

1 Purpose of Report

This report presents members with the capital financing available to the council for the medium term together with a list of potential capital schemes and an update on the delivery of the 2019/20 capital programme.

2 Executive Summary

2.1 This report forms part of the council's capital strategy process and provides the committee with the opportunity to review the list of potential capital schemes and to note the current level of funding available.

2.2 The funding for the capital programme included in this report is based on the assumption that the council will, at any one time, maintain a balance of £5 million in its capital resources available for future years.

3 Appendices

Appendix A – List of Proposed Capital Schemes 2020-2024

Appendix B – Capital Outturn Report to 31 October 2019

4. Proposed Action:

The Resources Committee is invited to;

4.1 **Note the potential new schemes to be included in the 2020-2024 capital programme, as per Appendix A.**

4.2 **Note the anticipated level of capital reserves as shown at 7.5.**

4.3 **Agree the inclusion of the schemes outlined in sections 6.2 to 6.8 into the current capital programme.**

4.4 **Note the updates and amendments to the 2019-20 capital programme as shown in section 6.1.**

5 Background

5.1 The medium term capital programme has been presented to this committee for a number of years, recently being further enhanced to support greater accuracy and certainty with the inclusion of running costs and capital charges for the use of assets, in the council's medium term revenue forecasts.

5.2 The evaluation and scoring of capital schemes enables the council to achieve the most from its finite capital resources. The process ensures that priority is given to those schemes that meet the agreed desirable outcomes, i.e. schemes that are essential for service delivery, generate a further revenue resource, and meet the statutory obligations of the council, or that are contractually committed following a decision of the council.

5.3 This report highlights the potential new schemes for 2020-2024 that have been proposed for inclusion in the capital programme. The full list of schemes is included in Appendix A.

5.4 A detailed projection has been made in respect of each of the sources of capital finance and the principal assumptions have been set out in section 7 of the report.

6 Current Capital Programme update

6.1 The full assessment of the current capital programme monitoring is attached to this report in Appendix B. The table below shows further re-profiling that has been requested by budget managers since the most recent monitoring report was presented to this committee on 30 October 2019.

Cost Centre	Capital Scheme	2019-20 £'000	2020-21 £'000
J185	Castle Theatre	-700	700
J139	Castle Fields Park S106	-174	174
J143	Bassett's Close S106	-20	20
J144	Queensway Open Space S106	-15	15
J149	Project Costs For CPO's	-96	96
J153	Bassetts Park Skate Park	-108	108
J198	MSCP	-1540	1540
J199	Swanspool House Extension Roof	-103	103
J200	Street Lighting	-169	169
J203	Park Improvements in Town	-168	168
J206	Croyland Gardens landscaping & public realm	-25	25
J207	Tithe Barn Public Realm	-129	129
J212	Conversion - 12a High St	-95	95
J214	Conversion - 17 Market St	-83	83
J215	Crematorium pathways	-60	60
K002	Disabled Facilities Grant- Mandatory PO	-47	47
K007	Empty Properties	-150	150

6.2 The tables on Appendix A detail the proposals for new schemes that have been received for consideration. These schemes are yet to be fully scored by officers and are indicative only. The request for further funding for the temporary accommodation mitigation scheme has been identified as a priority, to be considered for inclusion in the current 2019-20 programme.

6.3 To date 13 properties have been acquired with a further 6 being investigated for their suitability as temporary accommodation. In order to continue the strategy to purchase empty homes across the borough to meet this statutory function, a request for a further £2m has been received to continue this in 2019/20 and to further continue the programme in 2020/21.

- 6.4 Officers would also like to investigate the potential of a small scale hostel to meet the needs of single vulnerable adults, who would benefit from the option of a 'stepping stone' supported housing provision into permanent accommodation.
- 6.5 A request for capital funding of £16,030 has been received from Wellingborough Bereavement Services Limited in respect of groundworks completed at the Nene Valley Crematorium (NVC).
- 6.6 As part of the original build in 2016 the banks adjacent to the car parking area were turfed, however this did not take root successfully and subsequently required replacing. A dispute has been raised with the contractor.
- 6.7 The Cemetery and Crematorium Management's Charter for the Bereaved, of which NVC are corporate members, states "It is important that the grounds are attractive and welcoming, offering solace and solitude, to meet the special needs of the bereaved".
- 6.8 In order to comply with these terms and to enhance the site aesthetics for the public open day held in September the works have been completed and members are asked to consider the retrospective reimbursement of these costs.

