

**Committee:** Full Council

**Agenda Item**

**Date:** 26 February 2015

**16**

**Title:** Capital Programme 2015/16 – 2019/20

**Portfolio Holder:** Councillor Robert Chambers

Item for decision

## **Summary**

1. The Capital programme is for the next 5 years, 2015/16 to 2019/20.
2. Capital Expenditure relates to spending on schemes and assets that have a long term value and exceeds cost of £10,000.
3. The programme details planned Capital Expenditure on the Council's buildings, vehicles and ICT assets.
4. The programme includes Capital Grants to other organisations and individuals.
5. The programme is for both General Fund and Housing Revenue Account assets and schemes.
6. The Scrutiny Committee reviewed the budget reports on 10 February. Comments from the Committee are in a separate item on the agenda.
7. The Cabinet received this report on 17 February and recommends its approval by the Council.

## **Recommendation**

8. The Council is recommended to approve, the Capital Programme and associated financing of the programme as set out in this report.

## **Financial Implications**

9. The revenue costs of financing the Capital Programme have been built into the HRA and General Fund budgets detailed elsewhere on the agenda.

## **Background Papers**

10. None

## Impact

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

## Capital Programme 2014/15 – 2019/20

11. Appendix A shows a summary table of all the capital projects and their costs for each year.
12. Appendix B details all the capital programmes by Portfolio and gives details of the type of expenditure and the scheduled programme of works for each year.
13. The Capital Programme is an evolving and rolling programme year on year.
14. Appendix C details the financing of the Capital Programme.
15. The schemes of works detailed in the programme are proposed to be funded by the following means:
  - Grants
  - S106 contributions
  - Revenue contributions
  - Capital receipts and internal borrowing
  - The HRA will also use the 'Financial Headroom' available
16. No external borrowing is required to finance the 5 year Capital Programme detailed in this report.

17. The HRA capital financing includes a contribution from the Major Repairs Reserve which is the equivalent to the annual depreciation charge on council dwellings and other HRA assets. This funding is used to support the annual capital repairs budget.
18. A regular update on the capital programme and associated financing is included in the Budget Monitoring reports presented to Cabinet throughout the year.
19. The robustness of the capital programme and a review of each scheme have been undertaken by the officers of the Capital Programme Working Group at regular intervals.

### **Capital Programme – Key points**

#### 20. General Fund

- Castle renovation – the programme of works are being carried out to comply with English Heritage requirements. The original expectation was that this project would be 50% funded by English Heritage. This funding has now been cut and an application for a £200k grant contribution from English Heritage has been submitted and we are awaiting confirmation.
- London Road Offices - A conditions survey was carried out on the Council Offices and associated buildings in 2014/15. The outcome and findings of the survey have now been built into the capital programme.
- Dunmow Depot – Plans are in process to identify and relocate to a new site. Expenditure has been built into the capital programme to purchase and develop a new plot to meet the requirements of the Waste Service. There is the potential of a capital receipt for the sale of the original site or part thereof. Currently there is no decision on the plans for the future of the Dunmow site, so no receipt has been built into the capital financing.

#### 21. HRA

- Mead Court – phase 1 is due to complete in late 2014/15, and phase 2 will commence in 2014/15 with an expected completion date of October 2015.
- Reynolds Court – rebuild of the sheltered scheme is in the planning and consultation period and the programme of works are anticipated to commence in early 2015/16
- Hatherley Court – remodelling of the sheltered scheme is in the consultation stage and the programme of works are anticipated to commence in later 2015/16

- Ongoing development of new build sites (including garden and garage land to be used) - this scheme has a direct correlation to the Right to Buy scheme and our obligation to replace sold properties on a 1 for 1 basis. Catons Lane site has been identified for new build of 6 social houses. This contract is now in the tender process and it is anticipated that work will start in early 2015/16.
- Capital Financing – the transfer of 8 designated temporary accommodation units from the HRA to the GF has released funding of £1.047m to help support the HRA Business Plan

22. Stansted Housing Partnership Fund – Although this does not fall within the Councils’ capital programme, for members’ information the fund will be fully drawn down in 2015/16. The detail of the allocation of funding is shown below:

<b>Project for Funding</b>	<b>2015/16 £ '000</b>	<b>Total £ '000</b>
Mead Court Garage Site	1,626	1,626
<b>Total</b>	<b>1,626</b>	<b>1,626</b>

### Risk Analysis

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigating actions</b>
Failure to identify capital budget pressures and/or funding not realised	2	2	Ongoing review of the spend via budget monitoring and capital officers working group

