

## **Appendix 5 - Capital Schemes Update**

### **Economic Development**

1. The 2020/21 programme for the Directorate is £26.273 million, with an initial variance identified of £10.671 million predominantly in relation to parks, city development and major projects.

### **Business and Investment**

2. The council has received from Welsh Government to date, repayable loans totalling £4.810 million for the implementation of town centre regeneration schemes in order to bring back vacant, underutilised or redundant buildings into beneficial use. A further £1.25 million loan from Welsh Government has also been approved following a request to bid for further tranches of loan where there is a demand. Expenditure on the scheme of £985,000 has been incurred on a loan to allow the acquisition and regeneration of premises at Windsor Place for a Fintech / Technology Hub. Whilst due diligence on a number of other applications is being undertaken, no further expenditure is currently planned during this year. Welsh Government have local authorities to determine whether further opportunities for use of such repayable funding can be put to beneficial use, but it should be noted all risk in respect to repayable loans remains with the Local Authority.
3. In order to address safety concerns, a grant of £95,000 has been made to the Coal Exchange LLP towards the purchase costs of scaffolding currently occupying the north elevation of the Coal Exchange. This will keep the scaffolding in place whilst a long-term sustainable future for the building is sought.

### **City Development & Major Projects**

4. A sum of £2.366 million was originally allocated in the 2019/20 capital programme for economic development initiatives, primarily in relation to heritage buildings. A sum of £366,000 was allocated for the completion of the Black Tower Tales visitor experience at Cardiff Castle. This work has been delayed by the Covid-19 restrictions with completion expected by the end of the financial year. In respect to the budget available for 2020/21, £300,000 is allocated towards the clearance and pre development works on the James Street site in Butetown. The balance of £1.7 million is to be used toward the acquisition of Cory's Buildings and Merchant Place in Butetown in accordance with a Cabinet report in November 2020.
5. The initial cost of acquiring Merchant Place and Cory's buildings is £4.27 million with three sources of funds in place to meet the initial acquisition cost. These include the balance of £1.7m for Economic Development Initiatives included in the current Capital Programme, an earmarked receipt held from the sale of the Medicentre for reinvestment of £1.28 million, with the balance of £1.29 million to be met from disposal receipts already received as part of the Council's Investment Property Strategy. A delivery strategy is being developed to bring the

properties, which have been unoccupied for over a decade and represent a major blight on the local area, back into beneficial use.

6. A sum of £1.929 million arising from 2019/20 Welsh Government grant to support economic stimulus in local authorities has been used for the acquisition of land situated on the corner of James Street and Adelaide Street in Cardiff Bay that has remained derelict for over 30 years. Costs in relation to site clearance and hoardings of circa £150,000 are due to be incurred this financial year, with full demolition and clearance delayed until summer 2021 due to requirement to meet environmental regulations in respect to wildlife. Projected expenditure is £1.949 million with slippage of £280,000. Coupled with existing land ownership in the area such as the Royal Stuart Workshops, a comprehensive redevelopment plan of the area is to be prepared to assist with the regeneration of Cardiff Bay.
7. An initial sum of £1 million was allocated in 2020/21 towards the Development strategy for the Sports Village and infrastructure works, which would be repaid through capital receipts or revenue from sites. An updated masterplan and development strategy is due to be presented to Cabinet towards the end of the year and pending the outcome, it is assumed that no costs will be incurred this financial year.
8. The primary phase of Central Square Public Realm was completed in November 2018 with costs of £8.7 million in 2018/19 and prior. Slippage of £342,000 will continue to be carried forward into 2021/22 in order to complete works arising following future phases of the development and in line with various other public realm works planned around the site.
9. Cabinet approved the acquisition of the Red Dragon Centre (RDC) site in December 2019, triggering the approval of the affordability envelope in respect of delivery of a new indoor arena as part of the 2019/20 budget proposals. Completion of the site took place in January 2020. Following the appointment in November 2020 of a preferred bidder to be the developer/operator for the new Indoor Arena, subject to submission of a planning application for an Indoor Arena on the Atlantic Wharf site, a further sum is payable for the acquisition of the RDC site. This is currently assumed to be in 2021/22, resulting in slippage.
10. In August 2020, the affordability envelope was also utilised to acquire the long leasehold in a property known as Pizza Hut, Hemingway Road, Cardiff. The property is to be managed as part of the Red Dragon Centre, but is also deemed a strategic investment to assist with the Council's wider master planning of Atlantic Wharf.

## **Parks & Green Spaces**

11. The contract for the refurbishment of the toilet block at Parc Cefn Onn, which started last February, was completed in August at a total cost of circa £219,000 with additional funding required to complete this of £117,000 to be met from the Council's building asset renewal budget.

