

COUNCIL  
21 November 2019

Report of the Head of Resources

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## **CAPITAL PROGRAMME 2019/20 TO 2023/24**

### **PURPOSE OF REPORT**

This report:

- Provides members with a mid-year update on the previously approved capital programme;
- Sets out a plan to update the capital programme in the coming months to reflect the new corporate plan priorities;
- Outlines potential future liabilities not included in the Capital Programme.

### **RECOMMENDATIONS**

- 1 That the revised Capital Programme and financing arrangements for 2019/20, as detailed in Appendix 1, in the sum £4,102,658 be approved;
- 2 That the revised Capital programme for 2020/21, as detailed in Appendix 1, in the sum of £2,147,013 be approved;
- 3 That the programme for years 2021/22 through to 2023/24, as detailed in Appendix 1 in the sum of £2,926,822 be approved;
- 4 That a new Capital programme based on the new priorities identified in the new corporate plan will be reported to Council in January 2020 for approval.
- 5 That the potential future liabilities outlined in Appendix 2 be noted.

### **WARDS AFFECTED**

All

### **STRATEGIC LINK**

The Council's Capital Programme takes into account all the priorities and targets within the Corporate Plan and these are identified in the Capital Strategy. The proposed Capital Programme will assist in delivering Council services that are important to residents' well-being. As explained in the report, the capital programme will be reviewed and updated in the coming months to reflect the new corporate plan priorities.

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## **1 REPORT**

### **1.1 BACKGROUND AND INTRODUCTION**

1.1.1 The Council approved the initial Capital Programme for 2019/20 at the Council meeting on the 7<sup>th</sup> March 2019. The programme has subsequently been updated at the Council meeting on 30<sup>th</sup> May following closure of the Council's accounts for 2018/19.

The Revised Programme for 2019/20, together with changes for financial years 2020/21 through to 2023/24 is now presented for Members' consideration and approval. The changes are explained in the report.

1.1.2 The Council is due to agree a new Corporate Plan and priorities on 21 November 2019. The capital programme will be reviewed and updated in the coming months to reflect the new corporate plan priorities. A new Capital programme based on the new priorities identified in the new corporate plan will be reported to Council in January 2020 for approval.

## 1.2 NEW BIDS

The revised Capital Programme includes new schemes shown below (and shaded red in Appendix 1)

Scheme	Capital Programme (£)	Financing
Affordable Housing - Bakewell Lady Manners School – additional amount requested	£80,000	Capital Receipts
Affordable Housing – Ashbourne NCHA 12 Bungalows	£400,000	Section 106
Affordable Housing – YMCA with NCA 60 new supported homes plus additional needs accommodation	£500,000	Section 106
Affordable Housing – Wirksworth Community Land Trust – delivery highly efficient homes on former garage sites	£350,000	Section 106
Affordable Housing – Bakewell Almshouses Trust	£35,000	Capital Receipts
Customer Innovation Project	£46,077	Customer Innovation Reserve

## 1.3 REVISED CAPITAL PROGRAMME 2019/20

### 1.3.1 Proposed Capital Expenditure 2019/20

The revised capital programme for 2019/20 has been updated to reflect slippage and new bids. It is summarised below:

Priority	Revised Budget 2019/20 £

Affordable Housing	2,818,970
Market Towns	62,051
Clean & Safe District	33,862
Continue to Seek Efficiencies and Innovative Working Practices	14,213
Miscellaneous/Other Schemes	1,173,562
<b>Total Capital Expenditure</b>	<b>4,102,658</b>

The spending shown in the table above is the aggregate of the scheme costs. All grants and contributions have been dealt with as part of the financing arrangements (shown below). The major projects where expenditure is forecast to be more than £250,000 for 2019/20 are as follows:

	£000
Disabled Facility Grants	491,470
Affordable Housing Scheme at Tideswell	412,500
Affordable Housing Scheme Rural Villages	830,000
Affordable Housing Scheme at Matlock Asker Lane	250,000
Affordable Housing Scheme at Ashbourne	250,000
Capital Investment Transfer of Leisure	652,053

### 1.3.2 Financing Arrangements 2019/20

The overall financing package for forecasted expenditure in 2019/20 is as follows:

