

<b>SUBJECT:</b>	<b>Capital Programme 2017/18 to 2020/21</b>
<b>REPORT OF:</b>	Resources Portfolio Holder – Cllr Trevor Egleton
<b>RESPONSIBLE OFFICER</b>	Director of Resources – Jim Burness
<b>REPORT AUTHOR</b>	Capital Accountant – Jane Clarke – 01494 732 223
<b>WARD/S AFFECTED</b>	All

## 1. Purpose of Report

- 1.1 To present:
- the proposed Capital Programme for 2017/18 – 2020/21, and
  - 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 Capital Strategy 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. As part of the Council's Capital Strategy (Appendix B) in 2016/17 decisions were undertaken to embark on significant capital projects, such as Gerrards Cross Car Park, Purchase of the Police Site, Gerrards Cross and from 2017/18 onwards, New Project arising from the Strategic Asset Management Review. These projects have changed the scale and composition of the 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 Appendix A. Projects are grouped by Portfolio Area.

Environment

- 3.2 This category primarily covers the construction of a Multi Storey Car Park at Gerrards Cross, expanding the current car park and addressing the capacity issues highlighted in the Parking Strategy, a key priority as identified in the Capital Strategy. The full business case is due to be reported to this PAG and to Cabinet on 7<sup>th</sup> February 2017, with planning permission being sort by March 2017.
- 3.3 The financial performance of the Academy site has led to the need to redevelop the site as part of the Leisure Needs as indicated in the Capital Strategy.
- 3.4 Additionally, the need for Recycling and Replacement Bins is included in the programme which accommodates the gradual increase in property numbers, and in particular flats over time and the fact that there are now more containers issued per household.

Healthy Communities

- 3.5 Following the acquisition of the Gerrards Cross Police Site, further development of the site is required over the next two years to support the delivery of housing one of the key priorities referred to in the Capital Strategy.
- 3.6 Disabled Facilities Grants are the responsibility of the Local authorities 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 £360k in 2016/17), so that the cost falling to South Bucks is only a proportion of the total programme. This is an annual programme of grant support.
- 3.7 Renovation Grants and Flexible Home Loans are included in the programme to undertake works in default or to support the delivery of housing improvements in accordance with the Private Sector Housing Strategy Financial Assistance Policy by offering grants / loans to vulnerable householders requiring improvements to their property (heating, insulation, repairs, disability adaptations).

Resources

- 3.8 New Development Projects are to be undertaken during the course of the next four years, it is proposed the Council embark on acquiring new development projects for the purpose of meeting local housing needs as highlighted in the Capital Strategy.
- 3.9 The Council has responsibility under the lease for Capswood for the plant, equipment and internal decorations. For 2017/18 the main item of expenditure will be the replacement of the chiller units in the main office areas.

#### 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 31.12.16
	£
s106 Monies - Conditional	1,868,858
s106 Monies - Unconditional	189,394
	2,058,252

- 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. Consultation

- 5.1 Consultation is with the Resources Policy Advisory Group.

#### 6. Corporate Implications

- 6.1 The Capital Programme has previously been financed from four sources, grants, capital receipts, revenue reserves and contributions. However, from 2017/18 borrowing for new projects such as Gerrards Cross Car Park, Gerrards Cross Police Site and New Development Projects will also be undertaken.

- 6.2 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 £
Grant re DFG's via Better Care Fund (BCC)	360,000	490,000	490,000	490,000	490,000
Transformation Reserve-Mobile Working		50,000			
Revenue Funding		80,000			
Borrowing for New Projects		10,600,000	6,500,000	2,250,000	2,500,000
Borrowing for General Projects			405,000	358,000	315,000
Capital Receipts	6,081,275	842,710	20,000	2,000	0
Total Funding	6,441,275	12,062,710	7,415,000	3,100,000	3,305,000

6.3 The impact of funding the programme on available capital resources can be seen in the table below.

<b>Capital Resources</b>	<b>Latest Budget 16/17 £</b>	<b>Original Budget 17/18 £</b>	<b>Original Budget 18/19 £</b>	<b>Original Budget 19/20 £</b>	<b>Original Budget 20/21 £</b>
Opening Capital Receipts Reserve	6,089,380	864,945	22,235	2,235	235
New Capital Receipts	300,000				
New General Capital Contributions	556,840				
Use of Capital Receipts/ Contributions	-6,081,275	-842,710	-20,000	-2,000	
Closing Capital Resources	864,945	22,235	2,235	235	235

6.4 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.

6.5 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. Links to Council Policy Objectives**

7.1 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 delivery of the Council's objectives.

## **8. Next Steps**

8.1 Following views of the Resources Policy Advisory Group the report will be considered by the Cabinet, and then by Council in February 2017.

<b>Background Papers:</b>	None
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