

North Somerset Council

REPORT TO THE EXECUTIVE

DATE OF MEETING: 5TH FEBRUARY 2020

SUBJECT OF REPORT: CAPITAL STRATEGY 2020-2025 & CAPITAL BUDGET 2020/21

TOWN OR PARISH: ALL

OFFICER/MEMBER PRESENTING: CLLR ASHLEY CARTMAN, EXECUTIVE MEMBER FOR FINANCE & PERFORMANCE

KEY DECISION: YES

RECOMMENDATIONS

The Executive are asked to:-

- 1) **Recommend to Council for approval the following;**
 - i) the Capital Strategy 2020/21 to 2025/26 as per Appendix 1,
 - ii) an increase to the capital programme of £25.770m for a range of transport, housing, school and social care schemes as per Section 5.3, subject to confirmation of grant funding allocations,
- 2) **Delegate for approval** the detailed highways schemes to the Executive Member for Planning, Building Control, Highways and Transport,
- 3) **Approve** the amendments to the capital budget 2019/20 as detailed in appendix 4.

1. SUMMARY OF REPORT

The Capital Strategy outlines the Councils' approach to capital investment over the medium to long term, matching the planned service requirements and council priorities with its resource projections and asset management considerations. It is very much an overarching strategic plan, and is closely linked to other key plans and strategies, for example:

- The Corporate Plan – which sets the vision, aim and objectives for the Council
- The Local Transport Plan – which sets the context of the infrastructure requirements
- The Capital Programme – which details the planned expenditure and resources
- The Medium-Term Financial Plan (MTFP) – integrates associated revenue impacts
- The Treasury Management Strategy – integrates financing and cashflow implications
- Asset Management Strategy – which sets the context for holding and using assets
- Commercial Investment Strategy – which sets the framework for non-operational assets

2. POLICY

The Prudential Code for Capital Finance in Local Authorities was developed by CIPFA to support local authorities in taking decisions in capital investments. Key objectives within this Code are to ensure that local authorities capital investment plans are affordable, prudent and sustainable, and that associated treasury management decisions are taken in accordance with good professional practice and that local strategic planning, asset management planning and proper option appraisal are fully supported.

The Code requires Council to approve an annual capital strategy as part of its budget setting process. The purpose being to demonstrate that capital expenditure and investment decisions are in line with service objectives, and that the plans are affordable and sustainable, with the resulting revenue impacts fully integrated within the annual budget setting process. Council must also review and approve a series of prudential indicators which provide an assessment of the spending and financing plans on key metrics.

3. THE COUNCIL'S VISION, PRIORITIES AND LOCAL CONTEXT

The Council is currently in the process of refreshing its Corporate Plan and a separate report on this is being considered elsewhere on the agenda. Previously focus was placed on prioritising prosperity and opportunity, health and wellbeing and quality places. The proposed new council vision is focused around three new themes:

- **Fair** - Aim to reduce inequalities and promote fairness and opportunity for everyone.
- **Open** - Engage with communities and are realistic about the challenges and transparent in decision making.
- **Green** - Lead communities to protect and enhance the environment, tackle the climate emergency and drive sustainable development.

These themes have helped shape the following draft priorities:

A thriving and sustainable place

- A great place for people to live, work and visit
- Safe, welcoming, clean and vibrant communities
- A reduction in our carbon footprint to net zero by 2030
- A transport network which promotes active and low carbon travel
- An attractive place for business investment and sustainable growth
- A broad range of new homes to meet our growing need, with an emphasis on quality and affordability

A council which empowers and cares for people

- A commitment to protect the most vulnerable people in our communities
- An approach which enables children, young people and adults to lead independent and fulfilling lives
- A focus on tackling inequalities, improving outcomes and encouraging healthier lifestyles

- A collaborative way of working with partners and families to support children achieve their full potential
- A community which promotes learning and employment opportunities

An open and enabling organisation

- Engage with and empower our communities
- Manage our resources and invest wisely
- Embrace digital technology
- Empower our staff and encourage continuous improvement and innovation
- Provide professional, efficient and effective services
- Collaborate with partners to deliver the best outcomes

4. CAPITAL STRATEGY

Approach for the 2020/21 financial year

As noted above, the purpose of the Capital Strategy is to link the Council's priorities and service requirements with its capital investment decisions. The aim is to provide a clear and concise view of what capital investment and asset base is required, and why, how capital investment decisions will be made, and ultimately how such capital expenditure will be financed. Clearly these decisions and the resultant impacts will not only contribute to the council's future service delivery, but also the wider vision and choices that the council has with regards to its investment portfolio and asset base, and its sustainability.