	£	£
Capital Receipts		1,529,208
Grants and Contributions		491,470
Use of Reserves:		
Capital Programme Reserve	853,380	
Grants Unapplied Reserve including Section 106	992,500	
Information Technology Reserve	145,293	
Vehicle Renewals Reserve	26,350	
Carsington Reserve	13,380	
Customer Innovation	46,077	
<b>Total Reserves</b>		<b>2,081,980</b>
<b>Total Financing</b>		<b>4,102,658</b>

## 1.4 REVISED CAPITAL PROGRAMME FOR 2020/21

### 1.4.1 Revised Capital Expenditure 2020/21

The revised capital programme for 2020/21 has been updated to reflect slippage and new bids. It is summarised below:

Priority	2020/21 Recommended Capital Programme £

Business Growth & Job Creation	250,000
Affordable Housing	756,470
Market Towns	140,000
A Clean and Safe District	715,749
Miscellaneous/Other Schemes	284,794
<b>Total Capital Expenditure</b>	<b>2,147,013</b>

The spending proposals shown in the table above are the aggregate of the estimated scheme costs. All estimated grants and contributions have been dealt with as part of the financing arrangements (shown below).

The major projects in the spending proposals where expenditure in 2020/21 is estimated at £250,000 or more are:

	£000
Blenheim Road Development	250,000
Disabled Facility Grants	491,470
Commercial Vehicles	438,000

#### 1.4.2 Financing Arrangements 2020/21

The overall financing package that is proposed for the revised 2020/21 Capital Programme is as follows:

	£	£
Capital Receipts		587,854
Grants and Contributions:		493,470
Use of Reserves:		
Capital Programme Reserve	423,749	
Information Technology Reserve	37,250	
Grants Unapplied Reserve (Includes Section 106)	150,000	
Vehicle Reserve	438,000	
Economic Development Reserve	10,000	
Carsington Reserve	6,690	
Total Reserves		1,065,689
<b>Total Financing</b>		<b>2,147,013</b>

### 1.5 REVISED CAPITAL PROGRAMME PROPOSALS FOR 2021/22 TO 2023/24

#### 1.5.1 Proposed Capital Expenditure 2021/22 to 2023/24

The Capital Programme Proposals for 2021/22 to 2023/24 have been revised to reflect new schemes and slippage. A summary is set out below:

Priority	2021/22 to 2023/24 Recommended
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	Capital Programme £
Affordable Housing	1,832,940
A Clean and Safe District	816,000
Miscellaneous/Other Schemes	277,882
<b>Total Capital Expenditure</b>	<b>2,926,822</b>

## 1.5.2 Proposed Financing Arrangements 2021/22 to 2023/24

The overall financing package that is proposed for the revised capital programme proposals for 2021/22 to 2023/24 is as follows:

	£	£
Capital Receipts		50,000
Grants and Contributions: Disabled Facilities Grants		982,940
Use of Reserves:		
Capital Programme Reserve	60,000	
Revenue Grants unapplied (including Section 106)	850,000	
Carsington Reserve	13,382	
IT Reserve	154,500	
Vehicle Reserve	816,000	
Total Reserves		1,893,882
<b>Total Financing</b>		<b>2,926,822</b>

## 1.6 SOURCES OF FUNDING FOR CAPITAL PROGRAMME

1.6.1 The table below shows the impact on the Council's Reserves and Balances of the above proposals:

Reserve	Balance 1 <sup>st</sup> April 2019 £	Expected Receipts £	Used in Capital Programme £	Estimated Balance 31 March 2024 £	Comments
Capital Receipts	2,944,441	857,183	2,167,062	1,634,562	Relies on new receipts being attained
Section 106 Contributions	3,607,833	1,303,961	1,892,500	3,019,294	Relies on new receipts being attained
Capital Programme Reserve	2,988,892	0	1,337,129	1,651,763	
Other Strategic Reserves (earmarked for capital schemes)	1,842,217	2,856,736	3,779,802	919,151	Mostly earmarked for specific projects
<b>Total</b>	<b>11,383,383</b>	<b>5,017,880</b>	<b>9,176,493</b>	<b>7,224,770</b>	

## **1.6.2 Officer comments:**

The table above demonstrates that, if the capital programme proposals set out in this report are accepted, sources of capital funding are forecast to reduce to £7,224,770 by 31 March 2024. However, Section 106 contributions and the amounts in other strategic reserves are set aside for specific purposes; if these are excluded the amount available for new capital schemes reduces to £3,286,325

