

GWYNEDD COUNCIL CABINET



Report for a Cabinet meeting

Date of meeting: 19 February 2019
Cabinet member Councillor Peredur Jenkins, Finance Cabinet Member
Contact Officer: Dilwyn Williams, Chief Executive
Title: Asset Plan 2019-29

Decisions sought

- a) In order to avoid creating a further building maintenance backlog, that the £1.1m budget set aside to fund borrowing in the previous asset plan be transferred to supplement the Building Maintenance revenue budget;
- b) That the Cabinet accepts the recommendations made in clauses 28; 30; 32 ; 35; 40; 43 and 44 below; and
- c) Recommends to the Council that it adopts the Asset Plan attached to this report which incorporates all of the outcomes noted in (b) above.

Background

1. The current Asset Plan has come to an end and we need to develop a new plan for the period 2019/20 - 2029.
2. As a starting point for such a plan, all departments were asked to identify their likely requirements for the next 10 years. In accordance with the requirements of the Well-being of Future Generations (Wales) act 2015, a number of these schemes relate to preventative work and look to the long term in order to ensure sustainable services for the future.
3. Having received these schemes, all Council members were asked to prioritise the schemes put forward by departments. 38 members undertook the task and the rank order in which they were placed appears in Appendix 1.
4. In considering the relative priority to be given to schemes the detail of each scheme was presented and they were asked to prioritise according to the relative benefit which they felt the scheme would offer to the people of Gwynedd.

5. This was obviously in the context of the well-being aims noted in the Council's Corporate Plan.

The list of schemes

6. There are three sectors where members **were not** given the choice of whether or not to undertake the schemes as there is no choice in the matter, namely -
 - Buildings Repairs and Maintenance
 - Fleet Renewal
 - Information Technology Renewal

Buildings Repairs and Maintenance

7. At the start of the last plan we knew that we were not spending sufficient resources on repairs and maintenance of buildings. This meant that we faced a backlog which had developed over the years as a result.
8. At the start of the last plan we estimated this backlog to be £27m and an assessment made on the basis of the limited information available at the time suggested that we needed to spend an additional £1.5m per annum to avoid the backlog getting worse. [This was an estimate based on a mathematical extrapolation as we did not possess sufficient information to come to an informed opinion]
9. In the last plan therefore an annual sum of £1.5m was added to the repairs and maintenance budget in order to try and avoid worsening the problem and a further £20m was placed in the plan in order to attack the backlog which had developed.
10. By now we would therefore expect the backlog to have fallen to £7m but a recent study has shown that it is now still £14m. Obviously, this was due to the fact that the additional £1.5m per annum was insufficient to ensure that it did not worsen.
11. This latest information shows that we need to spend around an additional £2m per annum on the core repairs and maintenance budget if we are to stop the condition from deteriorating.
12. This has already been reported to the Cabinet when we reported on the current plan back in March 2017, and at that time, the Cabinet took the opportunity to increase the sum available in the repairs and maintenance budget by £800,000 which means that we would still need to provide a further £1.2m per annum if we wish to avoid the backlog increasing.
13. However, the real answer to this problem is to ensure that there exists an adequate repairs and maintenance budget to meet the need rather than try to use the capital

budget to supplement it as repairs and maintenance is in reality a revenue liability and not capital. [In using the capital budget, although we have hitherto avoided having to do so, if we needed to borrow to finance the commitment we would need to pay interest costs on such borrowings which would not make any sense at all]

14. It so happens that there is an annual revenue budget of £1.1m set aside to fund borrowing in the former plan which is unallocated and **I therefore recommend** that this be earmarked for repairs and maintenance so that the budget is sufficient (or close enough) to avoid any worsening in the backlog.
15. In doing so we will solve one of our problems which would otherwise have to be solved in from the Asset Plan.
16. That said, the £14m backlog which currently exists can only be dealt with through the Asset Plan, (with some elements meaning that in the long run we could be faced with the closure of buildings if it continues to be unaddressed).