The Capital Strategy is fundamentally driven by the aims and objectives described within the Corporate Plan, together with information held about the council's current asset base and core service delivery requirements.

Over recent months the council has consulted upon its new Corporate Plan which reflects the changing priorities of the political alliance. An Asset Strategy Board has been created, comprising of senior officers from across the council, which is started to review the current asset base and reflect future service need and strategic infrastructure requirements. In addition to reviewing existing assets, it will also consider any asset implications of delivering the council's ambitions around place making and managing demand across people services.

The draft Capital Strategy for 2020-2024, reflects the more immediate and urgent capital programme needs for the 2020/21 financial year. It will be kept under review with a greater focus on longer term need as the detailed asset planning work emerges and funding becomes clearer through the forthcoming spending review expected later in the year.

This is not an unusual process as although the Capital Strategy is an annual report which is approved before the start of the financial year, capital planning considerations within the council are currently part of the wider iterative financial process and are regularly reviewed and updated throughout the year. Changes to the capital programme are reflected within the monthly budget monitoring reports presented to the Executive, along with resource implications, and as a result the capital programme values vary throughout the year.

5. CAPITAL PROGRAMME

5.1 Introduction and General Principles

As described above, the Capital Strategy sets the overarching principles and direction that the council will adopt when approving capital investment decisions. The delivery of the Strategy happens through the **capital programme**.

Approval of the capital programme should be considered alongside other key financial strategies to ensure that the Council has a fully integrated, affordable and sustainable financial plan that covers the day to day operational service delivery with investment plans, funding decisions, and an understanding of the key risks within them. The plans include the Medium-Term Financial Plan (MTFP) and the Treasury Management Strategy.

The MTFP sets out the revenue implications of any capital investment decisions, whilst the capital programme specifically looks at how capital resources are used to finance capital expenditure. The treasury management strategy is concerned with the management of financial resources to optimise liquidity and security whilst minimising the net cost of borrowing. It also sets the limits for long term borrowing and the Council's policy for the repayment of unsupported borrowing, through the minimum revenue provision (MRP).

Each of these three strategies will be considered by the Executive with a recommendation onto Council for approval.

5.2 Capital programme 2019/20

The Council already has an approved capital programme for the 5-year period 2019-2024, which totals £133.697m. This programme reflects a wide range of spending proposals on both current and new assets. Examples include:

- the ongoing maintenance of existing road networks as well as the creation and enhancement of major infrastructure such as the Weston Town Centre Enhancement scheme, changes to J19 Wyndham Way in Portishead and the new North South Link road; and the creation of the rail network in Portishead.
- projects to support delivery of core services through the creation of new primary schools in Locking Parklands, Weston, and Chestnut Grove in Yatton, and extending existing schools to facilitate the increasing demand for places.
- schemes designed to create or improve infrastructure, facilities and other assets which benefit communities and neighbourhoods such as the flood relief projects, provision of parks and play areas, changes to leisure related services.
- capital grant allocations to providers to fund affordable housing schemes across North Somerset, and to individual residents so that they can make adaptations to their homes enabling them to continue to live independently.
- Ongoing maintenance and improvements to buildings and ICT systems and infrastructure which support delivery of many council services.

A summary of the current capital programme, along with the planned financing resources is shown in the table below.

Figure 1: Summary of the 2019/20 capital programme, as at 31 December 2019

Capital Expenditure Budgets	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	TOTALS £000
Childrens Services	11,396	6,685	0	0	0	0	18,081
Adults Services	771	0	0	0	0	0	771
Housing Services	3,590	693	0	0	0	0	4,284
Corporate Services	1,451	16,520	10,635	5,407	347	0	34,360
Development & Environment	45,778	29,781	642	0	0	0	76,201
Contingency	0	0	0	0	0	0	0
Total capital expenditure	62,986	53,679	11,277	5,407	347	347	133,697
Capital Funding Resources	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	TOTALS £000
Earmarked Grants	42,183	21,180	642	0	0	0	64,004
Unsupported Borrowing	6,145	18,152	10,000	5,000	0	0	39,297
Contribution & Earmarked Capital Rec	9,150	5,577	0	0	0	0	14,727
Revenue Contributions	0	0	0	0	0	0	0
Non Earmarked Receipts	5,509	8,771	635	407	347	0	15,669
Total Funding Resources	62,986	53,679	11,277	5,407	347	0	133,697

