

SUBJECT:	Capital Programme and Repairs & Renewals Programme 2016/17 to 2019/20
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 proposed Capital Programme for 2016/17 - 2019/20, and
- the proposed Repairs & Renewals Programme for 2016/17 - 2019/20.

RECOMMENDATION

That Full Council agrees:

- The Capital Programme for 2016/17 - 2019/20 as set out in Appendix A, and
- The Repairs & Renewals Programme for 2016/17 - 2019/20 as set out in Appendix B.
- Note the implication for the Financial Strategy of the proposed programme.

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.

3 Review of Capital Programme

- 3.1 The proposed Capital Programme is set out in Appendix A, and projects are grouped in three main categories.

Environment

- 3.2 This category primarily covers expenditure for the parking service. The main schemes are:
- Provision of additional parking spaces at Sycamore Road car park
 - Improvements to AMSCP. These works are in preparation for tendering and start on site during 2016.
- 3.3 In addition to the parking schemes there is a project to contribute to the improvement of the Lords Mill Weir, and one for potential refurbishment works to public conveniences aligned to agreements reached with parish/town councils.

Community, Health & Housing

- 3.4 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.
- 3.5 The remainder of the expenditure in this area relates to housing grants and loans, with the largest element being Disabled Facility Grants 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 Health & Wellbeing Board, (this was £295k in 2015/16), so that the cost falling to Chiltern is only a proportion of the total programme. A contribution to the programme is also sought from Paradigm.

Support Services

- 3.6 The projects in this areas divide between those related to the ICT Strategy¹ and ICT elements of specific shared service business cases, and works at KGVH.
- 3.7 The major ICT projects are:
- CDC's share of the cost of unifying the networks of the two Councils including creating virtual desktop environments that are a key element in moving towards more flexible ways of working.
 - CDC's share of the costs of introducing appropriate mobile working arrangements for shared teams
- 3.8 The works to KGVH relate to essential maintenance works to the roof and skylights above the Council Chamber which have been completed, and security improvements to the undercroft car par which will be completed by the end of the year.

4 Commuted Sums Programme

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

	Balance as at 31.12.15
	£
s106 Affordable Housing - Conditional	1,827,405
s106 Affordable Housing - Unconditional	25,000
	1,852,405

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.

¹ ICT Strategy was approved by the Joint Committee in July 2015, and was the basis of gaining an award of £222k from the Government's Transformation Challenge Fund

5 Review of Repairs & Renewals Programme

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

Depot: £50k 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.

Paper Sort Reinstatement £121k

5.3 If Serco vacate the Paper Sort, there is a legal requirement for CDC to restore this building back to its original state.

Leisure Centres: £10k pa

5.4 To undertake small repairs and maintenance to the centres that cannot be funded from Capital. A further £60,000 has been included in 2019/20 for the regular 5 year condition survey.

6 Consultation

6.1 Consultation is with the Resources Overview Committee.

7 Corporate Implications

7.1 The Capital Programme is financed from three sources, grants, capital receipts, and revenue reserves / contributions. The table below shows the proposed funding of the programme set out in Appendix A.

Sources of Funding	Latest Budget 15/16 £	Original Budget 16/17 £	Original Budget 17/18 £	Original Budget 18/19 £	Original Budget 19/20 £
Housing subsidy re DFG's	295,510	295,510	295,510	295,510	295,510
Paradigm re DFG's	90,000				
Contribution from GLL (for Prestwood CP)	30,000				
s106 parking commuted sums	88,000				
DEFRA Flood Grant	7,400				
Transformation Reserve/TCA Grant	20,000	120,100			
Capital Receipts / Capital Contributions	1,528,490	1,193,064	889,897	344,490	344,490
Total Funding	2,059,400	1,608,674	1,185,407	640,000	640,000

7.2 The impact of funding the programme on available capital resources can be seen in the table below. It can be seen that the currently available capital resources will be exhausted by the end of 2018/19.