Fleet Vehicles and Information Technology

17. The cross-departmental requirements show that we need to provide for a total of £9.2m over the next 10 years to replace the vehicles and information technology equipment which departments use and this must be the first call on Asset Plan or services will cease.

Likely resources

18. The essential context for all of this is of course the resource likely to be available to us and before moving on to consider the list itself, consideration is given to this issue here.
19. Our current capital settlement shows that we receive capital resources of around £6.6m each year. Over the period of 10 years therefore we should have £66m.
20. In addition, in a recent statement, Wales' First Minister has indicated that he will provide an additional £100m for local authorities in Wales to spend on capital over a 3 year period. The first two installements of this resource have already been paid to us in 2018/19 and 2019/20 and it is estimated that our share will total around £4.5m. There is also £1.4m available in the former Asset Plan's capital fund making a total available over 10 years of **£72m**.
21. It is possible that over the next 10 years we could see further resources become available through specific grants and we need to be alive to this possibility in order to try and maximise the resources available for our core needs.

22. Assuming that other requirements will come to light as the years go by, which will require capital investment, it is usual for us to retain some resource in order to be able to meet those needs.
23. The consequence is that this sum would be available to meet any need not covered by the Plan, but which would be released if no other requirements arise in order to meet the next scheme on the list.
24. In the last Plan we retained an annual sum of £0.5m for this purpose and it is suggested that this be done again.
25. That would mean that we need to retain £5m (10 years x £0.5m).
26. With the £9.2m we need to earmark for fleet and information technology renewals, this means that we currently have **£57.8m** to spend on schemes (accepting of course that further resources could become available in future).

Prioritising the list of schemes

27. Bearing in mind that our current assessment is that we will only have £57.8m to fund the Asset Plan over the next 10 years, in keeping to the rank order which the members set in the consultation exercise, that would mean that all schemes above number 32 would be likely to be undertaken and that the other schemes below that position would not, unless further resources come to light.
28. The first issue for the Cabinet to consider is that there are a number of schemes which present Health and Safety red risks which fall into the category of being unlikely to be undertaken, namely -
 - Scheme no 40 – Arfon Tennis and Leisure Centre
 - Scheme no 45 - Padarn Country Park; and
 - Scheme no 52 - Plas Silyn Leisure Centre

In view of the significant risks to life and to the Council, we cannot let these schemes be ignored and **I recommend** that they be promoted to the list to be delivered.

29. There are other schemes which have been placed in an amber risk category due to the fact that not undertaking them would have serious implications in terms of future sustainability; equality issues or that the Council would be unable to deliver on its well-being aims in the Corporate Plan. These schemes are –

- Scheme 33 – Penygroes Health and Care Hub
- Scheme 35 – Aberdyfi Quay
- Scheme 39 – Renewal of part of the Cadfan Road Bridge structure in Tywyn
- Scheme 44 – Renewal of Llanystumdwy Bridge
- Scheme 46 – Maesgeirchen Centre
- Scheme 47 – Renewal of Pont y Mwnwgl. Y Bala
- Scheme 48 – Penllyn Bridge near Brynrefail
- Scheme 49 – Renewal of the smallholdings water purification systems
- Scheme 50 – Renewal of all weather pitches
- Scheme 54 – Cycle route repairs and maintenance

30. Assuming that the Council does not wish to see us closing facilities to the public, and wishes to see us delivering for those who are the most vulnerable in our communities, **I recommend** that we also try and bring all of these schemes into the programme.

31. Taken together therefore the £57.8m we are likely to have will be £7.15m short of that required to deliver the programme.

