

COUNCIL
5th March 2020

Report of the Head of Resources

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 of £2,533,457 be approved;
- 2 That the revised Capital programme for 2020/21, as detailed in Appendix 1, in the sum of £7,342,041 be approved;
- 3 That the programme for years 2021/22 through to 2023/24, as detailed in Appendix 1 in the sum of £3,252,676 be approved;
- 4 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.

1 REPORT

1.1 BACKGROUND AND INTRODUCTION

- 1.1.1 The Council approved the initial Capital Programme for 2019/20 at the Council meeting in March 2019. The programme has subsequently been updated at the Council meeting on 30th May following closure of the Council's accounts for 2018/19 and at the Council meeting in November 2019 to reflect new bids and progress on projects.

1.1.2 As Council is due to agree a new Corporate Plan and priorities at this Council meeting, this is very much an interim capital programme. 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 May 2020 for approval, along with the out-turn for 2019/20.

1.1.3 Reports for bids for the new capital programme will be brought to the next cycle of policy committees for consideration and referral to Council in May for inclusion in the updated capital programme. Examples of projects currently being considered by officers include:

- Ashbourne Memorial Gardens Band Stand & New Shelter
- CCTV for public conveniences
- Resurfacing car park at Wirksworth Market Place
- Resurfacing Footpaths at Dimple Playing Fields;
- Resurfacing path from Bakewell ABC to Bridge
- Resurfacing scheme at Shrovetide Walk, Ashbourne
- Resurface access road at Northwood
- Works to upgrade war memorials at Cromford and at Ashbourne Memorial Park gates.

1.2 NEW SCHEMES

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

| Scheme | Cost | Financing |
|--|------------|--|
| Affordable Housing - Bakewell Road. Darley Dale | £570,000 | Section 106 |
| Affordable Housing – Harrison Almshouse Charity | £26,500 | Section 106 |
| Affordable Housing – Ashbourne Empty Property Buy Back | £25,000 | Section 106 |
| Hurst Farm Social Club | £110,000 | Capital Receipts |
| Waste Vehicles (approved at Council meeting on 18 December 2019) | £3,612,382 | Waste Vehicle Reserve/Capital Receipts |
| V13 Income Management system upgrade | £20,000 | ICT 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 £ |
|----------------------------------|--------------------------------|
| People | 124,065 |
| Place | 9,563 |
| Prosperity | 1,303,970 |
| Other | 1,095,859 |
| Total Capital Expenditure | 2,533,457 |

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:

| | £ |
|---|---------|
| Disabled Facility Grants | 491,470 |
| Affordable Housing Scheme Rural Villages | 420,000 |
| Affordable Housing Scheme at Matlock Asker Lane | 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 | | 696,708 |
| Grants and Contributions | | 491,470 |
| Use of Reserves: | | |
| Capital Programme Reserve | 846,380 | |
| Grants Unapplied Reserve including Section 106 | 300,000 | |
| Information Technology Reserve | 108,092 | |
| Vehicle Renewals Reserve | 26,350 | |
| Carsington Reserve | 13,380 | |
| Customer Innovation | 51,077 | |
| Total Reserves | | 1,345,279 |
| Total Financing | | 2,533,457 |

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 £ |
|----------------------------------|---|
| People | 37,250 |
| Place | 3,762,382 |
| Prosperity | 2,717,970 |
| Other | 824,439 |
| Total Capital Expenditure | 7,342,041 |

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:

| | £ |
|---|-----------|
| Blenheim Road Development | 250,000 |
| Disabled Facility Grants | 491,470 |
| Affordable Housing Scheme at Tideswell | 412,500 |
| Affordable Housing Scheme Rural Villages | 410,000 |
| Affordable Housing Scheme at Bakewell Road, Darley Dale | 570,000 |
| Commercial Vehicles | 438,000 |
| Waste Vehicles | 3,612,382 |

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 | | 2,476,782 |
| Grants and Contributions | | 493,470 |
| Use of Reserves: | | |
| Capital Programme Reserve | 430,749 | |
| Information Technology Reserve | 57,250 | |
| Grants Unapplied Reserve (Includes Section 106) | 929,000 | |
| Vehicle Reserve | 438,000 | |
| Waste Vehicles Reserve | 2,500,100 | |
| Carsington Reserve | 6,690 | |
| Total Reserves | | 4,371,789 |
| Total Financing | | 7,342,041 |