12. The Parks Asset Renewal Infrastructure budget for 2020/21 including slippage is £253,000 and has been used to complete footpath reconstruction at Hailey Park and Whitchurch Common. In addition, structural works including Waterhall bridge replacement, Cath Cobb Woods and Fairwater Park Wall will be completed this year. Opportunities are being considered to bring forward works to replace the surface of the boardwalk at Parc Trederlech.
13. The enhanced play equipment capital allocation is £533,000 including a significant level of slippage from 2019/20. Slippage of £283,000 is currently shown for sites including Victoria Park, Caedelyn Park, Grange Gardens, Drovers Way and Lascelles Drive due to a delayed start on site and contractor capacity because of Covid-19. Schemes anticipated to complete this year are Hailey Park, Peppermint Drive, Glenmount Way and Wilson Road. Works will include resurfacing and replacement of playground equipment.
14. A grant of £328,000 has been approved by Welsh Government to enable the Council to meet some of the actions within the 2020–2021 Play Sufficiency Assessment Action Plan. A number of Council and external projects are to be supported to widen play opportunities particularly because of the Covid-19 pandemic, with funding required to be utilised by 31 March 2021.
15. Refurbishment works at Roath Park House, to protect it from further deterioration and make it wind and watertight, commenced in September 2019 and were completed in August 2020 at a cost of £619,000. Options and costs are now being determined to complete further phases of the project. A further phase to change of use works and landscaping to provide seating and improve visual impact. Then a final phase to fit out the property as a cafeteria and cookery school proposed to be managed by the Council's Youth Foods service. Costs to date have utilised funding from capital receipts from the disposal of the former youth hostel at Wedal Road agreed by Cabinet to be re-invested in the Roath Park District Area. The further phases identified above are subject to detailed costing, a procurement exercise and identification of funding to complete the works, currently anticipated in July 2021. The estimated total project cost is circa £1 million.
16. Expenditure of £100,000 is forecast on professional fees and surveys during the year in relation to Roath Park Dam in order to determine an options report for works deemed required as part of the Reservoir Act 1975 and in response to a Natural Resources Wales inspection report. Future costs are subject to this appraisal; consideration of the impact on other features of this Grade1 listed Historic Park as part of a future Cabinet Report.

## **Leisure**

17. A property asset renewal budget of £310,000 was allocated in the year to replace sections of roof at Western Leisure Centre in order to urgently address water ingress and this work has now been completed.
18. As part of the contract for the transfer of leisure sites to GLL, the balance remaining of the £3.5 million for investment in the transferred leisure sites is

£0.678 million, which is repayable on an investment to save basis. Expenditure of £283,000 is forecast during the year at Western Leisure Centre - £180,000 on the Air Handling Unit and £103,000 on site lighting.

19. Following confirmation of drainage requirements, a tender package is being amended and is to be issued for a scheme at Pontcanna Riding School to resurface the outdoor arena. The project has been a significant time in development and is expected to commence during this financial year with slippage of £38,000 into 2021/22. Funding sources include a grant from Sport Council Wales and a contribution from the friends of Pontcanna Riding School.

### **Venues and Cultural Facilities**

20. A balance of £222,000 is available in 2020/21 from Capital budgets initially allocated in 2015/16 for priority works identified at St David's Hall (£350,000) and New Theatre (£295,000). The upgrading of the Building Management System at St David's Hall, which commenced last year will be completed this year at a total cost of £415,000, with the balance to be met from the Council's property asset renewal budget.
21. Grant funding has been received from the Arts Council of Wales as part of the Covid-19 Cultural Recovery Fund from Welsh Government. The New Theatre has received £9,994 in respect of the purchase of protective equipment and St David's Hall has received £29,227, with £15,750 of this for an additional 21 seats in the auditorium. This is on track to be spent by the end of the financial year.

### **Property & Asset Management**

22. Property Asset Renewal works for administration buildings includes health and safety works at Ocean Park Arena, roof replacement at Cardiff Castle Visitor Centre and the Grassroots Building, heating and boiler works at City Hall, Llanover Hall and Cardiff Riding School fence replacement. The slippage in non-schools asset spend into 2021/22 is primarily due to no planned asset maintenance work being undertaken in Quarter 1 because of COVID-19, and the subsequent need to prioritise maintenance work on the school estate in Quarter's 2/3. In addition, some planned maintenance work on the core buildings has been deferred whilst revised priorities are determined.
23. The Community Asset Transfer budget provides up to £25,000 for improvement works to buildings being taken on by third party organisations. A sum of £25,000 has been utilised to date for Llandaff Friends and there are no other known commitments for the remainder of the year. Payments are subject to progress on schemes and slippage continues across years with £98,000 carried forward into 2021/22.
24. In respect of the former Virgin Active Tennis Centre, immediate health and safety as well as works to reconfigure the centre into separate, self-contained units has been completed at a cost to date of £1.8 million in order to create a local sports and club facility, the Ocean Park Arena. Rental and service charge agreements have been established with tenants and are subject to agreement. Works are

currently being undertaken in respect to outdoor sports pitches in partnership with the House of Sport. In the absence of a land receipt from the site, these costs are paid for from capital receipts from the investment property strategy. Further work to replace the Air Handling units at an estimated cost of circa £200,000 is proposed to be paid for as part of the Property asset renewal budget.

25. In respect of Central Market, the council's phase one application for a scheme to provide interpretation and to restore and prevent further deterioration to the building has been approved by the National Lottery Heritage Fund. The development and design stage is expected to run to December 2021 and subject to this, there will be a final funding announcement in March 2022. The Council has allocated £450,000 capital funding over the next four years as well as an earmarked revenue reserve of £269,000. Expenditure during this year is forecast to be £21,000.

### **Harbour Authority**

26. The Harbour Asset Renewal budget approved for 2020/21 is £262,000, to be spent on the purchase of a new crane to undertake barrage maintenance and refurbishment of railings at Penarth Marina. Expenditure during this year is expected to be £260,000.

