

<b>Report to</b>	Cabinet
<b>Date of meeting</b>	18 <sup>th</sup> February 2020
<b>Lead Member / Officer</b>	Julian Thompson-Hill
<b>Report author</b>	Steve Gadd, Head of Finance and Property
<b>Title</b>	Recommendations of the Strategic Investment Group

## 1. What is the report about?

Block Allocation capital bids received for inclusion in the 2020/21 Capital Plan.

## 2. What is the reason for making this report?

The Strategic Investment Group, which includes representatives from the three scrutiny committees, has met on a number of occasions to consider bids prepared by each service.

## 3. What are the Recommendations?

That Cabinet supports the projects shown in Appendix 1 for inclusion in the 2020/21 Capital Plan, and recommends accordingly to full Council.

## 4. Report details

4.1 The available funding for 2020/21 is shown below:

<b>Source</b>	<b>Amount £000</b>
General Capital Grant	3,004
Un-hypothecated Supported Borrowing	2,995
Prudential Borrowing – Highways	1,950
Capital Receipts	2,565
Unused contingency b/f	505
<b>Total Funds Available 2020/21</b>	<b>11,019</b>

- 4.2 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.
- 4.3 Appendix 1 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 Full Council on 28<sup>th</sup> January 2020. In addition, a proposed £200k application for Salix funding is included.
  - Council Funds column – these are funds such as general grants and capital receipts.
- 4.4 A narrative to support the recommendations of the Strategic Investment Group is included as Appendix 2.
- 4.5 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) and Property
  - Business Information Team Manager

## **5. How does the decision contribute to the Corporate Priorities?**

Projects have been reviewed to ensure that they satisfy the Council's corporate objectives.

## **6. What will it cost and how will it affect other services?**

### **6.1 Cost Implications**

The costs of the schemes are shown in Appendix 1. The Prudential Borrowing costs will be met through the 2020/21 revenue budget.

### **6.2 Staffing/ICT/Accommodation Implications**

Each new project is required to complete a Project Business Case form and any specific implications are discussed at that stage.

### **6.3 Assessment of impact on Climate Change – Mitigation and Adaptation**

New capital projects are subject to scrutiny by the Strategic Investment Group. Each business case will show, where relevant carbon tonne emission pre and post project, thus identifying whether the project is carbon emission positive, negative or neutral. In addition, it is necessary to ensure new capital projects are future proof and able to adapt to climate change.

## **7. What are the main conclusions of the Well-being Impact Assessment?**

A full Impact Assessment has been completed for each capital bid reviewed by the Strategic Investment Group. A copy of each individual Wellbeing Assessment is available in the members' library on the Modern.gov system.

## **8. What consultations have been carried out with Scrutiny and others?**

Heads of Service approved the submission of the bids. Representatives of Cabinet and Scrutiny committees have been involved in the process.

This report has been shared with scrutiny committee chairs for comment.

## **9. Chief Finance Officer Statement**

The Council must continue to invest appropriately in its assets. Not to do so can incur more significant costs in the long term. With the continuing reduction in the real value of Welsh Government supported borrowing, the Council must rely on its own resources more and more.

## **10. What risks are there and is there anything we can do to reduce them?**

- 10.1 Possible risks would include schemes not progressing, loss of grant and disruptions to services. The condition of assets would continue to deteriorate if investment is not made, and this may lead to the loss of important services.
- 10.2 No capital project is without risk. However all schemes are reviewed by the Strategic Investment Group and also subject to on-going monthly monitoring and reporting.

## **11. Power to make the decision**

Local Authorities are required under section 151 of the Local Government Act (1972) to make arrangements for the proper administration of their financial affairs.