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| SUBJECT: | Capital Strategy and Capital and Repairs & Renewals Programme 2018/19 to 2022/23 |
| REPORT OF: | Support Services Portfolio Holder – Cllr Mike Stannard |
| RESPONSIBLE OFFICER | Director of Resources – Jim Burness |
| REPORT AUTHOR | Capital Accountant – Jane Clarke – 01494 732 223 |
| WARD/S AFFECTED | All |

1. Purpose of Report

1.1 To present:

- The Capital Strategy.
- The proposed Capital Programme for 2018/19 – 2022/23
- The proposed Repairs & Renewals Programme for 2018/19 – 2022/23.

RECOMMENDATIONS

Cabinet is asked to recommend to Council:

- 1. The Capital Strategy including the Capital Programme for 2018/19-2022/23 (Appendix A).**
- 2. The Repairs & Renewals Programme for 2018/19 – 2022/23 (Appendix B).**

2. Background

- 2.1 As part of the Council's budget process the Capital Programme is reviewed in order to assess, as part of the overall financial strategy of the Authority, what the scale and composition of the programme should be and the consequential funding implications for the financial strategy.
- 2.2 In recent years decisions have been undertaken to embark on a number of significant capital projects, such as the Amersham Multi Storey Car Park, and the re-development of Chiltern Pools. These projects have changed the scale and composition of the future capital programme, creating the need to finance these projects from borrowing.

3 Review of Capital Programme

- 3.1 The Capital Programme is set out in the Capital Strategy.
- 3.2 Projects are grouped by Portfolio area, and the main items in the capital programme are as follows:

Environment

- 3.3 The need to replace the waste sweeper vehicles. The vehicles were on a 5 year agreement which comes to an end in 2018/19, so £200k has been allowed for this purpose. Provision for the replacement of the main refuse vehicle fleet in 2019/20 has been allocated at a cost of £3,150k, as the current waste contract expires in March 2020, but this will be influenced by the overall re-tendering of the contract .
- 3.4 Construction of an extension to the Amersham Multi Storey Car Park will continue in 2018/19, to provide increased parking capacity within Amersham and to accommodate future capacity needs as highlighted in the Parking Strategy, a key Council priority as identified in the Capital Strategy.
- 3.5 A budget of £10k, has been allocated to provide solutions for additional off street parking in the district.
- 3.6 CDC is responsible for the maintenance of the Mill Meadow Bridge, and has an obligation to keep the bridge in repair and to provide the site users and members of the public with adequate access. Following detailed design work this project is expected to cost £370k in total.

Healthy Communities

- 3.7 There are 7 Town and Village Revitalisation groups which the council supports, with a budget of £14k p.a. This funding supports the enabling community participation, helping residents shape and improve their own communities. Past examples include support to heritage projects, riverside walks, nature park and high street festivals, libraries, youth clubs and visitor information facilities. They have also helped to fund raise for projects to improve facilities for young people and families. The funding provided through these grants assists the community access additional funding for projects which has been valued at over £1m which would not otherwise be accessed by the community.
- 3.8 Currently, under the contract with Greenwich Leisure, the Council has responsibility for the structure and exterior of the leisure centres. A sum of £100k is budgeted each year to meet these obligations up until 2019/20, at which point the current contract with GLL will expire.
- 3.9 There is a budget of £30m for the redevelopment of the Chiltern Pools site which is at the end of its useful life. The redevelopment has been shaped by the Council's Leisure Strategy. The feasibility and design work underway at present will lead to the preparation of a detailed business case to be presented to members for approval to commit to the construction of a new facility during 2018/19.
- 3.10 The remainder of the expenditure in this area relates to housing/renovation grants, with the largest element being the Disabled Facility Grant which the Council has a statutory duty to provide. The majority of the cost of the grants are met from an allocation from the Better Care Fund administered by the Countywide Health & Wellbeing Board (this was £598k in 2017/18). A contribution to the programme is also sought from Paradigm.

- 3.11 A project for Homelessness Mitigation Works has also been introduced in 2018/19 for £150k annually. This could be used to contribute to housing associations in order for them to purchase property for temporary accommodation, or potential development of a hostel.