### **Recycling Waste Management Services**

27. The five-year capital programme includes £3.325 million to explore options for a new household waste recycling / reuse centre. No expenditure is forecast to be incurred during the year until a suitable site is identified, resulting in slippage of £200,000.
28. Ultra Low Emission Vehicles (ULEV) funding of £45,000 has been awarded to purchase two light commercial electric vehicles for collection and management of waste in the city centre, with the balance match funded by the Council.
29. The programme includes £1.321 million in respect to Circular Economy related projects. This includes grant funding of £1.245 million from Welsh Government as part of the Council's success in bidding for funds after two funding rounds to date. Any grant allocations are required to be used by the end of the financial year. The initiatives include a reuse cabin (£175,000), improvements at recycling centres to support recycling (£115,000), an electric sweeper and electric vehicles to remove waste from the City Centre (£160,000), CCTV to support enforcement of fly-tipping (£80,000), creation of a modular locality based reuse, repair, reclaim, redistribution hub in Llanrumney and £498,000 towards the provision of the glass caddies across Cardiff.
30. The Grant allocation for glass caddies supplements a Council allocation of £815,000 to roll out a separate glass collection scheme, which was subsequently re-profiled to 2021/22. The overall allocation will be reviewed as part of the development of an agreed approach and business case for glass collection, including revenue budget impact and capital cost. Funding sources available towards this project will need to be reviewed in 2021/22.

31. In order to implement enhanced team operational requirements and facilities that support revised working practices, a number of changes are required at the Lamby Way waste depot. This includes improved access to office and welfare facilities, improvements to fleet parking, security and access. These are planned to be completed by the end of the financial year at an estimated cost of £750,000, and repaid over a three-year period from directorate revenue budgets.
32. Funds previously allocated for fire safety measures in relation to the Materials Recycling Facility (MRF) equipment and building are to be used for a range of infrastructure improvements at depot and recycling sites. This includes CCTV, barriers for health and safety, weighbridge and vehicle wash upgrades. Current projections show that £300,000 of budget allocated in future years will need to be brought forward. Property asset renewal works include shower and drying facilities for staff at Lamby Way as well as schemes to support improvement of site operations.

### **Education and Lifelong Learning**

33. The 2020/21 programme for the Directorate is £31.261 million, with overall slippage identified of £3.008 million primarily due to the delays in on site works across all schemes due to the Covid-19 lockdown restrictions at the start of the year, which offset an overspend of £1.7 million in relation to 21<sup>st</sup> Century Schools (Band A) and asset suitability overspends.

### **Schools - General**

#### *Asset Renewal - Buildings*

34. The Council asset renewal budget assumption of £5.601 million in 2020/21 included an assumed £3 million WG grant for schools capital maintenance, in line with grants received in the prior two financial years. Due to the current pressures on external funding sources, the budgeted £3 million Welsh Government grant is unlikely to be awarded this year as resources are prioritised for the ongoing pandemic. New working processes within the Asset Commissioning Board have provided a much more streamlined service and have allowed priority works to progress well. The current programme consists of Priority 1A works identified in Schools Condition Surveys, including roof and boiler replacements, fire precaution works, safeguarding of lobbies and kitchen upgrades. In order to remain within budget, £4.754 million of the £25 million invest to save funding (approved in 2018/19) will be brought forward to support the asset renewal and suitability programme, with works proceeding at a faster pace than originally expected.

#### *Asset Renewal – Suitability and Sufficiency*

35. The Suitability and Sufficiency budget of £1.095 million includes £55,000 slippage brought forward from 2019/20. An additional £1.905 million of works have been brought forward into 2020/21 to be paid for by the invest to save funding identified above and covers a range of works including; security and

safeguarding works on boundaries and receptions across the schools estate, as well as priority Disability Discrimination Act (DDA) adaptations.

#### *Whitchurch High*

36. A £1.194 million separate allocation exists for works at Whitchurch High with future works subject to a full options appraisal. Opportunities for virements from existing education budgets will be considered subject to the impact of such an approach. Given delays in construction across the programme, it is assumed that there will be slippage of £729,000 with planning and cost consultation currently underway.

#### *Welsh Medium Grant*

37. A further grant of £1 million was awarded from WG in 2019/20 to improve Ysgol Y Wern under the Welsh Medium programme. Works on the project will be finalised this year, which will increase the school to three forms of entry by providing two new permanent classrooms via extension of the existing building, along with the development of a Welsh medium teachers training room in partnership with Cardiff Metropolitan, Welsh Government and the Central South Consortium. Full spend of the remaining £602,000 grant is anticipated in 2020/21.

#### *Reducing Infant Class Sizes Grant*

38. As part of an ongoing programme to reduce infant class sizes, Welsh Government agreed a £3.322 million grant funding package until 2021 for St Fagan's Primary, St Francis Primary and Oakfield Primary. The Oakfield project is now complete, with works on the St Fagan's and St Francis having started on site late due to Covid-19 delays. Slippage of £1.932 million is anticipated across the two ongoing projects and has been approved by Welsh Government.
39. A Welsh Government funding allocation of £5.097 million was awarded in 2019/20 to support Cardiff schools in developing sustainable EdTech Digital Services. This award was split with 15% (£764,616) allocated to the Authority, of which the remaining £309,000 is projected to be fully spent. The remaining overall grant balance (£4.333 million) was made available through drawdown of equipment through an all Wales ICT Catalogue and is also expected to be fully spent this financial year (£1.207 million).

#### **Schools Organisation Plan – 21<sup>st</sup> Century Schools**

40. The 21<sup>st</sup> Century Schools Band A programme has fully utilised Welsh Government grant funding of circa £66 million with final expenditure in 2020/21 expected to be £2.564 million including the demolition and security costs at the Michaelston site as part of the Cardiff High School in the West project. This is significantly higher than first planned due to delays in being able to start on site (Covid-19 related) and confirmation of the presence of significant levels of asbestos in the building and substructures. Outstanding Band A grant retentions

will be utilised to fund this expenditure in the first instance the Band A invest to save Financial Model picking up any additional spend.