5.3 Additions to the capital programme

The council recognises that the capital programme contains a balance between one-off investment projects, and those schemes which recur each year, all of which need formal approval before inclusion within the programme. Some of this proposed expenditure has been known and scheduled for some time, whilst other proposals are reflective of emerging issues and service-related pressures and require approval prior to the start of the financial year.

Key areas to note include the following;

- Recurring capital schemes – these are largely funded by way of specific, or earmarked, resources such as capital grants from central government, for example, Basic Need Grant from the department for education to finance an increase in schools places or to meet deficit in school places and Local Transport Planning grant from the department of transport to fund the annual programme associated with the council’s highways network.
- Additional funding for highways network – over the past 4 years the council has invested significantly in its existing infrastructure assets to maintain and improve the condition of these assets, with a view to thereafter maintaining a steady state of repairs. This additional investment totalled approx £10m and was funded through a combination of the Council’s non-earmarked capital resources, and unsupported borrowing. A revised assessment of the condition of the Council’s infrastructure estate is currently being undertaken by the Asset Strategy Board, which will inform the scope and scale of future capital spending requirements for highways for 2021 and beyond. Until this review is completed it is recommended that an allocation of £1.5m is included within the

programme for 2020/21 in order to address some of the more pressing maintenance requirements.

- Leisure asset maintenance works – a detailed review is also being undertaken in respect of the council’s leisure related assets, and their current condition, which will help to shape and inform future decisions however, prior to the report being finalised some urgent and emerging issues have been identified which require urgent works to be completed next year.

The table below shows the proposed capital expenditure identified at this time which requires approval for inclusion within the Council’s programme, along with the associated funding sources. It should be noted that the Council’s revenue budgets and reserve forecasts are fully aligned with these proposals.

Figure 2: Additions to the capital programme 2020-2024

Additions to the Capital Programme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	TOTALS £000
Full Approval - Recurring Schemes							
School Places, incl breach classes		2,000	2,000	2,000	2,000	2,000	10,000
Disabled Facilities Grant		1,500	1,500	1,500	1,500	1,500	7,500
Social Care Aids and Adaptations		300	300	300	300	300	1,500
Re-purchase Leasehold Properties		1,500	1,500	1,500	1,500	1,500	7,500
LTP Highways Programme		4,873	4,873	4,873	4,873	4,873	24,365
Statutory Compliance		290	250	200	125	100	965
Corporate Asset Management Programme		0	0	400	400	400	1,200
Full Approval - One-off Schemes							
SEMH free school		107	0	0	0	0	107
Chestnut Park School, Yatton		737	0	0	0	0	737
Additional highways funding		1,500	0	0	0	0	1,500
Leisure asset maintenance works		510	0	0	0	0	510
Total - Approval		13,317	10,423	10,773	10,698	10,673	55,884
In Principle Allocation (subject to further approval stages)							
New Special School		12,153	0	0	0	0	12,153
Social Care Projects, incl DFG pressures		300	0	0	0	0	300
Total - In Principle Allocation		12,453	0	0	0	0	12,453
Total Additions to the Programme		25,770	10,423	10,773	10,698	10,673	68,337
Funding of the Capital Programme Additions	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	TOTALS £000
Earmarked Grants		21,920	8,923	8,873	8,798	8,773	57,287
Unsupported Borrowing		1,500	0	0	0	0	1,500
Contribution & Earmarked Capital Receipts		1,840	1,500	1,500	1,500	1,500	7,840
Revenue Contributions		510	0	0	0	0	510
Non Earmarked Receipts		0	0	400	400	400	1,200
Total Additions to the Programme		25,770	10,423	10,773	10,698	10,673	68,337

This will add to the capital expenditure previously approved by both the Executive and Council, thereby forming an initial draft capital programme for 2019-2025 which totals £202m. It should be noted that some of the values presented are indicative and subject to confirmation by the

awarding body, and so the final expenditure budget may be adjusted when final notifications are received to ensure that Council spending is aligned to funding resource levels.