7.3 The programme in Appendix A covers the period until 2020. Over this period new calls for capital expenditure will arise linked to the Council's Business Plan and Financial Strategy, e.g.

- Developments to car parks
- The implications from the Leisure needs survey and the retender of the GLL contract
- Maintenance of KGVH including updating the audio visual facilities in the Council Chamber

Capital Resources	Latest Budget 15/16 £	Original Budget 16/17 £	Original Budget 17/18 £	Original Budget 18/19 £	Original Budget 19/20 £
Opening Capital Resources	2,680,222	2,459,218	1,266,154	376,257	31,767
New Capital Receipts					
New General Capital Contributions	1,307,486				
Use of Capital Receipts/ Contributions	-1,528,490	-1,193,064	-889,897	-344,490	-344,490
Closing Capital Resources	2,459,218	1,266,154	376,257	31,767	-312,723

- 7.4 Therefore to sustain the size of the programme and allow scope for new schemes, additional resources will need to be made available. The scope for generating significant new capital receipts is very limited; therefore the focus will be on the capacity of the revenue budget to provide contributions from revenue to the programme. In the future the Council may need to consider borrowing to finance capital projects. The capital programme is part of the Council's overall financial strategy, as the capital and revenue budgets are interlinked.
- 7.5 Separately the Council is also setting aside £395k each year for seven years up to 2020/21, towards replacing the refuse vehicle fleet.

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 in February.

Background Papers:	None
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CHILTERN CAPITAL PROGRAMME 2016 - 2020

	Latest Budget 15/16 £	Original Budget 16/17 £	Original Budget 17/18 £	Original Budget 18/19 £	Original Budget 19/20 £
<u>Environment</u>					
Lords Mill Weir, Chesham		10,000			
Public convenience works		47,384			
Sycamore Road - Fencing Work	20,000				
Parking Service - ICES 360	35,500				
Sycamore Road - Additional parking spaces & resurfacing	403,400				
Prestwood - car park upgrade	255,000				
AMSCP Over Roof & Improvement Works		415,390	415,407		
Additional off street parking solutions		10,000			
<u>Community, Health & Housing</u>					
Leisure Centres	173,000	213,000	100,000	100,000	100,000
Disabled Facility Grants	495,000	390,000	390,000	390,000	390,000
Renovation Grants	35,000	50,000	50,000	50,000	50,000
Flexible Home Loan Fund	50,000	50,000	50,000	50,000	50,000
Days Alms Houses- Grant	100,000				
<u>Support Services</u>					
MS Office Licenses	65,000	38,500	80,000		
ICT Helpdesk	4,000				
Virtual environment upgrades	25,000				
IP telephony infrastructure	24,000				
Legal Service - Case Mgt System	23,500				
F&P Service - Uniform & FM System		7,400			
ICT Strategy - Unified Network	177,000	240,000			
TCA Projects - Mobile Working	20,000	60,000			
TCA Projects - Channel Shift		27,000			
KGVH - Roofing/skylight works	67,000				
KGVH - Undercroft Car Park	37,000				
KGVH WIFI Replacement			50,000		
<u>Capitalisation of Salary Costs</u>					
Capital Salaries	50,000	50,000	50,000	50,000	50,000
Total	2,059,400	1,608,674	1,185,407	640,000	640,000

CDC R&R Programme 2016/17 - 2019/20	16/17	17/18	18/19	19/20
	Budget	Budget	Budget	Budget
	£	£	£	£
<u>Environment</u>				
Depot - Annual Allocation	50,000	50,000	50,000	50,000
Depot: Papersort facility reinstatement	121,000			
AMSCP: Redecoration 3 year prog 2014-16	8,000			
<u>Community, Health & Housing</u>				
Leisure Centres -	10,000	10,000	10,000	70,000
	189,000	60,000	60,000	120,000

The R&R programme is funded from the earmarked reserve created for the purpose of funding this expenditure. At the end of 2015/16 the reserve is estimated to stand at £497,104.