41. Band B of the 21<sup>st</sup> Century Schools Programme has now commenced with an original funding envelope of circa £284 million, inclusive of the £82 million Mutual Investment Model (MIM) schemes – Willows and Cathays High. Non-MIM schemes are to be funded by a Welsh Government grant award with match funding from Cardiff Council at a rate determined by the type of school. The timescales of the programme have been reviewed since the initial submission to Welsh Government and will continue to evolve as detailed business cases are developed. Given the profile of expenditure and assumed use of eligible grant first, slippage of £5.0 million is anticipated in respect to the Council's £25 million capital programme contribution to Band B projects from assumed capital receipts.
42. The main works contract for Fitzalan has now been awarded and commenced on site. Total expenditure anticipated in 2020/21 is £11.497 million out of the total £64.3 million allocated budget. The full business case has been agreed by Welsh Government, with the initial grant award being front loaded to assist with the overall cash flow and repayment profile of Band B schemes. Additional VAT costs arising from the decision to opt to tax will be met through contingencies budgets within the scheme.
43. St Mary the Virgin is currently at design stage with minimal expenditure anticipated this year in line with cash flows projected in relation to design and survey costs.
44. The Doyle Avenue scheme aims to house three schools (Cantonian, Riverbank and Woodlands) on one shared campus. This is currently at the initial design stage, awaiting appointment of technical project management due to the complex nature of the scheme. Current projections are based on historic cost profiles and slipped for the impact of Covid-19 and delays in final design.

## **People & Communities**

45. The total programme for 2020/21 is £14.880 million, with a variance identified of £4.270 million, the majority of which relates to slippage on regeneration schemes and housing.

## **Communities & Housing**

### **Neighbourhood Regeneration**

46. The Neighbourhood Renewal Schemes budget of £489,000, allows completion of schemes from 2019/20 in relation to street scene environmental improvements in Cathays and Riverside as well as the provision of a 3G sports pitch at Splott Park. Additional projects in development include a range of wellbeing improvements in Llanishen Park as well as environmental improvements on

Cowbridge Road East and Llanishen Street. An additional grant of £118,000 from Welsh Government Active Travel has been received for the Llanishen Park project, taking the total programme to £607,000. This grant is to be used to provide safe walking and cycling routes through the park to the local school. Overall expenditure for the year is expected to be £276,000 with slippage of £331,000. This is partially due to contractors being impacted upon by supply chain delays for material because of Covid-19 as well as delays relating to securing drainage approvals for the 3G sports pitch.

47. Including slippage from the prior year of £26,000, the alley gating budget is £76,000 for priority schemes throughout the city. Subject to completion of consultation and legal procedures, outturn is expected to be £60,000 with slippage of £16,000.
48. In March 2018, Cabinet agreed priorities for submission under the Welsh Government Targeted Regeneration Investment (TRI) Programme. In accordance with the terms and conditions of the funding, the Council has allocated its own resources to supplement other public and private funding, a total of £1.3 million.
49. TRIP funding of £545,000 was approved towards Butetown Pavilion, which is now complete following a delay in the acquisition of equipment and fit out as a result of Covid-19.
50. The Tudor Street Business Improvement Scheme focuses on the delivery of external improvements to commercial premises in Tudor Street, Riverside. Start on site was delayed by Covid-19 and progress continues to be dependent on the ability to enter properties. TRIP funding of £920,000 is approved for this £1.35 million scheme, expected to be complete by September 2021.
51. £1.630 million of TRIP funding has been approved for an environmental improvement and green infrastructure scheme at Tudor Road as part of a potential scheme totalling £3 million, subject to completion of a tender process and ability to access the site to undertake surveys to inform the design process. Whilst a start on site is expected this financial year, the need to spend funds allocated by Welsh Government this financial year and any flexibilities they are able to offer, will be an important area to monitor closely.
52. Schemes to create hubs at Rhydypennau and Whitchurch funded by Welsh Government Museums and Libraries Division (MALD) and Integrated Care Fund (ICF) grants were completed in August. Options are also being considered to create a comprehensive scheme at Rhiwbina, with initial design costs assumed in 2020/21. Grant funding from the ICF of £336,000 has been secured and additional bids for MALD funding have been submitted.
53. The Council aimed to develop an integrated city centre business academy for young people, at Grassroots in Charles Street. However, following the design stage and projected costs of over £2.5 million, alternative options are now being considered. An Intermediate Care Fund grant bid has been approved at £450,000 to supplement a previous Council allocation of £800,000.

54. As mentioned above, Integrated Care Funding (ICF) was granted by Welsh Government in 2020/21 for both the Rhiwbina Hub and Youth Hub schemes with quarterly updates submitted to provide projections of spend. Given the delays in implementing the projects, and so as not to lose the funding, alternative schemes being undertaken by the Council have been substituted to be eligible for ICF funding, with Council's own displaced resources carried forward towards the delivery of those projects. Rhiwbina hub funding of £270,000 has been used for enabling works and preventative measures for disabled facility assistance including installation of stair lifts into peoples' homes and use towards 'safety at home' initiatives. Similarly, the ICF grant of £450,000 initially allocated to the Charles Street Academy Hub is to be redirected towards the short stay assessment accommodation for young children and supported living accommodation in the Housing Revenue Account.