Figure 3: Proposed total capital programme 2019-2024

Draft Capital Programme 2019-2025	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	TOTALS £000
Existing Approvals	62,986	53,679	11,277	5,407	347	347	133,697
New Approvals		25,770	10,423	10,773	10,698	10,673	68,337
Total Draft Programme	62,986	79,449	21,700	16,180	11,045	11,020	202,034

It is anticipated that further reports will be considered during 2020/21 when further strategic capital planning considerations have been completed by the Corporate Leadership Team and the Asset Strategy Board. An indication of some of these potential items are included in Section 3 of Appendix 2, although it should be noted that this is not a complete listing of all future potential capital investment priorities, it is provided for additional context and to enable calculation of the Council's prudential indicators, which are a requirement of the Code.

6. COMMERCIAL INVESTMENT STRATEGY

The Council's commercial investment strategy was approved in January 2019 following advice provided by Montagu Evans. The purpose being to acquire a portfolio of investments which generate a steady income and provide capital appreciation whilst contributing to the alleviation of service pressures and contribute to regeneration.

The strategy provides guidelines to aid investment decisions and create a balanced portfolio with weightings by sector and target yields above the cost of financing.

The income from commercial investment contributes to the cost of delivering services and in setting a balanced budget. Whilst financed by unsupported borrowing any additional risk from changes in income have been mitigated by top slicing income into reserves to protect against future fluctuations.

Recommendations on commercial investments are made by the Council's advisors Montagu Evans although any commercial investment decisions follow the Council's financial regulations and are assessed on a case by case basis along with other capital investment decisions. Business cases are presented to the Investment & Infrastructure Board for scrutiny and review before being formally approved as per the Council's approval process. The performance of commercial investments are regularly monitored on a monthly basis by the Head of Corporate Accountancy.

7. RISK MANAGEMENT

Figure 4: Key Capital Strategy Risks

	Risk area	Risk Score Before Mitigation			Potential mitigation	Risk Score After Mitigation		
		P	I	S		P	I	S
1	Level of capital grants not as estimated, or discontinued.	4	5	20	Maintain good track record in delivery of projects, and effective links with LGA & other networks.	3	5	15
2	Level of capital grants affected by alternate uses of the grant following NSC prioritisation process.	4	4	16	Consider presentation of prioritisation process and use NSC non-earmarked resources for alternate uses.	3	3	9
3	LTP Performance Reward grant not achieved at expected level.	2	3	6	Ensure criteria met and total spend at full govt grant level i.e. re-prioritise NSC element only.	2	3	6
4	Reduction in the level of Schools Mtce grant as schools transfer to academies, leaving those with possibly worse than average condition.	4	4	16	Effective monitoring of position and likely financial impact. Asset management planning to prioritise available funding.	4	3	12
5	Right to Buy Receipts lower than estimated	3	2	6	Effective monitoring and liaison with Alliance Homes.	3	2	6
6	Not achieving required capital receipts, or delay in receipts being achieved.	3	3	9	Maintain schedule – challenge ownership of council assets and only include lower risk disposals within projections.	3	3	9
7	Developer contributions may not meet full development needs.	5	5	25	Introducing new Community Infrastructure Levy, prioritisation of needs and additional funding sources.	4	4	16
8	Major Transport/ Infrastructure projects do not achieve full approval for funding	2	5	10	Maintain good track record in delivery of projects, and effective links with LEP.	1	5	5
9	Deterioration of currently held assets if sufficient funding not available e.g. schools, roads, offices, leisure assets etc	5	5	25	Asset management planning to prioritise available funding, and rationalisation of existing assets.	4	4	16
10	Potential increase in revenue costs if DFG spend insufficient.	4	3	12	Effective monitoring of position and likely financial impact. Links with Better Care Fund.	3	3	9
11	Impact on revenue costs if insufficient capital investment	5	3	15	Asset management planning to prioritise available funding	4	3	12
12	All resources for 5 years allocated, leaving nothing for projects which may not be ready yet.	4	4	16	Maintain headroom and encourage early development of pipeline projects	3	3	9
13	Project overspends within the overall programme may result in insufficient funding.	4	4	16	Effective monitoring of position and likely financial impact, holding of project contingencies within budgets and re-prioritisation where necessary.	3	4	12

Key: P = Probability / I = Impact / S = (Risk) Score
Score range: 1-5, 5 being highest risk

These risks will continue to change and evolve over the coming months and we will adapt the risk register and mitigation accordingly.

