


Agenda Item No:	7	
Committee:	Cabinet	
Date:	06 August 2020	
Report Title:	Capital Programme Update	

1 Purpose

- To consider the updated capital programme and variations in resources since February 2020.

2 Key issues

- Updated capital programme and resources statement for 2020-23 is presented.
- The programme agreed in February 2020 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. Some use of internal and external borrowing is still anticipated. This is reflected in the Council's current medium-term financial strategy (MTFS).
- A broader update of the capital programme and available resources will be undertaken during the autumn of 2020 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)	2020/23 Capital Programme working papers

4 Introduction

- 4.1 The Council's 2019-23 capital programme was approved by Cabinet and Council in February 2020. The capital outturn for 2019/20 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 2019/20 and a re-assessment of resources available in the period 2020-23.
- 4.3 A broader update of the capital programme and available resources will be undertaken during the autumn of 2020 as part of the budget setting process for 2021/22.

5 Updated Capital Programme

- 5.1 The updated programme detailed at Appendix A is fully funded subject to the realisation of £225,000 of capital receipts by 31 March 2023.
- 5.2 The following developments have impacted significantly on the Council's capital programme.

Parish and District Council Street Lighting

- 5.3 At its meeting in February 2020 Cabinet approved an offer of financial support to assist parish councils with costs associated with the replacement of street lighting. This offer was subsequently communicated to all parish councils in March 2020.
- 5.4 The capital programme approved in February 2020 included amounts allocated to fund the replacement of street lighting by parish councils on the basis of a decision taken by Cabinet in September 2015. Under the terms of the package of support agreed in February 2020, where funds had not already been drawn down, the allocation previously agreed have been removed from the updated capital programme for those parishes which have accepted the District Council's offer. This is because the funding package agreed in February 2020 is funded through the revenue budget. Parishes who opt not to accept the Council's offer retain access to the capital funds allocated in September 2015 until 31 January 2023.
- 5.5 A contract was let to undertake replacement works on the street lighting which the District Council is responsible for. Whilst this work commenced in the 2019/20 financial year the Covid 19 emergency has substantially impacted on the progress the Council's contractor was able to make before 31 March 2020. This reflects both workforce issues and increasing lead times in the supply chain. The programme of replacements is still scheduled to be completed before 31 March 2021 but a higher proportion of works will be undertaken in this financial year than was previously expected to be the case.

Railway Station Master Planning

- 5.6 The Council continues to work closely with the Cambridgeshire and Peterborough Combined Authority (CPCA) to bring forward improvements to the railway infrastructure in the District. In March 2020 new shelters were installed in Whittlesey and Manea which were funded from a combination of combined authority grant and S106 money held by the District Council. The Council is currently finalising details of the next phase of works with the CPCA. Details will be included in a future update to the programme.

Wisbech High Street Project

- 5.7 Cabinet approved a revised proposal for No. 24 High Street, Wisbech at its meeting held in February 2020. It was confirmed in June 2020 that a legal barrier which prevented the construction of a permanent building on the site had been removed. Work has continued

to develop a scheme acceptable to the Heritage Lottery Fund. The capital programme will be updated once the necessary approval has been obtained from the Heritage Lottery Fund.

Expansion of South Fens Enterprise Park

- 5.8 In February 2020 Cabinet approved the allocation of Council funds to undertake a proposed expansion of the South Fens enterprise park. It had been hoped prior to the Covid 19 emergency that this work could be completed before 31 March 2021 and this was reflected in the capital programme approved as part of the 2020/21 budget-setting process. Officers are confident that the requirements determined by the CPCA as regards utilising the Growth Deal funding can be met. However, challenges presented by Covid 19 make it unlikely that the scheme will be completed in this financial year. The revised profile for delivering the scheme is reflected in the updated capital programme.

Disabled Facilities Grants

- 5.8 The updated programme reflects the Council's 2020/21 allocation from the local Better Care Fund (£1.071m) for the provision of Disabled Facilities Grants together with grant received but not spent in previous years. In this area grants are typically committed before works can be undertaken on site and this means there is often an overlap between financial years. The Covid 19 emergency has further exacerbated this issue.

Commercial and Investment Strategy Schemes

- 5.9 The capital programme reflects Council's decision to allocate a maximum of £25m to take forward schemes in accordance with the Council's Commercial and Investment Strategy. Specific schemes will be added and profiled across the life of the capital programme once these have been approved by the Investment Board.

Other Capital Schemes

- 5.10 Officers have identified other essential works of a capital nature. These schemes are currently being evaluated to determine the most cost-effective solution and further details will be brought back to a future meeting of Cabinet.

