

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 proposed capital schemes.

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 proposed capital schemes and agree the level of funding for the capital programme.

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.

2.3 As part of the on going review of the capital programme and the use of capital resources the capital strategy will be reviewed and presented to this committee at a later date.

3 Appendices

Appendix A – Capital Outturn Report to 31 December 2019

Appendix B – List of Proposed Capital Schemes

Appendix C – Summary of Proposed Capital Schemes

4. Proposed action

The Committee is invited RECOMMEND to:

4.1 **Note the current 2019-20 outturn report as per Appendix A and the updates and amendments as shown in section 7.**

4.2 **Consider the list of Prioritised Capital Schemes as per Appendices B and C, and approve for release into the current capital programme.**

4.3 **Consider the list of Proposed Capital Schemes as per Appendices B and C, and approve for release into the 2020-21 capital programme.**

4.4 **Approve the capital funding to be made available for the financial years 2020-21 to 2023-24 as shown in 9.6.**

4.5 **Agree the inclusion of the supplementary budget request as detailed in section 8 in the agreed capital programme.**

5 Background

- 5.1 The medium term capital programme has now been presented to this committee for a number of years, and has been 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 This report reflects the previously agreed capital governance arrangements.

6 Discussion

- 6.1 New capital schemes have been submitted by officers, in accordance with the agreed governance arrangements. In addition to this, schemes previously submitted but not yet approved, have been reviewed, to establish if there have been any changes or amendments that need to be considered.
- 6.2 All schemes have been assessed and prioritised, initially by the officers submitting the forms, and then by the Capital Working Group using the service assessment criteria previously reported to and agreed by Resources Committee and using the agreed members priorities approved within the annual business plan.
- 6.3 The schemes have been scored and prioritised as shown in Appendix B.
- 6.4 The project submission details are available on the council's intranet via the link below.
- http://bcwintranet.wellingborough.gov.uk/downloads/download/4271/202021_capital_programme
- 6.5 A brief summary of each scheme is shown in Appendix C. Printed copies of the bids can be made available upon request.

7 Current Capital Programme Update

- 7.1 A summary of the current capital programme monitoring is attached to this report in Appendix A. 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 17 December 2019.

Cost Centre	Capital Scheme	2019-20 £'000	2020-21 £'000
J100	Wellingborough Heritage and Shop Front Grant Initiative	-100	100
J204	BCW Property Renovations (shops & other buildings)	-300	300

- 7.2 A full assessment of the capital programme will be presented to this committee in March 2020.
- 7.3 A further review of the current capital programme will be undertaken to identify those schemes that will not fully complete within this financial year and where budget can be re profiled into future years. The result of this will be reported at the next committee meeting in March 2020

8 Supplementary budget request

- 8.1 A request for an additional £74k for the Swanspool House roof extension budget has been received. The original scheme involved the removal and replacement of the roof estimated at £108k.
- 8.2 Recent inspections and a pre-work survey revealed that extra works such as the replacement of all insulation, installation of access hatches and the moving of internal guttering to external are also required.
- 8.3 The survey also identified the requirement for hand and knee rails to ensure safety when contractors are on the roof for repairs and servicing of the air conditioning units, which is a Health and Safety requirement.

9 Capital Receipts

- 9.1 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 (formally Wellingborough Homes) following the transfer of the housing stock.
 - Sales proceeds from the disposal of surplus property, plant and equipment assets.
- 9.2 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 year's capital financing.
- 9.3 Estimated capital receipts of £3.6m are anticipated between 2020-22 and are shown in the table at 9.6 for assets that are currently earmarked for disposal.
- 9.4 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.