32. Taking into account that we have a Housing Strategy being developed which will see a significant amount being invested in the housing sector over the next 10 years, the question arises of whether some of the housing schemes above scheme 32 should be funded from the resources available for that strategy. However I do not think it would be appropriate for all housing requirements to be funded from that source and therefore **I recommend** that schemes 28 (Provision of grants to fund the Council's Empty Houses scheme) and 32 (Develop a fourth Extra care Housing scheme) be transferred for consideration from the resource available for the Housing Strategy.

33. This would continue to leave Schemes 4 (Housing Grants) ; 19 (Hostel for the homeless) and 30 (Development of a third extra care housing scheme) being funded from the Asset Plan.

34. This would find £5.5m of the £7.15m of which we are short.

35. Since the departments submitted their cases for capital spending, the Welsh Government have announced that they intend to provide an additional £1.3m per annum for 3 years to improve the condition of roads, starting this year and therefore, taking into account that the department noted that they needed an additional £1m a year to improve our road condition from next year onwards, we can assume that the resource from Welsh Government will meet that need for the first 3 years and plan to fund the investment thereafter if no further resource is

forthcoming. This would negate the need to find a further £3m and **I recommend** that we take that action.

36. This would leave £1.35m unallocated.

37. However there are two amber risks which continue to be outside the programme and which therefore need consideration.

38. Scheme number 33 **Getting rid of the repairs and maintenance backlog** means that the backlog would continue and there would be a risk that in due course a building might have to close as a result.

39. As this is the next scheme on the list which would receive consideration if further resources became available we should see some resource being directed towards it over the planning period. In the meantime, as we have ensured that there is sufficient repairs and maintenance resource to avoid a worsening of the position, if any element of the backlog results in having to close a building, we can divert some of that funding to rectify the issue on a case by case basis.

40. As the former Plan had identified those assets which were available to be sold, and we had undertaken those sales in order to fund the former Plan, the assessment of available resources over the next 10 years takes no account of any capital receipts which may arise. **I recommend** that we also deal with the repairs and maintenance backlog by noting that any capital receipts which do arise, and which have not already been allocated to other schemes, be allocated to clear the backlog and that £600,000 of the £1.35m noted above be also allocated for that purpose.

41. The second scheme is Scheme 41 **Completion of the Review of Educational reorganisation in Bangor.**

42. There are two possible solutions here. The first is that there is a possibility that the resource required to fulfil scheme 29 to ensure suitable post-16 education provision will not require the whole amount noted in the Plan, and should that situation arise, the first call for any amount released would be this scheme.

43. Otherwise the only other answer would be that the Department would have to find revenue savings to pay for the borrowing required to finance the scheme. As we have not asked the schools to contribute any savings for 2019/20 this is not unreasonable, and **I recommend** that we follow this course of action.

44. There is also another scheme which requires some consideration namely scheme 42 Feasibility Studies in the Environment Department. This budget is used to undertake studies which are then eligible for grant funding as we already have

plans on the shelf to take advantage of such grants when they become available . If we are unable to invest in such studies in this area it could be counterproductive as we would then be in a much weaker position to take advantage of such opportunities. **I therefore recommend** that we allocate the £750,000 which remains unallocated towards this work.

45. In the former Asset Plan we estimated the resource available and the list of schemes included in the Plan was limited to the resource available.
46. In the new plan the intention is to include every scheme noting where the available resource is likely to take us (in accordance with the outline given above) and keep the remaining schemes as a reserve list to be undertaken if resources become available during the course of the planning period.
47. **I recommend therefore that** the Cabinet agrees to the recommendations made in clauses 28; 30; 32 ; 35; 40; 43 and 44 above and recommends that the Council adopts the Asset Plan attached to this report which incorporates all of the report's recommendations.