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 £6.833m over a four-year period ending on 31 March 2023. Additionally, as noted above, Cabinet and Council approved a facility of £25M to take forward projects in accordance with the Council's Commercial and Investment Strategy. The capital outturn included on the agenda for today's meeting indicates that £1.305m of the capital programme delivered in 2019/20 was funded from internal borrowing. The updated programme shows that the Council is likely to continue to need to fund a substantial proportion of its capital programme from internal or external borrowing.
- 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. Whilst rates of return on short-term investments are currently low, there is an opportunity cost associated with the use of reserves to fund the programme which is particularly significant given the financial uncertainties arising from the Covid 19 pandemic and the Council's ambitions to take forward its commercial and investment strategy.

APPENDIX A

CAPITAL PROGRAMME AND FUNDING 2020 - 2023

	2020/21	2021/22	2022/23
	£000	£000	£000
Capital Programme (excluding Commercial and Investment Strategy Schemes)	5,355	3,094	1,557
Commercial and Investment Strategy Schemes	25,000	0	0
CURRENT FORECAST EXPENDITURE	30,355	3,094	1,557

FORECAST RESOURCES AVAILABLE

Capital Grants	2,283	950	950
Usable Capital Receipts - In Year	225	0	0
Reserves used in year to fund Capital Section 106s and Other Contributions	575	400	0
Borrowing (Internal and Prudential)	27,155	1,699	595
Total Forecast Resources	30,355	3,094	1,557

CAPITAL PROGRAMME SUMMARY 2020/21 - 2022/23

	2020/21 £000	2021/22 £000	2022/23 £000	Total Cost £000	FDC Funding £000	External Funding £000	External Funders and FDC Reserves/S106
Leisure Centres							
1 Condition Survey Improvements	308	212	75	595	595		£172k R&M Reserve
Regeneration Programmes							
2 Fenland Renaissance and Place Shaping	16			16	16		
3 Heritage Lottery Fund - Match Funding bid	81			81	81		
4 Heritage Lottery Fund - 24 High Street, Wisbech	11			11	11		
Cemeteries							
5 Manea Chuchyard	15			15	15		
6 Remedial Works in Closed Cemeteries	28	25	25	78	78		
7 Mt Pleasant Cemetery, Wisbech	60			60	60		
8 Walsoken Cemetery	20			20	20		
Highways							
9 Category 2 Street Lights - FDC Lights	320			320	320		£13k Invest to Save Reserve
10 Street Name Plates/District Facilities Signage	30			30	30		
11 2 Replacements) Street Light Improvements - Parishes (Contribution to Cat	52			52	52		£52k Capital Contribution Reserve
Car Parks							
12 Church Lane, Chatteris	25			25	25		
Office Accommodation							
13 Fenland Hall - Repairs and Renewals	84			84	84		
Environment							
14 Replacement Littter Bins	88	83		171	171		
Port							
15 Boat/Vessels - Replacement Deck, Hull and Engines	54	30		84	84		
16 Yacht Harbour Improvements	15			15	15		
17 Wisbech Port Structural Works	265			265	265		
18 Wisbech Port Fender Piles	88			88	88		
Sub Total	1,560	350	100	2,010	2,010	0	

	2020/21 £000	2021/22 £000	2022/23 £000	Total Cost £000	FDC Funding £000	External Funding £000	External Funders and FDC Reserves/S106
Brought Forward	1,560	350	100	2,010	2,010	0	
Parks and Open Spaces							
19 West End Park, March - Replace Skate Ramps	19			19	19		
20 Parks, Play Areas and Open Space - Chatteris	30	30	40	100	100		£6k S106 money
21 Parks, Play Areas and Open Space - Doddington	45			45	45		£21k S106 money
22 Parks, Play Areas and Open Space - Parson Drove	30			30	30		£30k S106 money
23 Parks, Play Areas and Open Space - Whittlesey	40	45		85	85		£85k S106 money
24 Parks, Play Areas and Open Space - Wisbech	20		20	40	40		£32k S106 money
Vehicles and Plant							
25 Vehicles	310	104	210	624	624		
ICT System Replacement Programme & Upgrades							
26 Replacement & Upgrade Programme	550	400	75	1,025	1,025		£700k Management of Change Reserve
Improvement of Assets							
27 Sewage Treatment Works Refurbishment	340	150	150	640	640		
28 Birch Fen Silt Removal and Outfall Maintenance		25		25	25		
29 March Moorings Renewals	12		12	24	24		
30 Hostel Roof Renewal	28			28	28		
31 Lattersley Nature Reserve - Capping Layer		40		40	40		
Economic Estates							
32 Replacement of AV Equipment at Business Centres	50			50	50		
33 South Fens Business Park Expansion	997	1,000		1,997	1,000	997	£997k CPCA 'Business Space' Funding
Community Safety							
34 Camera Replacements	38			38	38		£38k CCTV Reserve
Private Sector Housing Support							
35 Private Sector Renewal Grants	40	40	40	120		120	
36 Disabled Facilities Grants	1246	910	910	3,066		3,066	
Total - Approved Programme	5,355	3,094	1,557	10,006	5,823	4,183	