9.5 The anticipated value of the Capital Investment Reserve at 31 March 2020 is £3m as shown in the table at 9.6.

9.6 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	17,386	10,625	13,107	13,107
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				
Approved Resources 25 September 2019	-1504	3,060			
Approved Resources 30 October 2019	-113	143			
Approved Resources 17 December 2019	-3,366	5,382			
Adjustments as contained within this report at 7.1	-400	400			
Capital Programme as per Agresso	6,765	9,751	25	-	-
Crematorium infrastructure - approved in principal Resources 13 June 2018	387				
Approved schemes awaiting available resources	200				
Capital Investment Reserve - Asset strategy	3,000				
Flexible use of capital receipts - contribution to LGR	2,150				
Capital Programme	12,502	9,751	25	-	-
2019-20 Expenditure funded from capital resources					
External Funding					
Capital S106	18	317			
Disabled Facilities Grant	470	547			
Heritage Lottery funding	477	476			
	965	1,340	-	-	-
Current Capital Programme funded by capital reserves	11,537	8,411	25	-	-
RTB , VAT Shelter & Asset Sales	250	250	250		
Other Anticipated Capital Receipts to include:					
Proposed Assets for Disposal		1,400	2,257		
(Sheep Street, Land at Doddington Road, Land at Doddington Road, Croyland Road, Booth Drive, Site of Drill Hall and 8a High Street & Residential development site)					
Anticipated New Capital Receipts	250	1,650	2,507	-	-
Forecast Capital Reserves Funding Balance C/f	17,386	10,625	13,107	13,107	13,107

10 Legal Powers

Local Government Act 2003

11 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, maintains 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.

12 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.

13 Implications for Resources

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

14 Implications for Stronger and Safer Communities

Implications need to be considered for individual schemes.

15 Implications for Equalities

Service managers are responsible for the implications of individual schemes.

16 Author and Contact Officer

Chitra Mani – Service Accountant

17 Consultees

Liz Elliott – Managing Director
Shaun Darcy – Executive Director, S151 Officer
Eric Symons – Assistant Director, Deputy S151 Officer
Julie O’Connell – Finance Manager
Senior Management Team
Budget Managers

18 Background Papers

Previous Capital Programme reports to Members
Financial Reserves and Balances Policy

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 P9 31 December	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	
					£'000	£'000	£'000	£'000	£'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	114	-70	700	-	-	-	2	116	183	-	😊	
		J195	MSCP lifts	Adrian Piper	3	3	5	2	-	-	-	-	-	5	4	2	😊	
		J157	Agresso Upgrade	Eric Symons	25	-	-	-	25	-	-	-	-	-	-	-	-	😊
		J174	Waendel Leisure Centre	Gill Chapman	46	46	-	-46	-	-	-	-	-	-	-	46	-	😊
		J193	IT Strategy Implementation Phase 2	Shaun Darcy	338	338	119	-220	-	-	-	-	-	8	127	338	-	😊
		J198	Multi Storey Car Park (MSCP)	Victoria Phillipson	3,245	500	144	-356	2,746	-	-	-	-	22	166	500	-	😊
		J199	Swanspool House Extension Roof	Victoria Phillipson	108	5	1	-4	103	-	-	-	-	1	2	5	-	😊
	Maintenance for H&S / Compliance	J037	Wellingborough Road Adoptions Scheme	Victoria Phillipson	283	283	9	-274	-	-	-	-	-	-	9	283	-	😊
		J211	Structural rebuild - 1a High St	Victoria Phillipson	49	49	-	-49	-	-	-	-	-	6	6	49	-	😊
		J217	Senwick Drive Retaining Wall	Eric Symons	33	33	33	-	-	-	-	-	-	-	-	33	-	😊
		J218	Tithe Barn Sewage	Victoria Phillipson	30	30	-	-30	-	-	-	-	-	-	-	30	-	😊
	New assets for operational use	J189	Nene Valley Crematorium Skylight	Adrian Piper	66	66	64	-1	-	-	-	-	-	-	64	66	-	😊
		J215	Crematorium - pathways	Eric Symons	480	20	8	-12	460	-	-	-	-	25	33	20	-	😊
		J216	Crematorium - garden infrastructure	Eric Symons	380	80	-	-80	300	-	-	-	-	-	-	80	-	😊
		J219	Enhancement of Land at the Crematorium	Eric Symons	16	16	-	-16	-	-	-	-	-	-	-	-	-16	😞
		J172	Revenue & Benefits EDRMS	Nigel Robinson	34	34	5	-28	-	-	-	-	-	11	17	34	-	😊
J191		Temporary Accommodation Mitigation Fund	Vicki Jessop	3,816	2,116	1,128	-988	1,700	-	-	-	-	5	1,133	2,116	-	😊	
To generate further revenue resources	Invest to generate income return	J175	Market Layout	Victoria Phillipson	9	9	13	4	-	-	-	-	-	13	13	5	😞	
		J194	Redwell 3G pitch	Victoria Phillipson	272	272	308	36	-	-	-	-	-	308	272	-	😊	
		J204	BCW Property Renovations (shops & other buildings)	Victoria Phillipson	425	125	-	-125	300	-	-	-	-	-	-	125	-	😊
		J205	43a/44a Hight Street (conversion to residential accommodation)	Victoria Phillipson	225	225	6	-219	-	-	-	-	-	6	225	-	😊	
		J212	Conversion 2a High St	Victoria Phillipson	127	32	-	-31	95	-	-	-	-	-	-	32	-	😊
		J213	Conversion 16a Market St	Victoria Phillipson	196	196	-	-195	-	-	-	-	-	-	-	196	-	😊
		J214	Conversion 17 Market St	Victoria Phillipson	132	49	-	-49	83	-	-	-	-	-	-	49	-	😊
	Wellbeing and grants (to avoid revenue costs)	K001	Renovation Grant-Discretionary	Amanda Wilcox	106	81	26	-55	25	-	-	-	-	-	26	81	-	😊
		K002	Disabled Facilities Grant	Amanda Wilcox	1,017	470	250	-220	547	-	-	-	-	-	250	470	-	😊
		J100	Wellingborough Heritage and Shop Front Grant Initiative	John Udall	1,401	701	467	-234	700	-	-	-	-	116	583	701	-	😊
J151	Shop Front Improvements	John Udall	115	115	74	-41	-	-	-	-	-	14	88	115	-	😊		

