for previously approved school building works and the Joint Archive Facility have been built into the current MTFS. Pressures for the shortfall in Council funding, along with new school schemes, Theatr Clwyd and Tri-ffordd will be built into future MTFS calculations as necessary.</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <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>Shortfall in Council Funding (£0.867m)</td> <td>0.041</td> <td>0.057</td> <td>0.048</td> </tr> <tr> <td>Drury CP</td> <td>0.060</td> <td>0.085</td> <td>0.070</td> </tr> <tr> <td>Buckley Elfed HS</td> <td>0.074</td> <td>0.104</td> <td>0.086</td> </tr> <tr> <td>Theatr Clwyd</td> <td>0.328</td> <td>0.463</td> <td>0.385</td> </tr> <tr> <td>Tri-Ffordd</td> <td>0.126</td> <td>0.179</td> <td>0.149</td> </tr> <tr> <td>Total</td> <td>0.629</td> <td>0.888</td> <td>0.738</td> </tr> </tbody> </table> <p>The table does not include the Mockingbird Family Model as the loan will be repaid from revenue savings generated as a result.</p>				Pressure in Year 1	Pressure in Year 50	Average Annual Pressure		£m	£m	£m	Shortfall in Council Funding (£0.867m)	0.041	0.057	0.048	Drury CP	0.060	0.085	0.070	Buckley Elfed HS	0.074	0.104	0.086	Theatr Clwyd	0.328	0.463	0.385	Tri-Ffordd	0.126	0.179	0.149	Total	0.629	0.888	0.738
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3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The proposed Capital Programme was reviewed by Corporate Resources Overview and Scrutiny Committee for comment at its meeting on 11 th November 2021, with their comments being fed back to Cabinet at its meeting on 16 th November 2021.

4.00	RISK MANAGEMENT
4.01	Any decisions made which involve the Council's assets and its Capital Programme often have very large and long term financial implications. As it seeks approval for its Capital Programme, the Council is required to produce indicators assessing the affordability, prudence and sustainability of the capital plans. These are called the Prudential Indicators and are included in the Capital Strategy report also included on this agenda.

5.00	APPENDICES
5.01	None.

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

7.00	GLOSSARY OF TERMS
7.01	<p>Asset Management Plan - A plan maintained by an authority of the condition and suitability of its assets, updated regularly and utilised to assess future capital needs</p> <p>Capital Expenditure - Expenditure on the acquisition of Non-current Assets or expenditure that extends the life or value of an existing asset</p> <p>Capital Programme - The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme</p> <p>Capital Receipt - Receipts (in excess of £10,000) from the disposal of an asset</p>

Capital Scheme - An individual capital project which is monitored and managed in isolation. The aggregate of all schemes comprises the **Capital Programme**

Capital Strategy - A corporate document providing clear strategic guidance about an authority's objectives, priorities and spending plans, demonstrating the link to key corporate and service objectives. May be combined with the **Asset Management Plan (AMP)** to form a single document

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

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

Non-current Asset - A resource controlled (but not necessarily owned) by the Council, from which economic benefits or service potential are expected to flow to the Council for more than 12 months.

Regulation and Inspection of Social Care (Wales) Act 2016 (RISCA) - The act builds on the success of regulation in Wales and reflects the changing world of social care. It places service quality and improvement at the heart of the regulatory regime and strengthens protection for those who need it. Regulation will move beyond compliance with minimum standards, and focus more on the quality of services and the impact which they have on people receiving them

Prudential Code - The Code of Practice drawn up by the Chartered Institute of Public Finance and Accountancy (CIPFA) to underpin the requirements of the Local Government Act 2003 in respect of an authority's duty to determine the affordability, prudence and sustainability of its capital investment needs

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

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