

Report to	Cabinet
Date of meeting	15 th February 2022
Lead Member / Officer	Julian Thompson-Hill
Report author	Steve Gadd, Head of Finance and Property
Title	Recommendations of the Strategic Investment Group

1. What is the report about?

Block Allocation capital bids received for inclusion in the 2022/23 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 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 2022/23 Capital Plan, and recommends accordingly to full Council.

4. Report details

4.1 The available funding for 2022/23 is shown below:

Source	Amount £000
General Capital Grant	2,082
Un-hypothecated Supported Borrowing	3,021
Prudential Borrowing – Highways	4,000
Prudential Borrowing - One off funding required to offset gap in capital grant	2,966
Unused contingency b/f	500
Total Funds Available 2022/23	12,569

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 - £4.000m. This is supported from the revenue budget as a corporate priority, as approved by Full Council on 25 January 2022.
- Council Funds column – these are funds such as general grants and contributions from the capital financing budget.
- Welsh Government capital funding settlement is particularly poor for 2022-23. To maintain the block allocations at existing levels creates a one off funding gap of £2.966m. Council on 25 January 2022 approved an increase of £175k in Capital Finance Budget, and this will ensure existing levels of block allocations are maintained.

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 Corporate Services and Strategic Direction
- Representative from each Scrutiny Committee
- Corporate Director – Economy and Public Realm
- Head of Finance (S.151) and Property

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 2022/23 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.