

APPENDIX D

CAPITAL PROGRAMME 2014/15 TO 2018/19

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Total £000
<u>Schools</u>						
Gwernyfed Catchment Modernisation	1,565	10,254	11,119	0	0	22,939
Severn Valley Welsh Medium School	3,482	4,176	0	0	0	7,658
Llanidloes/Machynlleth Catchment Modernisation	0	500	0	0	0	500
Welshpool	0	0	0	4,020	4,020	8,040
Brecon High School Campus	1,221	7,478	17,786	6,476	0	32,961
Ysgol Bro Dyfi	0	0	0	2,050	9,300	11,350
Major Improvements	1,681	1,000	1,000	1,000	1,000	5,681
	7,948	23,409	29,905	13,546	14,320	89,128
<u>Highways, Transport & Recycling</u>						
Highways Core Allocation	1,250	1,400	1,400	1,400	1,400	6,850
Road Safety & Traffic Management	100	100	100	100	100	500
Local Authority Borrowing Initiative	3,750	0	0	0	0	3,750
Resurfacing	500	0	0	0	0	500
Structures	500	0	0	0	0	500
Other	1,011					1,011
Flood Alleviation Scheme - Talgarth	483	0	0	0	0	483
Flood Alleviation Scheme - Tregynon	563	0	0	0	0	563
Waste Management	5,609	0	0	0	0	5,609
Vehicle Replacement Programme	6,860	1,730	1,730	1,730	1,730	13,780
	20,626	3,230	3,230	3,230	3,230	33,546
<u>Housing & Commissioning</u>						
Disabled Facilities Grant	1,500	1,500	1,500	1,500	1,500	7,500
CO2i Assistance	448	448	0	0	0	896
Landlord Loans	310	310	0	0	0	620
Flat Regeneration	200	0	0	0	0	200
	2,458	2,258	1,500	1,500	1,500	9,216
<u>Leisure and Recreation</u>						
Brecon Museum Phase 2	1,090	3,000	2,090	1,820	180	8,180
Maldwyn LC Resurface ATP	207	0	0	0	0	207
Library Management System	70	0	0	0	0	70
Llandrindod Library	170	0	0	0	0	170
Archives Project	800	0	0	0	0	800
Outdoor Recreation	95	50	0	0	0	145
Footbridges - Replacement Programme	15	15	15	15	15	75
	2,447	3,065	2,105	1,835	195	9,647
<u>Change & Governance</u>						
ICT Strategy	689	0	0	0	0	689
Audio / Visual System	785	0	0	0	0	785
Replacement DRAIG	750	0	0	0	0	750
Replacement Hardware	220	220	220	220	220	1,100
Channel Shift	100	0	0	0	0	100
	2,544	220	220	220	220	3,424
<u>Regeneration, Property and Commissioning</u>						
Community Enablement Support Fund	230	230	230	230	230	1,150
Business Grants	200	200	200	200	200	1,000
Sustaining the Built Heritage	100	100	100	100	100	500
Severn Valley Env Enhancement	22					
Cemetery Extension	40	60	0	0	0	100
County Farms	100	100	100	100	100	500
	692	690	630	630	630	3,272

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Total £000
Local Capital Schemes	500	500	500	500	500	2,500
Statutory Testing Remedial Works	200	0	0	0	0	200
Unallocated Resources	0	645	1,522	522	750	3,439
Total	37,415	34,017	39,613	21,983	21,345	154,372

Financed By

Supported Borrowing	9,556	9,613	8,805	7,789	7,916	43,679
Prudential Borrowing	9,550	1,687	4,210	2,252	6,272	23,971
Grants	5,289	12,704	15,498	6,273	4,027	43,791
Capital Receipts	5,873	3,875	6,590	3,273	1,180	20,790
Revenue/Reserves	7,147	6,138	4,510	2,396	1,950	22,141
Total	37,415	34,017	39,613	21,983	21,345	154,372

Welsh Quality Housing Standard

	13,500	14,015	14,037	14,312	5,927	61,792
Financed By						
Prudential Borrowing	3,850	4,473	4,689	5,141	0	18,153
Grant	3,700	3,700	3,700	3,700	3,700	18,500
Capital Receipts	120	39	39	39	40	277
Revenue/Reserves	5,831	5,803	5,609	5,433	2,187	24,862
Total	13,500	14,015	14,037	14,312	5,927	61,792

Notes to Capital Programme 2014/15 to 2018/19

1 Capital Programme 2014/15 to 2018/19

1.1 The Capital Programme is now extended up to 31st March, 2019. This covers the timeframe for the 21st Century Schools Band A projects. This also has the advantage of showing expenditure required to achieve the Welsh Quality Housing Standard by 31st March 2018.

