



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2022-2023

COUNCIL

8th MARCH 2023

THE COUNCIL'S THREE YEAR CAPITAL PROGRAMME 2023/24 – 2025/26

REPORT OF THE CABINET

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1.0 PURPOSE OF REPORT

1.1 This report sets out the Council's proposed Capital Programme for 2023/24 to 2025/26, following receipt of the final local government settlement for 2023/24.

2.0 RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the detail of the final 2023/24 local government settlement for capital expenditure, reproduced at Appendix 1;
- 2.2 Agree to the proposed reallocation of existing resources, and allocation of new resources as detailed in paragraph 5;
- 2.3 Agree to allocate the funding identified in the report to the investment priorities as detailed in paragraph 6.2;
- 2.4 Agree the proposed 'core' three year programme detailed at Appendix 2;
- 2.5 Agree the proposed total three-year Capital Programme, detailed at Appendices 3 (a) to (e), which includes the following non core capital funding:
 - Prudential borrowing to support Sustainable Communities for Learning Schemes (formerly 21st Century Schools) and Highways Improvements schemes;
 - Capital grants for specific schemes;
 - Third party contributions; and
 - The investment priorities detailed in paragraph 6.2.

3.0 BACKGROUND

- 3.1 Members will be aware that each year the Council is allocated a sum of unhypothecated “Supported” borrowing and General Capital Grant from the Welsh Government (WG). Details of the final allocation for 2023/24 are shown at Appendix 1. The funding for 2023/24 has increased by £2.287M and totals £13.886M (£180M all Wales).
- 3.2 WG’s final budget includes indicative General Capital Funding maintained at £180M (all Wales) for 2024/25, with a further £20M (all Wales) in respect of decarbonisation for 2023/24 and 2024/25. It is proposed that any additional resources are considered as part of future Investment Priority reviews outside of our Core Programme.
- 3.3 Members have continued to receive regular updates on the projections of the Council’s revenue budget position to 2025/26. The Revenue Budget Strategy for 2023/24 includes a proposal to capitalise expenditure which is currently funded from our revenue budgets which in line with accounting rules, is actually capital in nature. The expenditure relates to following:

Nature of Expenditure	£M
ICT Software Licences	1.000
Cardiff Capital Region City Deal Contribution	1.000
Vehicle Purchases	1.200
Carbon Reduction Programme	0.350
Highways Improvements	0.350
Improvements to Schools	0.100
Total	4.000

- 3.4 These items are now proposed to be included in our core programme allocations. The allocations are shown at Appendix 2 which proposes a core programme totalling £14.180M.
- 3.5 To set the core programme at this level, and in light of latest capital receipt forecasts and use of capital reserves, would leave a remaining balance of £2.206M of WG General Capital Funding which can be used to contribute toward funding Investment Priorities over and above the core programme as set out at paragraph 6.2.
- 3.6 The wider overall capital programme however includes approved prudential borrowing, specific grants and agreed additional investment in our key priorities.

4.0 THE NEW THREE YEAR PROGRAMME (2023/24 TO 2025/26)

- 4.1 The proposed new 3 year capital programme for 2023/24 to 2025/26 represents a total investment of **£187.320M**. This comprises:
- A Core programme of £42.540M over the next 3 years;
 - Prudential borrowing of £21.454M to support the Sustainable Communities for Learning Programme and Highways Improvements schemes;

- Specific grants of £73.141M;
- Third party contributions of £0.057M;
- Earmarked reserves and revenue contributions previously allocated to schemes and investment priorities of £30.947M;
- Capital resources, in addition to the 3 year core allocation, of £12.081M; and
- If agreed, reallocated earmarked reserves of £4.894M and reallocated core funding of £2.206M, to fund the proposed investment priorities detailed in paragraph 6.2.

4.2 Having due regard to the level of available capital resources, both from WG and from our own capital receipts, the new core programme for 2023/24 to 2025/26 is set at £14.180M per year. This represents a fully funded £42.540M core programme across the 3 years.

4.3 There remains a risk that the projected capital receipts are less than anticipated and projections will continue to be closely monitored.

4.4 Whilst allocating core resources for three years, there remains the requirement for us to continue to review and challenge any commitments made into years two and three, to robustly monitor capital receipt projections and to position ourselves to respond as appropriate and necessary as we move forward.

4.5 Given the timing of external funding approval processes, it will be necessary to maintain flexibility of funding across individual schemes in order to ensure the most efficient delivery of the overall programme.

