

The Capital Programme 2018/19 - 2023/24

1. A draft capital programme totalling £134.5m, was submitted to Cabinet in December 2018. Following the Q3 monitoring process the programme has reduced to £134.3m through the removal of two small schemes, the addition of three small CIL funded schemes, and there has been further reprofiling of budgets between 2018/19 and 2019/20. Full details are set out in the Q3 Budget Monitoring Report.
2. The summary programme by portfolio holder is given in Table 1 below:

Table 1

Capital Plan Summary - Current Plan 2018/19 - 2022/23	All figures in £m						Total 2018/19 - 2023/24
	2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	
Portfolio							
Community	2.3	3.1	2.2	0.3	0.1	0.3	8.3
Environment	-	2.3	6.2	-	-	-	8.5
Housing	2.2	7.3	5.7	0.8	0.8	-	16.8
Econ. Devt and Regen.	12.7	25.2	1.5	2.0	2.0	-	43.5
Planning	3.3	11.9	9.2	21.6	6.9	-	52.9
Finance and Resources	0.3	0.3	0.3	0.3	0.3	-	1.5
Digital Devt. & Cust. Services	0.7	1.7	0.2	0.1	0.2	-	2.9
Grand Total	21.6	51.8	25.3	25.1	10.3	0.3	134.3

Full details of the five year capital programme by portfolio and by scheme is shown in Confidential **Appendix 2**.

3. The programme sets out how the Council will spend **£51.8m** in 2019/20 and **£134.3m** across five years from 2018/19 to 2023/24 (including 2018/19).
4. The Programme includes **new capital schemes totalling £18.5m** as set out in **Appendix 2A**, including **CIL schemes of £4.8m** which were submitted to Cabinet in November 2018 and High Wycombe Town Centre Committee in January 2019.
5. A key element of the budget process this year was to systematically review and prioritise all uncommitted spend for each portfolio with key officers and the portfolio holder.
6. Within the programme there are a number of schemes that are at feasibility stage and these will require detailed business cases to be provided to ensure the scheme remains a priority and should go ahead.
7. If any scheme requires feasibility work, these costs are unlikely to be capitalised and are therefore budgeted and funded through revenue. An annual provision of **£1.15m** has been included in the MTFS for each year from 2019/20 to 2022/23 to meet feasibility studies as set out in para 19.

8. A core principle in setting the programme has been to ensure zero borrowing over the term of the programme. This has been achieved as set out in **Table 3** below.

Background

9. The Capital Programme represents a major opportunity to make a step change in meeting some of the Councils' key priorities. The Council has a wide range of needs, and the strategy to tackle these needs, and how resources should be targeted and prioritised, are set out in the Corporate Plan. The Capital Programme has been constructed in line with the Corporate Plan's key themes as summarised below:
- A great place to be – our Place priority
 - Strong communities – our People priority
 - Growth and prosperity – our Prosperity priority
 - Efficient and effective – our Progress priority
10. The budget process followed this year is set out in detail in **Appendix 2B**

Future Years Capital Programme

11. The table below summaries some of the Major investment schemes with individual scheme budget of £0.900m or more:

Table 2

Portfolio	Description	Cost Centre	Funding Source	Total £m
Environment	Swan St Car Park Major Works	NEW2	CR	
	Waste Fleet	NEW3	CR	
	Parking Equipment Refresh	NEW7	CR	
Environment Total				7.7
Community	Court Garden Leisure Centre	EDBC64	CR	
	Facilities for Young People	ECBD19	CR	
	Risborough Springs Extension	EDBC76	CR	
	New Cemetery at Queensway	EDFA62	CR, CIL, Res	
Community Total				6.2
Housing	Affordable Housing / Land Purchase - S106	EDBB01	CR	
	Renovation Grants - DFG	EFBB03	DFG	
	Temporary Accom. Scheme	EDBB10	CR	
Housing Total				14.9
Econ. Devt and Regen.	30 and 34 Oxford Road	EDBB96	CR	
	Ashwells	EDBC92	CR	
	Baker St - Phase 1 Aldi	EDBC41	CR	
	Baker St - Phase 3A Des Box	EDBC43	CR, s106	
	Bassetbury Allotments	EDBD01	CR, LRF	
	Bellfield - Hqube Phase 1 and 2	EDBC52	CR	
	Regeneration Fund	EDBB99	CR	
	Strategic Acquisition	EDBC37	CR	
	Glory Mill, Wooburn	EDFA65	CR	
	Ottakers Building	EDFA88	CR	
	Brunel Shed	NEW4	CR	
Econ. Devt and Regen. Total				34.8
Planning	Strategic Acquisitions/Infrastructure	EDFA71	CR	
	Abbey Barn Lane Realignment	EDFA70	s106, HIF	
	HWTC Masterplan - Alternative Route	EDBC40	CIL	
	Princes Risborough relief road Phase 1	EDFA68	s106, HIF	
	HWTCMP and Regen - Ongoing design and feasibility	NEW11	s106	
Planning Total				48.1
Digital Devt. & Cust. Services	Digital First	EHAA09	CR	
Digital Devt. & Cust. Services Total				0.9
Grand Total				113.5