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 P9 31 December	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	
To achieve policy objectives	Invest to save	J162	PFP Leisure	Gill Chapman	207	14	-	-14	193	-	-	-	-	-	14	-	😊	
		J201	Surveillance Cameras (Fly Tipping)	Victoria Phillipson	12	12	12	-	-	-	-	-	-	12	12	-	😊	
	CPO / Property regeneration	K007	Empty Properties	Amanda Wilcox	334	34	-	-34	300	-	-	-	-	-	-	34	-	😊
		J127	Private Sector Housing Grant - homelessness initiative	Vicki Jessop	22	10	-	-10	12	-	-	-	-	-	-	10	-	😊
		J149	CPO Fund	Victoria Phillipson	601	5	-	-5	596	-	-	-	-	-	-	5	-	😊
	Community / S106	K105	Glamis Hall for All	Eric Symons	105	105	105	-	-	-	-	-	-	-	105	105	-	😊
		J183	Waendel Leisure Centre Pool Area	Gill Chapman	95	95	-	-95	-	-	-	-	-	-	-	95	-	😊
		K008	Capital Community Grants	Gill Chapman	201	150	73	-78	25	25	-	-	-	-	73	151	-	😊
		J139	Castle Fields Park S106	Victoria Phillipson	184	10	1	-9	174	-	-	-	-	2	3	10	-	😊
		J140	Eastfields Park S106	Victoria Phillipson	3	3	2	-1	-	-	-	-	-	-	2	3	-	😊
		J141	Croyland Park S106	Victoria Phillipson	1	1	-	-1	-	-	-	-	-	1	1	1	-	😊
		J143	Bassett's Close S106	Victoria Phillipson	21	1	-	-1	20	-	-	-	-	-	-	1	-	😊
		J144	Queensway Open Space S106	Victoria Phillipson	17	2	1	-1	15	-	-	-	-	-	1	2	-	😊
		J153	Bassetts Park Skate Park S106	Victoria Phillipson	109	1	-	-	108	-	-	-	-	-	-	1	-	😊
		J202	Open Space Barriers	Victoria Phillipson	16	16	17	1	-	-	-	-	-	-	17	17	1	😊
		J203	Park Improvements in the Town	Victoria Phillipson	268	100	27	-73	168	-	-	-	-	58	85	100	-	😊
		J206	Croyland Gardens landscaping & public realm improvements	Victoria Phillipson	128	70	1	-69	58	-	-	-	-	-	1	70	-	😊
		Public Realm	J122	Street Furniture	Victoria Phillipson	7	7	8	1	-	-	-	-	-	-	8	8	1
	J200		Street Lighting	Victoria Phillipson	171	2	-	-2	169	-	-	-	-	-	-	2	-	😊
	J207		Tithe Barn Public Realm	Victoria Phillipson	179	50	2	-48	129	-	-	-	-	30	32	50	-	😊