8. EQUALITY IMPLICATIONS

N/A

9. CORPORATE IMPLICATIONS

NA

10. OPTIONS CONSIDERED

NA

11. AUTHOR

Richard Penska, Interim Director of Finance & Resources, Richard.penska@n-somerset.gov.uk

Melanie Watts, Head of Corporate Accountancy, melanie.watts@n-somerset.gov.uk

BACKGROUND PAPERS

Reports presented to the Executive:

Capital Strategy report 2019/20 (Feb 2019),

Budget monitoring reports 2019/20 (July 2019-January 2020)

MTFP and Revenue Budget update (Feb 2020), Treasury Management Strategy (Feb 2020)

APPENDICES

Appendix 1 Capital Strategy

Appendix 2 Capital Programme

Appendix 3 2019/20 Capital Programme Summary

Appendix 4 2019/20 Changes to the Capital Programme

CAPITAL STRATEGY AND ASSET REQUIREMENT

1. General principles for capital planning

There are some general strategic principles underlying capital planning for all services which are to:

- Integrate capital planning into the Council's overall strategic planning, both in general and as part of the Corporate Plan and Budget and the Long-Term Financial Plan
- Maximise external funding and supplement this with the Council's own resources where appropriate, especially where external funding supports the Council's priorities
- Procure the use of capital assets where this is affordable and delivers best value for money to the Council, including a robust process for the appraisal and approval of capital projects and programmes
- Work with partners, including the community, businesses and other parts of the public and voluntary sector, whilst retaining clear lines of accountability and responsibility.
- Relate capital resources and expenditure planning to asset planning.