7 Capital Receipts

- 7.1 The greatest part of the council's capital programme is funded from the application of capital receipts. These receipts mainly arise from the following sources:
- The RTB & VAT shelter arrangement with Greatwell Homes following the transfer of the housing stock
 - Sales proceeds from the disposal of surplus property, plant and equipment assets
- 7.2 Capital receipts from asset disposal represent a finite funding source and it is important that a planned and structured manner of disposals is created to support the priorities of the council. The capital receipts from such strategic sales are a valuable source of capital financing, but equally a proportion of these proceeds need to be invested for either revenue return or for investment in other assets that over time will increase in value and form part of future years' capital financing.
- 7.3 25% of all strategic asset sale capital receipts will therefore be transferred into a capital investment reserve in line with council policy, to be ear-marked for reinvestment, either for investment to produce future sources of financing or to create a revenue income stream. The remaining cash receipts from the disposal of surplus assets may be used to fund new capital investment as and when received.

7.4 The anticipated value of the Capital Investment Reserve at 31 March 2020 is £3m as shown in the table at 7.5.

7.5 A summary of the current capital programme and the anticipated level of capital reserves is shown in the following table:

	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000
Capital Reserves Funding Balance B/f	28,673	20,775	14,282	14,507	14,507
Current Capital Programme (reported to March committee)	9,092	766	25		
2018-19 Outturn underspend reprofiled	1,008				
2019-20 DFG Determination	584				
Approved Resources 19 June 2019	1,464				
Temporary Accommodation Mitigation approved in principal Resources 6 February 2019	1000				
Approved Resources 25 September 2019	-2504	3,060			
Approved Resources 30 October 2019	-113	143			
Adjustments as contained within this report at 6.1	-3,682	3,682			
Capital Programme as per Agresso	6,849	7,651	25	-	-
Crematorium infrastructure - approved in principal Resources 13 June 2018	387				
Approved schemes awaiting available resources	200				
Capital Investment Reserve - Asset strategy	3,000				
Capital Programme	10,436	7,651	25	-	-
2019-20 Expenditure funded from capital resources					
External Funding					
Capital S106	226				
Disabled Facilities Grant	517	500			
Heritage Lottery funding	545	408			
	1,288	908	-	-	-
Current Capital Programme funded by capital reserves	9,148	6,743	25	-	-
RTB , VAT Shelter & Asset Sales	250	250	250		
Other Anticipated Capital Receipts	1,000				
Anticipated New Capital Receipts	1,250	250	250	-	-
Forecast Capital Reserves Funding Balance C/f	20,775	14,282	14,507	14,507	14,507

8 Legal Powers

Local Government Act 2003

9 Financial and Value for Money Implications

The proposed funding for the capital programme included in this report is based on the assumption that the council will, at any one time and in accordance with the council's capital strategy, maintain a balance of £5 million in its capital resources available for future years. This will be the continuing strategy for the council; therefore it is important to ensure that capital schemes included on the list for prioritisation represent an efficient use of the council's reducing financial resources.

10 Risk Analysis

The following risks and controls have been identified.

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
Unsustainable level of capital expenditure in the medium to long term.	Revenue implications not affordable; need to resort to borrowing and lose debt free status.	Possible if not controlled due to reducing receipts and external grants.	Robust budget planning and control.
Non-delivery of schemes once approved.	Council priorities not achieved.	This risk has already occurred in some cases.	Improved project management

11 Implications for Resources

Officers responsible for capital schemes are accountable for identifying resources to manage and control schemes and any revenue consequences.

12 Implications for Stronger and Safer Communities

Implications need to be considered for individual schemes.

13 Implications for Equalities

Service managers are responsible for the implications of individual schemes.

