



REPORT of DIRECTOR OF RESOURCES

**to
FINANCE AND CORPORATE SERVICES COMMITTEE
30 JANUARY 2018**

2017 / 18 TO 2020 / 21 CAPITAL PROGRAMME

1. PURPOSE OF THE REPORT

- 1.1 To provide Members with year to date spend information on the 2017 / 18 Capital Programme (Quarter 3).
- 1.2 To provide Members with information regarding proposed Capital projects for the 2018 / 19 financial year.
- 1.3 To provide Members with the Capital programme for approval and recommendation to the Council on 8 February 2018.

2. RECOMMENDATION

- (i) That Members note the contents of the Quarter 3 2017 / 18 Capital outturn table (**APPENDIX A**);

To the Council

- (ii) That the Capital programme be approved for 2018 / 19 to 2020 / 21 (**APPENDICES B and C**)

3. SUMMARY OF KEY ISSUES

3.1 Quarter 3 Capital Outturn

- 3.1.1 **APPENDIX A** provides details of capital projects being undertaken during the 2017 / 18 financial year. The information provided shows the status of each project at the end of Quarter 3.
- 3.1.2 The following projects have been approved but delayed meaning completion will not happen until the 2018 / 19 financial year. The budget will therefore be required to be carried forward into the next financial year.

Project	Year	£'000	Reason for delay
Tip Road Resurfacing	2016 / 17	80	Match funding being discussed with Essex County Council.

Project	Year	£'000	Reason for delay
New Accessible play site at Prom Park	2017 / 18	48	Match funded Section 106 project. Landscape architects commissioned to draw up plans.
Telephony Review / Upgrade	2016 / 17	5	The £5,000 budget was based on an analogue telephony replacement which is not future proof.
Heybridge Cemetery Chapel Roof	2017 / 18	24	Delayed due to Bat Surveys being required and subject to decision of Community Services Committee.

3.2 2018 / 19 Capital Programme

3.2.1 The 2018 / 19 project bids set out in **APPENDIX B** have been categorised by Officers into three main categories:

- 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;

3.2.2 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.

3.2.3 The proposed capital projects were considered by the Programme committees in November 2017. Total proposed capital expenditure for 2018 / 19 is £682,000 (this includes £420,000 of Disabled Facilities Grant related expenditure.) Additionally there is £157,000 relating to projects from 2017/18 as included in paragraph 3.1.2 above. The proposed indicative 2018 / 19 to 2021 / 22 capital programme is set out in **APPENDIX C**.

3.2.4 The Council is required to have regard to the Prudential Code set out by the Chartered Institute of Public Finance and Accountancy (CIPFA) when setting its budget. The code prescribes that certain indicators are to be calculated relating to maximum exposure to borrowing and impact of financing decisions on taxpayers (i.e. the affordability of these decisions by reference to the level of council tax that results). The borrowing related indicators have limited relevance to this Council at present and will be dealt with in the annual Treasury Management Strategy.

3.2.5 It is necessary to formally resolve a figure for the Council's capital financing requirement, which is currently zero. The current capital spending plans for the next three years will not cause a requirement to borrow; therefore the capital financing requirement in accordance with the Prudential Code for 2018 / 19 to 2021 / 22 inclusive will be zero.

3.2.6 The Council’s capital expenditure plans and intended funding methods for the current and following four years are summarised in the table below with the revenue impact of the full programme.

	2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 22
	£’000	£’000	£’000	£’000	£’000
Proposed Capital Programme	1372	839	487	487	477
Financing					
Capital receipts	882	419	67	67	57
Funds and contributions	30	-	-	-	-
Government grant	460	420	420	420	420
Impact on Council Tax					
Full Year Band D impact of financing £ (A)	0.59	0.28	0.04	0.04	0.04

3.2.7 As in previous years, the Council’s capital programme reflects the goals set out in the Council’s Corporate Plan as detailed below.

- Helping communities to be safe, active and healthy;
- Protecting and shaping the District;
- Creating opportunities for economic growth and prosperity;
- Delivering good quality, cost effective and valued services;
- Focusing on key projects.

4. CONCLUSIONS

4.1 The 2017 / 18 programme has been amended to take into consideration the known activity from the Q3 outturn.

4.2 Members are invited to comment on the capital project proposals prior to their inclusion in the 2018 / 19 budget and Capital programme.

5. IMPACT ON CORPORATE GOALS

5.1 The Strategic and Financial Planning process contributes towards our Corporate Goal “Delivering good quality, cost effective and valuable services”.

5.2 Each of the capital projects is also linked to the corporate goals.

6. IMPLICATIONS

- (i) **Impact on Customers** – The aims of the projects and impact on customers has been considered within each project brief.

- (ii) **Impact on Equalities** – Consideration of the impact on equalities will be undertaken by each of the responsible project Officers.
- (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 Project briefs attached. The capital programme will be financed internally by utilising capital reserves and the consequent impact on revenue has been factored into the Medium Term financial Strategy.
- (v) **Impact on Resources (human)** – As well as financial factors, availability of staff has been considered for each of the projects and this has been included within each project brief.
- (vi) **Impact on the Environment** – Many of the capital bids have been prepared to maintain existing facilities or infrastructure. Any repair works will be undertaken sensitively to minimise the impact upon the wider environment.

Background Papers: None.

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