Support Services

- 3.12 A Customer Experience Strategy Programme to facilitate the centralisation and transformation of customer services, increasing efficiency and delivering savings across CDC and SBDC. The budgeted share of the set up ICT costs for CDC is £269k.
- 3.13 The recent property condition survey, indicated works to KGVH need to be carried out to the value of £450k, over the next four years. These include replacement of flat roof, boilers and condensing units and renewal of suspended ceilings.

4 Commuted Sums Programme

- 4.1 In the context of capital investment it is important to recognise funding available from planning commuted sum agreements for affordable housing developments. Currently the commuted sum balance is:

| | Balances as at 15.12.17 £ |
|-----------------------------|---------------------------------|
| s106 Monies - Conditional | 2,179,903 |
| s106 Monies - Unconditional | 25,000 |
| | 2,204,903 |

- 4.2 These sums are applied in line with the Council's Housing Strategy which sets out the range of options available to use these funds for the provision of affordable housing.

5 Review of Repairs & Renewals Programme

- 5.1 The Repairs & Renewals programme is shown in Appendix B, and comprises the following elements:

Depot: £30k pa

- 5.2 There is an annual repairs and renewals allowance for works at the Depot. This provides flexibility for works to be carried out as and when required.

KVHG Planned Maintenance Works £434k

- 5.3 As a result of a conditions survey, several areas have been identified as requiring works to KGVH. This includes, external and internal redecoration, replacement of electrical distribution boards, replace wall mounted heaters and air con units, as well as new carpets and vinyl floor covering.

Ashley Green Old School Community Centre £16k

- 5.4 Building and roof repairs are required to Ashley Green Old School Community Centre, and external and internal decoration over the course of the next two years.

Barn Hall Annex £4k

- 5.5 To undertake a structural survey in 2018/19, as well as addressing some areas of damp penetration.

Paper Sort Reinstatement £121k

- 5.6 If Serco vacate the Paper Sort facility, there is a legal requirement for CDC to restore this building back to its original state. At present this is a contingency amount as there are no immediate plans to vacate the facility.

Leisure Centres: £10k pa + £70k in 2019/20.

- 5.7 To undertake small repairs and maintenance to the centres up until 2020/21, which cannot be funded from Capital. A further £70k in 2018/19 is required for the leisure centres 5 year condition survey.

IT Replacement Equipment/Alterations £30k pa

- 5.8 To provide various replacement or repairs to IT equipment.

6 Consultation

- 6.1 Consultation is with the Resources Overview Committee.

7 Corporate Implications

- 7.1 The programme in the Capital Strategy covers the period until 2023. Over this period new calls for capital expenditure will arise linked to the Council's Business Plan and Financial Strategy.

- 7.2 The table below shows the proposed funding of the Capital Programme.

| Sources of Funding | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|--|-------------------|-------------------|-------------------|----------------|----------------|
| | £ | £ | £ | £ | £ |
| Housing subsidy re DFGs via Better Care Fund (BCC) | 598,000 | 598,000 | 598,000 | 598,000 | 598,000 |
| Borrowing - Car Park | 6,064,000 | | | | |
| Borrowing - Leisure Centre | 5,000,000 | 15,000,000 | 10,000,000 | | |
| Capital Receipts / Capital Contributions | 1,202,610 | 3,482,750 | 392,750 | 214,000 | 267,750 |
| | 12,864,610 | 19,080,750 | 10,990,750 | 812,000 | 865,750 |

8 Links to Council Policy Objectives

- 8.1 The Council's Code of Corporate Governance highlights the importance of having in place clearly documented processes for policy development, review and implementation, decision making, and monitoring and control. Following from this is the requirement for sound financial management, being able to demonstrate resources are aligned to the corporate priorities of the Council, and that any material risks are assessed. Having a medium term financial strategy is a key element in demonstrating this principle. Establishing a sound and sustainable financial base is important for delivering the Council's objectives.

9 Next Step

- 9.1 Following views by the Resources Overview Committee the report will be considered by the Cabinet, and then by Council in February 2018.

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| Background Papers: | None |
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