



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2023-2024

COUNCIL

6th MARCH 2024

THE COUNCIL'S THREE YEAR CAPITAL PROGRAMME 2024/25 – 2026/27

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 2024/25 to 2026/27, following receipt of the final local government settlement for 2024/25.

2.0 RECOMMENDATIONS

It is recommended that Members:

2.1 Note the detail of the final 2024/25 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);
- 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 2024/25 are shown at Appendix 1. The funding for 2024/25 has decreased by £0.058M and totals £13.828M.
- 3.2 WG’s final budget maintains General Capital Funding at £180M (all Wales) for 2024/25, with a further £20M (all Wales) in respect of decarbonisation. 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 2026/27. The Revenue Budget Strategy for 2024/25 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.
- 3.4 These expenditure items relate to IT software licence costs totalling £0.500M which is 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 £2.148M (for 2024/25) 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 (2024/25 TO 2026/27)

- 4.1 The proposed new 3 year capital programme for 2024/25 to 2026/27 represents a total investment of **£165.630M**. This comprises:
- A Core programme of £42.540M over the next 3 years;
 - Prudential borrowing of £13.138M to support the Sustainable Communities for Learning Programme;
 - Specific grants of £42.968M;
 - Third party contributions of £0.015M;
 - Earmarked reserves and revenue contributions previously allocated to schemes and investment priorities of £33.588M;
 - Capital resources, in addition to the 3 year core allocation, of £14.114M; and
 - If agreed, allocated earmarked reserves of £15.035M, reallocated earmarked reserves of £2.084M and reallocated core funding of £2.148M, 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 2024/25 to 2026/27 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 2023 was £24.950M, against which £7.730M has already been released, leaving £17.220M available to fund further investment priorities.
- 5.2 An Invest to Save reserve has also been maintained to fund opportunities as and when they arise, including investment in carbon reduction and renewable energy projects which results in a reduction in energy costs and/or additional income for the Council. The balance of this reserve at 31st March 2023 was £6.887M, of which £4.021M has been committed to projects leaving £2.866M available to fund further Invest to Save opportunities.
- 5.3 Our capital expenditure and commitments are closely monitored across the 3 year period of the programme and it is not unusual for spend to slip into future years and present opportunities for the reallocation of resources. In this regard an amount of £2.084M has been identified which can be reprioritised without adversely impacting on wider programme delivery and whilst maintaining the new core programme.
- 5.4 The total additional available funding, as outlined above (and paragraph 3.5) is £24.318M

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	5.050
Unadopted Roads	0.200
Highways Structures	1.000
Rhigos Mountain Road Rock Netting	1.404
Flood Alleviation	1.000
Streetcare Bins (revenue allocation)	0.025
Parks Structures	0.250
Parks & Green Spaces	1.395
Country Parks Investment	0.305
Play Areas	0.350
Multi Use Games Areas (MUGAs)	0.225
Coed Ely Solar Farm	7.388
Hawthorn Hockey Pitch	0.350
Leisure Fitness Equipment	0.350
Total Council Investment	19.292

6.3 The above investment priorities can be funded from the resources identified at paragraph 5.4, with the remaining resource amounting to £5.026M 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 2024/25 – 2026/27

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 £28.498M for the Chief Executive's Group in 2023/24.

CORPORATE ESTATES

7.3 The total resources for 2024/25, as outlined in the proposed three-year Capital Programme is £8.829M.

7.4 As identified in 6.2 additional investment has been provided in Corporate Estates in the following areas:

- Coed Ely Solar Farm – £7.388M (including £2.866M from the Invest to Save reserve referenced in paragraph 5.2). The Council is progressing the development of a 6-megawatt solar farm on the former Coed Ely colliery site, which is owned by the Council. The renewable (green) energy produced will be for the benefit of the public sector and enable an offset of over 1,100 tonnes of

carbon per year, and around 47,000 tonnes over the expected 40 year lifecycle.