Equalities Act 2010 - effect on those with protected characteristics

48. This report does not recommend any action which will be detrimental to the service provided to any individual with protected characteristics. Indeed, the purpose of the Asset Plan is to ensure that we direct our available capital resources to those places which will have a positive effect on all of our citizens including those with protected characteristics.
49. Some schemes, especially those in the social care sector, are aimed at ensuring that the quality of the service provided to those with protected characteristics are improved and those schemes are obvious from the list. Where a scheme had an indirect effect upon those with protected characteristics, the details of the scheme given to members would have identified that effect.
50. Many of the schemes which we will be prioritising at the outset fall into the category of improving the resources available for those with protected characteristics.
51. It is hoped that we will also be able to undertake the remaining schemes if resources allow during the 10 year span of the Plan but if a more detailed equality impact assessment identifies an impact not known at the time of preparing this Plan, then we will need to re-visit the prioritisation set out in this Plan

Views of the Statutory Officers:**Monitoring Officer**

The responsibility for formulating the Assets Plan to be recommended to the Council rests with the Cabinet. This involves the Cabinet evaluating and coming to a view on a range of matters including statutory and legal issues, priorities and meeting needs within the anticipated resource. The information for reaching this conclusion is included in the report and the draft Asset Plan.

Head of Finance

I confirm that accountants from the Finance Department have worked with the author to prepare financial aspects of this plan and I support the decision sought.

Appendix 1

Members' Prioritisation List

Colour Code = the **Chief Executive's** risk assessment based on his opinion of the relative risk of not meeting the need

Significant Risk		Medium Risk	
High Risk		Lowest risk	

Plan	Department	Title	Description	Cost over the 10 years
1	Highways and Municipal	Caergylchu	Work to develop and renew the Caergylchu site in order to comply with standards for the next 10 years	£718,000
2	Environment	Asbestos disposal	A programme to manage the condition and dispose of asbestos reaches a dangerous condition in our properties.	£1,708,000
3	Highways and Municipal	Replacement of Housing Estate Water Pipes	Replace the Housing Estate Water Pipes (commenced in 2016)	£2,400,000
4	Adults, Health and Well-being	Housing Grants	Providing the £1.3m per annum to address the housing grants statutory requirements	£13,000,000
5	Adults, Health and Well-being	Canolfan Dolfeurig	A new building to improve the day care provision for adults with learning disabilities in order to replace the unsuitable building that is ineffective to maintain in the future	£1,200,000
6	Highways and Municipal	Preventing deterioration of roads	Carry out more road maintenance work to prevent a deterioration in the condition in Class 1, 2 and 3 roads	£10,000,000
7	Adults, Health and Well-being	Tan-y-marian Residential Home	Adapt a section of the Home to offer specialist respite care mainly to adults with severe physical disabilities	£200,000
8	Highways and Municipal	Burial Land	Ensure sufficient burial land for the next ten years	£682,000
9	Education	Ysgol Trefferthyr	A new school to replace a building that is in a serious condition that cannot be maintained in the future.	£1,750,000
10	Consultancy	North Promenade, Barmouth - Flood Prevention	Repairs to a deteriorated wall which provides tidal flooding protection and also upgrade an existing drainage system to reduce the flood risk to 200 properties	£347,500