### **Housing (General Fund)**

55. The Disabled Facilities Service budget for mandatory and discretionary grants to housing owner-occupiers as well as for administration costs for the grants is £4.550 million and includes an additional £750,000 p.a to meet additional demand and reduce waiting times. This expenditure funds the cost of adaptations that allows housing owner-occupiers to continue living in their own home. Due to Covid-19, demand throughout the year has been weak and the focus has been on the most critical cases. Business resumed as normal in the second quarter following relaxation of the lockdown conditions and assessments were progressing as part of the service recovery plan. However, due to the pandemic and further lockdown, the work has now substantially reduced again. Restrictions mean that the occupational therapy team are unable to complete assessments and referrals. This means that only those urgent works as agreed against the criteria are being processed. The current forecast of expenditure is £3.5 million but this is dependent on Welsh Government guidance and staff availability.
56. In addition, an Enable grant totalling £436,000 has been awarded in the year from Welsh Government to deliver additional adaptations.
57. An Intermediate Care Fund (ICF) grant of £660,000 and £1.644 million was received late in 2018/19 and 2019/20 respectively and utilised for disabled adaptations expenditure. In accordance with the terms in accepting the grant, the Council was required to carry forward its own displaced resources as slippage. This £2.304 million has now been returned to Welsh Government to be spent on agreed ICF priorities.
58. To facilitate comprehensive regeneration schemes, the estate environmental improvement allocation supports the costs of works to owner-occupier properties as part of the Public Housing programme. Proposed schemes during the year include, Roundwood Estate, Arnold Avenue and Bronte Crescent, however there has been significant delay in implementation. Design and consultation work on two schemes for implementation in 2021/22 are ongoing for Lincoln Court / Pennsylvania and Trowbridge Green. The budget will also contribute towards any requirement for enabling works as part of approved energy efficiency schemes, for which £100,000 is assumed whilst a Welsh Government led

scheme is developed. Slippage of £352,000 is assumed into 2021/22 to allow completion of planned schemes.

59. Acquisition of a site to expand the number of pitches at Shirenewton traveller's site took place in 2019/20 with total expenditure of £433,000. Demolition of buildings is being undertaken in parallel with options to determine the number of pitches on site prior to submission of a grant application to Welsh Government.
60. The Domestic Abuse One Stop Shop at the Cardiff Royal Infirmary site was built in partnership with the Health Board and will be run by RISE, which is a consortium of organisations providing services to support women. Handover has taken place following the installation of final interior elements.
61. Following agreement of legal agreements and terms and conditions of funding from Welsh Government, the Council will trial the Private Rented Sector (PRS) Leasing Scheme between 2020-27. The purpose of the Scheme is to improve access to longer term affordable and good quality housing, with tenancy support, in the PRS. The lessons learned from the trial of this scheme will support the development of a national scheme across all local authorities in Wales. The Scheme will support those who are homeless or are at risk of homelessness and provide tenants with longer term security of accommodation (up to 5 years) at a rent at local housing allowance (LHA) level. Under the scheme, the Council will provide support to tenants to help them to access and maintain their tenancies; reducing the risk of future homelessness by addressing their challenges quickly and responsibly. The Council will acquire quality properties for a period of 5 years; providing regular rental income to property owners at the relevant Local Housing Allowance rate less 10%. Capital grants as well as loan funding to be provided by Welsh Government will be included in the programme in future monitoring reports.

### **Flying Start**

62. The budget for Flying Start Capital schemes for the year totals £194,000 with an additional £42,000 being made available from WG. This comprises of allocations for furniture and ICT for Ely and Caerau Children's Centre and Greenway Primary (£45,000 and £47,000 respectively), alongside a sum of £60,000 for refurb works at six nursery sites across Cardiff. It is anticipated that slippage of £50,000 will be necessary this financial year with the above amounts being made available to fund projects into 2021/22.

### **Childcare Capital Grant**

63. WG grants in relation to Childcare total £382,000 to continue to support sufficient childcare places to meet demand. Slippage of £155,000 is expected in relation to St Mary the Virgin and for the new Welsh Medium childcare, due to dependency on other projects progressing first. The remainder is estimated to be fully utilised in 2020/21, with the St Pauls Childcare works fully completed (£182,000).

## **Social Services**

### **Children's Services**

64. Proposals from the remaining John Kane Fund include an extension and refurbishment of the Crossland's home. A temporary facility is being sought to accommodate the service whilst any works are undertaken, however with projected costs in excess of the budget available, no expenditure is currently assumed during the year.
65. Following the acquisition of a property and upgrade works, expenditure of £370,000 is forecast for short stay assessment accommodation for Children looked after as part of the 'Right Home, Right Support' commissioning strategy.
66. An Integrated Care Fund grant of £300,000 over two years is available to improve and increase capacity of Trelai Youth Centre on the Ty Gwyn Special School campus, making it available to children and young adults with learning disabilities and complex needs in Cardiff for out of school activities. The grant will be fully utilised in 2020/21.

## **Planning, Transport & Environment**

67. The 2020/21 programme for the Directorate is £43.105 million, with a variance identified of £10.067 million. This is primarily in relation to slippage of highway maintenance and cycling development projects. A range of grants have been approved by Welsh Government, in most cases, with a requirement to undertake expenditure by 31 March 2021. Schemes and associated preparatory works will need to progress promptly in order to maximise utilisation, with early discussion with grant funders in order to mitigate this risk.