Current Programme Totals	16,541	6,765	3,023	-3,741	9,751	25	-	-	302	3,293	6,757	-7
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Funded by:

S106	335	18		317	-
Heritage Lottery Fund	953	477		476	-
Disabled Facilities Grant	1,017	470		547	-
Capital Receipts	14,236	5,800		8,411	25

16,541	6,765	9,751	25	-	-
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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
								2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Costs	or S106	to BCW
<u>Prioritised schemes</u>																
Maintenance for H&S compliance	Maintenance for H&S / Compliance	Brooks and Waterways	9	10	-	3	22	256,000						256,000	-	256,000
<u>Proposed schemes</u>																
Essential for service delivery	Asset maintenance for H&S / Compliance - operational	Operational buildings refurbishment	7	8	-	5	20		279,455					279,455	-	279,455
To generate further revenue resources	Invest to generate income return	Football pitch improvements	7	9	-	2	18		58,000					58,000	-	58,000
	Invest to save	Tithe Barn	7	7	-	4	18		200,000					200,000	-	200,000
To achieve policy objectives	Community	Park Improvements	8	6	-	2	16		101,500					101,500		101,500
	Community / S106	Parks Play Equipment	8	9	2	2	21		351,872					351,872	-	351,872
Sub Total								256,000	990,827	-	-	-	-	1,246,827	-	1,246,827

Summary of Proposed Capital Schemes

Brooks and waterways

Total project cost: £256,000

Project duration: 9 Months

The brooks and waterways flowing through Wellingborough have areas in them that have been identified to have debris and overgrowth hindering its free flow. This poses a potential risk of flooding in and around the town. There are items such as broken culverts and concrete pipes, areas of the brooks have become dangerous underfoot and collapsed ground and banks which represent a health and safety issue. The areas are unattractive and have become overgrown making an ideal place for fly-tipping.

The project ensures that further blockages increasing the flood risk will be mitigated and improve the functionality of the waterways for both flooding and environmental reasons. The works would reduce future revenue costs as the works will prevent emergency works, complaints would be reduced and also there will be less risk of personal injury due to collapsed banks etc.

The scheme will help protect the environment, ensure BCW's obligations to keep the waterways running and free of obstructions as required by the Environment Agency.

Operational Property Refurbishments

Total project cost: £279,445

Project duration: 1 year

The Council's operational buildings and facilities namely Swanspool House, Swanspool Annexe, Swanspool Pavilion, Tithe Barn Offices, Tithe Barn Hall, Market Square Toilets, Embankment Toilets, Eastfield Pavilion and Bassett's Park toilets are in need of refurbishments including replacement of boilers. These works would be undertaken by Norse or by contractors procured by them using the council's procurement process.

The works are needed to extend the life of the council's operational buildings and address any issues that have been identified as a priority for health and safety reasons. These works will help to reduce the council's maintenance costs for these properties and prevent more major works in the future.

Football Pitch Improvement Works

Total project cost: £58,000

Project duration: 6 Months

The works include a full renovation programme for all 8 x pitches to be completed at the end of the football season, starting May 2020. It is recommended that the end of season renovation programme is required each and every year to maintain standards. Improving the standard of the existing facilities should improve the future usage, particularly at sites like Redwell Leisure Centre therefore increasing the potential income generated.

A better and improved pitch will provide opportunities for children, young adults and adults to participate in sport, physical activity and recreation in Wellingborough.