The Corporate Leadership Team has identified a number of future capital liabilities and potential new projects that will be required in the next 1-2 years that have not been included in this revised capital programme. These projects are set out in Appendix 2. They total £3,527,500, which includes £3 million for new vehicles that the Council might need to fund as part of the new waste and recycling contract, but do not include the estimated costs of a traveller site. If the £3,527,500 is deducted from the £3,286,325 it leaves the Council with a borrowing requirement of £241,175

For a small district council, in the current economic climate, a fully-funded capital programme of £9,176,493 can be seen as fairly healthy. Members should note, however, that much of the capital programme is spent on enhancing and replacing existing assets and that existing funds are likely to be depleted by 2023/24. There will always be a need for some asset replacements and hence the need for annual contributions from revenue to capital reserves, as identified in the Medium Term Financial Strategy.

## **2 RISK ASSESSMENT**

### **2.1 Legal**

There are no legal considerations arising from this report.

### **2.2 Financial**

There is adequate funding for the proposed capital programme for 2019/20 to 2023/24. The risk, however, remains high.

A risk assessment of the Capital Programme has been undertaken in the formulation of the schemes. The most significant risks are:

- Forecast capital receipts may not be achieved;
- The danger of overspending on capital schemes with no available finance to meet the overspending;
- Budgets for individual projects may be insufficient when tenders are received;
- There is sufficient funding for Capital schemes to which the council has had a long-term commitment in the current programme. However, resources for future projects are being depleted. The Council's future requirement to finance mandatory Capital expenditure, such as Disabled Facility Grants, will need to be kept under review;
- The amount available might be insufficient to deal with unforeseen capital expenditure, for example, if there was a requirement similar to the costs of addressing structural damage at the Memorial Gardens Toilets.

### **2.3 Corporate**

The proposed Capital Programme clearly shows the funding allocated to each of the priorities set out in the current Corporate Plan. The Capital Programme endeavours to

allocate funding to the corporate priorities of business growth and job creation, affordable housing and market towns. However, the ongoing necessity to maintain a clean and safe district and to maintain Council's assets is also reflected in the Capital Programme. As explained in the report, the capital programme will be reviewed and updated in the coming months to reflect the new corporate plan priorities.

### **3 OTHER CONSIDERATIONS**

In preparing this report the relevance of the following factors has also been considered prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

### **4 CONTACT INFORMATION**

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### **5 BACKGROUND PAPERS**

None

### **6 ATTACHMENTS**

Appendix 1 Capital Programme 2019/20 to 2023/24

Appendix 2 Potential capital schemes/liabilities not included in capital programme

## Appendix 1: Capital Programme Proposed Programme for 2019/20 to 2023/24

New Scheme  
change to Costings  
Slippage

Earmarked Schemes	Corporate Priority	Scoring	ORIGINAL BUDGET	REVISED BUDGET 2019/20	2020/21	2021/22	2022/23	2023/24	Total
Blenheim Road	Business growth & Job creation	66	212,410.00		250,000.00				250,000.00
<b>Total Programme</b>			<b>212,410.00</b>	<b>0.00</b>	<b>250,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>250,000.00</b>