### **Energy Projects & Sustainability**

68. A number of energy schemes totalling circa £1.3 million are proposed to be undertaken under the second phase of the REFIT programme. Subject to approval of a repayable Salix loan, expenditure is forecast to be undertaken during 2021/22.
69. In May 2019, Cabinet approved the final business case to deliver a solar farm at Lamby Way. The Solar Farm is a long term invest to save project that is assumed to be self-financing over its operational life, which is in excess of 30 years. In reaction to the Covid-19 crisis, the contractor left the site in March and returned in June, resulting in a delay in the works. Installation of the panels was complete in 2020 with the first electricity generation following connection to the grid delayed further until at least February 2021. The critical next phase in terms of timing and maximising income is the installation of a private wire. Subject to a tender exercise, this is expected to start on site in March 2021 and be complete in July. The total cost of the scheme once fully complete is likely to have increased, largely due to Covid-19 delays and higher than modelled costs

including that for commissioning the private wire. The total cost is currently expected to be circa £9.0 million including the initial grid connection.

70. The Council has been offered grant funding of £6,628,000 for Phase 1 of the Cardiff Heat Network project from the Department of Business, Energy and Industrial Strategy (BEIS). Terms are also drafted for an interest free loan of £8.6 million from Welsh Government to the Council, which would provide a Loan in parallel to Cardiff Heat Network Limited, a Special Purpose Vehicle (SPV) that will be wholly owned and set up by the Council to deliver this project. The SPV will appoint a contractor to design, build, operate and maintain the network. The loan from Welsh Government to the Council is repayable over 30 years, irrespective of the level of repayments from the SPV in respect to sales of heat.
71. It should be noted that the costs of all projects identified above together with ongoing maintenance are assumed to be paid back from savings or future income generation, so represent an ongoing risk many years into the future.

### **Bereavement & Registration Services**

72. A contract for works to create new burial space in the North of the city is substantially complete with outstanding seeding and landscaping works to be completed by the end of March. The projected outturn for 2020/21 is £2.520 million and the overall cost of the project will be £3.144 million with all expenditure in creating the site to be repaid from future income receivable as part of the bereavement reserve.
73. As part of the budget proposals for 2020/21, a segregated asset renewal allocation for bereavement services was created for works such as footpaths and infrastructure, vehicles and plant as well as improvements to key buildings. Expenditure during 2020/21 is expected to be £50,000 in excess of the initial £275,000 budget, primarily because of the replacement of the lining of the three cremators earlier than planned. Other expenditure in year includes site infrastructure improvements, vehicle and plant purchase.

### **Highway Maintenance**

74. Expenditure on the reconstruction of structurally deteriorated roads which are deemed to be a priority is forecast to be £757,000. Site investigations will determine the most appropriate treatment to address their condition and form the basis of any tender exercise. Church Road in Pentyrch is complete and other prioritised sites are planned to be confirmed and ready to progress.
75. The budgets for carriageway and footway works total £7.106 million including slippage from 2019/20. Budgets for footways has been re-prioritised to carriageways as social distancing requirements currently make the delivery of such works difficult as well as costly. £4.000m worth of resurfacing, micro asphalt and grouted macadam works were delivered by December 2020. Contracts for additional resurfacing, patching, micro asphalt resurfacing and a number of other treatments have been let during January. Full spend is anticipated by the Directorate.

76. The five-year capital programme includes a sum of £2.240 million to replace the timber surface of the Millennium Walkway, which is deemed to be at the end of its expected lifespan. Works entail the replacement of the timber decking and supporting bearers using reinforced plastic components along the length of the walkway from Wood Street to Cowbridge Road East/Castle Street along the River Taff. Following a trialling of materials, a tender process was completed and awarded in December 2020. The final design is currently being prepared and construction is due to commence mid-February now that the Dragons Heart temporary hospital has been dismantled from the stadium.
77. The bridges and structures budget of £1.854 million will support St Fagan's Road and Llandennis Road culvert works as well as any capital works arising from assessment reports from North Road flyover. The budget will also be used to match fund a number of small scale flood defence schemes attracting Welsh Government grant, planned to be undertaken during the year. Slippage of £1.224 million is currently forecast and is to be re-profiled in future years.
78. The street lighting infrastructure budget is to be utilised for subway lighting, column replacement and to start the design process for electrical works on Eastern Avenue. Implementation of the latter continues to be delayed resulting in overall slippage of £498,000 into 2020/21.
79. Following a successful trial of LED lighting in the Radyr Ward, with the conversion of 1,250 columns, Cabinet approved in May 2019, an invest to save business case for all remaining residential columns to be converted to LED at a potential cost in excess of £6 million. A procurement exercise is currently being undertaken with no expenditure forecast in 2020/21.
80. As part of a coastal defence scheme to implement improvements from Rover Way to Lamby Way, a revised Welsh Government grant of £1,129,000 was awarded to progress design, habitat assessments and complete a full business case. A ground investigation contract was completed in May 2020, with the results to be utilised in order to determine the most appropriate detailed design. Extensions for timescales due to Covid-19 delays and complexities of the ground conditions and therefore design have been agreed with Welsh Government and extended to March 2022.

### **Traffic & Transportation**

81. The Council Road Safety Schemes budget of £335,000 will be used to match fund safety related schemes being delivered as part of Welsh Government grants.
82. The enhanced asset renewal telematics budget of £524,000 is to be used for replacement of obsolete analogue CCTV cameras at various locations with HD digital CCTV cameras, replacement of electronic signage / control system for the North Road tidal flow lane control system and Bute Tunnel entrance electronic signage.