- 7.5 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 AND DEVELOPMENT

Regeneration

- 7.6 A budget of £15.875M for 2024/25 has been allocated to support the next phase of Regeneration.
- 7.7 The Council's Capital Programme continues to provide a long-term funding commitment to the economic regeneration of the County Borough in line with its Corporate Plan.
- 7.8 In addition to the above, sustained investment has been maintained across a range of funding streams, supported by external funding and resources prioritised toward the Corporate Plan Investment Priorities. This has enabled a wide range of regeneration activity to be delivered to benefit the local economy.
- 7.9 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;
 - The former Rates Building redevelopment and plans to redevelop the Rock Grounds Buildings are being brought forward as part of the Aberdare Town Centre Strategy; and
 - Sources of investment post EU funds are being accessed to bring forward projects 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 Fund (SPF) where delivering the RCT SPF Local Investment Plan is a key priority.
- 7.10 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 the development and delivery of further regeneration activity.

Cardiff Capital Region City Deal

- 7.11 A budget of £1M per year is allocated toward the Council's commitment to the Cardiff Capital Region City Deal Wider Investment Fund.

Planning and Countryside

- 7.12 A budget for 2024/25 of £0.943M 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.

- 7.13 As identified in 6.2 additional investment has been provided in Planning and Countryside in the following area:

- Country Parks Investment - £0.305M

Private Sector Housing

- 7.14 A budget for 2024/25 of £11.574M has been allocated and the programme comprises the following schemes to contribute to the delivery of the Council's Corporate Plan.

- Disabled Facilities Grants;
- Maintenance Repair Assistance Grants;
- Renovation Grants in Exceptional Circumstances;
- Delivery of Welsh Government's National Empty Homes Grant Scheme for all participating Local Authorities in Wales from April 2024 to March 2026;
- 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.

FINANCE, DIGITAL AND FRONTLINE SERVICES

- 7.15 The latest projections show expected full year capital spend of £79.246M for Finance, Digital and Frontline Services in 2023/24.

- 7.16 The total resources for 2024/25, as outlined in the proposed three-year Capital Programme is £41.760M.

- 7.17 As identified in 6.2 additional investment has been provided in Finance, Digital and Frontline Services in the following areas:

- Highways Maintenance – £5.050M
- Unadopted Roads – £0.200M
- Highways Structures – £1.000M
- Rhigos Mountain Road Rock Netting – £1.404M
- Flood Alleviation – £1.000M
- Parks Structures Improvements – £0.250M
- Parks & Green Spaces – £1.395M

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

FRONTLINE SERVICES

Highways Technical Services

- 7.18 A budget for 2024/25 of £14.265M has been allocated to the next phase of the Council's Highways Improvement programme and in doing so supports the delivery of the Council's Corporate Plan. Schemes comprise:
- Road surface treatments and resurfacing – £6.757M
 - Car park improvements – £0.035M
 - Major repairs to structures such as bridges and walls – £6.580M
 - Parks Structures Improvements – £0.320M
 - Street lighting replacement and upgrades – £0.473M
 - Traffic Management – £0.100M

Strategic Projects

- 7.19 A budget for 2024/25 of £16.629M 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. Funding has been allocated as follows:
- Transport Grant Schemes – £0.580M
 - Major Economic Transport Infrastructure investments and associated transportation enhancements – £14.779M
 - Drainage Improvements and Land Reclamation Schemes – £1.270M
- 7.20 There remains uncertainty with regard to the level of WG grant funding for 2024/25. It is anticipated that further funding will be made available to undertake modifications to the Welsh Government Default 20mph speed limit initiative. Road Safety Revenue and Road Safety Capital grants will also be available to be bid for this year. 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, and to the major projects Flood and Coastal Erosion Risk Management (FCERM) programme to gain Approval in Principle for funding.
- 7.21 A supplementary report on the detail of proposed schemes for Highways, Transportation & Strategic Projects will be presented to Cabinet shortly.

Storm Dennis Flood Recovery

- 7.22 Following the unprecedented weather events of Storm Dennis in February 2020, the Council will have already spent £47M on repairing, replacing and improving infrastructure damaged by this exceptional storm event by the end of March 2024.

7.23 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 2024/25 is awaited from WG, however the Council has assurance from WG to continue with recovery works. In anticipation of the funding for 2024/25 being confirmed a total budget for 2024/25 of £4.485M is now included.

7.24 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

7.25 Investment in Parks infrastructure in 2024/25 totals £1.643M to fund a rolling programme of improvements to drainage, pavilions, buildings and other infrastructure such as seating, fencing, paths and walls.