Funding

12. The funding of the Capital Programme is set out in Table 3 below:

Table 3

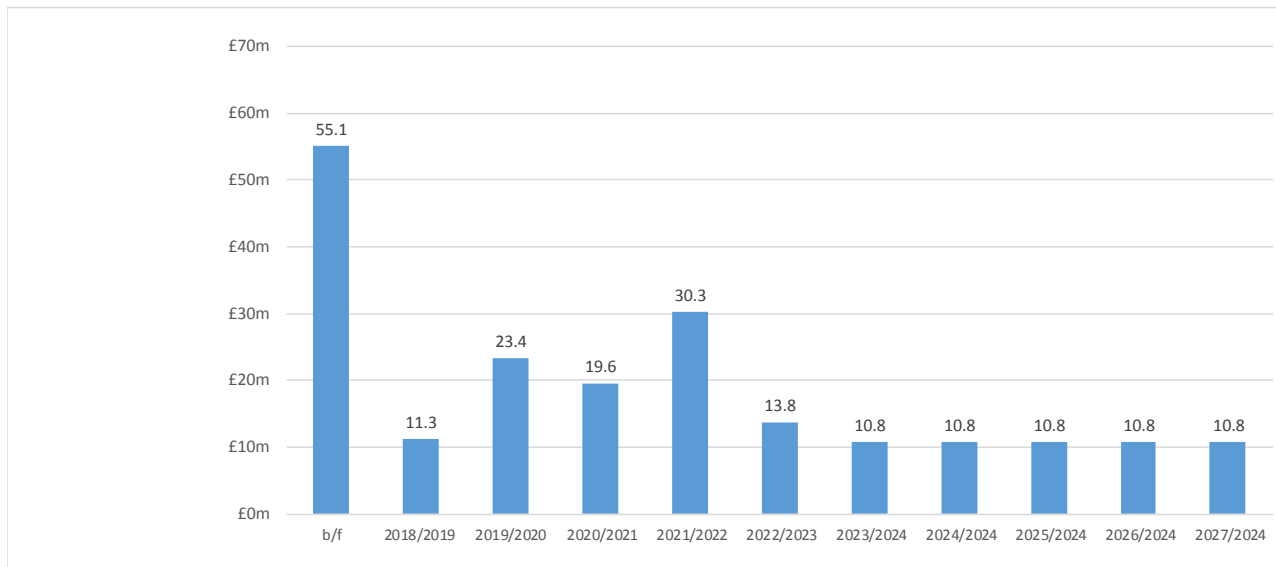
Capital Plan - Funding	2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	Total
Capital Receipts - Capex	-	24.5	17.6	12.3	6.1	0.3	60.8
Borrowing	-	-	-	-	-	-	-
CIL	3.6	9.1	-	-	-	-	12.7
S106	2.2	1.7	-	1.5	1.2	-	6.7
DFG	0.8	0.8	0.8	0.8	0.8	-	4.0
ACF	-	2.7	-	-	-	-	2.7
HiF	0.1	1.4	6.2	10.1	1.7	-	19.5
LRF	0.5	-	-	-	-	-	0.5
Use of Revenue Reserves	14.3	11.5	0.6	0.4	0.6	-	27.5
Funding Grand Total	£21.6m	£51.7m	£25.3m	£25.1m	£10.3m	£0.3m	£134.3m

Notes:

1. Accelerated Construction Fund (ACF) funding related to Ashwells Infrastructure Development - a report on the scheme is being presented to February 2019 Cabinet which has further details.
 2. Housing Infrastructure Funding (HiF) Funding relates to Abbey Barn Lane Realignment (£7.5m) and Princes Risborough relief road Phase 1 (£12m).
 3. The total cost of the Abbey Barn Lane scheme is currently being estimated and, depending on contingency and the level of optimism bias, may be in the order of £11m with the balance of funding to come from developer contributions.
13. The council has bid for funding from HIF, ACF and other external bodies. The programme incorporates the bid on the basis that the funding is secured. Should any grant award be less than the Council has assumed and given its commitment to supporting economic growth, the Council will need to reconsider its capital expenditure and investment plans to ensure they are affordable. Any shortfall in funding may lead to external borrowing with its consequential impact on the Council Tax.
14. The programme is in part funded by **Capital receipts of £60.9m** over the 5 year period to 2022/23. The final receipt on any scheme will be subject to the prevailing market conditions and any changes to the investment and/or development plan for that scheme. The **total estimated capital receipts of £77.9m** (see Table 4) is based on the most likely estimates. However, a worst case scenario would result in a reduction of receipts of approximately £10m (see detailed capital receipts schedule in **Appendix 2D**). Developments and disposals are kept under regular review and any impacts on the programme are assessed and corrective action taken as required.
15. The Council continuously scans for external grants and leveraged funding opportunities to reduce the net cost of delivering the programme
16. The 10 year funding envelope is set out in **Table 4**. There is a clear reduction in expected receipts from 2022/23 onward as the assets available for disposal reduce.

