



**REPORT of
INTERIM SECTION 151 OFFICER**

to
**STRATEGY AND RESOURCES COMMITTEE
5 DECEMBER 2019**

CAPITAL PROJECT BIDS 2020 / 21

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to consider the Capital projects that have been put forward by officers prior to the approval of the 2020 / 21 budget and updated Medium Term Financial Strategy in January 2020.

2. RECOMMENDATION

That the Committee considers the proposals set out in this report, comments are invited on the project bids set out in **APPENDIX 1** and to identify which projects should be included for consideration in the 2020 / 21 capital programme by Council in February 2020.

3. SUMMARY OF KEY ISSUES

- 3.1 The Council's capital programme will need to reflect the three strategic themes set out in the Council's Corporate vision of Place Community and Prosperity.
- 3.2 The 2020 / 21 project bids set out in the table below and detailed projects sheet can be found as **APPENDIX 1**. The projects have been categorised by Officers into four main groups:
- Essential (E): Failure to carry out the project is likely to have health and safety implications and/or will have fundamental impact on service provision;
 - Service failure (SF): Relating to an operational asset that requires capital funding to ensure continued reliability or service provision;
 - Service improvement (SI): An asset that can be updated / upgraded to improve performance or function.

Project Category	Capital Project Bid Details	£'000
Vehicles		
SI	Scarab Road Sweeper	35,000
SF	Ford Tipper Truck	15,000
SF	2 Ride on John Deere mowers	41,000

Project Category	Capital Project Bid Details	£'000
E	Wood Chipper	17,600
E	Rolling replacement Van	20,000
Rivers		
SF	Rigid Inflatable Boat	60,000
Playsites		
E	Play site Resurfacing - WMCC & Hester place	28,000
SF	Multi Use Games Area (MUGA) Maldon	20,000
SF	MUGA Burnham-on-Crouch	26,000
Cemeteries		
E	Toilet Provision Maldon and Heybridge Cemetery	25,000
SI	Cemetery headstone plinths	20,000
Promenade Park		
E	Waste Transfer Station Containers	12,000
SI	Dog / Rubbish Bins prom park	21,000
Council Offices		
SI	Council office roof repairs	15,000
		355,600
Essential		102,600
Service Failure		177,000
Service Improvement		76,000

- 3.3 As part of the budget strategy the broad principles adopted in relation to capital are that expenditure should be financed from existing capital resources and not directly from revenue.
- 3.4 At the start of 2019 / 20 the Council had capital reserves totalling £3.1m. £1.5m was scheduled to be used to support the 2019 / 20 capital programme, which would leave £1.6m to support future programmes for 2020 / 21 and beyond.
- 3.5 In the absence of a sizeable capital receipt from a disposal of an asset, the Council will have used up its usable capital receipts within circa. 4 years at the rate of the capital programme suggested for 2020 / 21. That would mean that future capital programmes will have to be funded from borrowing. The Council is currently debt free.
- 3.6 The Committee should note that any large capital project(s) as a result of the Commercial Strategy will be presented for consideration on a project by project business case basis under the governance arrangements for the delivery of the Commercial Strategy. The financing options of those project(s) would be included as part of the business case for the project(s).

4. CONCLUSION

- 4.1 It is essential that the Council's assets are maintained to ensure continued reliability and service provision either at current or improved level.

- 4.2 The Committee is invited to comment on the capital schemes prior to their inclusion in the 2020 / 21 Capital Programme for Council approval in February 2020 / 21. Any revenue consequences of the capital projects so chosen will be included in the 2020 / 21 revenue budget.

5. IMPACT ON STRATEGIC THEMES

- 5.1 The Strategic and Financial Planning process is designed to ensure the Council delivers its organisational focus on Performance and value.
- 5.2 Each of the capital projects is also linked to the Strategic Themes.

6. IMPLICATIONS

- (i) **Impact on Customers** – The aims of the projects and impact on customers is outlined in **APPENDIX 1**.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – Risks have been considered as part of each project brief; this includes information about the risks should the project not be taken forward, as well as risks that may impact on the success of the project.
- (iv) **Impact on resources (financial)** – Both capital and revenue implications are outlined within **APPENDIX 1**. The capital programme will be financed internally by utilising capital reserves and the consequent impact on revenue will be factored into the Medium Term Financial Strategy.
- (v) **Impact on Resources (human)** – As well as financial factors, staff resources to deliver each project has been considered and this has been included within each project brief.
- (vi) **Impact on the Environment** – Many of the capital project bids are to maintain existing facilities or infrastructure. Any repair works will be undertaken sensitively to minimise the impact upon the wider environment.

Background Papers: **APPENDIX 1**.

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