14 Author and Contact Officer

Julie O'Connell, Finance Manager

15 Consultees

Liz Elliott – Managing Director
Shaun Darcy – Executive Director, S151 Officer
Eric Symons – Assistant Director, Deputy S151 Officer
Senior Management Team
Budget Managers

16 Background Papers

Previous Capital Programme reports to Members
Financial Reserves and Balances Policy

Desired Outcomes	Themes	Title	Corporate Risk	H&S / Statutory	External funding	Revenue consequences	TOTAL CWG Scoring	Cost	Cost	Cost	Cost	Cost	Cost	Total	External	Total cost to BCW
								2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Costs	or S106	
Prioritised schemes																
To achieve policy objectives	Invest to save	Temporary Accomodation Mitigation	10	10	-	8	28	2,000,000						2,000,000	-	2,000,000
Proposed schemes																
Essential for service delivery	Maintenance for H&S / Compliance	Brooks and Waterways					0		256,000					256,000	-	256,000
	Asset maintenance for H&S / Compliance - operational	Operational buildings refurbishment					0		279,455					279,455	-	279,455
To generate further revenue resources	Invest to generate income return	Football pitch improvements					0		58,000					58,000	-	58,000
To achieve policy objectives	Community / S106	Parks Play Equipment					0		351,872					351,872	-	351,872
Sub Total								2,000,000	945,327	-	-	-	-	2,945,327	-	2,945,327

Desired Outcomes	Themes	Reference	Capital Scheme Title	Responsible Officer	Total Capital Programme 2019-20 -2023-24	Capital Programme 2019-20 Including re-profiling	Actual Expenditure to P7 31 October	Variance Year to Date	Capital Programme 2020-21	Capital Programme 2021-22	Capital Programme 2022-23	Capital Programme 2023-24	Commitments	Committed Expenditure to current period	Forecast for the year	Variance Forecast for year against budget	RAG Status	P7 Responsible Officer Comments		
					£'000	£'000	£'000	£'000					£'000	£'000	£'000	£'000				
					Current Capital Programme 2019-20 to 2023-24															
Essential for service delivery	Asset maintenance for H&S / Compliance - operational	J185	Castle Theatre	Adrian Piper	883	183	41	-142	700	-	-	-	-	41	183	-	😊	Officers are considering a request to repurpose the remaining budget for Phase 3 and a detailed report will be submitted to a future committee meeting.		
		J195	MSCP lifts	Adrian Piper	3	3	5	2	-	-	-	-	-	5	4	2	😊	Complete. The slight overspend resulted from a decision to decommission two lifts in the short term to provide future revenue savings on maintenance.		
		J157	Agresso Upgrade	Eric Symons	25	-	-	-	25	-	-	-	-	-	-	-	-	😊	No upgrade is due within this financial year therefore the budget has been reprofiled into 2020-21.	
		J174	Waendel Leisure Centre	Gill Chapman	46	46	-	-46	-	-	-	-	-	-	-	46	-	😊	Complete.	
		J193	IT Strategy Implementation Phase 2	Shaun Darcy	338	338	119	-220	-	-	-	-	-	8	127	338	-	😊	Budget forecast to be spent in full. Hardware acquired a phased roll out to staff is in progress. Remediation process is well underway.	
		J198	Multi Storey Car Park (MSCP)	Victoria Phillipson	3,245	500	85	-415	2,746	-	-	-	-	-	85	500	-	😊	Work progressing with work on site due to start in Spring 2020. Further funding will need to be requested for additional items such as significant toilet refurbishment.	
		J199	Swanspool House Extension Roof	Victoria Phillipson	108	5	-	-5	103	-	-	-	-	1	1	5	-	😊	Further work has been needed on the structure. Revised work now being specified to allow work to be procured.	
	Maintenance for H&S / Compliance	J037	Wellingborough Road Adoptions Scheme	Victoria Phillipson	283	283	5	-278	-	-	-	-	-	-	5	283	-	😊	Anglian Water have adopted the sewers further correspondence is needed from NCC on next steps.	
		J211	Structural rebuild - 1a High St	Victoria Phillipson	49	49	-	-49	-	-	-	-	-	45	45	49	-	😊	Works to start on site shortly.	
		J217	Senwick Drive Retaining Wall	Eric Symons	33	33	33	-	-	-	-	-	-	-	-	33	-	😊	Complete. Resources approved at September committee for emergency works carried out to prevent wall collapse.	