11	Adults, Health and Well-being	Plas Pengwaith Residential Home	Adapt the Residential Home to ensure that it is possible to respond to more intensive needs and support the end of life / health needs	£400,000
12	Consultancy	Hirael, Bangor - Flood Prevention	Work to repair a tidal flood prevention wall and also upgrade an existing drainage system to reduce the flood risk to 120 properties	£312,000
13	Consultancy	Pwllheli - Flood Prevention	Protection work on Crugan beach to reduce the risk to 200 houses in Pwllheli in the short-term whilst planning for a more comprehensive solution	£500,000
14	Highways and Municipal	Repair sections of the structure of Pont Capel Horeb, Arthog	New bridge as it is not viable to continue maintaining the existing bridge	£632,700
15	Highways and Municipal	Replacing road safety fences	Replace sub-standard fences	£1,000,000
16	Adults, Health and Well-being	Plas Hafan Residential Home	Further to the development currently taking place, develop a specialist Dementia unit to offer day, residential and respite services	£300,000
17	Adults, Health and Well-being	Plas Hedd Residential Home	Further to the Dementia Unit being developed at present, this scheme would involve developing a specialist Dementia Unit for young people with Dementia	£125,000
18	Highways and Municipal	Repair sections of the structure of Pont Dysynni, Tywyn	Reinstall a parapet and paint Pont Dysynni, Tywyn	£401,000
19	Adults, Health and Well-being	Homelessness Hostels	Provide new hostels for the homeless	£500,000
20	Adults, Health and Well-being	Cefn Rodyn Residential Home	Adapt the Residential Home to ensure that it is possible to respond to more intensive needs and support the end of life stage / health needs	£400,000
21	Adults, Health and Well-being	Bryn Blodau Residential Home	Change the balance of use within the home to offer a broader range of joint services with the hospital's new development	£300,000
22	Highways and Municipal	Flooding on the Highway	A programme of small schemes to avoid damage to houses when surface water will overflow from the highway	£1,000,000
23	Highways and Municipal	Replacing traffic lights	Replace columns and traffic lights at the end of their operational life	£650,000
24	Adults, Health and Well-being	Hafod Mawddach Residential Home	Develop a specialist dementia unit, to offer day, residential and respite services	£400,000
25	Education	Upgrade the condition and suitability of schools	Upgrade the condition and suitability of approximately 30 schools that would probably be ineligible on their own for a plan to make them suitable for the 21st Century.	£3,570,000

26	Consultancy	Ffordd y Traeth, Y Felinheli - Flood Prevention	Work to build a wall to prevent tidal flooding and reduce the flood risk to 33 houses	£138,800
27	Highways and Municipal	Coed Ffridd Arw	Development work in order to comply and obtain a full licence for the transfer site	£210,000
28	Adults, Health and Well-being	Housing Grants	Provision of grants to fund the Council's Empty Houses scheme	£3,000,000
29	Education	Provision for Post-16 Education	Potential plan in order to ensure a suitable post-16 education provision in Arfon.	£6,300,000
30	Adults, Health and Well-being	Extra Care Housing	Fund a third Extra Care Housing scheme in addition to the two that will be funded through the Social Housing Grant	£2,500,000
31	Consultancy	Viaduct Gardens, Barmouth - Flood Prevention	Repairs to a wall that provides tidal flooding protection and also upgrade the existing drainage system to reduce the flood risk to 50 properties	£312,000
32	Adults, Health and Well-being	Extra Care Housing	Fund a fourth Extra Care Housing scheme in addition to the two that will be funded through the Social Housing Grant	£2,500,000
33	Adults, Health and Well-being	Penygroes Health and Care Hub	A scheme to provide a health care 'Hub' to include a local surgery, dentist surgery, health clinics, Children and Families Support Centre and shop, extend and improve Plas Gwilym, Smarthouse (OT/Telecare equipment), Care facilities when travelling, Housing/Living Units for older people and individuals with specific requirements and possibly young people	£3,500,000
34	Environment	Buildings Maintenance - deal with the repairs and maintenance backlog	Deal with 1/3 of the defects identified during surveys of the condition of our operational buildings, e.g. re-wiring, re-roofing, new boilers, new windows, new kitchens and toilets, etc.	£14,000,000
35	Consultancy	Aberdyfi Quay	Rebuild a quay that is now in a fragile condition and is insufficient to provide protection from the tide	£437,500
36	Adults, Health and Well-being	Housing Grants	Provision of grants to improve the condition and safety of sub-standard housing	£4,000,000
37	Highways and Municipal	Playing Fields	Replace play equipment and safety measures in playing fields	£516,000
38	Highways and Municipal	Installation of equipment to pay to use public toilets	Install payment machines in toilets that are to be transferred to the community	£165,000
39	Highways and Municipal	Repair sections of the structure of Pont Cadfan Road, Tywyn	Repairs in order to be able to continue using the bridge - renew the paint protection system.	£101,500