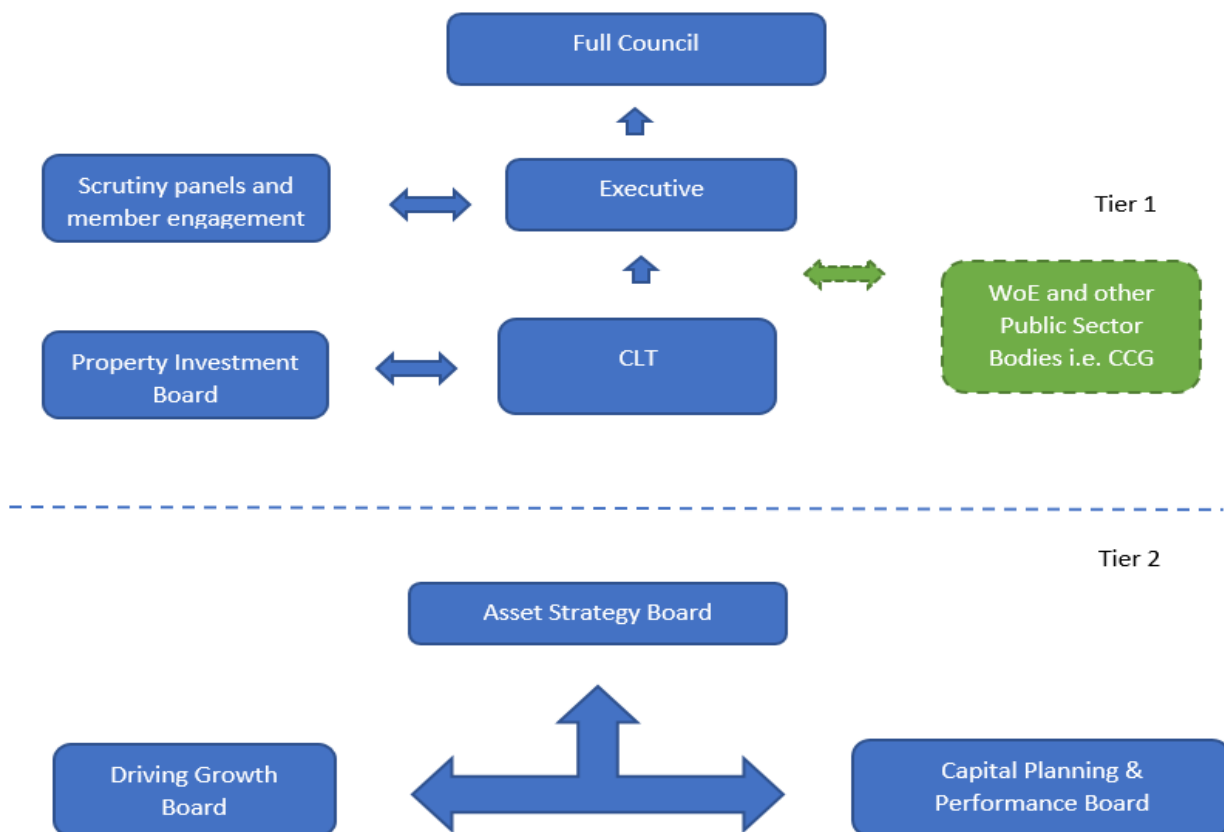
2. Strategic capital priorities

The Council's vision and priorities have shaped where capital investment has been made in the past, and will continue to do so in the future, although priorities may change following the approval of the council's revised Corporate Plan in February 2020, and the development of proposals recently discussed by members of the Corporate Leadership Team and the Asset Strategy Board. The following projects and initiatives are examples of the Council's initial strategic priorities, although they will be confirmed later in the financial year:

- Meet statutory obligations
- Provides high quality community services
- Deliver quality housing supply
- Delivers placemaking, economic development and growth
- Improves infrastructure
- Delivers on reducing the impact of climate change
- Increases revenues, reduce costs or enable future investment
- Contributes to the development of sustainable neighbourhoods

3. Governance

Capital investment decisions are made in accordance with the Council's financial regulations. On the 18th of July 2017 the Council's financial regulations were updated and approved by full Council. These regulations set out the governance of budget setting, budget monitoring, financial administration and financial controls, as well as the procedure for approving capital expenditure as detailed below.



3.1 Property Investment Board

The existing Board chaired by the Leader of the Council was formally constituted by Council to oversee commercial investment decision and their performance. It is envisaged that part of a broader governance review that the remit of this Board would be extended to provide an Executive Member steering Group.

3.2 Asset Strategy Board (Steering Group)

The newly formed asset strategy board, chaired by the Chief Executive Officer, will set an overarching strategy and direction of travel, linked to the corporate plan priorities and agree resource levels linked to the MTFP and impacts on prudential indicators and affordability. It will provide recommendations to the Executive with regards to developing the Capital Strategy and the Council's Asset Management Plan.

3.3 Capital Planning and Performance Board (formerly known as the Infrastructure and Investment Board)

The capital planning and performance board provide recommendations to the Asset Strategy Board with regards to developing the Capital Strategy, the council's Asset management plan, the disposal programme and disposal policies as well as reviewing the s106 programme. The board are also responsible for monitoring and developing best practice in capital investment, disposals and asset management. Priorities are based on corporate priorities with options and investment appraisal based on the need to optimise investment and use of assets.

Each directorate has nominated representatives on the board which is currently chaired by the Interim Director of Finance and Property.

3.4 Driving Growth Board

The main priorities of the driving growth board relate to strategic visioning of the places within North Somerset and putting communities at the centre of of planning considerations. This is achieved through revitalising towns to make them more prosperous, facilitating housing developments where required, supporting key infrastructure projects and bringing more growth to the area.

3.5 Capital Programme Approvals

The approval of spend for inclusion within the capital programme is currently a two-stage process. Initial proposals which are aligned to the principles and objectives of the Corporate Plan are created by services and considered by the Asset Strategy Board. A detailed and costed proposal is reviewed by the Infrastructure and Investment Board before decisions are then approved and signed off depending on the value of the project:

- Greater than £5m – Council
- Greater than £1m and less than £5m – The Executive
- Greater than £0.5m and less than £1m – Director, S151 and Executive Member
- Less than £0.5m - Director and S151 approval

3.6 Council and the Executive

Council and the Executive are the key democratic decision-making bodies nominated within the Council's constitution. The Council approves the key policy documents and the capital programme as part of the Council's Policy and Budgetary Framework. The Executive recommends priorities, policy direction and the capital programme to the Council for approval. The Executive also approves new inclusions to the capital programme in line with the scheme of delegation and the financial regulations.

