

CAPITAL PROGRAMME 2020/21

Head of Service/Contact:	Lee Duffy, Chief Finance Officer
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Annexes/Appendices (attached):	Annex 1 – Proposed Capital Programme Annex 2 – Capital Appraisal form for Bid 5 Annex 3 – Capital Appraisal form for Bid 3
Other available papers (not attached):	Financial Policy Panel papers - 3 December 2019 Capital Strategy

Report summary

This report summarises the proposed 2020/21 capital programme for Environment & Safe Communities Committee. Approval is sought for the programme to be submitted to Council in February 2020.

Recommendation (s)

That the Committee:

Submits the Capital Programme for 2020/21 as identified in section 4 of this report to the Council for approval on 13 February 2020.

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The Council's Medium Term Financial Strategy (MTFS) includes the following guidelines relevant to investment in services:-
 - 1.1.1 Prioritise capital investment to ensure retained property is fit for purpose.
 - 1.1.2 Maximise the use of external funding opportunities to deliver improvements to the community infrastructure, including affordable housing.

Environment and Safe Communities Committee 28 January 2020

- 1.1.3 Maintain a minimum uncommitted level of capital reserves of £1 million.
- 1.2 A baseline criteria for schemes is 'Investment required to meet Health and Safety or other new legislative requirements' as identified in the project appraisals.

2 Background

- 2.1 The Capital Strategy was last agreed by the Council on 19 February 2019 at which time the capital programme was approved for 2019/20. Schemes for 2020-2022 were provisional pending the annual budget review and an annual assessment of funds for capital investment.
- 2.2 Strategy and Resources provided the Capital Member Group (CMG) with a remit for the preparation of a capital programme for 2020/21. Under this remit, CMG assessed all capital bids and recommended a programme to Financial Policy Panel ('the Panel') for approval on 3 December 2019.
- 2.3 The programme presented to the Panel assumed funding from capital receipts, revenue funding, reserves and government grants. The Panel were advised that the proposed level of investment of £2.7 million over three years 2020/21 to 2022/23, of which £651k was to be funded from capital receipts, would reduce the available capital receipts balance to £2.15 million at the end of this period. The agreed minimum threshold of capital receipts is £1 million.
- 2.4 The receipts forecast assumes a £200k revenue contribution to fund capital schemes in 2020/21. This contribution is subject to the budget being approved at Council in February 2020.
- 2.5 The Panel's guidance relevant to this policy committee's recommendations was as follows:-
 - 2.5.1 Priority schemes identified by the Capital Member Group should be presented with project appraisals to the policy committees in January to establish whether there is support for the individual projects, with any projects not supported being removed from the draft programme.
 - 2.5.2 Two schemes identified in section 4 of this report, totalling £372k, requiring £372k use of capital receipts, should be included in the capital programme, subject to support for the project appraisal by this Committee.

3 Proposals

- 3.1 The Committee is asked:-
 - 3.1.1 To approve the proposed capital programme for 2020/21.

Environment and Safe Communities Committee 28 January 2020

- 3.2 The timing of the programme should be based on the ability to deliver with a realistic number of projects in any one year.
- 3.3 If all schemes in the proposed corporate capital programme for 2020/21 were to progress, and given the use of £200k of revenue funds, this would reduce the capital reserves to £2.15 million at 31 March 2023. Where possible the Council will prioritise the use of other funding sources such as revenue, external grants, S106 and Community Infrastructure Levy to preserve the level of capital receipts.

4 Core Programme 2020/21 Funded from Capital Reserves

- 4.1 The Financial Policy Panel recommended that the following schemes should be considered by this Committee for inclusion in the capital programme in 2020/21, subject to the Committee approving the project appraisals.
- 4.2 The proposed core programme for 2020/21 funded from capital receipts consists of the following schemes:-

Capital Appraisal form reference	Scheme	2020/21 £000s
Environment & Safe Communities Bid 5	Hogsmill streams and horse pond repairs	292
Environment & Safe Communities Bid 3	Hook Road Multi-Storey Car Park - replacement surface covering to roof level	80
Total		372

- 4.3 The Hogsmill streams and horse pond repairs bid 5 is subject to clarification from the legal department that the works fall within the responsibility of the Council.
- 4.4 The full scheme details are set-out at Annexes 2 and 3. Should members have any detailed questions regarding either of the schemes, please could these be raised with officers in advance of the Committee meeting, to enable a response to be sought from the scheme manager.

5 Financial and Manpower Implications

- 5.1 The Committee will wish to ensure that the Council has the capacity to deliver the recommended schemes.

Environment and Safe Communities
Committee
28 January 2020

5.2 *Chief Finance Officer's comments:* all financial implications are included in the body of the report.

6 Legal Implications (including implications for matters relating to equality)

6.1 *Monitoring Officer's comments:* none for the purposes of this report.

7 Sustainability Policy and Community Safety Implications

7.1 None for the purposes of this report.

8 Partnerships

8.1 There are no schemes dependent upon partnership agreement or funding. Schemes may, subject to evaluation, involve partnership for procurement or service delivery.

9 Risk Assessment

9.1 The CMG have used the Capital Strategy to balance the need for prioritised investment against a reducing level of capital reserves.

9.2 To help manage risks to the General Fund revenue account business case investment has been prioritised where it demonstrates a payback within 5 years or 7 years for renewable energy projects.

9.3 Funding has been identified to enable the delivery of the capital programme for 2020/21 and officers believe that there should be sufficient capacity to deliver these projects.

10 Conclusion and Recommendations

10.1 A programme of £372k, excluding any carry forward provisions from 2019/20, is recommended for this Committee in 2020/21.

Ward(s) affected: (All Wards);