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 Capital Programme £ |
|---------------------------|--|
| People | 74,500 |
| Place | 0 |
| Prosperity | 1,967,940 |
| Other | 1,210,236 |
| Total Capital Expenditure | 3,252,676 |

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 | | 210,854 |
| Grants and Contributions: Disabled Facilities Grants | | 982,940 |
| Use of Reserves: | | |
| Capital Programme Reserve | 190,000 | |
| Revenue Grants unapplied (including Section 106) | 985,000 | |
| Carsington Reserve | 13,382 | |
| Information Technology Reserve | 154,500 | |
| Vehicle Reserve | 716,000 | |
| Total Reserves | | 2,058,882 |
| Total Financing | | 3,252,676 |

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 | Opening Balance £ | Expected Receipts £ | Used in Capital Programme £ | Estimated Balance 31 March 2024 £ | Comments |
|--|----------------------|------------------------|--------------------------------|--------------------------------------|--|
| Grants and Contributions | 220,380 | 2,006,736 | 1,967,880 | 259,236 | Earmarked for specific projects |
| Capital Receipts | 2,944,441 | 857,183 | 3,384,344 | 417,280 | Relies on new receipts being attained |
| Section 106 Contributions | 3,521,833 | 1,955,605 | 2,114,000 | 3,363,438 | Relies on new receipts being attained |
| Capital Programme Reserve | 2,406,892 | 0 | 1,467,129 | 939,763 | |
| Other Strategic Reserves (earmarked for capital schemes) | 3,572,937 | 850,000 | 4,194,821 | 228,116 | Mostly earmarked for specific projects |
| Total | 12,666,483 | 5,669,524 | 13,128,174 | 5,207,833 | |

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 £5.2m by 31 March 2024. However, grants and contributions, 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 £1.35m.

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 £725,500 but do not include the estimated costs of a traveller site. If the £725,500 is deducted from the £1.35m, it leaves the Council with available funds of only £0.6m to meet further projects, not yet identified.

For a small district council, in the current economic climate, a fully-funded capital programme of £13m 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 Corporate Plan that is proposed elsewhere on the agenda for this Council meeting. The Capital Programme endeavours to allocate funding to the corporate priorities of people, place and prosperity. 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

For further information contact:

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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 (new) | Scoring | 19/20 MARCH COUNCIL | 2020/21 | 2021/22 | 2022/23 | 2023/24 | Total |
|---|--------------------------|------------|---------------------|------------|------------|------------|---------|--------------|
| Improvements to Blenheim Road, Ashbourne | Prosperity | 66 | | 250,000.00 | | | | 250,000.00 |
| Disabled Facilities Grants | Prosperity | 84 | 491,470.00 | 491,470.00 | 491,470.00 | 491,470.00 | | 1,965,880.00 |
| Social Housing Grants - Bakewell Lady Manners School | Prosperity | Not Scored | 92,500.00 | 80,000.00 | | | | 172,500.00 |
| Social Housing Grant - Cromford / Matlock Bath | Prosperity | Not Scored | | 100,000.00 | | | | 100,000.00 |
| Social Housing Grant - Tideswell | Prosperity | Not Scored | | 412,500.00 | | | | 412,500.00 |
| Social Housing Grant - Rural village affordable Housing Grant | Prosperity | 50 | 420,000.00 | 410,000.00 | | | | 830,000.00 |
| Social Housing Grant - Darley Dale | Prosperity | Not Scored | | 157,500.00 | | | | 157,500.00 |
| Social Housing Grant - Luke Lane / Mercaston Lane, Brailsford | Prosperity | Not Scored | | | 135,000.00 | | | 135,000.00 |
| Social Housing Grant - Matlock Asker Lane | Prosperity | Not Scored | 250,000.00 | | | | | 250,000.00 |
| Social Housing Grant - Doveridge - Bakers Lane | Prosperity | 60 | | | | | | 0.00 |
| Hurst farm Estate Cladding Programme | Prosperity | Not Scored | 50,000.00 | 50,000.00 | | | | 100,000.00 |
| Social Housing Grant - Ashbourne NCHA 12 bungalows | Prosperity | Not Scored | 0.00 | 0.00 | | | | 0.00 |
| Social Housing Grant - Matlock YMCA with NCHA | Prosperity | Not Scored | | | 500,000.00 | | | 500,000.00 |
| Social Housing Grant - Wirksworth community land trust | Prosperity | Not Scored | | | 350,000.00 | | | 350,000.00 |
| Social Housing Grant - Bakewell Alms-house Trust | Prosperity | Not Scored | | 35,000.00 | | | | 35,000.00 |
| Social Housing Grant - Bakewell Road, Darley Dale | Prosperity | 68 | | 570,000.00 | | | | 570,000.00 |
| Social Housing Grant - Harrison Alms-house Charity | Prosperity | 68 | | 26,500.00 | | | | 26,500.00 |
| Social Housing Grant - Ashbourne Empty Property Buy Back | Prosperity | 68 | | 25,000.00 | | | | 25,000.00 |
| Hurst Farm Social Club | Prosperity | Not Scored | | 110,000.00 | | | | 110,000.00 |
| Pay & Display Ticket Machines | Other | Not Scored | 6,000.00 | | | | | 6,000.00 |
| Fishpond Meadow, Ashbourne: Car Park improvements | Other | 56 | 23,000.00 | | | | | 23,000.00 |
| Bakewell ABC Car Park improvements | Other | 39 | slippage | 129,500.00 | | | | 129,500.00 |
| Monsal Head car Park improvements | Other | 44 | slippage | 10,500.00 | | | | 10,500.00 |
| Wirksworth St Mary's Churchyard Railings | Place | 31 | 2,051.00 | | | | | 2,051.00 |
| Darley Dale Down Station Improvements | Other | 57 | 31,000.00 | | | | | 31,000.00 |
| Matlock Bath - Flood Alleviation | Place | 64 | | | | | | 0.00 |
| Condition Surveys - Parks & Pavilions | Place | Not Scored | 6,355.00 | 140,000.00 | | | | 146,355.00 |
| Bakewell Riverside Path | Place | 37 | slippage | 10,000.00 | | | | 10,000.00 |
| White Peak Cycle Loop | Other | Not Scored | 0.00 | | | | | 0.00 |
| Hall Leys Park Ranger Station | Place | 58 | 1,157.00 | | | | | 1,157.00 |
| Wirksworth Steeple Arch cemetery extension | Other | Not Scored | slippage | 60,000.00 | | | | 60,000.00 |