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project

**APPENDIX A – 5 YEAR CAPITAL PROGRAMME SUMMARY**

	2015/16 Forecast Budget £ '000	2016/17 Forecast Budget £ '000	2017/18 Forecast Budget £ '000	2018/19 Forecast Budget £ '000	2019/20 Forecast Budget £ '000
Community Partnerships & Engagement	690	162	110	110	146
Community Safety	0	0	0	0	0
Environmental Services	2,572	340	757	205	1,991
Finance & Administration	419	230	162	93	181
General Fund Housing	298	290	291	293	293
<b>Total General Fund Capital</b>	<b>3,979</b>	<b>1,022</b>	<b>1,320</b>	<b>701</b>	<b>2,611</b>
HRA Capital Fund	3,550	3,210	3,508	3,591	3,445
HRA Business Plan Items	6,223	5,963	1,520	2,100	2,100
<b>Total HRA Capital</b>	<b>9,773</b>	<b>9,173</b>	<b>5,027</b>	<b>5,691</b>	<b>5,545</b>
<b>Total Capital Programme</b>	<b>13,752</b>	<b>10,195</b>	<b>6,348</b>	<b>6,392</b>	<b>8,156</b>

**APPENDIX B – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO**

<b>COMMUNITY PARTNERSHIPS AND ENGAGEMENT</b>							
	<b>2014-15 Current Budget £</b>	<b>2015-16 Forecast Budget £</b>	<b>2016-17 Forecast Budget £</b>	<b>2017-18 Forecast Budget £</b>	<b>2018-19 Forecast Budget £</b>	<b>2019-20 Forecast Budget £</b>	<b>Total £</b>
Community Projects Grants	136,000	110,000	110,000	110,000	110,000	110,000	550,000
Museum Storage Facility Contribution	300,000	0	0	0	0	0	0
Saffron Walden Castle	355,000	400,000	0	0	0	0	400,000
<b><u>New schemes</u></b>							
Superfast broadband	100,000	100,000	0	0	0	0	100,000
Museum Buildings	0	80,000	52,000	0	0	36,000	168,000
<b>Total Community Partnerships and Engagement</b>	<b>891,000</b>	<b>690,000</b>	<b>162,000</b>	<b>110,000</b>	<b>110,000</b>	<b>146,000</b>	<b>1,218,000</b>



**APPENDIX B – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO**

<b>ENVIRONMENTAL SERVICES</b>							
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>Total</b>
	<b>Current</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Vehicle Replacement Programme	280,000	847,000	270,000	687,500	135,200	1,921,000	3,860,700
In -cab Technology	12,000	0	0	0	0	0	0
Household Bins	0	30,000	30,000	30,000	30,000	30,000	150,000
Trade Waste Bins	0	10,000	10,000	10,000	10,000	10,000	50,000
Garden Waste Bins	0	20,000	20,000	20,000	20,000	20,000	100,000
Kitchen Caddies	0	10,000	10,000	10,000	10,000	10,000	50,000
Swan Meadow Car Park	130,000	0	0	0	0	0	0
Catons Lane Car Park	155,000	155,000	0	0	0	0	155,000
Flood prevention	45,000	0	0	0	0	0	0
Dunmow Depot	0	1,500,000	0	0	0	0	1,500,000
<b>Total Environmental Services</b>	<b>622,000</b>	<b>2,572,000</b>	<b>340,000</b>	<b>757,500</b>	<b>205,200</b>	<b>1,991,000</b>	<b>5,865,700</b>



**APPENDIX B – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO**

FINANCE AND ADMINISTRATION							
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total
	Current	Forecast	Forecast	Forecast	Forecast	Forecast	
	Budget	Budget	Budget	Budget	Budget	Budget	
	£	£	£	£	£	£	£
<b>ICT</b>							
Members IT Equipment	0	18,000	0	0	0	0	18,000
Minor Items IT	20,000	20,000	20,000	20,000	20,000	20,000	100,000
Video Conferencing	0	25,000	0	0	0	0	25,000
Bring Your Own Device	10,000	0	0	0	0	0	0
Citrix Upgrade	20,000	0	0	0	0	0	0
PSN CoCo	30,000	30,000	30,000	30,000		30,000	120,000
Mobile working ICT set up - Housing	50,000	0	0	0	0	0	0
Mobile working ICT set up - Planning and Environmental Health	45,000	0	0	0	0	0	0
Mobile working - Other dept	0	25,000	25,000	0	0	0	50,000
<b><u>New Schemes</u></b>							
Revenues and Benefits server	0	30,000	0	0	0	0	30,000
PCI Compliance - cash receipting	0	35,000	0	0	0	0	35,000
PCI Compliance - Direct debit	0	20,000	0	0	0	0	20,000
<b><u>Council Assets</u></b>							
London Road Building works	189,000	190,000	119,000	58,000	57,000	94,000	518,000
London Rd Electrical	0	0	0	54,000	0	37,000	91,000
London Rd Heating	0	26,000	36,000	0	16,000	0	78,000
Hill Street Conveniences	120,000	0	0	0	0	0	0
Stansted Conveniences - Grant	30,000	0	0	0	0	0	0
<b>Total Finance Administration</b>	<b>514,000</b>	<b>419,000</b>	<b>230,000</b>	<b>162,000</b>	<b>93,000</b>	<b>181,000</b>	<b>1,085,000</b>

