


Agenda Item No:	8	
Committee:	Cabinet	
Date:	27 June 2019	
Report Title:	Capital Programme Update	

Cover sheet:

1 Purpose

- To consider the updated capital programme and variations in resources since February 2019.

2 Key issues

- Updated capital programme and resources statement for 2019-22 is presented.
- The programme agreed in February 2019 has been updated and re-profiled to ensure expenditure is consistent with current resource forecasts.
- The Council's capital programme will continue to be part-funded through the use of capital receipts. Projected capital receipts included in the updated programme incorporate amounts disclosed as part of a separate report on the Council's disposals programme being considered on today's agenda.
- A broader update of the capital programme and available resources will be undertaken during the autumn of 2019 as part of the budget setting process for 2020/21.

3 Recommendations

- It is recommended that the updated capital programme and funding schedule at Appendix A is approved.

Wards Affected	All
Portfolio Holder(s)	Cllr Chris Boden, Leader and Portfolio Holder, Finance
Report Originator(s)	Peter Catchpole, Chief Finance Officer and Corporate Director Mark Saunders, Chief Accountant
Contact Officer(s)	Peter Catchpole, Chief Finance Officer and Corporate Director Mark Saunders, Chief Accountant
Background Paper(s)	2019/22 Capital Programme working papers

Report:

4 Introduction

- 4.1 The Council's 2019-22 capital programme was approved by Cabinet and Council in February 2019. The capital outturn for 2018/19 forms part of a separate item on the agenda for today's meeting.
- 4.2 This report addresses amendments to the programme since February, including re-profiling schemes from 2018/19 and a re-assessment of resources available in the period 2019-21.
- 4.3 A broader update of the capital programme and available resources will be undertaken during the autumn of 2019 as part of the budget setting process for 2020/21.

5 Updated Capital Programme

- 5.1 The updated programme detailed at Appendix A is fully funded subject to the realisation of £692,000 of capital receipts by 2021/22.
- 5.2 The major changes to the Capital Programme since it was approved in February 2019 are explained below:

Development of Shared CCTV Service with Peterborough City Council

- 5.3 Council approved the establishment of a shared CCTV service with Peterborough City Council at its meeting on 17 January 2019. Since Council approved the proposal officers have been working with Peterborough City Council to finalise a programme of capital works to enable the shared service to start operating on 1 November 2019.
- 5.4 In the course of discussions it has become apparent that the Council could reduce the financial pressure on its capital programme in the medium-term if it were to replace all of its analogue cameras with the digital equivalent at the same time as undertaking capital works necessary to facilitate the establishment of the shared service. The existing cameras are beyond their serviceable life and replacing these cameras at the same time as undertaking infrastructure works will cost the Council less in total than if the cameras were to be replaced on a phased basis over 3-5 years, as had been envisaged originally. It is proposed that the additional cost in 2019/20 will be funded from the CCTV reserve. Even after these costs have been incurred officers believe there will still be sufficient balance on the reserve to provide a reasonable level of contingency for the service in the medium-term.

Re-location of the March and Wisbech Shops to FDC Premises

- 5.5 At its meeting on 21 February 2019 Cabinet decided to re-locate the March and Wisbech One Stop Shop premises to Fenland Hall and The Boathouse. The re-location of the March shop to Fenland Hall was completed in March 2019 and the associated capital expenditure was incurred in the 2018/19 financial year. Works necessary to meet the Council's obligations to the landlords who own the properties previously used to provide the One Stop Shops are continuing and the updated programme reflects the expected cost of these works. Work has also commenced at The Boathouse to enable the Wisbech One Stop Shop to move in July 2019 and the tendered cost of these works is also reflected in the updated programme.

Leisure Centres

- 5.6 In the budget report considered by Cabinet and Council on 21 February 2019 details of the significant investment in the Council's leisure centres approved under the terms of its contract with Freedom Leisure were reported to members. Some minor profiling adjustments have been made to reflect the timing of expenditure incurred at the end of the 2018/19 financial year. The overall programme is on track to deliver in line with the agreed timetable.

Vehicles

- 5.7 Planned expenditure on vehicles over the period covered by the current capital programme has been reviewed. Some profiling adjustments are reflected in the updated programme to reflect the needs of front-line services. Anticipated total expenditure on vehicles over the life of the current capital programme is unchanged.