Earmarked Schemes	Corporate Priority	Scoring	ORIGINAL BUDGET	REVISED BUDGET 2019/20	2020/21	2021/22	2022/23	2023/24	Total
Disabled facilities Grants	Affordable Housing	84	491,470.00	491,470.00	491,470.00	491,470.00	491,470.00		1,965,880.00
Social Housing Grants - Bakewell Lady Manners School	Affordable Housing	Not Scored	92,500.00	92,500.00	80,000.00				172,500.00
Social Housing Grant - Cromford / Matlock Bath	Affordable Housing	Not Scored	100,000.00	100,000.00					100,000.00
Social Housing Grant - Tideswell	Affordable Housing	Not Scored	412,500.00	412,500.00					412,500.00
Social Housing Grant - Rural village affordable Housing	Affordable Housing	50	830,000.00	830,000.00					830,000.00
Social Housing Grant - Dove Garage, Mayfield Road	Affordable Housing	Not Scored	157,500.00	157,500.00					157,500.00
Social Housing Grant - Luke Lane / Mercaston Lane	Affordable Housing	Not Scored	135,000.00	135,000.00					135,000.00
Social Housing Grant - Matlock Asker Lane	Affordable Housing	Not Scored	250,000.00	250,000.00					250,000.00
Social Housing Grant - Doveridge - Bakers Lane	Affordable Housing	60	135,000.00						
Hurst farm Estate Cladding Programme	Affordable Housing	Not Scored	100,000.00	100,000.00					100,000.00
Social Housing Grant - Ashbourne NCHA 12 bungalows	Affordable Housing	Not Scored		250,000.00	150,000.00				400,000.00
Social Housing Grant - Matlock YMCA with NCHA - 60 new	Affordable Housing	Not Scored				500,000.00			500,000.00
Social Housing Grant - Wirksworth community land trust	Affordable Housing	Not Scored				350,000.00			350,000.00
Social Housing Grant - Bakewell Almshouse Trust	Affordable Housing	Not Scored			35,000.00				35,000.00
<b>Total Programme</b>			<b>2,703,970.00</b>	<b>2,818,970.00</b>	<b>756,470.00</b>	<b>1,341,470.00</b>	<b>491,470.00</b>	<b>0.00</b>	<b>5,408,380.00</b>

Earmarked Schemes	Corporate Priority	Scoring	ORIGINAL BUDGET	REVISED BUDGET 2019/20	2020/21	2021/22	2022/23	2023/24	Total
Matlock Bath - Flood Alleviation	clean & safe district	64	3,460.00						
Condition Surveys - Parks & Pavillions	clean & safe district	Not Scored	146,355.00	6,355.00	140,000.00				146,355.00
Bakewell Riverside Path	clean & safe district	37	10,000.00	slippage	10,000.00				10,000.00
White Peak Cycle Loop	clean & safe district	Not Scored	20,000.00	slippage	20,000.00				20,000.00
Hall Leys Park Ranger Station	clean & safe district	58	17,893.00	1,157.00					1,157.00
Wirksworth Steeple Arch cemetery extension	clean & safe district	Not Scored	60,000.00	slippage	60,000.00				60,000.00
Paths at Bakewell Cemetery	clean & safe district	Not Scored	3,749.00	slippage	3,749.00				3,749.00
Burials Review	clean & safe district	Not Scored	44,000.00	slippage	44,000.00				44,000.00
Commercial Vehicles	clean & safe district	Not Scored	421,068.00	26,350.00	438,000.00	280,000.00	214,000.00	322,000.00	1,280,350.00
<b>Total Programme</b>			<b>726,525.00</b>	<b>33,862.00</b>	<b>715,749.00</b>	<b>280,000.00</b>	<b>214,000.00</b>	<b>322,000.00</b>	<b>1,565,611.00</b>



Earmarked Schemes	Corporate Priority	Scoring	ORIGINAL BUDGET	REVISED BUDGET 2019/20	2020/21	2021/22	2022/23	2023/24	Total
Electronic document management system	Efficiencies & Innovative workin	Not Scored	14,213.00	14,213.00					14,213.00
<b>Total Programme</b>			<b>14,213.00</b>	<b>14,213.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>14,213.00</b>

Earmarked Schemes	Corporate Priority	Scoring	ORIGINAL BUDGET	REVISED BUDGET 2019/20	2020/21	2021/22	2022/23	2023/24	Total
Pay & Display Ticket Machines	market towns	Not Scored	20,976.00	6,000.00					6,000.00
Fishpond Meadow, Ashbourne: Car Park improvements	market towns	56	35,000.00	23,000.00					23,000.00
Bakewell ABC Car Park improvements - including cattle	market towns	39	67,800.00	slippage	129,500.00				129,500.00
Monsall Head car Park improvements	market towns	44	10,500.00	slippage	10,500.00				10,500.00
Wirksworth St Mary's Churchyard Railings	market towns	31	2,892.00	2,051.00					2,051.00
Darley Dale Down Station Improvements	market towns	57		31,000.00					31,000.00
<b>Total Programme</b>			<b>137,168.00</b>	<b>62,051.00</b>	<b>140,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>202,051.00</b>

