

Working Group Report to the Governance and Audit Committee.

Name of Working Group:	Capital
Date of Meeting:	27.04.2023

Brief Details of Matters considered at the meeting:

Capital Forecast 2022-23 as at 28th February 2023

- Revised budget of £95m with a spend at 28.02.23 of £50m, resulting in substantial reprofiling between financial years to be undertaken.
- Various changes throughout the year, almost half of the budget is funding by Grants.
- 38% borrowing over next few weeks this will be minimalised as much as possible to utilise grants and other sources prior to hitting borrowing (Grants are listed within report)
- Re-profiling - virements made for a new system in building control, interactive boards throughout schools.
- Capital receipts just under £1.5m received, sales agreed at legal stage of £2.64m, had hoped to achieve total £3.6m at end of the year but reliant on all factors being competed.
- Head of Service commentary is to be progressed further.

Asset Base And Asset Review, Overarching Policies And Farms Strategy

- HOWPS integrated into the team last year.
- Corporate Llandod model across the Authority, bringing most of the estate under one service area to control most of the Authority's building stock.
- Asset Management Strategy agreed from last October, undertaking a full review of the whole estate – totalling 560 buildings.
- Building Condition Assessments being undertaken, 25% completed, target for 22-23 was 22%.
- Further surveys to be undertaken on 65 farms over the next 2 months, which has been contracted out to a company as our officer is completing work using funding from the levelling up projects.
- Review of entire Farm estate to understand condition, usage, whether retain, re-invest, or disinvest.
- In some areas the Farm estate could be of considerable value, caveat that with it is also dated and may require substantial capital spend.
- The Service has a target of approx. £2m per annum to bring into the LA capital funds to allow capital projects to progress.
- Forecast possible £4m for 2023-24, if include farm review of when and how to dispose of assets.
- There is a counter argument on how to use the Farm estates in relation to the Green Powys agenda, delivering food more locally, work continues with the Portfolio Holder on this.
- Schools Leisure Centres Libraries and Day Centres are all being reviewed, the programme for which will take a couple of years to complete.
- Continue to work with the Day Care Commissioning Project with regards surveys.
- Conditional Surveys on an ad hoc basis with schools as and when undertaking Transformational reviews.
- Work with WG to bring in significant funding for projects, with projects due to come on-line in the near future.

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- The Service does not have a huge Revenue budget to look after the schools' estate but have large capital projects, spending approx. £5m on school infrastructure, which includes energy efficiencies, sustainability trying to improve the estate as a whole.

Calculation Of Capital Scheme Costs At Each Stage Of The Business Case Process (SOB to OBC to FBC)

Presentation on RIBA Business Cases

- Strategic Definition -SOP (Strategic Outline Plan)
 - Preparation and Briefing, elemental costings – SOC (Strategic Outline Case)
 - Concept Design – OBC (Outlined Business Case)
 - Spatial Coordination & Technical design, firm outturn costs of building and full scheme – FBC (Final Business Case). Construction cost is significant element but not the only element of cost.
- **Costs guidance / Headline Rates**
- **Energy Standards**
 - Net Zero Carbon
 - BREEAM
 - Moved away from gas and using Airsource Heat Pump
 - Mechanical Ventilation Heat Recovery (MVHR)
 - Good levels of air tightness
 - Passive House Requirement
- **Design of School buildings**
 - Traditional
 - Modular D&B (Design & Build)
 - Traditional with a systematised building approach (Using SCAPE)
 - Bundled D&B – in areas i.e., Ystradgynlais and Gwernyfed
 - WG were encouraging aspirational build prior to Pandemic and inflation, Dafydd Llwyd was last of this type built in Powys.
- **Cost Control on Site**
 - In regard to Powys' costs being higher than other Local Authorities in Wales, piece of work been undertaken with ACom quantity surveyors who have visibility on a number of projects across Wales. Powys were identified as being 5% more than the average, a lot of detail to be considered i.e., rurality, costs used were business case rather than the outturn costs.

Outcomes / Observations:

- The Group welcomed that a number of property schemes were and had been undertaken recently as per attached e-mail below.



- Sample of current property schemes.m

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

Actions:

- 2022-23 Reconciliation to be brought to June's meeting, with robustness of profiling and slippage, whilst agree there is still improvement required in profiling. There was a pull back on spend last year due to inflationary pressures.
- Policies and Framework to be explained re: how reach judgements, encompassing current Green Agenda requirements.

Work Programme:

24.05.23 - Capital Oversight Board & Schools, Transformation to provide some benchmarking against other LA's, 21st Century Project outline, actual delivery, and the timeliness of projects.

29.06.23 - Profiling of spend by the council on capital schemes and the corresponding grants from WG.

TBC:

How the Council deals with Specialist buildings

Recommendations to the Governance and Audit Committee:

None reported to date.