Wisbech High Street Regeneration – Heritage Lottery Fund Project

- 5.9 Work has continued on the capital schemes linked to the Council's Heritage Lottery Fund (HLF) project in Wisbech High Street. The capital programme reflects the anticipated net cost to the Council of the schemes approved to date. Plans are in place to ensure all schemes are completed prior to January 2021 which represents the deadline for drawing down the grant awarded by the HLF.

Street Lighting

- 5.10 In March 2019 the Council completed a major programme of works to replace District Council and Parish Council owned street lights designated as being category one replacements. Officers will shortly be selecting a contractor to undertake a programme of works to replace those District Council street lights designated as being category two replacements. The detailed inventory which will inform the specification of these works will be finalised shortly. The updated programme reflects the expected cost of undertaking the category two replacement works.
- 5.11 The capital programme also includes the balance of monies first allocated by Cabinet in September 2015 to provide capital grants to part-fund the cost of replacing Parish street lights designated as category two replacements.

S106 Funded Expenditure

- 5.10 Two new parks and open spaces capital schemes funded from S106 money have been added to the programme. In Chatteris a scheme to install new play equipment in Wenny Road has been agreed and in Manea a scheme to install a new skate park will be completed in this financial year.

Disabled Facilities Grants

- 5.12 The updated programme reflects the Council's 2019/20 allocation from the local Better Care Fund (£1.031m) for the provision of Disabled Facilities Grants together with grant received but not spent in 2018/19 (£287k carried forward to 2019/20). In 2018/19, the Council was allocated an initial amount of £952k which was supplemented with additional funding of £167k in December 2018, a total allocation of £1.119m. Of this, £287k had been committed but not spent and has been carried forward to 2019/20 and added to the £1.031m already allocated giving an updated budget of £1.318m for 2019/20.
- 5.13 No further new schemes have been included in the programme, however there are a number of essential projects currently being assessed by Officers which may result in new schemes being put forward for member's consideration during the next financial year.

6. **Financing the Capital Programme**

- 6.1 Cabinet and Council approved the use of borrowing (both internal and prudential) to fund the capital programme totalling £5.753m over a four-year period ending on 31 March 2022. The capital outturn included on the agenda for today's meeting indicates that £597,000 of the capital programme delivered in 2018/19 was funded from internal borrowing. The updated programme shows that the Council is likely to need the majority of the remaining £5.156m approved over the period covered by the updated programme.
- 6.2 Members are also reminded of the impact on the revenue account of using uncommitted capital resources. Whilst they remain uncommitted, the resources are invested and generate revenue income to the general fund. Consequently, for every £1m spent the revenue account loses around £6,000 per annum at current interest rates. At the interest rates projected over the Medium Term Financial Strategy (1 – 1.5%), the reduction in investment interest is between £10,000 - £15,000 per annum for every £1m of capital resources spent.

CAPITAL PROGRAMME AND FUNDING 2019- 2022

	2019/20 £000	2020/21 £000	2021/22 £000
CURRENT FORECAST EXPENDITURE	6,623	2,082	1,415
FORECAST RESOURCES AVAILABLE			
Capital Grants	1,371	950	950
Usable Capital Receipts - In Year	467	225	0
Usable Capital Receipts - B/fwd	0	0	0
Reserves used in year to fund Capital	726	69	0
Section 106's and Other Contributions	285	0	0
Borrowing (Internal and Prudential)	3,774	838	465
Total Forecast Resources	6,623	2,082	1,415

