

GWYNEDD COUNCIL CABINET



Report to the Cabinet

DATE OF MEETING: 16 January 2018
CABINET MEMBER: Councillor Peredur Jenkins
CONTACT OFFICER: Dilwyn Williams, Chief Executive
TITLE: Developing a New Asset Strategy for the period 2019-20 to 2028/29

Decision sought

To approve the procedure for developing a new asset strategy for the period 2019/20 up to 2028/29 as noted in paragraphs 18 to 21 of this report.

Background

1. In 2009, the Council made an assessment of the Council's capital spending requirements for the ensuing 10 years.
2. We also developed an assessment of the capital resources which should be available to us for this period, and following this assessment, and in view of the fact that our resources would not allow us to meet all our capital requirements, a series of workshops were held with Council members to try and establish our capital priorities for the ensuing 10 years.
3. As a result of these discussions an Asset Strategy was established, and it was adopted by the Council on 22nd October 2009.
4. I informed the Cabinet on the 28th March 2017 what had been accomplished within the strategy, and it is fair to say that we have accomplished quite a lot during the last 10 years, in spite of the fact that capital resources provided to local government has diminished greatly during this period.
5. 2019/20 will be the last year of the present strategy and we therefore need to establish a new strategy for the next 10 years.
6. The aim of this report is to update the Cabinet on the current situation and to suggest a way forward in establishing a new strategy.

The matter requiring attention

7. The Council has a financial revenue strategy that attempts to identify what the cost of running our services will be over the next 3 or 4 years so that we can create a financial plan on the basis of these assumptions.
8. Every year thereafter we establish a yearly budget and adjust assumptions in accordance with what actually happens and the actual resources available to us.
9. In addition however, services will have capital requirements to enable them to run their services. It is also likely that further capital requirements will become apparent when the Council considers its Corporate Plan in February.
10. In the same way as we create a revenue financial plan, a more long term strategy needs to be developed for capital spending so that we establish what our capital spending priorities are likely to be for the next 10 years and consider our ability to meet the costs.
11. As a starting point, we have therefore asked every Department to consider their capital requirements for the next 10 years and we have collated these requirements.
12. A high level summary of the output of this work is contained below in Table 1.

Table 1
Summary of capital requirements identified up to now

	£'000
Education	
Various schemes to improve schools under the Welsh Government 21 st Century scheme	25,641
Finance	
Renewal of I.T. equipment	7,215
Economy & Community	
Various alterations and renovation of libraries; leisure facilities; maritime facilities and country parks, museums and galleries.	3,125
Adults	
Redesign the residential care provision within the County	8,625
Extend the extra care housing provision within the County	5,500
Housing Improvement Grants	20,000
Highways and Municipal	
Preventing further road surface deterioration	10,000
Bridge renovation	1,779
Renew street lighting; safety fences; responding to road flooding	2,650

Renewing equipment within playing fields; providing burial grounds; renewing public conveniences	1,363
Renewing water pipes within housing estates	2,400
Renewing the Council's fleet	2,037
Works to Waste Sites	928
Environment	
Feasibility works for preparing schemes	1,000
Work to Lonydd Glas (Recreational Cycle Routes)	200
Building maintenance work	28,108
Consultancy	
Coastal Protection /Flooding	3,463
Total up to now	124,034

13. It should be noted that this summary does not include capital resources which will be identified as part of the preparation for the Council's Corporate Plan, and it is therefore possible that these requirements will increase.
14. Unless there is a change in the capital resources awarded to Local Government, based on the capital resources financed currently through the settlement, it is estimated that approximately £67m will be available to us over the 10 years under consideration.
15. Clearly therefore the requirement of £124m is far higher than the resources available and we therefore need to prioritize.
16. We experienced a similar situation when the Council tried to establish the present strategy in 2009 but at that time the restrictions on revenue spending were not as extreme as we are now experiencing, and there was an option available to the Council to find efficiency savings in order to fund capital spending, and that is what happened. It was possible to fund approximately £23m capital spend by doing so.
17. Due to the substantial constraints on the revenue grant we receive from Welsh Government, and the extreme pressure it places on our revenue budgets, this is not likely to be an option this time.
18. I suggest that we follow a similar pattern to what we did last time by holding a series of workshops so as to enable all Council members to voice their opinion on the priorities before the Cabinet submits its formal recommendations to the Council.
19. In 2009, the workshop recommendations were submitted to the Corporate Scrutiny Committee so as to get their opinion before consideration by the Cabinet and I further recommend that we follow a similar pattern this time.

20. The Audit and Governance Committee would exercise the role this time, and it may be an idea to appoint a small group of individuals from that committee to scrutinise the workshop recommendations, but this could be discussed with the Chairman when the Cabinet meets with Scrutiny Chairs and Vice Chairs.

21. If the Cabinet agrees, it is suggested that the following timetable be agreed :

Task	When
Establish any requirements for the Corporate Plan	By the end of February
Hold workshops to enable all Council members to express an opinion	By the end of May
Results from the workshops to be presented to the Audit Committee for their views	By the end of July
Cabinet to consider the recommendations before submitting the Draft Strategy to the Council	September
Asset Strategy to be submitted to the Council for approval	October

Views of the Statutory Officers:

Monitoring Officer:

It is considered that the consultation and decision making process is appropriate in the circumstances referred to in the report. No other comment in terms of propriety.

Head of Finance

Finance officers have collaborated with the Cabinet Member and the Chief Executive to prepare this report, and confirm the contents.