

Working Group Report to the Governance and Audit Committee.

Name of Working Group:	Capital
Date of Meeting:	21.03.2023

Brief Details of Matters considered at the meeting:

- Gareth Hall appointed as Lead Member
- ToR received.
- Documents reviewed – Capital Accounting Final Report 2023, Capital Governance Framework, Capital and Treasury Management Strategy and the ToR of the Oversight Board.

Aspects to be reviewed by the Group are:

Councils Asset Management Plan - Existing Assets

Capital Investment Programme – New assets/work to existing assets.

Outcomes / Observations:

Investment

The Working Group reviewed the 5-year capital programme included in the Treasury Management and Capital Strategy and request the addition of a confidential report that shows the “working” 10-year programme, as this would tie in with expected planning period. The group noted that there were significant omission from the current programme based on the ambitions of the council (e.g., Schools Transformation). The Working Group agreed that 5 years is too short a period for capital investment but understood issues with publishing a 10-year programme.

Working Group also requested that appendix H be expanded with specific projects and at what stage of the Business approval they are. This report should also include details on how the schemes are funded, e.g., from Council budget, borrowing and/or WG contribution.

Expectation of capital expenditure

The group queried how much rigour is put into the costings for schemes, rate of inflation, costs of works way beyond original estimates – definition on timelines, market testing, how firm and realistic are the capital costs compared to the estimates. There was the impression that the costs on schemes escalate over time.

Future Actions / Items to be added to the Work Programme:

Actions:

1. WG guidance was updated in 2019 in respect of indicative cost of school buildings, primary school at £17k per pupil place, PCC currently at £60k per pupil place, further details on specifications required.

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2. Review of costs, commissioning, and oversight of projects, are consultants being used? Request for ex HOWPS Snr. Executive staff to explain the increase in various project costs.
3. Comparisons to be reviewed re: Brecon – Bro Hyddgen School projects.
4. Chair / Vice Chair of the Capital Oversight Board, to present to the Working Group on the oversight, challenge and assurance of development, management and control of the Capital Programme, including changes in scope, cost, outputs and outcomes.

Work Programme:

1. The Head of Property, Planning and Public Protection (4P's) to present at the next meeting in respect of asset base and asset review, overarching policies and farms strategy.
2. Professional Lead Consultancy (Property Design Services) to present to the Working Group on how the costs within each schemes are calculated at each stage of the business case process (SOB to OBC to FBC) and any changes whilst in construction.,
3. Service Manager for Schools Transformation to provide some benchmarking against other LA's, 21st Century Project outline, actual delivery and the timeliness of projects.
4. Chair (Nigel Brinn) / Vice Chair (Jane Thomas) of the Capital Oversight Board to present.
5. Capital and Financial Planning Accountant – to provide examples of profiling of spend by the council on capital schemes and the corresponding grants from WG and the disparity between the two and how this impacts on the councils cashflow and borrowing requirements.
6. Ysgol Gymraeg y Trallwng lessons learned intense monitoring currently add to working programme later in year.

Recommendations to the Governance and Audit Committee:

N/A