83. The total budget for cycling development in 2020/21, including slippage from the prior year, is £2.674 million, which will be used to match fund WG grant funded schemes for primary cycleways and completion of schemes such as North Road Phase II. Opportunities will be considered to supplement WG grant to introduce additional pop up cycling facilities. Slippage of £1.212 million is forecast, in line with the current delivery programme.
84. A sum of £375,000 Council match funding is included in the Capital Programme to help secure a range of Welsh Government grants where match funding is required. Together with slippage from 2019/20, this is to complete a range of schemes for Local Transport, Safe Routes in Communities and Road Safety. Current estimates suggest slippage of £48,000.
85. The Council's City Centre and Key Links Transport Improvement budget of £1.259 million is to be utilised towards schemes in the City Centre in future years in line with the delivery programme. However, £270,000 of this has been brought forward to be used towards improvements on Eastside Canal in 2020/21. A Metro+ grant has been received of £515,000 and this will be used towards the design of City Centre Eastside.
86. A Local Sustainable Transport Covid-19 Response Grant of £3.619 million has been approved by Welsh Government for 2020/21. It includes funding for pop up cycle measures, infrastructure to support social distancing measures; 20 mph limits on key routes, and public realm enhancements for spill over pedestrian areas and low-cost solutions to reallocate road space in favour of sustainable forms of transport.
87. The Welsh Government allocation to Cardiff for the Local Transport Fund is £2.899 million. The fund supports development of integrated, effective, accessible, affordable and sustainable transport systems. Schemes bid for and approved include £2.649 million towards improving sustainable transport infrastructure and tackling local and national air quality issues at City Centre West (Central Square) and City Centre South (Fitzalan Place / Bute Terrace). It also includes £250,000 towards implementation of 20 mph limits in various areas to encourage active travel and improve quality of life for residents.
88. The Resilient Roads Fund of £1.673 million is to support transport projects that mitigate and adapt to the effects of climate change, including addressing disruptions caused on the highway network by severe weather. Schemes supported are the A470 Bus Corridor improvement; Caedelyn Road to Tyn y Parc Road and the A4119 Bus Corridor improvement – Phase 2D. Overall expenditure is projected to be £544,000 with an underspend of £1.129m. The Directorate is currently awaiting approval to utilise this towards a number of proposed schemes.
89. Whilst bids were submitted for the Welsh Government Local Transport Network Fund, no bids were approved.
90. The Welsh Government Road Safety Casualty Reduction grant approval was lower than estimated at £271,000, which along with slippage of £101,000 will

support capital projects that reduce road casualties including traffic calming and pedestrian improvements on Crwys Road. There is currently an estimated underspend of £49,000.

91. Safe Routes in Communities Grant of £285,000 along with slippage of £17,000 aims to improve accessibility and safety and encourage walking and cycling in communities. There is particular emphasis on improving routes to and from schools within the Canton area.
92. Welsh Government Grant available for Active Travel is £4.875 million. The purpose of the fund is to increase levels of active travel, improve health and well-being, improve air quality, reduce carbon emissions and connect communities. Funding will support Cardiff Cycle Superhighways stage 1 (£2.773 million), Taff Trail upgrade at Hailey Park (£460,000), Active Travel to Schools (£579,000) and an allocation of £1.063 million for various improvements to the Integrated Network Plan. An underspend of £924,000 is currently forecast and the Directorate is currently awaiting approval to utilise this towards a number of proposed schemes.
93. A number of transport and environmental projects were initially assumed to be paid for from income arising from the Civil Parking Enforcement Account. This includes on street residential charge points and charge points in various council locations. Due to the impact of Covid-19 on the level of income receivable, budgets allocated for these purposes have been removed pending a review of affordability and feasibility of funding these projects with alternative sources of funding.
94. In relation to moving traffic offences, expenditure of £181,000 is to be incurred for attended parking stationary cameras. This expenditure is on an invest to save basis, to be repaid from future parking and enforcement income.
95. The bus corridor improvement budget of £80,000 will complete the Greenway Road priority narrowing scheme, which commenced in 2019-2020.
96. Slippage of £208,000 is shown in relation to development of the transport interchange on the site of the former recycling site at Waungron Road, which is proposed to be delivered in parallel with the housing scheme. Planning permission has been received; however, delivery is dependent on design works in respect to the housing development and completion of Network rail improvements to the retaining wall and Fairwater train station.
97. In order to comply with the requirement of the Environment Act 1995 – Air Quality Direction 2019, Welsh Government provided a grant for a range of agreed measures including Bus retrofit (£2.25m); Taxi vehicle emissions incentive (£1.86m); City Centre transport and active travel (£15.2m); completion of 20mph (£1.28m); Implementation management and monitoring (£0.65m). As part of the City Centre Transport projects, works have commenced on improvements at Central Square as part of a £7.5 million scheme. Works are currently expected to be complete in February 2022.

## **Resources**

98. The 2020/21 programme for the Directorate is £17.723 million with a variance of £6.605 million, mainly due to slippage of the Council's contribution to City Deal and timescales for the delivery of procured waste management vehicles.

## **Technology**

99. The Modernising ICT budget aims to support projects in the Cardiff Capital Ambition programme and the digitisation of business services utilising modern technology. Expenditure planned during the year includes a final contribution towards the roll out of SharePoint (Electronic Document Management System), Digitalisation projects and SAP archiving. Expenditure of £300,000 is currently forecast for the year.
100. Slippage of £306,000 is estimated for the ICT Refresh budget of £866,000, which was to support a range of projects to support resilience, capacity and capability such as core network switch replacement, telephony rationalisation, the update of firewalls and computer suite CCTV in County Hall. Expenditure is lower than planned due to the impact of Covid-19 resulting in delay in confirming project requirements and longer lead in times from suppliers.