Earmarked Schemes	Corporate Priority	Scoring	ORIGINAL BUDGET	REVISED BUDGET 2019/20	2020/21	2021/22	2022/23	2023/24	Total
Miscellaneous Grants	other schemes	Not Scored	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00		120,000.00
Carsington fund grants	other schemes	Not Scored	13,380.00	13,380.00	6,690.00	6,690.00	6,692.00		33,452.00
Matlock Town Hall - works in condition surveys	other schemes	Not Scored	237,854.00	52,000.00	185,854.00				237,854.00
Ramp at Northwood depot	other schemes	Not Scored	10,000.00	10,000.00					10,000.00
Capital Investment Transfer of Leisure	other schemes	Not Scored	652,053.00	652,053.00					652,053.00
Wirksworth Leisure centre - Condition surveys	other schemes	Not Scored	3,500.00						
Wirksworth Leisure centre - sports hall flooring	other schemes	48	1,667.00						
Ashbourne Leisure Centre - Condition surveys	other schemes	Not Scored	149,110.00	149,110.00					149,110.00
Air handling unit at ARC	other schemes	Not Scored	35,000.00	40,000.00					40,000.00
Public Conveniences Condition survey works	other schemes	Not Scored	9,862.00	9,862.00					9,862.00
Travellers Site	other schemes	Not Scored	10,000.00	10,000.00					10,000.00
Microsoft Enterprise Agreement	other schemes	Not Scored				80,000.00			80,000.00
Income Management system upgrade	other schemes	70	8,003.00	7,000.00					7,000.00
Backup storage replacement	other schemes	Not Scored	30,000.00	30,000.00					30,000.00
Payments Portal	other schemes	Not Scored	10,230.00	10,230.00					10,230.00
CRM System	other schemes	Not Scored	71,850.00	71,850.00	37,250.00	37,250.00	37,250.00		183,600.00
Microsoft Exchange Server	other schemes	Not Scored		17,000.00					17,000.00
Customer Innovation Project	other schemes	Not Scored		46,077.00					46,077.00
Estates salaries	other schemes	Not Scored	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00		100,000.00
<b>Total Programme</b>			<b>1,297,509.00</b>	<b>1,173,562.00</b>	<b>284,794.00</b>	<b>178,940.00</b>	<b>98,942.00</b>	<b>0.00</b>	<b>1,736,238.00</b>

<b>Total Programme</b>			<b>5,091,795.00</b>	<b>4,102,658.00</b>	<b>2,147,013.00</b>	<b>1,800,410.00</b>	<b>804,412.00</b>	<b>322,000.00</b>	<b>9,176,493.00</b>
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## APPENDIX 2: POTENTIAL FUTURE LIABILITIES NOT IN DRAFT PROGRAMME

<b>POTENTIAL FUTURE LIABILITIES NOT INCLUDED IN PROGRAMME</b>			
<b>PROPERTY</b>	<b>COMMENTS</b>	<b>COST</b>	
<b>CAR PARKS:</b>			
Various Car Parks	Surface repairs & full re-lining	20,500	
			20,500
<b>PARKS:</b>			
Broadwalk Park	Paths	10,000	
Ashbourne Park Buildings	Bandstand and other buildings	12,000	
			22,000
<b>CEMETERIES &amp; CHURCHYARDS:</b>			
Bakewell Cemetery Chapels	Repairs identified in 2009 survey	15,000	
			15,000
<b>OTHER PROPERTY:</b>			
Bakewell ABC Various	Flat roof gutters, ventilation/decoration, cctv	60,000	
Arc Leisure, Matlock	Footpath improvements	10,000	
Traveller Site	New site(s) to meet housing need	To be determined	
Lovers Walks	Detailed inspection of cliff faces, design of scheme & cost of remedial work	To be determined	
Station House, Matlock	Significant repairs identified in 2009 survey	20,000	
Matlock Town Hall	Replace metal windows (identified in 2014 condition survey)	210,000	
			300,000
<b>OFFICE TECHNOLOGY:</b>			
Replacement switchboard	Subject to business plan & maintenance of current equipment	50,000	
WiFi Replacement	may be required to address 'roaming issues'	20,000	
Production Server replacement	5 year replacement cycle	30,000	
Network switch replacement	5 year replacement cycle	20,000	
Disaster recovery Storage	5 year replacement cycle (shared procurement)	20,000	
VDI Server Replacement	5 year replacement cycle	30,000	
			170,000
<b>VEHICLES</b>			
Vehicles for waste collection contract			3,000,000
	<b>Total</b>		<b>£3,527,500</b>