4.6 Details of the overall capital programme for the 3 year period are set out in Section 7 of this report.

5.0 FURTHER AVAILABLE FUNDING

5.1 The Council has maintained an Investment/Infrastructure reserve for a number of years to fund the cost of maintaining and enhancing infrastructure across the County Borough. The balance of this reserve at 31st March 2022 was £19.800M, against which £5.725M has already been released, leaving £14.075 available to fund further investment priorities.

5.2 In addition, the increase in WG General Capital Grant funding provides further available funding as shown in the table below:

Available Funding	£M
Infrastructure Reserve 2023/24	14.075
General Capital Grant 2023/24	2.206
Total Additional Funding	16.281

6.0 INVESTMENT PRIORITIES

6.1 The Cabinet believe that the most appropriate use of these one off resources is to continue to invest in our infrastructure and to support the aspirations and priorities

of the Corporate Plan.

- 6.2 In being able to support the above objectives, Cabinet have identified the following specific areas which it is proposed that Council agree to be invested in:

Investment Priority	£M
Highways Maintenance	2.500
Unadopted Roads	0.300
Highways Structures	2.400
Drainage	0.500
Parks Structures	0.250
Parks & Green Spaces	0.750
Play Areas	0.200
Multi Use Games Areas (MUGAs)	0.200
Total Council Investment	7.100

- 6.3 The above investment priorities can be funded from the resources identified at paragraph 5.2, with the remaining resource amounting to £9.181M being retained in our Investment/Infrastructure reserve to fund future priorities.
- 6.4 Further details on these investments are included in section 7.

7.0 THE THREE YEAR CAPITAL PROGRAMME 2023/24 – 2025/26

- 7.1 The details of the 3 year proposed programme for each Service Group are provided below.

CHIEF EXECUTIVE'S GROUP

- 7.2 The latest projections show expected full year capital spend of £4.162M for the Chief Executive's Group in 2022/23.
- 7.3 The total resources for 2023/24, as outlined in the proposed three-year Capital Programme is £3.785M.
- 7.4 As part of the Council's on-going programme to ensure high standards of health and safety and operational efficiency within its premises, appropriate resources continue to be allocated to our operational accommodation, the management and remediation of Asbestos and Legionella and resources for energy efficiency/carbon reduction measures across our property estate. We await details of the £20M allocated by WG for decarbonisation.

PROSPERITY, DEVELOPMENT AND FRONTLINE SERVICES

- 7.5 The latest projections show expected full year capital spend of £80.735M for Prosperity, Development and Frontline Services in 2022/23.

- 7.6 The total resources for 2023/24, as outlined in the proposed three-year Capital Programme is £67.702M.
- 7.7 As identified in 6.2 additional investment has been provided in Prosperity, Development and Frontline Services in the following areas:
- Highways Maintenance - £2.500M
 - Unadopted Roads - £0.300M
 - Highways Structures - £2.400M
 - Drainage Improvements - £0.500M
 - Parks Structures Improvements - £0.250M
 - Parks & Green Spaces - £0.750M

This additional investment is included in the figures presented in Appendix 3b.

PROSPERITY AND DEVELOPMENT

Regeneration

- 7.8 A budget of £3.760M for 2023/24 has been allocated to the next phase of Regeneration.
- 7.9 The Council's Capital Programme continues to provide a long-term funding commitment to the economic regeneration of the County Borough and in doing so supports one of the Council's Corporate Plan Priorities: 'Prosperity – Creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper'.
- 7.10 In addition to the above, sustained investment has been maintained across a range of funding streams, supported by external funding and the Corporate Plan Investment Priorities. This has enabled a wide range of regeneration activity to be delivered to benefit the local economy.
- 7.11 The Council will continue to work with partners to develop and progress exciting and innovative schemes such as:
- The redevelopment of key sites in the Southern Gateway Quarter in Pontypridd town centre including the former Bingo Hall site and former M&S, Burton and Dorothy Perkins site;
 - Townscape Enhancements across our key town centres – a targeted approach to acquiring, redeveloping and upgrading town centre buildings for increased business and commercial use and continuing to improve the quality of the townscape providing business investment and employment growth. This will be supported by the development and delivery of strategies and placemaking plans for our key town centres;
 - Development of a new integrated Transport Hub at Porth as part of the Porth Town Centre Regeneration Strategy;
 - New sources of funding are being accessed to bring forward investment such as the UK Government Levelling Up Fund where successful bids have been made for the Muni Arts Centre Redevelopment, Porth Transport Hub and A4119 Dualling projects and also the UK Government Shared Prosperity (SPF) Fund where delivering the RCT SPF Local Investment Plan will be a priority;

- Strategic Opportunity Areas – a number of Strategic Opportunity Areas have been developed to deliver economic growth and job creation in Rhondda Cynon Taf. These areas are:
 - Cynon Gateway – Energising the Region;
 - The Wider Pontypridd, Treforest – Edge of the City, heart of the Region;
 - Pontypridd Town – Pivotal in the Region;
 - A4119 Corridor – Regional Rhondda Gateway; and
 - Llanilid on the M4 – Driving the Regional Economy.