4. **Service priorities**

Each service has developed their own strategy in line with the Corporate Plan which sets out service priorities over the next few years and identifies the services resource requirement, shaping the capital resources required in the capital programme to fund new assets and maintain existing ones. The individual capital strategies are therefore shaped by each service and set out in several key strategic documents.

4.1 Existing Assets

The suitability and condition of the council's existing assets to meet service requirements are reviewed through:

- **Corporate asset management plan** – The ongoing maintenance requirements of the Council's main offices at Town Hall and Castlewood are managed through the Corporate Asset Management Plan and as per the September 2016 Executive report <http://apps.n-somerset.gov.uk/cairo/docs/doc27556.pdf>

This includes portfolio management, estate management, energy efficiency and regeneration strategy

- **Highways asset management plan** – The Highways Asset Management Strategy sets out the process of asset management and the strategy for maintaining the Council’s highways infrastructure. The document sets out the principles for investment in the major asset types including carriageways, street lighting and traffic management and highways structures.

<http://www.n-somerset.gov.uk/wp-content/uploads/2018/07/highways-asset-management-strategy.pdf>

For investment in the management of highway assets we take an asset management approach. This balances the need to repair life expired roads/ assets in poor condition with more preventive measures which extend the life of existing assets. We use surveys to provide information on the condition of assets and supplement this with data relating to road safety, traffic volumes, community facilities, customer complaints etc to help determine the final priority of resources. We complete an annual self-assessment for the Department for Transport which checks our approach against 22 criteria. Our most recent assessment showed that we were a level 3 authority for asset management which is the highest level possible.

4.2 New Assets

- **Schools programme** –Education Provision in North Somerset ~ A Commissioning Strategy 2018 – 2021 is the policy base for local decisions in relation to school place planning and the school’s capital programme. This strategy was approved by the council’s Executive in September 2018 following a period of public consultation - <http://www.n-somerset.gov.uk/wp-content/uploads/2018/09/Education-Provision-in-North-Somerset-a-commissioning-strategy.pdf> The document provides the strategic overview of how North Somerset Council, acting as the local ‘Children’s Champion’, and working in partnership with others, will secure sufficient suitable education and training to meet the reasonable needs of all children and young people in its area. The Council works with its partners (schools, academies, health and care professionals) with the aim of securing sufficient places for children and young people resident in North Somerset.

Capital allocations come to the council from a range of sources including: Basic Need; Targeted Basic Need; s106 contributions/Community Infrastructure Levy (CIL) and Free School Bids. The Department for Education (DfE) may also allocate bespoke funding for priority areas as national priorities dictate. Whilst the Local Authority (LA) receives a Maintenance Allocation to cover urgent health and safety and condition needs of Community and Voluntary Controlled (VC) schools, and Voluntary Aided (VA) schools have been supported by the Locally Coordinated Voluntary Aided Programme (LCVAP), all schools have earmarked Devolved Capital paid to them to meet the improvement needs of their sites. Smaller academies/academy chains can bid for funds from the Academies Condition Improvement Fund whilst larger academy chains qualify for School Condition Allocations.

- **ICT replacement programme** – New software, ICT hardware and network requirements are identified through the ICT replacement programme in collaboration with the council’s partnership with Agilisys.

- **Major projects** - Investment in major projects are drawn from the priorities identified in the Corporate Plan and Joint Local Transport Plan. These have been tested at a strategic level against plan objectives and also for deliverability and an initial value for money assessment. In many cases, investment in major projects requires external funding bids and so the criteria for these also influences the order in which projects are bought forward. The largest projects, particularly those above £5m are assessed in detail for value for money, following criteria set by Government, and a cost benefit ratio (BCR) is calculated to measure the return on investment (Benefits/ costs). Government determines that a BCR above 2 provides “high” value for money and is typically used as the minimum threshold for which projects will be funded. For large projects costing less than £5m a BCR is also frequently generated but often using a cheaper and more proportionate methodology. All of the major project currently being promoted or delivered by the council have a BCR above 2.
- **Better Care Fund** - An annual capital grant is received from Government to resource Disabled Facilities Grants (DFGs) and Social Care capital projects, as part of the Better Care Fund arrangements. DFGs fund adaptations to homes to support disabled people to live independently and their award is mandatory, subject to eligibility criteria being met. The resource requirements for DFGs is therefore demand led. Subject to the demand for DFGs a range of social care capital projects could be supported through the Government grant, including investment in new supported housing, assistive technology and other aids and adaptations. The council’s Housing with Support Strategy and Housing Strategy set out priorities for investing in new supported housing
- **Development** – A programme of development delivery is being drafted to create an investment programme to stimulate growth and equality. With priorities to bring forward council owned land for development to accelerate housing growth across the region, including areas such as Weston, Portishead, Nailsea and the surrounding towns across North Somerset.