1.2 Schools

1.2.1 The Schools Programme is split into two main components. The Major Improvement Programme is an annual allocation of £1m to fund School improvement works. A scoring mechanism has recently been approved to rank school projects and will be used for the first time in 2014/15. This includes the project to carry out improvements at LLandrindod High School which is funded from prudential borrowing using revenue savings from the schools delegated budget due to a reduction in the floor area. The full programme of works proposed from this allocation will be subject to a further report to Cabinet.

1.2.2 The second element is the 21st Century Schools Band A Projects. This is a £83.447m investment with £39.090m funded by Welsh Government. The projects are:

- Gwernyfed Catchment – Clyro, Hay and Talgarth
- Dafydd Llwyd School
- Llanidloes/Machynlleth Catchment –Ysgol Glantwymyn
- Brecon High School Campus
- Ysgol Bro Dyfi
- Welshpool Town – No Scheme identified

1.2.3 21st Century Schools

1.2.4 There is a funding gap in 2018/19 of £4.619m in the 21st Century School Programme. The main reasons for the gap are the reduction in the timescale for the programme. It was originally two years longer, therefore an additional £2m supported borrowing would have been available. The original bid for funding did not include inflation and this is now having an impact on all of the projects. The indications are that building construction inflation is running a 3% per annum.

1.2.5 It is recommended that the programme is reduced by £4.619m in 2018/19. The Bro Dyfi project could be included at a future date. Band B projects are due to commence from 2019/20.

1.2.6 The other risk with the programme is the funding from capital receipts. County farm receipts are funding £5.3m of the capital receipts. Of this figure £3.1m has been identified leaving £2.2m to be found, £0.9m has been realised.

1.2.7 The requirement to do the HM Treasury's 5 Case Business Model for each projects is causing another major risk. Dafydd Llwyd is at the point construction can start but WG have not yet agreed the first business case the Strategic Outline Case (SOC). This SOC will be submitted for the 6th March Panel. No WG funding can be released until the business cases have been approved.

1.3 Highways, Transport and Recycling

1.3.1 Waste Services includes the funding for the following projects:

- Brecon Transfer Station 900,000

- Llandrindod Well Bulking Station 2,174,900
- Newtown Bulking Station 1,198,700
- Ystradgynlais Bulking Station 835,200
- Llandrindod Household Waste Recycling Centre 500,000

1.3.2 The vehicle replacement programme is based on the estimated available resources for future years. The 2014/15 budget includes the roll forward from 2013/14 of the waste vehicles which will be delivered from April onwards.

1.3.3 The Local Authority Borrowing Initiative for Highways is funding to supplement the capital resources of the authority and this is its final year.

1.3.4 The Core Allocation and Road Safety and Traffic Management will be allocated according to the services scoring mechanism.

1.3.5 Resurfacing and Structures are the final budgets from the allocations approved in 2011/12.

1.3.6 Other projects include

- Street Lighting 175,000
- Ddole Road Compensation 300,000
- TRACC Schemes 316,000
- Lleden Brook Flood Alleviation 200,000
- Talgarth Flood Alleviation 483,000
- Tregynon Flood Alleviation 563,000
- Other Flood Alleviation Schemes 156,850

1.3.7 A requirement from WG is that Powys has sufficient salt storage in the county to be able to access strategic salt supplies. Current capacity does not meet this requirement. Additional capacity cannot be achieved entirely within existing facilities/depots and therefore an additional site(s) would be required at an estimated cost of £1.488m. A decision on funding this will be programmed for 2014/15. No additional funding is being provided by WG to fund this.

1.3.8 The Local Environment operational service currently spends more than £180k on the disposal of waste from cleansing road gullies. Tipping fees are high due to the wet state of the waste material. The construction of de-watering bays in various depots will allow the material dry out. This will reduce the volumes and more importantly the weight by 30-50%. £100k has been identified within the strategy to fund this which will in turn release the revenue savings.

1.4 Housing Services

1.4.1 Disabled Facilities Grant budget is usually split into Safe, Warm and Secure (SWS) and an allocation to Powys Care and Repair.

1.4.2 CO2i is a loan scheme run by the Robert Owen Community Bank. The loans are administered by the bank. The original approval ends on 31st March 2016.

1.4.3 Landlord Loans is a loan scheme operated by the authority. The original approval for the schemes ends on 31st March 2016.

1.4.4 Flat Regeneration is a delayed project that is happening in Talgarth and will enable at least 5 units of accommodation to be brought into use.