| Earmarked Schemes | Corporate Priority (new) | Scoring | 19/20 MARCH COUNCIL | 2020/21 | 2021/22 | 2022/23 | 2023/24 | Total |
|--|--------------------------|------------|---------------------|------------------|------------------|----------------|----------------|-------------------|
| Paths at Bakewell Cemetery | Other | Not Scored | slippage | 3,749.00 | | | | 3,749.00 |
| Burials Review | Other | Not Scored | slippage | 44,000.00 | | | | 44,000.00 |
| Commercial Vehicles | Other | Not Scored | 26,350.00 | 438,000.00 | 280,000.00 | 214,000.00 | 322,000.00 | 1,280,350.00 |
| Waste Vehicles | Place | ? | | 3,612,382.00 | | | | 3,612,382.00 |
| Electronic document management system | Other | Not Scored | 0.00 | | | | | 0.00 |
| Miscellaneous Grants | Other | Not Scored | 30,000.00 | 30,000.00 | 30,000.00 | 30,000.00 | 30,000.00 | 150,000.00 |
| Carsington fund grants | Other | Not Scored | 13,380.00 | 6,690.00 | 6,690.00 | 6,692.00 | | 33,452.00 |
| Matlock Town Hall - works in condition surveys | Other | Not Scored | 52,000.00 | 50,000.00 | 135,854.00 | | | 237,854.00 |
| Ramp at Northwood depot | Other | Not Scored | 10,000.00 | | | | | 10,000.00 |
| Capital Investment Transfer of Leisure | Other | Not Scored | 652,053.00 | | | | | 652,053.00 |
| Wirksworth Leisure centre - Condition surveys | Other | Not Scored | | | | | | 0.00 |
| Wirksworth Leisure centre - sports hall flooring | Other | 48 | | | | | | 0.00 |
| Ashbourne Leisure Centre - Condition surveys | Other | Not Scored | 149,110.00 | | | | | 149,110.00 |
| Air handling unit at ARC | Other | Not Scored | 40,000.00 | | | | | 40,000.00 |
| Public Conveniences Condition survey works | Other | Not Scored | 2,862.00 | 7,000.00 | | | | 9,862.00 |
| Travellers Site | People | Not Scored | 0.00 | | | | | 0.00 |
| Microsoft Enterprise Agreement | Other | Not Scored | | | 80,000.00 | | | 80,000.00 |
| V11 Income Management system upgrade | Other | 70 | 7,000.00 | | | | | 7,000.00 |
| V13 Income Management system upgrade | Other | Not Scored | 0.00 | 20,000.00 | | | | 20,000.00 |
| Backup storage replacement | Other | Not Scored | 19,702.00 | | | | | 19,702.00 |
| SCP Payments Portal | People | Not Scored | 6,138.00 | | | | | 6,138.00 |
| CRM System | People | Not Scored | 71,850.00 | 37,250.00 | 37,250.00 | 37,250.00 | | 183,600.00 |
| Microsoft Exchange Server | Other | Not Scored | 8,402.00 | | | | | 8,402.00 |
| Customer Innovation Project | People | Not Scored | 46,077.00 | | | | | 46,077.00 |
| Estates salaries | Other | Not Scored | 25,000.00 | 25,000.00 | 25,000.00 | 25,000.00 | 25,000.00 | 125,000.00 |
| Total Programme | | | 2,533,457 | 7,342,041 | 2,071,264 | 804,412 | 377,000 | 13,128,174 |