7.12 The programme of regeneration projects will add value to the significant regeneration investment that has already taken place and will act as a catalyst for further regeneration activity.

Cardiff Capital Region City Deal

7.13 A budget of £1M per year is allocated for an estimated annual contribution to Cardiff Capital Region City Deal.

Planning and Countryside

7.14 A budget for 2023/24 of £0.078M has been allocated to the Planning and Countryside programme, this will enable the Council to continue to develop and progress schemes which improve the countryside. Supported by external funding, the Council will continue working on schemes which improve access to and on the Public Rights of Way network, open access land and green and blue spaces.

Private Sector Housing

7.15 A budget for 2023/24 of £11.720M has been allocated and the programme comprises the following schemes to contribute to one of the Council's Corporate Plan Priorities: 'People – Are independent, healthy and successful':

- Disabled Facilities Grants;
- Maintenance Repair Assistance Grants;
- Renovation Grants in Exceptional Circumstances;
- Empty Homes Grants scheme and the delivery of the National Scheme led by RCT from April 2023 to March 2025;
- Shared Prosperity Fund Heating Grant and Solar Panel Grant which provides financial support for residents to make their homes more energy efficient;
- Affordable Housing through the Social Housing Grant; and
- Tackling Poverty Fund.

FRONTLINE SERVICES

Highways Technical Services

7.16 A budget for 2023/24 of £10.725M has been allocated to the next phase of the Council's Highways Improvement programme and in doing so supports one of the Council's Corporate Plan Priorities: 'Places – Where people are proud to live, work and play'. Schemes comprise:

- Road surface treatments and resurfacing – £4.800M

- Car park improvements – £0.045M
- Major repairs to structures such as bridges and walls – £4.450M
- Parks Structures Improvements - £0.780M
- Street lighting replacement and upgrades – £0.540M
- Traffic Management - £0.110M

Strategic Projects

- 7.17 A budget for 2023/24 of £16.940M has been allocated to Strategic Projects for major economic infrastructure investment and a programme of multi-modal transport enhancements ranging from sustainable travel initiatives to encourage walking and cycling, park and ride facilities, “making better use” enhancements, road safety and drainage improvements. Allocated as follows:
- Major Economic Transport Infrastructure investments and associated transportation enhancements – £16.190M
 - Drainage Improvements – £0.750M
- 7.18 There remains uncertainty with regard to the level of WG grant funding for 2023/24. It is anticipated that further substantial funding will be made available to implement the Welsh Government Default 20mph speed limit initiative. Road Safety Revenue will be available but Road Safety Capital funding is suspended in favour of the 20mph initiative. In addition, the implications of the outcome of the Roads Review will need to be considered. A number of individual grants, such as Resilient Roads fund, have now been incorporated into the Local Transport Fund grant. Bids for various funds returned during January and February are expected to be confirmed during March. Bids have also been submitted for “Small Scale” flood alleviation schemes with the upper limit of funding for individual schemes set at £0.200M.
- 7.19 A supplementary report on the detail of proposed schemes for Highways, Transportation & Strategic Projects will be presented to Cabinet shortly.

Storm Dennis Flood Recovery

- 7.20 Following the unprecedented weather events of Storm Dennis in February 2020, the Council will have already spent £25M on repairing, replacing and improving infrastructure damaged by this exceptional storm event by the end of March 2023.
- 7.21 Funding for the recovery work is provided by WG on an annual basis and the Council continues to work closely with WG to ensure funding is increased and secured during the financial year to maintain the momentum of the recovery programme. Formal confirmation of the funding for 2023/24 is awaited from WG, however the Council has previously had assurance from WG to continue with recovery works. In anticipation of the funding for 2023/24 being confirmed a total budget for 2023/24 of £20.109M is now included.
- 7.22 There are a significant number of schemes ongoing to repair and replace bridges, river walls and retaining walls, as well as a work programme to deal with coal spoil tip safety, including the remediation process following Tylorstown landslip.

Parks

- 7.23 Investment in Parks infrastructure in 2023/24 totals £0.820M to fund a rolling programme of improvements to drainage, pavilions, buildings and other infrastructure such as seating, fencing, paths and walls.