1.5 Leisure and Recreation

- 1.5.1 Brecon Museum/Library is the project that is partially funded by the Heritage Lottery Fund. An estimated profile of expenditure is included. The major risk around this project is the timing of the capital receipts from any LABV may be after the construction of the project. Further work is required to look at the overall capital receipts usage across all projects to see if the timing can be amended to fund Brecon as well as all other projects.
- 1.5.2 The Library Management System is a scheme to upgrade the unsupported system in the libraries.
- 1.5.3 Maldwyn ATP is a reprofile of a project to replace the ATP in Newtown originally agreed in 2011/12.
- 1.5.4 Outdoor Recreation Plant and Machinery purchase. This funding is linked to a revenue bid to externalise the service.
- 1.5.5 Proposals continue to be developed for the relocation of the Powys Archive £800k is included in 2015/16 to fund this.
- 1.5.6 Sections of the historic masonry walling at Priory Groves, Brecon requires repair, this has been included in the strategy.
- 1.5.7 An extension to Hay cemetery is required, proposals are being formed to achieve this and £100k has been included in the strategy to fund this.
- 1.5.8 Relocation of Llandrindod Wells Library - two options being considered so an estimate of £50,000 has been included at this early stage. The project may attract CyMAL funding.
- 1.6 Change and Governance
- 1.6.1 The ICT strategy is the final reprofile of the funding for the implementation of the ICT Strategy.
- 1.6.2 The Audio Visual system is the upgrade to the Members system approved last year and is a reprofile of the budget.
- 1.6.3 The replacement DRAIG system is the Social Care management information system and is a reprofile of the budget. This is funded from reserves.
- 1.6.4 The Refresh budget funds the replacement of the hardware and software of the authority on a rolling programme. This is funded from reserves.
- 1.6.5 Customer Services Channel Shift project will help both Customer Services and other services to achieve a change in the way the public interact with the authority. There will be a shift to electronic self-service channels supported by a new, fully mobile compatible website structured around these tasks.
- 1.7 Regeneration and Property
- 1.7.1 The Community Enablement Support Fund is an annual budget. This is an historic allocation and has been reviewed.
- 1.7.2 The Business Grants fund is an annual allocation. This is an historic allocation and has been reviewed.
- 1.7.3 County Farms schemes are funded from capital receipts for the farm estate.
- 1.8 Statutory Compliance
- 1.8.1 This is to carry out essential work following statutory testing, legionella and health and safety inspections.
- 1.9 Local Capital Scheme

1.9.1 This is an allocation used to fund projects between £10k - £75k which are put forward on an annual bidding basis.

1.10 Welsh Housing Quality Standard (WHQS)

1.10.1 The budget for the WHQS is shown separately from the Council projects and amounts to £62m over the 5 years. The standard has to be achieved by 31st March, 2018 and this is reflect is the spend profile with £5.9m spend in the year following achieving the standard. The authority has to continue to maintain the standard once it is achieved and the costs are built into the 30 year business plan.

Appendix E

Prudential Indicators

Table 1 - Ratio of financing Costs to Net Income Stream

	Actual 2012/13	Estimate 2013/14	Revised Estimate 2013/14	Estimate 2014/15	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19
Financing Costs	11,356	13,452	12,395	13,296	13,762	13,626	14,232	14,248
Net Revenue Stream	233,005	247,514	247,514	242,113	238,439	232,739	234,151	235,595
Council Fund	4.87%	5.43%	5.01%	5.49%	5.77%	5.85%	6.08%	6.05%
Financing Costs	826	863	878	861	1,058	1,304	1,548	1,700
Net Revenue Stream	20,674	21,241	21,241	22,068	22,894	23,721	24,547	25,374
HRA	4.00%	4.06%	4.13%	3.90%	4.62%	5.50%	6.31%	6.70%

Table 2 - Incremental Change on Council Tax

	2013/14	2014/15	2015/16	2017/18	2018/19
	£	£	£	£	£
Estimated Incremental Change in band D Council Tax	2.71	21.03	28.62	37.76	43.50
Estimated Incremental Change in band D Council Tax for Prudential Borrowing	0.00	13.52	16.71	22.37	26.27

Table 3- Incremental Change on Housing Rents

	2013/14	2014/15	2015/16	2017/18	2018/19
	£	£	£	£	£
Estimated Incremental Change in average weekly rent	0.54	2.04	3.62	4.09	6.39
Estimated Incremental Change in average weekly rent for Prudential Borrowing	0.26	1.20	2.24	2.72	4.11

Table 4- Capital Financing Requirement

	2012-13 Actual	2013-14 Estimate	2013-14 Revised Estimate	2014-15 Estimate	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate	2018-19 Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
Non-HRA	181,136	204,048	200,265	208,326	217,707	219,005	222,378	222,175
HRA	14,355	13,686	15,576	14,964	18,394	22,379	26,501	30,992
Total	195,490	217,734	215,841	223,289	236,101	241,384	248,880	253,167

Table 5- Authorised Limit for External Debt

	2014/15	2015/16	2016/17	2017/18	2018/19
	£m	£m	£m	£m	£m
Borrowing	236.0	240.0	247.0	252.0	257.0
Other Long Term Liabilities	5.7	11.7	17.7	23.7	23.7
Total	241.7	251.7	264.7	275.7	280.7

