

SUBJECT:	Capital Programme and Repairs & Renewals Programme 2017/18 to 2020/21
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 2017/18 – 2020/21, and
- the proposed Repairs & Renewals Programme for 2017/18 – 2020/21.
- the Capital Strategy.

RECOMMENDATION

Cabinet is asked to recommend to Council:

- **The Capital Programme for 2017/18 – 2020/21 as set out in Appendix A.**
- **The Repairs & Renewals Programme for 2017/18 – 2020/21 as set out in Appendix B.**
- **The Capital Strategy as set out in Appendix C.**
- **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. As part of the Council's Capital Strategy (appendix C) in 2016/17 decisions to undertake feasibility work on 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, if they proceed, following member approval of detailed business cases.

3. Review of Capital Programme

3.1 The proposed Capital Programme is set out in Appendix A. Projects are grouped by Portfolio Area.

Environment

- 3.2 This category primarily covers the construction of an extension to the Amersham Multi Storey Car Park, providing increased parking capacity within Amersham on the Hill to accommodate current and future capacity needs as highlighted in the Parking Strategy, a key Council priority as identified in the Capital Strategy. It is anticipated that a detailed business case will be presented to members during 2017 for approval prior to committing to the construction.
- 3.3 CDC is responsible for the maintenance of the Mill Meadow Bridge, and has an obligation to keep the bridges in repair and to provide the site users and members of the public with adequate access. Originally £225k was allocated to the project in 2016, but following detailed design work this project is now expected to cost £369k.
- 3.4 Additionally, £200k has been allocated in 2017/18, as the need to replace the sweeper vehicles which were on a 5 year agreement comes to an end. Replacement of the remaining refuse vehicle fleet in 2019/20 has been allocated at a cost of £3,150k, as the current waste contract expires in March 2020.

Healthy Communities

- 3.5 There is a budget of £23m for the redevelopment of the Chiltern Pools site which is at the end of its useful life. The development is being shaped by a review of the leisure needs of the area, as part of 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.
- 3.6 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.
- 3.7 The Council supports the 7 revitalisation groups with annual revenue funding of £2k and enables application to a capital revitalisation grant scheme delivered annually. 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 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 County wide Health & Wellbeing Board, (this was £545,252 in 2016/17), with a potential cost of £100k falling to Chiltern, however the detail of the 2017/18 allocation from the Fund is still to be confirmed. A contribution to the programme is also sought from Paradigm.

Support Services

- 3.9 A project to increase parking for staff at KGVH has been proposed to increase the number of parking spaces available for staff at King George V House at an initial estimate of £80,000, and this is included in the programme provisional on a member decision to proceed.
- 3.10 As an outcome of the property condition survey, other works to KGVH need to be carried out to the value of £177k, over the next four years. These include replacement of flat roof, and skylight works, as well as replacement of boilers.

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 31.12.16
	£
s106 Affordable Housing - Conditional	1,783,519
s106 Affordable Housing - Unconditional	25,000
	1,829,146

- 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: £100k in 2017/18 and £55k rising to £65k pa thereafter

- 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. In 2017/18 this has been increased to £100k to provide substantial work for drainage and hard surfacing.

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. At present this is a contingency amount as there are no immediate plans to vacate the facility.

KVHG Planned Maintenance Works £532k

- 5.4 As a result of a conditions survey, several areas have been identified as requiring works to KGVH. Primarily works to overhaul the windows, over and underground drainage and guttering, as well as, lighting and circuit improvements for statutory compliance.

Ashley Green Old School Community Centre £25k

- 5.5 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.

Leisure Centres: £10k pa

- 5.6 To undertake small repairs and maintenance to the centres that cannot be funded from Capital. A further £60,000 has been included in 2020/21 for the regular 5 year condition survey.

IT Replacement Equipment/Alterations £30k pa

- 5.7 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 Capital Programme has previously been financed from four sources, grants, capital receipts, and revenue reserves / contributions. However, from 2017/18 borrowing for new projects such as the Amersham Multi Storey Car Park may also be undertaken.

- 7.2 The table below shows the proposed funding of the programme set out in Appendix A.

Sources of Funding	Latest Budget 16/17 £	Original Budget 17/18 £	Original Budget 18/19 £	Original Budget 19/20 £	Original Budget 20/21 £
Housing subsidy re DFG's	545,252	545,000	545,000	545,000	545,000
Transformation for Mobile Working		80,000			
Paradigm re DFG's	90,000	90,000	90,000	90,000	90,000
s106 parking commuted sums	88,000	0	0	0	0
Borrowing for new projects		7,831,203	15,800,000	8,200,000	0
Capital Receipts / Capital Contributions	2,076,188	1,307,061	314,000	3,489,000	314,000

Total Funding	2,799,440	9,853,264	16,749,000	12,324,000	949,000
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7.3 The impact of funding the programme on available capital resources can be seen in the table below.

Capital Resources	Latest Budget 16/17 £	Original Budget 17/18 £	Original Budget 18/19 £	Original Budget 19/20 £	Original Budget 20/21 £
Opening Capital Resources	4,072,988	3,803,221	3,890,110	3,970,060	875,010
New Capital Receipts					
New General Capital Contributions	1,412,471	1,000,000			
New Capital Contributions -Vehicles	393,950	393,950	393,950	393,950	393,950
Use of Capital Receipts/ Contributions	-2,076,188	-1,307,061	-314,000	-3,489,000	-314,000
Closing Capital Resources	3,803,221	3,890,110	3,970,060	875,010	954,960

7.4 The programme in Appendix A covers the period until 2021. Over this period new calls for capital expenditure will arise linked to the Council's Business Plan and Financial Strategy.

7.5 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 Council will need to borrow to finance proposed capital projects. The capital programme is part of the Council's overall financial strategy, as the capital and revenue budgets are interlinked.

7.6 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 prior to recommendation of a programme to Council in February 2017.

Background Papers:	None
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