Sports facilities play a key role in promoting a healthy lifestyle and in giving the residents of the borough opportunities for engagement and participation in a wide variety of sports. The importance of sport as a way of combating issues of obesity in particular and other types of physical and mental health is well documented and it is in this context that the North Northamptonshire Joint Care Strategy (JCS) and the Plan for the Borough of Wellingborough seek to promote the preservation, enhancement and delivery of sports and playing pitch facilities across the borough.

Tithe Barn public realm

Total project cost: £200,000

Project duration: 1 year 8Months

The area outside the Tithe Barn is strategically important open space connecting the town centre to Croyland Gardens and Morrison's supermarket. These public realm improvements will improve the space to allow the council's assets of the Tithe Barn and the building currently leased to La Rocca to improve their facilities. In particular, this project combined with improvements to the Tithe Barn building, will allow additional income to be generated as a lighter, more flexible space will be provided.

The focus of this project is to provide hard landscaped areas for the buildings and to improve the safety of the area by providing new lighting, enhancing the green spaces and addressing antisocial behaviour in the area.

This scheme will enhance the council's open space asset outside the Tithe Barn, providing a more usable space and reducing maintenance and repair costs. In addition, alongside works to the barn, this project could increase the use of the Tithe Barn increasing the income from this facility being hired out.

Play Equipment

Total project cost: £351,872

Project duration: 1 year

Wellingborough Norse has carried out a recent review of the parks and has identified a number of parks in need of improvement. Some of these give rise to health and safety concerns. The play equipment and park environment in these areas should be kept up to standard as it could leave a significant portion of Wellingborough residents without access to such facilities within the recommended walking distance. The importance of access to good quality open space is well documented and has a wide range of social health, wellbeing and economic benefits.

Works will be carried out in the specified below parks.

Doddington Grange - the play equipment here was installed by developers. The equipment is constantly breaking down and the parts are hard to obtain. The wet pour is badly worn and is becoming a health and safety issue. All of the equipment needs to be replaced.

• Stanwell Open Space - This Park is short of junior and youth equipment. Wellingborough Norse recently had to remove the wooden nature trail unit which had rotted so the park is need of new equipment.

• Kilborn Road - the play equipment is located on both sides of the road which is dangerous for the children. This needs to be removed and replaced with new junior equipment all in the park on the same side of the road.

• Croyland Park - removes and replaces old junior equipment and resurfacing of the wet pour.

• Queensway - the toddler area needs to be replaced as many items are now well-used and need updating.

• Bassett's Park - replace the Neighbourhood Equipped Area of Play (NEAP) equipment & wet pour and revamp the skate park to make it larger, and a place to invite skaters and BMK bikers from various areas to come to Wellingborough and use the skate park, Bassett's park is close to the town centre this will drive more people to come into and use the town centre.

The scheme will prolong the useful life of existing play areas and reduce the revenue cost of maintaining equipment. The play equipment has been in place for 20 years and whilst the dedicated play inspection regime in place has identified maintenance and repairs, which have been carried out, the life expectancy of the fabric and materials is at an end. The play equipment is now becoming a potential health & safety risk to users. There is now a need to upgrade and improve these areas to make them compliant, reduce potential accidents and to further enhance their longevity.

Park Improvements

Total project cost: £101,500

Project duration: 1 year

Many open space areas are spread around the town and are required to serve the surrounding population and need to be kept up to standard in order to keep them in use. The current standards of some of the parks and open spaces have been identified as poor and this poor quality puts residents off using these areas. The assets have come to an end of their life and need to be replaced or refurbished to provide a good quality space for ongoing use.

Works would include new street furniture, signs and fences in the open spaces of

- Dale End
- Cedar Way
- Bassett's Park
- Minor refurbishment at Stanwell, Queensway, Croyland Park
- Eastfield Park unused toilet block removal (H & S issues and asbestos)

The scheme will save on repair work and need less maintenance and address any health and safety issues which could result in insurance claims. Part of the project will be to work with the existing community groups in the area so they can take ownership of these areas to help look after them.