

FUTURE YEARS CAPITAL PROGRAMME

Cabinet Member: Cllr David Watson

Ward(s) Affected: All wards

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PROPOSED DECISION

- (i) Cabinet to note the draft capital programme in December 2017 for 2018/19 to 2022/23 totalling **£100.815m**. This is to recognise the actions already taken and support further actions to ensure that the programme is affordable and is adequately resourced to deliver.

Reason for Decision

The Cabinet approves a budget each year to achieve the Council's priorities. Regular monitoring reports are submitted to Cabinet for review during the financial year, with management actions highlighted to ensure that Cabinet can assess whether any further action is required.

Corporate Implications

1. The financial implications are set out in the detailed report and at Appendix A.
2. The draft Capital Programme supports the delivery of corporate vision and priorities.
3. The main budgetary risks to the Council have been reviewed as part of this report.

Executive Summary

4. The programme sets out how the Council will spend **£36.967m** in 2018/19 and **£81.706m** across five years from 2018/19 to 2022/23 (including 2018/19). This budget proposes greater capital investment across areas such as economic Development & Regeneration, Planning and Sustainability, Housing supply and other externally funded projects

Background

The draft programme presented is developed for 2018/19 and the 5 year programme represents the ongoing commitment of the existing and 2018/19 programme. The longer term capital programme aspirations are significant. The Council continues to develop the future programme of investment deliver corporate priorities and to ensure that it is affordable within the financial envelope

5. The capital strategy to deliver Council's vision is:

- **Regeneration and Infrastructure**, by investing in our assets in such a way that not only delivers regeneration and growth in a sustainable way, but also generates annual revenue to support our services to the public.
- **Cohesive Communities**, ensuring activity is prioritised accordingly, with robust delivery plans in place, enabling delivery on time and at value, for example use community infrastructure Levy (CIL) to invest in the area to improve infrastructure and reflect the growing needs locally.

- **Value for Money Services** ensuring external funding is leveraged, especially for development, which will maximise the financial envelope available for major projects such as Accelerated Construction Fund for development (unlock housing and jobs growth).

Future Years Capital Programme (Appendix A)

6. Details of the five years capital programme is included at Appendix A by portfolio. Programme total including 2017/18 is **£100.815m** has moved by **£69.728m** since the last approved Capital programme by the cabinet in March 2017. The programme is summarised below:

2017/18 Latest Budget £m	Draft Capital Programme	2018/19 Budget £m	2019/20 Aspiration £m	2020/21 Aspiration £m	2021/22 Aspiration £m	2022/23 Aspiration £m	Total £m	Programme Total (including 2017/18) £m
0.128	Community	5.181	1.210	-	-	-	6.391	6.519
10.921	Economic Development & Regeneration	15.256	4.475	-	-	-	19.731	30.652
3.041	Planning & Sustainability	1.714	-	-	-	-	1.714	4.755
2.095	Housing	5.038	3.366	3.366	-	-	11.770	13.865
0.029	Leader	0.463	-	-	-	-	0.463	0.492
0.912	HR, ICT & Customer Services	1.148	1.298	0.608	0.498	0.623	4.175	5.087
17.125	WDC Core Total	28.800	10.349	3.974	0.498	0.623	44.244	61.369
1.984	CIL, S106, HIF, LGF and other external funding	8.167	8.836	10.389	10.070	-	37.462	39.446
19.109	Grand Total	36.967	19.185	14.363	10.568	0.623	81.706	100.815

Funding (Appendix A).

7. The council has bid for funding from HIF and other external bodies and it awaits the announcement of the outcome of that process. The programme incorporates the bid on the basis that the funding is secured. Some projects are also subject to ACF funding. Should any funding be less than the Council has assumed and given its commitment to supporting economic growth, the Council will consider the affordability of the scheme as any shortfall may lead to cost of borrowing and the impact on the Council Tax.

Opening Balance	Proposed Capital Income	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m	Programme Total (including 2017/18) £m
	Council Funding							
(17.125)	Revenue Development Reserve		-	-	-	-	0.000	(17.125)
	Capital Receipts - Red Kite	(2.000)	(2.000)	(2.000)	(2.000)	-	(8.000)	(8.000)
	Capital Receipts - Potential Disposal of Asset	(1.500)	(13.800)	(14.344)	(5.000)	-	(34.644)	(34.644)
	Disabled Facilities Grants	(0.800)	(0.800)	-	-	-	(1.600)	(1.600)
	External Funding							
(1.984)	CIL, S106, HIF, LGF and other external funding	(8.167)	(8.836)	(10.389)	(10.070)	0.000	(37.462)	(39.446)
-19.109	Grand Total	-12.467	-25.436	-26.733	-17.070	-	-81.706	-100.815

Funding Sources

8. Any organisation which is being prudently managed, whether in commercial, charitable or public sector, will maintain a level of reserves to deal with future or unexpected pressures. The council has built specific reserves to manage known financial liabilities and possible risks – as a good financial practice would dictate. However, with the increase in the capital programme, it is time to start considering borrowing with the associated borrowing costs and the impact on the Council tax.

Options

9. None

Appendices

Appendix A – Capital Programme Costs