

CAPITAL PROGRAMME 2021/22

Head of Service:	Lee Duffy, Chief Finance Officer
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	Appendix 1 - Capital Appraisal form for Bid 1 Appendix 2 - Capital Appraisal form for Bid 2a Appendix 3 - Capital Appraisal form for Bid 3 Appendix 4 - Capital Appraisal form for Bid 4

Summary

This report summarises the proposed 2021/22 capital programme and a provisional programme for 2022-24. The Committee's approval is sought for the programme to be submitted to Council in February 2021.

Recommendation (s)

The Committee is asked to:

- (1)** submit the capital programme for 2021/22 as identified in section 4 of this report to the Council for approval on 16 February 2021;
- (2)** confirm that it supports all of the schemes included in the provisional programme for 2022-24 as identified in section 4 of this report;
- (3)** note that:-
 - (a)** schemes subject to external funding from Disabled Facilities Grants only proceed when funding has been received;
 - (b)** schemes for 2022-24 are provisional pending an annual review of funds available for capital investment.

1 Reason for Recommendation

- 1.1 To seek the Committee's approval to submit the proposed capital programme for 2021/22 to Council in February 2021 and confirm that it supports the schemes included in the provisional programme for 2022-24.

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2 Background

- 2.1 The Capital Strategy was last agreed by the Council on 13 February 2020 at which time the capital programme was approved for 2020/21. Schemes for 2021-2023 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 2021/22. Under this remit, CMG assessed all capital bids and recommended a programme to Financial Policy Panel ('the Panel') for approval on 1 December 2020.
- 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 over three years 2021/22 to 2023/24 is £2.7m, of which £255k is to be funded from a planned contribution from revenue. Combined with funding from other sources including CIL, S106 and Disabled Facilities Grants, this will allow the forecast available capital receipts to remain at £2.57 million at the end of this period. The agreed minimum threshold of capital receipts is £1 million.
- 2.4 The receipts forecast assumes a £300k revenue contribution to fund capital schemes in 2021/22, which is subject to the budget being approved at Council in February 2021. With £255k allocated to fund the proposed capital programme, the balance of the revenue contribution of £45k would be held in a reserve for funding future capital programmes.
- 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 Schemes identified in section 4 of this report, totalling £805k, £75k of Community Infrastructure Levy receipts, £110k of S106 receipts and £620k of external grant funding, should be included in the 2021/22 capital programme, subject to support for the project appraisal by this Committee and subject to external funding being received before expenditure is committed.

3 Proposals

- 3.1 The Committee is asked:-
 - 3.1.1 To approve the proposed capital programme for 2021/22; and
 - 3.1.2 To agree to the provisional programme for 2022-24.

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- 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 2021/22 were to progress, and given the use of £300k of revenue funds, this would reduce the capital reserves to £2.57 million at 31 March 2024. 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 2021/22 to 2023/24

- 4.1 The Financial Policy Panel recommended that the following schemes should be considered by this Committee for inclusion in the capital programme in 2021/22 to 2023/24, subject to the Committee approving the project appraisals.

Capital Scheme	Proposed Budget				Funding Source
	2021/22	2022/23	2023/24	Total	
	£'000	£'000	£'000	£'000	
C&W Bid 1: Disabled Facilities Grants (Appendix 1)	600	600	600	1,800	External DFG Grant
C&W Bid 2a: Football Pitch Drainage - King George's Field (Appendix 2)	90	10	0	100	£80k S106 £20k external grant
C&W Bid 3: Harrier Centre track repairs (Appendix 3)	40	0	0	40	S106
C&W Bid 4: Improvements to Great Dam on Epsom Common - (Appendix 4)	75	0	0	75	CIL
Total Community and Wellbeing Committee	805	610	600	2,015	

- 4.2 It is proposed to fund the King George's Field football pitch drainage by £80k from S106 receipts and £20k funded by an external grant from the Football Association, subject to a successful grant application. Should this application not be successful, it is proposed that a further £20k S106 funds would be used to fund this balance instead. Agreement is sought from this committee for the full £100k for this scheme.

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- 4.3 It is proposed that the Harrier Centre Track also be funded by £40k of S106 receipts, reserved for Outdoor Sports Facilities, in accordance with the legal agreements for use of these receipts. It is proposed that the Improvements to the Great Dam be funded by £75k of Community Infrastructure Levy (CIL) receipts. The Great Dam Improvements, by way of being a civic infrastructure project, meets the criteria for CIL funding.
- 4.4 Disabled Facilities Grant is received annually from the Ministry of Housing, Communities and Local Government. The Council has a statutory responsibility to administer the grant. The grant is typically used to make residential adaptations to enable vulnerable residents to maintain independence and remain in their own homes. Such interventions can prevent the need for NHS and or sheltered housing services. The grant is typically used to:
- widen doors and install ramps;
 - improve access to rooms and facilities - eg stairlifts; downstairs bathroom;
 - provide a heating system;
 - adapt heating or lighting controls to make them easier to use.
- 4.5 Bids for the Disabled Facilities Grant scheme will be prepared and submitted to future Capital Member Group meetings for their support to be included within the capital programme for 2022/23 and 2023/24. The £10k for the Football Pitch is part of the 2021/22 bid profiled for the following year and therefore will not require further approval for 2022/23.

5 Risk Assessment

Legal or other duties

5.1 Impact Assessment

5.1.1 None for the purposes of this report.

5.2 Crime & Disorder

5.2.1 None for the purposes of this report.

5.3 Safeguarding

5.3.1 None for the purposes of this report.

5.4 Dependencies

5.4.1 The 2021/22 capital programme is dependent upon agreement of a planned £300k revenue contribution to fund the capital programme being considered by Full Council in February 2021 as part of the revenue budget for 2021/22.

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5.5 Other

5.5.1 None for the purposes of this report.

6 Financial Implications

- 6.1 Officers in the Projects Team have scheduled sufficient capacity to deliver the recommended schemes next year.
- 6.2 VAT on the works at King George's Field and the Harrier Centre running track will feed into the Council's partial exemption calculation. It is not anticipated that this will cause a breach of the 5% limit but the position will be monitored and remedial action will be taken if required.
- 6.3 **Section 151 Officer's comments:** all financial comments have been included within the body of the report.

7 Legal Implications

- 7.1 The Council has a statutory responsibility to administer the Disabled Facilities Grant.
- 7.2 **Monitoring Officer's comments:** None for the purpose of this report.

8 Policies, Plans & Partnerships

- 8.1 **Council's Key Priorities:** The following Key Priorities are engaged: Effective Council.
- 8.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 8.3 **Climate & Environmental Impact of recommendations:** none for the purposes of this report.
- 8.4 **Sustainability Policy & Community Safety Implications:** none for the purposes of this report.
- 8.5 **Partnerships:** none for the purposes of this report.

9 Background papers

- 9.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Financial Policy Panel papers - 1 December 2020

Other papers:

- Capital Strategy agreed at Full Council in February 2021