APPENDIX 2: POTENTIAL FUTURE LIABILITIES NOT IN DRAFT PROGRAMME

| PROJECT | COMMENTS | COST | |
|--|---|---------|-----------------|
| ECONOMIC DEVELOPMENT | | | |
| Bakewell Road, Matlock Redevelopment | | TBD | |
| | | | 0 |
| CAR PARKS: | | | |
| Various Car Parks | Surface repairs & full re-lining | 20,500 | |
| | | | 20,500 |
| PARKS: | | | |
| Broadwalk Park | Paths | 10,000 | |
| Ashbourne Park Buildings | Bandstand and Park Shelter | 70,000 | |
| | | | 80,000 |
| CEMETERIES & CHURCHYARDS: | | | |
| Bakewell Cemetery Chapels | Repairs identified in 2009 survey | 15,000 | |
| | | | 15,000 |
| OTHER PROPERTY: | | | |
| Bakewell ABC Various | Flat roof, gutters, ventilation | 40,000 | |
| Dimple Palying Fields, Matlock | Footpath improvements | 30,000 | |
| Traveller Site | New site(s) to meet housing need | TBD | |
| Lovers Walks | Detailed inspection of cliff faces, design of scheme & cost of remedial works | TBD | |
| Station House, Matlock | Significant repairs identified in 2009 survey - Now Vacant | TBD | |
| Matlock Town Hall | Replace metal windows (identified in 2014 condition survey) | 210,000 | |
| Memorial Buildings | Cromford war memorial, Ashbourne memorial gates, Scarthin war memorial | 30,000 | |
| Harrison Way, Northwood | Resurface of Road with appropriate tarmac surface Harrison way | 40,000 | |
| Shrovetide Walk, Ashbourne | Resurfacing scheme & appropriate landscaping | 40,000 | |
| | | | 390,000 |
| OFFICE TECHNOLOGY: | | | |
| Replacement telephony | Subject to business plan & maintenance of current equipment | 50,000 | |
| Mid Call Solution for telephone payments | To improve security. Dependent on new telephony being in place | 30,000 | |
| WiFi Replacement | maybe required to address 'roaming issues' | 20,000 | |
| Uninterruptable power supply | Upgrade | 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 | |
| | | | 220,000 |
| | Total | | £725,500 |

| PROJECT | COMMENTS |
|--------------------------------------|----------|
| ECONOMIC DEVELOPMENT | |
| Bakewell Road, Matlock Redevelopment | |
| CAR PARKS: | |

Various Car Parks

PARKS:

Broadwalk Park

Ashbourne Park Buildings

CEMETERIES & CHURCHYARDS:

Bakewell Cemetery Chapels

OTHER PROPERTY:

Bakewell ABC Various

Dimple Palying Fields, Matlock

Traveller Site

Lovers Walks

Station House, Matlock

Matlock Town Hall

Memorial Buildings

Harrison Way, Northwood

Shrovetide Walk, Ashbourne

OFFICE TECHNOLOGY:

Replacement telephony

Mid Call Solution for telephone payments

WiFi Replacement

Uninterruptable power supply

Production Server replacement

Network switch replacement

Disaster recovery Storage

VDI Server Replacement

TBD = To be determined

Surfa

Paths

Bands

Repai

Flat r

Footp

New s

Detail

works

Signif

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