Table 4

10 Yr Funding Envelope



	Balances b/f	Yrs 1-5					Yrs 1-5	Yrs 1-5 + op bals	Yrs 6-10	Total
		2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023				
Capital Receipts	16.8	5.1	14.0	8.0	13.5	5.5	46.1	62.9	15.0	£77.9m
CIL	8.0	4.0	4.0	4.0	4.0	4.0	20.0	28.0	20.0	£48.0m
S106	5.6	-	-	-	1.5	1.2	2.7	8.4	-	£8.4m
DFG	-	0.8	0.8	0.8	0.8	0.8	4.0	4.0	4.0	£8.0m
HiF Abbey Barn Lane	-	0.1	0.5	0.2	5.0	1.7	7.5	7.5	-	£7.5m
HiF Princess Reisb Relief Rd	-	0.1	0.8	6.0	5.1	-	12.0	12.0	-	£12.0m
ACF	-	-	2.7	-	-	-	2.7	2.7	-	£2.7m
LRF	-	0.5	-	-	-	-	0.5	0.5	-	£0.5m
Revenue Reserve	24.7	0.7	0.5	0.6	0.4	0.6	2.8	27.5	15.0	£42.5m
Total Funding available	£55.1m	£11.3m	£23.4m	£19.6m	£30.3m	£13.8m	£98.3m	£153.4m	£54.0m	£207.4m

Note:

1. The £19.3m difference between the CapEx for the 5 years to 2022/23 of £134.1m and the £153.4m funding envelope relates primarily to the CIL and s106 balances which stand at £17.3m at the end of 2022/23. Additional new schemes will be funded from these reserves during the 5 year period.
2. The Capital Receipts of £46.1m for the 5 years to 2022/23 are based on 'most likely' estimates. The worst case indicates lower receipts of £37.5m.

MLG

17. On 1 November 2018 the Secretary of State for Housing, Communities and Local Government) told the House that he had decided to implement, subject to Parliamentary approval, the locally-led proposal to replace the existing five councils across Buckinghamshire – the two tier structure of Buckinghamshire County Council and the district councils of Aylesbury Vale, Chiltern, South Bucks and Wycombe – by one new single unitary district council. The new council will be established on 1 April 2020.
18. Clearly, in time, this will have an impact on the capital Plan and we look forward to working with our neighbouring Councils to develop a plan in due course that continues to invest in the delivery of services, support the economic vibrancy of the district and the provision of services to residents.

Feasibility Costs

19. A number of schemes will require significant feasibility work to be undertaken to assess the viability of a project and before any specific design work can take place. In this instance these cost need to be charged to revenue and the following provision has been set up within the revenue budgets in the MTFS:

Table 5 Feasibility Funding

Description	Notes	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Eastern Quarter Regeneration Strategy	1	170	500			
Feasibility - General to be allocated	2		200			
Transport Vision and Strategy in partnership with BCC			250	1,150	1,150	1,150
Total		170	1,150	1,150	1,150	1,150
Feasibility Earmarked Reserve B/fwd		200	30	30	30	30

Notes

- The 18/19 cost of Eastern quarter will be funded from Earmarked reserve
- General budget available for projects

Due to the degree of uncertainty of when feasibility costs will be expended, the schedule above is an indicative allocation at this stage. The budget will be held centrally in the first instance and as work progresses, the budgets may follow a different allocation and profile as the need arises.

Risks

20. The key risks with the delivery of the Capital programme are set out below:

Table 5 Capital Programme Risks

Item	Description	Mitigation / Controls
1	Cost overruns	Robust business cases/Regular monitoring and contingency provision within the project
2	Time overruns - delays to project	Regular monitoring of key-milestones; robust contractual arrangements
3	Insufficient Internal resources to procure/deliver projects	External Consultants
4	Grants - reduction /do not materialise /claw back	Other funding source/confirmation of grant before starting the project/stop the project if feasible
5	Shortfall in funding (Capital Receipts and Revenue)	Re-prioritise projects that are at approval stage, Borrowing
6	Change in strategic priorities arising from MLG	Engagement with Shadow Board
7	Failure to achieve planning consent of major projects	Pre-planning application service
8	Failure of external partners to deliver	Regular monitoring of key-milestones; robust contractual arrangements
9	Unexpected revenue impacts from scheme	Thorough evaluation of business case to consider revenue impacts
10	Economic and Brexit risks	Regular engagement with property and development external advisors to assess market conditions
11	Interdependent Projects	Single overall programme management structure - close monitoring of progress and risks