**APPENDIX B – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO**

GENERAL FUND HOUSING							
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>Total</b>
	<b>Current</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
Disabled Facilities Grants	225,000	198,000	198,000	198,000	198,000	198,000	990,000
Empty Dwellings	50,000	50,000	50,000	50,000	50,000	50,000	250,000
Private Sector Renewal Grants	30,000	30,000	30,000	30,000	30,000	30,000	150,000
Day Centres Improvements	10,000	20,000	12,000	13,000	15,000	15,000	75,000
Compulsory purchase order	0	0	0	0	0	0	0
<b>GF Housing Total</b>	<b>315,000</b>	<b>298,000</b>	<b>290,000</b>	<b>291,000</b>	<b>293,000</b>	<b>293,000</b>	<b>1,465,000</b>

**APPENDIX B – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO**

<b>HOUSING REVENUE ACCOUNT</b>							
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>Total</b>
	<b>Current</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
HRA Capital Repairs	3,968,000	3,260,000	3,060,000	3,255,000	3,345,000	3,295,000	16,215,000
UPVC Fascia's and Guttering	500,000	140,000	100,000	100,000	100,000	100,000	540,000
Cash Incentive Scheme Grants	50,000	150,000	50,000	50,000	50,000	50,000	350,000
Light Vans Replacement programme	0	0	0	102,500	96,400	0	198,900
<b><u>HRA Original Business Plan Schemes</u></b>							
<b>New builds</b>							
Unidentified Sites	295,000	212,000	586,000	900,000	600,000	600,000	2,898,000
Catons Lane	30,000	900,000	0	0			900,000
Mead Court - New Build/Redevelopment	3,741,000	1,327,000	0	0	0	0	1,327,000
<b>Sheltered redevelopments</b>							
Reynolds Court	205,000	2,350,000	4,200,000	620,000	0	0	7,170,000
Hatherley Court	60,000	864,500	897,500	0	0	0	1,762,000
Walden Place	10,000	10,000	0	0	0	0	10,000
Unidentified Sheltered Schemes	0	0	0	0	1,500,000	1,500,000	3,000,000
<b>Other Business plan schemes</b>							
Sheltered Hsg Alarm equip	100,000	0	0	0	0	0	0
Energy Efficiency improvement schemes	606,000	380,000	280,000	0	0	0	660,000
Supported unit for people with learning disabilities	100,000	100,000	0	0	0	0	100,000
Review of potential internet cafes in sheltered schemes	40,000	25,000	0	0	0	0	25,000
<b>ICT</b>							
Service charges planned repair system	92,000	0	0	0	0	0	0
Housing contractors portal & SAM	0	55,000	0	0	0	0	55,000
<b>HRA Housing Total</b>	<b>9,797,000</b>	<b>9,773,500</b>	<b>9,173,500</b>	<b>5,027,500</b>	<b>5,691,400</b>	<b>5,545,000</b>	<b>35,210,900</b>
<b>Total Housing</b>	<b>10,112,000</b>	<b>10,071,500</b>	<b>9,463,500</b>	<b>5,318,500</b>	<b>5,984,400</b>	<b>5,838,000</b>	<b>36,675,900</b>

**APPENDIX B – 5 YEAR CAPITAL PROGRAMME**

S106							
	<b>2014-15 Current Budget £</b>	<b>2015-16 Forecast Budget £</b>	<b>2016-17 Forecast Budget £</b>	<b>2017-18 Forecast Budget £</b>	<b>2018-19 Forecast Budget £</b>	<b>2019-20 Forecast Budget £</b>	<b>Total £</b>
<u>S106</u>							
From reserves	0	0	0	0	0	0	0
Agreements	500,000	0	0	0	0	0	0
Other bodies	0	0	0	0	0	0	0
<b>Total S106 Community Partnerships and Engagements</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total General fund excl S106</b>	<b>2,419,000</b>	<b>3,979,000</b>	<b>1,022,000</b>	<b>1,320,500</b>	<b>701,200</b>	<b>2,611,000</b>	<b>9,633,700</b>
<b>Total Capital Programme Excluding S106</b>	<b>12,216,000</b>	<b>13,752,500</b>	<b>10,195,500</b>	<b>6,348,000</b>	<b>6,392,600</b>	<b>8,156,000</b>	<b>44,844,600</b>
<b>Total Capital Programme Including S106</b>	<b>12,716,000</b>	<b>13,752,500</b>	<b>10,195,500</b>	<b>6,348,000</b>	<b>6,392,600</b>	<b>8,156,000</b>	<b>44,844,600</b>