Waste Strategy

- 7.24 The budget for 2023/24 is £1.200M. This relates to the Eco Park at Bryn Pica and consideration of the feasibility of implementing a transfer station to reduce operational costs associated with hauling waste and recycling, and to reduce the carbon footprint associated with the significant operation.

Fleet

- 7.25 The 3 year rolling programme for replacement vehicles continues. The 3 year allocation is £4.400M. This service area is subject to ongoing assessment and continuous review of requirements.

EDUCATION AND INCLUSION SERVICES

- 7.26 The latest projections show expected full year capital spend of £64.985M for Education & Inclusion in 2022/23.
- 7.27 The total resources available to Education & Inclusion for 2023/24, as outlined in the proposed three-year Capital Programme is £38.368M and will support one of the Council's Corporate Plan priorities: 'Prosperity – Creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper'. This investment will also support the delivery of Strategic Priority 5: Delivering 21st Century learning environments and innovative services for our learners and communities, of the Education and Inclusion Services Strategic Plan.

Schools

- 7.28 The Council will continue to deliver and support its long-term strategic investment programme of modernisation to create school environments that meet the needs of our communities and provide the best learning provision and outcomes for young people and the wider community. The programme of capital investment is supported with Council funding, WG Sustainable Communities for Learning (previously the 21st Century Schools and Colleges Programme) and Section 106 funding.
- 7.29 The following key school projects are either in progress or planned, and are included in the overall strategic programme and include a combination of refurbishments, remodelling, demolitions and new buildings:
- YGG Llyn Y Forwyn – to create a brand new school on a new site in the Rhondda Fach, increasing Welsh medium capacity and providing community facilities;

- Y Pant Extension – phase 1 will deliver a four-classroom extension to increase the capacity at the school to accommodate growth as a result of housing developments in the area;
- YG Rhydywaun – to construct a new teaching block to increase the capacity at the school plus an element of remodelling and refurbishment of the existing school building to provide brand new learning environments including sports facilities that will be available for the wider community;
- Creation of a new 3-16 school in Hawthorn – to construct a new teaching block providing exciting new learning environments for all pupils of the new school;
- Creation of a new 3-16 school in Pontypridd – significant remodelling and refurbishment will be carried out throughout the new school, providing new learning environments for all pupils and delivering new sports facilities that will be available for the wider community;
- Creation of a new Welsh medium primary school in Rhydyfelin – to construct a brand new school, increasing the Welsh medium capacity in the area, and delivering exciting new learning environments internally and externally, and providing facilities that will be available for the wider community; and
- Bryncelynog Comprehensive School – to construct 2 new teaching blocks and undertaking extensive remodelling and refurbishment work in the existing school buildings, delivering brand new learning environments and sports facilities, and increasing the capacity of the school including the sixth form.

7.30 In addition to the above schemes being delivered through capital funding, the Council has been successful in securing funding via WG's Mutual Investment Model (MIM) programme, which is the revenue funding element of the Sustainable Communities for Learning Programme. The Council has entered into a 25-year contract for the design, build, funding and building maintenance of three schools as follows:

- Pontyclun Primary School (by early 2025) – All existing buildings (including temporary classrooms) will be demolished to construct a new two-storey school building, sports and recreation facilities. Hard play areas will be provided externally, along with two (MUGAs) and other informal grass play areas;
- Llanilltud Faerdref Primary School (by spring 2024) – A new single-storey building will be constructed on the existing grassed playing field area on the eastern part of the site. Externally, there will be landscaped areas and hard and soft play areas set around the school. Two MUGAs will be built, along with a grass sports pitch (5-a-side) and a 40-metre grass sprint track; and
- Penygawsi Primary School (by summer 2024) – All existing buildings will be demolished to construct a new two-storey building at the north-east corner of the site. Hard play areas will be provided externally, along with a grass sports pitch (7-a-side), two MUGAs and informal play areas at the southern end of the site.

Planned Capital Works

7.31 The planned capital works programme allocation for 2023/24 is £5.808M. The allocation includes an on-going rolling programme for kitchen refurbishments/remodelling, window & door replacements, essential works, electrical rewiring, fire alarm upgrades, toilet refurbishments, Equalities Act/compliance works, access condition surveys, boiler replacements, roof

renewals, asbestos remediation works, 21st Century classroom upgrades, external improvements, capitalisation of IT hardware/software & licences and improvements to schools. Also included is funding to support capital expenditure in relation to the Universal Primary Free School Meals initiative.

- 7.32 A supplementary report detailing proposals of works for consideration within the above-mentioned programme will be presented to Cabinet shortly.