CAPITAL PROGRAMME SUMMARY 2019 - 2022

	2019/20 £000	2020/21 £000	2021/22 £000	Total Cost £000	FDC Funding £000	External Funding £000	External Funders and FDC Reserves/S106
Leisure Centres							
Condition Survey Improvements	182	187		369	369		£251K R&M Reserve
Hudson Leisure Centre Improvements	864			864	864		
Leisure Equipment	644			644	644		
Regeneration Programmes							
Fenland Renaissance and Place Shaping	16			16	16		
Heritage Lottery Fund - Match Funding bid	150			150	150		
Heritage Lottery Fund - 24 High Street, Wisbech	87			87	87		
Railway Station Improvements	150			150	0	150	Fully- funded by Cambridge and Peterborough Combined Authority
Cemeteries							
Rebuild Front Wall - Manea Churchyard	15			15	15		
Rebuild Front Wall - St Mary's Churchyard, Whittlesey	33			33	33		
Remedial Works in Closed Cemeteries	4	25	25	54	54		
Mt Pleasant Cemetery, Wisbech		60		60	60		
Walsoken Cemetery		20		20	20		
Parks and Open Spaces							
West End Park, March - Replace Skate Ramps	130			130	100	30	Bid for £30k grant funding approved. £10K S106 Money
Water Tower Park, Whittlesey	57			57	5	52	£47K Grant Funding, £5K Town Council
Refurbish Wall, The Pound, Whittlsey	20			20	20		
Wenny Road, Chatteris	45			45	45		£45K S106 Money
Wisbech Park Lighting	13			13		13	MHCLG and External Grant Money
Manea Skate Park	75			75	75		£75K S106 Money
Car Parks							
Church Terrace, Wisbech - Surfacing, Landscaping and Drainage	220			220	220		
Church Lane, Chatteris		33		33	33		
Sub -Total	2,705	325	25	3,055	2,810	245	

CAPITAL PROGRAMME SUMMARY 2019 - 2022

	2019/20 £000	2020/21 £000	2021/22 £000	Total Cost £000	FDC Funding £000	External Funding £000	External Funders and FDC Reserves/S106
B/FWD	2,705	325	25	3,055	2,810	245	
Highways							
Street Light Improvements - FDC (Cat 2)	356			356	356		£47K Invest to Save Reserve
Street Light Improvements - Parishes (Cat 1)	12			12	12		
Street Light Improvements - Parishes (Contribution to Cat 2 Replacements)	98			98	98		£98K Capital Reserve
Street Name Plates/District Facilities Signage	4	40		44	44		
Office Accommodation							
AV Equipment in Council Chamber	40			40	40		
Fenland Hall - Repairs and Renewal Works	130			130	130		
Reversion Works at March and Wisbech One Stop Shops	262			262	262		£262K Management of Change Reserve
Port							
Suspended Quay -Structural Repairs/Fender Piles	199			199	199		
Boat/Vessels - Replacement Deck, Hull and Engines	30	30	30	90	90		
Nene Parade Surface Water Pumping Station	50			50	50		
Replacement of Expansion Joints	50			50	50		
Yacht Harbour Improvements		20		20	20		
Vehicles and Plant							
Vehicles	539	357	160	1,056	1,056		
ICT System Replacement Programme & Upgrades							
Replacement & Upgrade Programme	109	75	75	259	259		
Replacment of Payment Machines in One Stop Shops	34			34	34		
Sub -Total	4,618	847	290	5,755	5,510	245	

CAPITAL PROGRAMME SUMMARY 2018 - 2022

	2019/20 £000	2020/21 £000	2021/22 £000	Total Cost £000	FDC Funding £000	External Funding £000	External Funders and FDC Reserves/S106
B/FWD	4,618	847	290	5,755	5,510	245	
Improvement of Assets							
Sewage Treatment Works Refurbishment	150	285	150	585	585		
Energy Plan - Invest to Save Projects	7			7	7		
Eastwood Chatteris Car Park Improvements	75			75	75		
Lattersely Nature Reserve - Capping Layer	40			40	40		
March SWMP - Eastwood Cemetery Flood Prevention	80			80	80		
Birch Fen Silt Removal and Outfall Maintenance			25	25	25		
Sandbank Travellers Site Pumping Station	25			25	25		Fully funded from Travellers Reserve
Community Safety							
CCTV Control Room Upgrade	40			40	40		
Camera Replacements	100			100	100		£100K CCTV Reserve
Economic Estates							
Longhill, March - Drainage Works	40			40	40		
Replacement of AV Equipment at Business Centres	50			50	50		
Station Road, Whittlesey - Carriageway Resurfacing	40			40	40		£12K Station Reserve
Private Sector Housing Support							
Private Sector Renewal Grants	40	40	40	120		120	£120k Govt Grant
Disabled Facilities Grants	1,318	910	910	3,138		3,138	£3.138m Govt Grant
Total - Approved Programme	6,623	2,082	1,415	10,120	6,617	3,503	