**APPENDIX C – GENERAL FUND 5 YEAR CAPITAL FINANCING**

<b>Financing - General Fund</b>	<b>2014-15 Current Budget £</b>	<b>2015-16 Forecast Budget £</b>	<b>2016-17 Forecast Budget £</b>	<b>2017-18 Forecast Budget £</b>	<b>2018-19 Forecast Budget £</b>	<b>2019-20 Forecast Budget £</b>
Disabled Facilities Grant	(65,000)	(103,000)	(103,000)	(103,000)	(103,000)	(103,000)
Museum Society Grant - Museum Store	(300,000)	0	0	0	0	0
Capital Hardware Grant	(10,000)	0	0	0	0	0
DEFRA - flood prevention grant	(45,000)	0	0	0	0	0
Funde from Reserves	0	(1,500,000)	0	0	0	0
Revenue Contributions to Capital - Comm Part & Engagements	(591,000)	(610,000)	(110,000)	(110,000)	(110,000)	(110,000)
Revenue Contribution to capital - Comm Safety	(77,000)	0	0	0	0	0
Revenue Contributions to Capital - Environmental	(285,000)	(225,000)	0	0	0	0
Revenue Contributions to Capital - Finance & Admin	(150,000)	0	0	0	0	0
Revenue Contribution - GF Housing	(250,000)	(195,000)	(187,000)	(188,000)	(190,000)	(190,000)
Internal Borrowing	(646,000)	(1,346,000)	(622,000)	(919,500)	(298,200)	(2,208,000)
<b>Total Financing</b>	<b>(2,419,000)</b>	<b>(3,979,000)</b>	<b>(1,022,000)</b>	<b>(1,320,500)</b>	<b>(701,200)</b>	<b>(2,611,000)</b>

APPENDIX C – GENERAL FUND 5 YEAR CAPITAL FINANCING

<b>Financing - Housing Revenue Account</b>	<b>2014-15 Current Budget £</b>	<b>2015-16 Forecast Budget + Slippage £</b>	<b>2016-17 Forecast Budget £</b>	<b>2017-18 Forecast Budget £</b>	<b>2018-19 Forecast Budget £</b>	<b>2019-20 Forecast Budget £</b>
<b><u>Business Plan Schemes</u></b>						
Funded from reserves	(835,000)	(1,313,000)	(419,000)	0	(417,000)	(335,000)
S106 - Housing Partnership Funding - HRA	0	(434,000)	0	0	0	0
HCA grant funding	0	(800,000)	0	0	0	0
Capital Receipts - RTB	(724,000)	(334,000)	(176,000)	(270,000)	(180,000)	(180,000)
Release of prior years funding	0	(61,000)	(986,000)	0	0	0
HRA Financial Headroom - Specific Schemes	(3,720,000)	(2,431,500)	(2,802,126)	(1,046,334)	(719,360)	(1,439,000)
Internal borrowing			(736,374)			
<b>Sub total</b>	<b>(5,279,000)</b>	<b>(5,373,500)</b>	<b>(5,119,500)</b>	<b>(1,316,334)</b>	<b>(1,316,360)</b>	<b>(1,954,000)</b>
<b><u>Other Schemes</u></b>						
Major Repairs Reserve Contribution	(3,136,412)	(3,208,960)	(3,281,126)	(3,355,945)	(3,432,400)	(3,395,000)
Other MRR reserve cont	(91,000)	(125,000)	(146,000)	(146,000)	(146,000)	(146,000)
HRA Revenue Funding	(1,290,588)	(1,066,040)	(626,874)	(209,221)	(796,640)	(50,000)
<b>Sub total</b>	<b>(4,518,000)</b>	<b>(4,400,000)</b>	<b>(4,054,000)</b>	<b>(3,711,166)</b>	<b>(4,375,040)</b>	<b>(3,591,000)</b>
<b>Total Financing</b>	<b>(9,797,000)</b>	<b>(9,773,500)</b>	<b>(9,173,500)</b>	<b>(5,027,500)</b>	<b>(5,691,400)</b>	<b>(5,545,000)</b>