COMMUNITY AND CHILDREN'S SERVICES

- 7.33 The latest projections show expected full year capital spend of £8.391M for Community and Children's Services in 2022/23.

- 7.34 The total resources available to Community and Children's Services for 2023/24, as outlined in the proposed three year Capital Programme, is £10.887M.

- 7.35 As identified in 6.2 additional investment has been provided in Community and Children's Services in the following areas:

- Multi Use Games Areas (MUGAs) - £0.200M
- Play Areas - £0.200M

This additional investment is included in the figures presented in Appendix 3d.

Adult & Children's Services

- 7.36 The programme for Adult and Children's Services includes a budget of £7.105M in 2023/24. This will continue to fund the essential refurbishment and improvement works to the Council's Adult & Children's Services establishments, including the extra-care programme, in line with care standards and health & safety legislation. Also included are additional costs associated with Telecare Services.

- 7.37 In December 2022, Cabinet considered and determined to consult on major proposals to invest and modernise residential care services in Rhondda Cynon Taf including three new facilities offering Extra Care and residential dementia care, a fourth new accommodation for adults with learning disabilities, and the retention of five Council care homes. The consultation was carried out between 12th December 2022 and 27th January 2023.

- 7.38 A further report following conclusion of the consultation will be presented to Cabinet in relation to the preferred options for the future provision of accommodation for older people in the Council's residential care homes.

- 7.39 The capital funding requirements to deliver the proposals for investment in new facilities will also subsequently be considered by Cabinet. This will include reviewing all opportunities to secure any available external (Welsh Government) sources of finance to support the timely delivery of the strategy.

- 7.40 These investments will support one of the Council's Corporate Plan Priorities: 'People – Are independent, healthy and successful'.

Public Health & Protection

- 7.41 The Public Health and Protection programme has a budget of £3.782M in 2023/24. This budget is allocated across the ongoing rolling programmes for Cemeteries and Community Safety measures. Also included in this budget are allocations for investment and improvement works at Leisure Centres and Play Areas. The redevelopment of the Muni Arts Centre is also included in this programme. These areas of investment support one of the Council's Corporate Plan Priorities: 'Places – Where people are proud to live, work and play'.

8.0 EQUALITY & DIVERSITY IMPLICATIONS AND SOCIO-ECONOMIC DUTY

- 8.1 Due regard has been given to the Council's public sector equality duties under the Equality Act 2010, namely the Public Sector Equality Duty and Socio-Economic Duty.
- 8.2 An Equality Impact Assessment has been completed and concluded that the recommendations set out in the report are in line with the above legislation.

9.0 WELSH LANGUAGE IMPLICATIONS

- 9.1 There are no Welsh language implications as a result of the recommendations in this report.

10.0 CONSULTATION

- 10.1 Consultation and engagement has been undertaken as part of formulating the revised programme and this was also built into the wider consultation exercise undertaken in respect of the recommended 2023/24 Revenue Budget Strategy, particularly in respect of investment priorities and community benefits.

11.0 FINANCIAL IMPLICATION(S)

- 11.1 The financial implications of the recommendations are set out in the main body of the report.

12.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 12.1 The Council's proposed Capital Programme for 2023/24 to 2025/26 complies fully with all legal requirements.

13.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

- 13.1 The Council's proposed Capital Programme for 2023/24 to 2025/26 has been formulated to support the delivery of the Council's strategic priorities, as set out

within the Corporate Plan “Making a Difference” 2020 – 2024, with these documents being aligned to the goals and principles included within the Well-Being of Future Generations Act.

14.0 CONCLUSIONS

- 14.1 The three year Capital Programme is a key component of the overall Medium Term Financial Planning and Resources Strategy for this Council. Targeted capital investment can make a significant impact on service delivery and used effectively, is able to underpin the Council’s Corporate Plan Priorities, where relevant.
- 14.2 This report sets out the capital investment priorities for the Council through to March 2026. It represents an ambitious and significant level of investment (£187.320M) over the next 3 years.
- 14.3 The programme includes some element of slippage identified throughout 2022/23, which is subject to change when final spend for the capital programme is known and the 2022/23 accounts are finalised. Any changes to slippage will be reported as part of the Council’s quarterly performance reports.
- 14.4 This report has also identified the opportunity to invest £7.100M of additional resources in our local area and infrastructure in order to improve the services and facilities which are available to our residents.
- 14.5 As the year progresses, changes will be made to the programme, for example where new schemes can be supported by specific grants. Approval from Members will be sought as these opportunities arise throughout 2023/24.