		J218	Tithe Barn Sewage	Victoria Phillipson	30	30	-	-30	-	-	-	-	-	-	-	30	-	😊	Works to be started 5/12/2019	
	New assets for operational use	J189	Nene Valley Crematorium Skylight	Adrian Piper	66	66	64	-1	-	-	-	-	-	-	64	66	-	😊	Works are almost complete and initial inspection being carried out. Anticipated that invoices will be received shortly with standard 2.5% retention for three months. The project is expected to utilise the allocated budget in full.	
		J215	Crematorium - pathways	Eric Symons	480	20	8	-12	460	-	-	-	-	25	33	20	-	😊	Project Manager appointed to progress the specification and tender process.	
		J216	Crematorium - garden infrastructure	Eric Symons	380	80	-	-80	300	-	-	-	-	-	-	80	-	😊	BCW project managers are reviewing the business case in order to progress the scheme however it is unlikely to complete within this financial year, therefore budget has been reprofiled into 2020-21.	
		J172	Revenue & Benefits EDRMS	Nigel Robinson	34	34	-2	-36	-	-	-	-	-	11	9	34	-	😐	Currently estimated that the budget will be spent , but also noting the possibility of an additional £5k security testing charge and increased project management costs, should the go live date be extended.	
		J191	Temporary Accommodation Mitigation Fund	Vicki Jessop	1,816	1,816	1,075	-741	-	-	-	-	-	-	1,075	1,816	-	😊	Properties have been purchased on the open market to provide temporary accommodation. A capital bid request for £2m is included within the body of the report.	
	To generate further revenue resources	Invest to generate income return	J175	Market Layout	Victoria Phillipson	9	9	11	2	-	-	-	-	-	11	13	5	😞	Complete - commitment still be paid.	
			J194	Redwell 3G pitch	Victoria Phillipson	272	272	303	31	-	-	-	-	-	303	272	-	😊	Complete - awaiting claim payments.	
			J204	BCW Property Renovations (shops & other buildings)	Victoria Phillipson	425	425	-	-425	0	-	-	-	-	-	-	425	-	😊	Works are ongoing to BCW properties. Spend is identified against the THI project code.
			J205	43a/44a Hight Street (conversion to residential accommodation)	Victoria Phillipson	225	225	6	-219	-	-	-	-	-	6	225	-	😊	Plans progressing, date to be confirmed for construction.	
J212			Conversion 2a High St	Victoria Phillipson	127	32	-	-32	95	-	-	-	-	-	-	32	-	😊	Architects report received and pre-application submitted, timetable being drawn up.	
J213			Conversion 16a Market St	Victoria Phillipson	196	196	-	-196	-	-	-	-	-	-	-	196	-	😊	Architects report received and pre-application submitted, timetable being drawn up.	
J214			Conversion 17 Market St	Victoria Phillipson	132	49	-	-49	83	-	-	-	-	-	-	49	-	😊	Architects report received and pre-application submitted, timetable being drawn up.	
Wellbeing and grants (to avoid revenue costs)		K001	Renovation Grant-Discretionary	Amanda Wilcox	106	81	26	-55	25	-	-	-	-	-	26	81	-	😊	£50k is due to be transferred to Corby BC for administering the Warm Homes Initiative. A further £25k profiled in 2020 will be transferred in the new financial year. The remainder is to be used for renovation grants as applications are submitted.	
		K002	Disabled Facilities Grant	Amanda Wilcox	1,017	470	202	-268	547	-	-	-	-	-	202	470	-	😊	Following the transfer of the Technical Officer from Care & Repair the service is now delivered in house. It is anticipated this will see delivery of schemes progress in a more timely fashion.	
		J100	Wellingborough Heritage and Shop Front Grant Initiative	John Udall	1,401	801	373	-428	600	-	-	-	-	125	498	801	-	😊	A part of the budget for the Hind Hotel will need to be deferred to next financial year in order to cover works to the front elevation delayed due to the supply of Collyweston slate. An estimate (not confirmed by the contractor is approx £500k) As yet unspent contingencies on this project account for another approx £100k. £600K re-profiled to 2020-21.	
J151	Shop Front Improvements	John Udall	115	115	73	-42	-	-	-	-	-	18	91	115	-	😊	This budget looks set to be achieved.			