## **Central Transport Services**

101. Following the acquisition of the waste collection and gritting fleet following the collapse of Gullivers, the waste fleet is now at the end of its useful working life with maintenance costs increasing and reduced reliability. Various vehicles including 12 Refuse Collection Vehicles (RCV's) have been procured outright rather than leased, using the Council's Invest to Save approach, with delivery on most of the vehicles deemed to be early in the new financial year. It is assumed £2.798 million of payments will be made in 2021/22 for vehicles ordered this year. ULEV grant of £205,000 has also been awarded in order to meet the additional costs of procuring an electric RCV compared to a low emission equivalent. Whilst the vehicles will be owned by the Council, processes will need to be put in place to recover initial and recurring investment costs from directorate revenue budgets over the agreed life of the assets, in the same way that financial commitments would have had to be undertaken without fail, were the vehicles to have been leased. This will ensure that the lease versus buy approach remains, affordable and sustainable. Further acquisitions to modernise and meet additional vehicle requirements will take place over the next two years.

## **Corporate**

102. The £200,000 contingency budget is assumed to not be required during the year but will be adjusted at outturn if schemes are approved during the year. The £500,000 invest to save budget has been utilised for various schemes at Lamby Way - the creation of a Minor Repair Workshop for waste fleet, £56,000 towards the installation of a metal separator in the Materials Recycling Facility, with the balance towards car park, office and control room improvements deemed required as part of changes in working practices.

103. Including slippage from 2019/20, the 2020/21 programme includes an allowance of £3.672 million as part of the Council's £28.4 million approved contribution to the £120 million Cardiff Capital Region City Deal (CCRCD) wider investment fund. The timing and value of any drawdown is subject to proposed projects being considered and approved by CCRCD joint committee, but is also dependent on the different funding streams available to CCRCD to manage expenditure obligations. Slippage of £2.676 million will be carried forward into 2021/22 and used in line with the CCRCD Business Plan approved in December 2020.
104. To allow the development of a housing viability loan scheme across the region, Cardiff Council agreed to be the recipient of a £10 million repayable loan from Welsh Government. The scheme final business case and detailed operational procedures were approved by Regional Cabinet in September 2020, with no expenditure planned for this financial year. Future monitoring reports will include loan expenditure as part of this scheme as it is incurred.
105. An overall allocation of £9.750 million was included in the programme over a three-year period for the Core Office Digital Infrastructure project with £2 million of this initially assumed in 2020/21. This was towards smarter working, digital infrastructure and building adaptations to allow consolidation into alternative council buildings including County Hall. Drawdown of this allocation is subject to any expenditure being repaid on an invest to save basis. The projected outturn for 2020/21 is £1.5 million for the purchase of Oak House for the relocation of the Alarm Receiving Centre (ARC) and associated ICT infrastructure as well as initial costings for the building works. Future year's costs include completion of these works including works to existing offices to facilitate the relinquishment of Willcox House.
106. In respect to infrastructure and equipment for webcasting Council meetings, procurement has been delayed due to Covid-19, but this has also necessitated a change in specification to allow meetings to be Hybrid i.e. some attendees in the chamber or meeting room and some attending remotely. Expenditure of £20,000 is assumed at this stage whilst options are considered.
107. Council in October 2020, approved the release of £7 million included in the 2020/21 capital programme to support financial viability of Cardiff City Transport Services Limited. This equity investment is for a range of measures to support the balance sheet and allow a turnaround plan to be implemented by the Company. This includes replacement of vehicles, improvement of working capital and implementing a restructuring exercise to support financial sustainability. This will be released following completion of all legal agreements identified in the Council report as well as an equity subscription agreement.

### **Section 106 Schemes and Other Contributions**

108. The table below shows the Section 106 and other contributions forecast to be spent at the time of setting the budget. This has been reviewed by directorates and is reflected in revised forecasts at Month 9:

	<b>Budget</b>	<b>Projection at Month 9</b>	<b>Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Parks & Green Spaces	1,600	538	(1062)
Traffic & Transportation	601	610	9
Strategic Planning & Regulatory	77	0	(77)
Neighbourhood Regeneration	1,093	520	(573)
Economic Development	138	29	(109)
Education & Lifelong Learning	465	364	(101)
Public Housing (HRA)	1,407	2542	1,135
<b>Total</b>	<b>5,381</b>	<b>4,603</b>	<b>(778)</b>

109. Some of the schemes included in the profile above are:

- Parks and Green Spaces – Schemes are proposed to be undertaken in a number of areas and include Adamsdown Open Space, Llandaff Fields, Shelley Gardens, Cogan Gardens, Parc Coed Y Nant, Llanishen Park and cycle improvements along the Roath Park Corridor. Capacity to deliver schemes continues to be reviewed.
- Traffic & Transportation – Public transport improvements, junction improvements, bus stops and bus borders; installation of CCTV and real time information, telematics and transportation schemes including the provision of bus routes in the city and strategic transport initiatives.
- Neighborhood Regeneration – Provision of a Library Service within the Cardiff Royal Infirmary, improvement of community facilities at Penylan Library and Community Centre, St Peters Community Hall, Lisvane Old School Rooms and Llanishen Street.
- Economic Development – Support for small to medium enterprises in Adamsdown.
- Education & Lifelong Learning – Condition works at Llanishen High School and Cathays High School.
- Public Housing – Development of new Council housing.