

Appendix 5

Summary of Strategic Investment Group Recommendations (Capital Plan 2019/20)

1. Report details

- 1.1 The Final Local Government Settlement issued in December includes a general capital grant allocation of £2.8m. This is an increase of £1.008m from the Provisional Settlement, which takes account of recent additional funding announced by the Welsh Government. Confirmation has recently been received on further additional Welsh Government general capital grant of £1.692m for 2018-19. This is slightly higher than the sum of £1.680m included within the available funding shown in paragraph 1.3 below. £7k of this additional funding has been applied in 2018-19 to the contingency set aside for the Queens Market Development, with £5k added to the 2019-20 contingency.
- 1.2 The Council is aiming to dispose of a number of sites over the next three years. The total available funding in 2019/20 includes £70k from assets that are currently proceeding to disposal. The allocation of these funds to schemes is provisional until the funds are received from disposals.
- 1.3 The available funding for 2019/20 is shown below:

Source	Amount £000
General Capital Grant	2,822
General Capital Grant – 2018-19 additional	1,680
Un-hypothecated Supported Borrowing	2,982
Prudential Borrowing – Highways	1,970
Capital Receipts	330
Future Capital Receipts – Disposal of assets on-going	70
Contribution from capital financing budget	766
Total Funds Available 2019/20	10,620

- 1.4 The Capital Plan spends money on two types of project. Firstly there are one-off projects such as a new school; the second type is a 'block allocation'. These are on-going programmes of work that stretch over several years (and may never be complete) e.g. schools maintenance. Elements of this work may be paid for from repair and maintenance budgets but a significant part is funded through the Capital Plan.

Recommendations of the Strategic Investment Group

- 1.5 The Strategic Investment Group decided to invite bids in line with previously agreed block allocations from services. The Strategic Investment Group has reviewed 10 bids over a number of meetings.
- 1.6 Each bid was submitted with approval of the relevant Head of Service. The proposed allocations are detailed in Appendix 6 and in summary are as follows:
- It is proposed to allocate £1.2m in support of Private Sector Housing Assistance. The funding will be used in the main on the provision of Disabled Facilities Grants.
 - An allocation of £220k is recommended for Minor Adaptations, Community Equipment and Telecare. This funding is targeted at enabling the elderly and disabled to remain in their own homes.
 - It is proposed to allocate £100k to the Agricultural Estate to support the rationalisation of the estate and address Health & Safety issues including Asbestos surveys and removal. Of this, £50k will be provisional, subject to future disposal of assets.
 - Both the school and non-school capital maintenance bids include provision for essential maintenance such as Asbestos Removal, Fire Risk Assessment Work, Equalities etc. It is recommended that £3.164m be allocated to Schools Capital Maintenance Works. It is also proposed to allocate £1.345m to non-schools capital maintenance work. Of this, £20k will be provisional subject to future disposal of assets. It is further recommended that the appropriate Heads of Service determine the precise allocations to works required, in order of priority. The allocations proposed meet the highest priority works identified across the schools and non-schools estate.
 - Council on 29th January 2019 approved £100k for Highways as part of the 2019/20 Corporate Plan allocation. This will allow £1.750m of capital expenditure.
 - In addition to this, it is proposed to allocate £710k block allocation for structural and other repairs including highway maintenance, street lighting and bridges. Also included within this recommendation is a further £325k for repairs to bridge structures. This is third year of a proposed ten year Highways Structure Backlog Project.

Members should note that Council received notification from the Welsh Government on 31 January 2019 of an award of capital funding in relation to Public Highways Refurbishment. The grant award totals £795k per annum for both 2018-19 and 2019-20. This has been added to the capital plan in 2019-20, subject to review of

the spending plans by the Strategic Investment Group. It is anticipated that a further award of £795k for 2020-21 will be made by the Welsh Government in due course.

- An allocation of £186k is recommended to carry out road safety improvements.
- The Strategic Investment Group considered a proposal for the continuation of a six year programme of replacement of all the street lighting lanterns within Denbighshire with new LED lanterns. The programme commenced in 2015/16 and will cost £1.5m in total, providing significant savings on energy costs and on-going maintenance costs. The scheme is funded through the Government Salix funding initiative which provides interest free loans for energy efficient projects and will be repaid using the savings generated. Applications for Salix funding are required on an annual basis, and the strategic Investment Group recommends the submission of an application to take out a Salix loan for year five costs of up to £220k repayable over 6 years.
- The Strategic Investment Group recommends maintaining the allocation set aside for any contingencies at £0.5m, in line with 2018/19.
- Cabinet on 20th November 2018 approved the acceptance of a grant offer from the Welsh Government to acquire the former Savoy Hotel and Queens Market, Hotel and Theatre in Rhyl. The acquisitions and subsequent demolition works are 100% externally funded. However, due to the timing of the grant awards, it is recommended £900k is set aside until such time as the external funding is confirmed.

1.7 Appendix 6 shows the projects listed with the recommended funding source for each highlighted in the appropriate column. For additional clarity, the following points should be noted:

- PB Highways column - £1.750m. This is supported from the revenue budget as a corporate priority, as approved by Council on 29th January 2019. In addition, a proposed £220k application for Salix funding is included.
- Council Funds column - these are funds such as general grants, and capital receipts.

1.8 The membership of the Strategic Investment Group is as follows:

- Cabinet Member – Deputy Leader and Lead Member for Finance, Performance and Strategic Assets (Chair)
- Cabinet Member – Leader of the Council and Lead Member for the Economy and Corporate Governance
- Cabinet Member – Lead Member for Developing Community Infrastructure
- Representative from each Scrutiny Committee
- Corporate Director – Economy and Public Realm

- Head of Finance/S.151 Officer
- Head of Facilities, Assets and Housing (County Landlord)
- Business Information Team Manager