Desired Outcomes	Themes	Reference	Capital Scheme Title	Responsible Officer	Total Capital Programme 2019-20 -2023-24	Capital Programme 2019-20 Including re-profiling	Actual Expenditure to P7 31 October	Variance Year to Date	Capital Programme 2020-21	Capital Programme 2021-22	Capital Programme 2022-23	Capital Programme 2023-24	Commitments	Committed Expenditure to current period	Forecast for the year	Variance Forecast for year against budget	RAG Status	P7 Responsible Officer Comments	
To achieve policy objectives	Invest to save	J162	PFP Leisure	Gill Chapman	207	14	-	-14	193	-	-	-	-	-	14	-	🟡	Remaining budget relates to Redwell Centre. Funding allocated for replacing the CCTV system ensuring extended public usage.	
		J201	Surveillance Cameras (Fly Tipping)	Victoria Phillipson	12	12	12	-	-	-	-	-	-	12	12	-	🟢	Complete	
	CPO / Property regeneration	K007	Empty Properties	Amanda Wilcox	334	34	-	-34	300	-	-	-	-	-	-	34	-	🟡	Public enquiry to be rescheduled, awaiting a revised date.
		J127	Private Sector Housing Grant - homelessness initiative	Vicki Jessop	22	10	-	-10	12	-	-	-	-	-	-	10	-	🟡	A new scheme for 24 temporary accommodation units with Greatwell homes has commenced.
		J149	CPO Fund	Victoria Phillipson	601	5	-	-5	596	-	-	-	-	-	-	5	-	🟡	There are currently no schemes being investigated therefore the budget has been re-profiled into 2020-21
	Community / S106	K105	Glamis Hall for All	Eric Symons	105	105	105	-	-	-	-	-	-	-	105	105	-	🟢	Complete. Last claim received for works completed, GHFA advise all works will be completed by the end of the financial year. The budget is fully used.
		J183	Waendel Leisure Centre Pool Area	Gill Chapman	95	95	-	-95	-	-	-	-	-	-	-	95	-	🟡	Orders raised for further materials with 5-8 weeks lead time for delivery. Outstanding works should start by Sept and be completed by the end of the calendar year.
		K008	Capital Community Grants	Gill Chapman	201	150	50	-101	25	25	-	-	-	-	50	151	-	🟡	Four further applications totalling £58k were agreed by the working party at a meeting on 13.6.19.
		J139	Castle Fields Park S106	Victoria Phillipson	184	10	-	-10	174	-	-	-	-	-	-	10	-	🟡	Proposal being drafted to identify the improvements needed as identified by a report received and feedback from the community group in this area.
		J140	Eastfields Park S106	Victoria Phillipson	3	3	2	-1	-	-	-	-	-	-	2	3	-	🟡	A plan for remaining spend is being identified
		J141	Croyland Park S106	Victoria Phillipson	1	1	-	-1	-	-	-	-	-	-	-	1	-	🟡	A plan for remaining spend is being identified
		J143	Bassetts Close S106	Victoria Phillipson	21	1	-	-1	20	-	-	-	-	-	-	1	-	🟡	Report received identifying improvements needed. Phasing of work is being considered.
		J144	Queensway Open Space S106	Victoria Phillipson	17	2	1	-1	15	-	-	-	-	-	1	2	-	🟡	Report received identifying improvements needed. Phasing of work is being considered.
		J153	Bassetts Park Skate Park S106	Victoria Phillipson	109	1	-	-0	108	-	-	-	-	-	-	1	-	🟡	Skatepark has been included in the wider Bassetts Park projects. A report has been received identifying improvements needed. Phasing of work is being considered.
		J202	Open Space Barriers	Victoria Phillipson	16	16	17	1	-	-	-	-	-	-	17	17	1	🟢	Complete.
		J203	Park Improvements in the Town	Victoria Phillipson	268	100	3	-97	168	-	-	-	-	13	16	100	-	🟡	Works on wetpour complete and other works planned. Play areas are currently being specified and tendered.
		J206	Croyland Gardens landscaping & public realm improvements	Victoria Phillipson	128	70	1	-69	58	-	-	-	-	-	1	70	-	🟡	Report received identifying improvements needed. Phasing of work is being considered.
	Public Realm	J122	Street Furniture	Victoria Phillipson	7	7	8	1	-	-	-	-	-	-	8	8	1	🟢	Complete.
		J200	Street Lighting	Victoria Phillipson	171	2	-	-2	169	-	-	-	-	-	-	2	-	🟡	Project Officer in place and a specification is being written for this.
		J207	Tithe Barn Public Realm	Victoria Phillipson	179	50	2	-48	129	-	-	-	-	30	32	50	-	🟡	Phase 1 of works due to start shortly. Report on Phase 2 and 3 to go to Development Committee.
Current Programme Totals					14,525	6,849	2,627	-4,222	7,651	25	-	-	277	2,872	6,857	9			
Funded by:																			
S106					226	17			209	-									
Heritage Lottery Fund					953	545			408	-									
Disabled Facilities Grant					1,017	470			547	-									
Capital Receipts					12,329	5,817			6,487	25									
					14,525	6,849			7,651	25	-	-							