Waste Strategy

7.26 The budget for 2024/25 is £1.184M. This relates to 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

7.27 The 3 year rolling programme for replacement vehicles continues. The 3 year allocation is £4.958M. This service area is subject to ongoing assessment and continuous review of requirements.

EDUCATION AND INCLUSION SERVICES

7.28 The latest projections show expected full year capital spend of £72.862M for Education & Inclusion in 2023/24.

7.29 The total resources available to Education & Inclusion Services for 2024/25, as outlined in the proposed three-year Capital Programme, is £38.790M and will support the delivery of the Council's Corporate Plan. 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.

7.30 As identified in 6.2 additional investment has been provided in Education and Inclusion Services in the following areas:

- Hawthorn Hockey Pitch - £0.350M

Schools

7.31 The Council will continue to deliver and support its long-term strategic investment school modernisation programme, creating environments that meet the needs of learners and our communities, providing the best learning provision and supporting positive outcomes for young people and the wider community. The programme of capital investment is delivered utilising Council funding, WG Sustainable Communities for Learning funding (previously the 21st Century Schools and Colleges Programme) and Section 106 funding.

7.32 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 – construction is ongoing to build a brand new school on a new site in the Rhondda Fach, increasing Welsh medium capacity and providing community facilities;
- Creation of Ysgol Afon Wen – works are continuing to construct a new teaching block providing exciting new learning environments for all pupils of the new school. Demolition of the existing school buildings plus extensive external improvement works are also planned;
- Creation of Ysgol Bro Taf – significant remodelling and refurbishment works will continue throughout the school, providing new learning environments for all pupils, delivering new sports facilities that will be available for the wider community, plus the creation of a new car park and bus-bay area;
- Creation of Ysgol Awel Taf – works on the brand new Welsh medium school are ongoing, remaining works include the creation of the staff and visitor car park and bus-bays;
- Bryncelynnog Comprehensive School – works to improve facilities at the school continue. The remaining works include the creation of a new car park; and
- Childcare Capital Grant – improvements to existing childcare provision at Glenboi Primary School and Penderyn will be delivered, improving the environments and increasing the childcare offer.

7.33 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. Continuation of work during 2024/25 will deliver:

- 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

- 7.34 The planned capital works programme allocation for 2024/25 is £6.315M. 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.
- 7.35 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

- 7.36 The latest projections show expected full year capital spend of £13.110M for Community and Children's Services in 2023/24.
- 7.37 The total resources available to Community and Children's Services for 2024/25, as outlined in the proposed three-year Capital Programme is £12.464M.
- 7.38 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) – £0.225M
 - Play Areas – £0.350M
 - New Leisure Fitness Equipment - £0.350M

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

Adult & Children's Services

- 7.39 The programme for Adult and Children's Services includes a budget of £7.464M in 2024/25. 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.
- 7.40 The Council is working towards the successful delivery of the Council's extra care strategy including residential dementia care, a fourth new accommodation for adults with learning disabilities, and investment in the Council's own care homes. The strategy will lead to the development of a more sustainable model of residential services providing the best possible care and support.
- 7.41 The capital funding requirements to deliver the proposals for investment in new

facilities will be considered by Cabinet as individual schemes are developed. This will include reviewing all opportunities to secure any available external (Welsh Government) sources of finance to support the timely delivery of the strategy.

- 7.42 These investments will support the delivery of the Council's Corporate Plan Priorities.

Public Health & Protection

- 7.43 The Public Health and Protection programme has a budget of £5.000M in 2024/25. 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, and overall, the areas of investment support the delivery of the Council's Corporate Plan Priorities.

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 2024/25 Revenue Budget Strategy, where consultees were asked what services are important to them in Rhondda Cynon Taf.

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 2024/25 to 2026/27 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 2024/25 to 2026/27 has been formulated to support the delivery of the Council's strategic priorities, as set out within the Corporate Plan, 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 2027. It represents an ambitious and significant level of investment (£165.630M) over the next 3 years.

14.3 The programme includes some element of slippage identified throughout 2023/24, which is subject to change when final spend for the capital programme is known and the 2023/24 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 £19.292M 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 2024/25.