40	Economy and Community	Arfon Leisure / Tennis Centre	Extend the customer and staff car park due to the health and safety risks deriving from the failure to separate pedestrians and vehicles (at least 50 additional parking spaces are needed)	£150,000
41	Education	Complete a review of education organisation in Bangor	Investing in the buildings of Bangor secondary schools in order to provide education resources of the expected standard for the 21st Century for our children and young people, which would be a follow-up to the investment seen in the county's primary schools.	£6,340,000
42	Environment	The Feasibility Studies of the Transport Service	Carry out feasibility studies and complete preparatory work to enable us to bid for substantial grant funding towards essential plans to deal with highway safety matters or substantial repairs.	£1,000,000
43	Consultancy	Tremadog - Flood Prevention	Work to upgrade the existing defective drainage system to reduce the risk of flooding to 20 houses	£75,000
44	Highways and Municipal	Repair sections of the structure of Pont Llanystumdwy	Repairs in order to be able to continue using the bridge - work to strengthen the arch	£154,800
45	Economy and Community	Parc Padarn	Invest in paths and relics in order to deal with health and safety risks	£175,000
46	Children	Canolfan Maesgeirchen / Ty Cegin	Develop the provision to support families in the Maesgeirchen area, Bangor	£500,000
47	Highways and Municipal	Repair sections of the structure of Pont Mwnwgl y Llyn, Y Bala	Repairs in order to be able to continue using the bridge - new bearings and repair the concrete structure of Pont Mwnwgl y Llyn, Bala	£380,500
48	Highways and Municipal	Repair sections of the structure of Pont Penllyn, near Brynrefail	Repairs in order to be able to continue using the bridge - renew the expansion joint	£108,000
49	Environment	Smallholdings	Replace the drinking water purification systems in 12 smallholdings	£400,000
50	Economy and Community / Education	Multi-purpose playing fields	Replace Astroturf pitches that have reached the end of their lifespan in secondary schools or leisure centres in 10 locations in Gwynedd	£1,300,000
51	Consultancy	Waterloo Port, Caernarfon - Coastal Protection	Coastal protection work to protect 8 houses and a cycle path	£55,000
52	Economy and Community	Plas Silyn Leisure Centre	Re-design the car park in order to have a one-way system, create drop-off and pick-up spaces and create additional parking spaces on the site	£100,000

53	Consultancy	Penpaled, Cricieth - Coastal Protection	Work to upgrade current assets to reduce flood risk to four houses	£45,000
54	Environment	Maintaining the Lonydd Glas Recreational Routes Network	Maintenance work on the Lonydd Glas to ensure that they remain open and are available for public use.	£140,000
55	Economy and Community	Bangor Swimming Pool	Renovating and internal alterations in order to better utilise the space	£500,000
56	Economy and Community	Hafan Pwllheli	Replace the pontoons and stakes	£700,000
57	Economy and Community	Neuadd Dwyfor	Investing in the building in order to improve the facilities and the possibility of centralising Pwllheli's services	£350,000
58	Economy and Community	Plas Ffrancon Leisure Centre, Ogwen	Work to return the space to leisure requirements should the Flying Start agreement end	£100,000
59	Environment	Improving the Lonydd Glas Recreational Routes Network	Improve the existing Lonydd Glas	£60,000
60	Economy and Community	Libraries Service	Internal alterations to Pwllheli Library in order to provide space to deliver the objectives of the Gwynedd Libraries Strategy - More Than Books	£120,000
61	Economy and Community	Dwyfor Leisure Centre	Extend the car park and use the tennis court area in front of the building (at least 25 additional parking spaces are needed)	£75,000
62	Economy and Community	Bangor Library	Adapt the existing Bangor Library building, or re-locate, in order to offer a better provision	£300,000