Graph 1 Actual External Debt for 2012/13

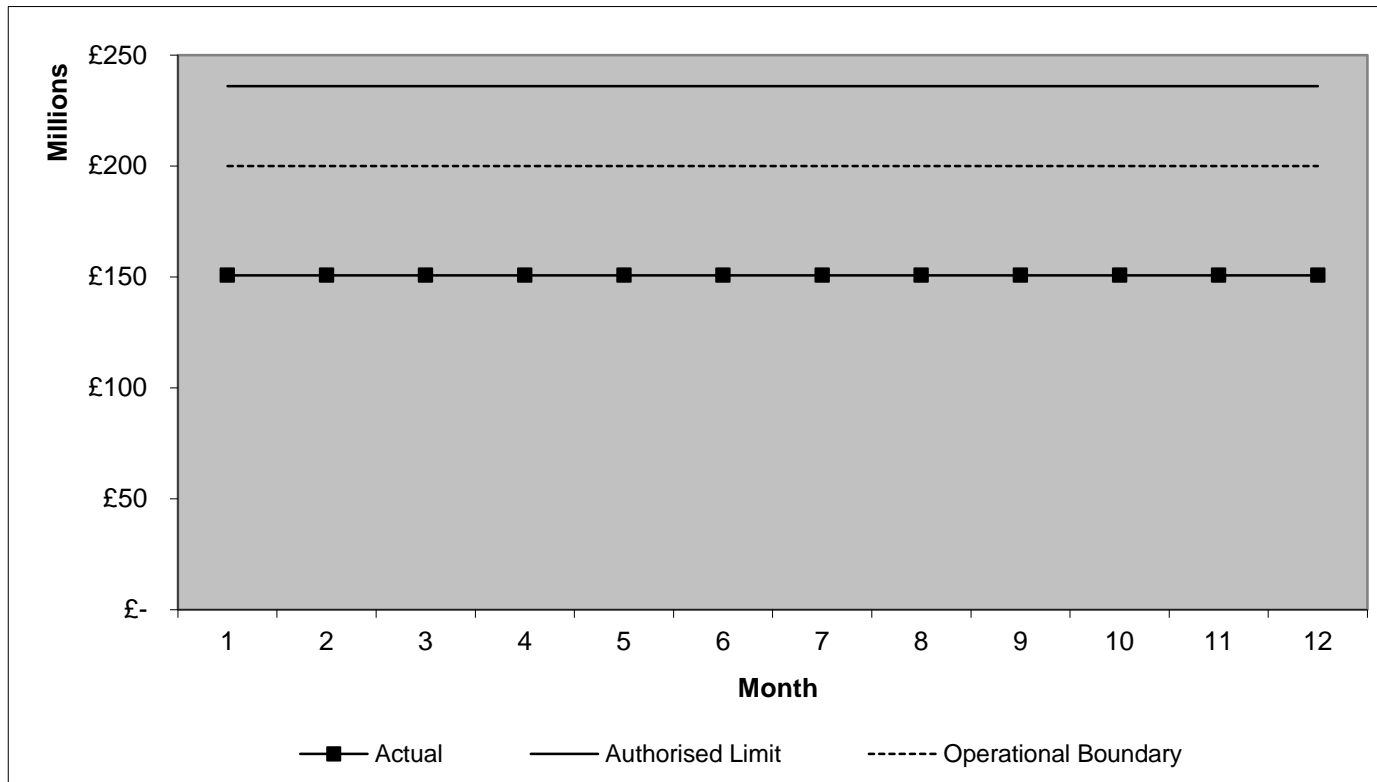


Table 6- Operational Boundary for External Debt

	2014/15	2015/16	2016/17	2017/18	2018/19
	£m	£m	£m	£m	£m
Borrowing	200.0	210.0	215.0	220.0	225.0
Other Long Term Liabilities	5.7	11.7	17.7	23.7	23.7
Total	205.7	221.7	232.7	243.7	248.7

Table 7– Gross Debt compare to CFR

Council Fund	2013-14 Estimate	2014-15 Estimate	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate	2018-19 Estimate
External Debt	£000	£000	£000	£000	£000	£000
Debt at 1st April	148,818	158,304	164,304	170,304	176,304	176,304
Expected change in Debt	6,486	0	0	0	0	0
Other Long Term Liabilities						
Expected change in OLT	3,000	6,000	6,000	6,000	0	0
Estimated Gross Debt at 31st March	158,304	164,304	170,304	176,304	176,304	176,304
Capital Financing Requirement	181,136	204,048	200,265	208,326	217,707	219,005
Under / (Over) Borrowing	22,831	39,744	29,960	32,021	41,402	42,701