CAPITAL PROGRAMME

1. The Current Programme 2019/20

The current capital programme 2019/20 covers the period up to 2021/22 and forms a basis for setting the budget for the new financial year 2020/21 and has been built up in several phases following different stages of approval, and comprises of the following;

- the rolling 5-year capital programme approved by the Executive in February 2018,
- new schemes for 2019/20, approved by the Executive in February 2019,
- slippage from the previous year - slippage includes budgets that have remained unspent at year-end due to changes within planned timescales
- changes which have occurred since April 2019 – these have been considered by the Investment and Infrastructure Board, or approved by Directors, Executive Members, or Council

Appendix 3 presents Members with a detailed schedule showing all of the schemes within the Council's capital programme and includes the budget for the current year and also the following four financial years. At this time, it is estimated that the Council's overall programme totals £133.697m, of which £62.986m relates to the current financial year.

In addition to the project expenditure costs, the schedule also provides details of how these schemes will be funded and what types of resources will be used. The largest proportions of the programme will be funded by grants and contributions (£76.343m) and long-term borrowing (£39.296m).

The capital summary shows that the council has spent £29.738m in 2019/20, and ordered, approximately £11.770m. The expenditure for 2019/20 equates to 65.9% of its budget for the year. Members will be aware that the spending profile of large capital projects is different to the profiles within the annual revenue budget, in that a large degree of planning and preparatory work is carried out towards the start, in advance of actual spend being incurred.

Appendix 4 details changes to the approved capital programme reflecting re-phasing of capital works, increased grant funding and other decisions recommended for approval by the Investment & Infrastructure Board or the Section 151 Officer. These changes require formal approval through this report.

In order to prioritise future capital projects and develop the capital programme, the I&I Board need to turn the corporate plan priorities into a capital strategy, from which the capital programme priorities will be established.

2. New Approvals from 2020/21

In the last few months, the Council's Corporate Leadership Team, the Asset Strategy Board and the Investment & Infrastructure Board have considered the main areas requiring immediate capital investment, and are recommending the following:

2.1 Breach Classes

Approval of £2m is sought for Breach classes to meet deficit in school places, where permanent demand is not sustainable or where enough resources to create permanent solutions are not available in 2020/21. This will be funded from the Basic Need Grant allocation.

2.2 Better Care Fund, including Disabled Facilities Grants and Aids & Adaptions

Funding for Disabled Facilities Grants continues to be included within the Better Care Fund, (BCF) arrangements and as such they have requirements, which includes approval of the use of funding through the Health and Well-Being governance arrangements. The grant conditions require the funding is only spent on Disabled Facilities Grants and Social Care capital projects. As a result, it would not be possible to re-direct such grants to other areas of spend and means that we therefore propose to continue to allocate 100% of this capital funding directly to Disabled Facilities Grants and Social Care projects.

The BCF capital allocation has not yet been announced for 2020/21, but the council expects to receive a small increase in line with inflation. The current MTFP report includes an assumption that, as per last year, £300k of this BCF allocation will be utilised for capitalised spend on Aids and Adaptations in 2020/21 and will therefore need to be included within the capital programme. This will leave a balance of £1.7m to meet the projected demand for DFGs of some £1.5m with the remainder to be allocated towards other social care capital projects and any excess resource requirement for DFGs, depending on the emerging pressures and priorities.

2.3 Repurchase of Leasehold Properties 2020/21

There is a legal requirement under the terms of the leases of the Council's sheltered accommodation to buy back the properties should the owner wish to sell them. This repurchase is usually self-financing using the proceeds of the onward sale of the properties although a reserve is held to even out any cash flow issues that may arise from this process. The buy-back of leases is considered as capital expenditure and therefore needs to be incorporated within the programme.

2.4 Highways Investment

The Council receives an annual allocation of funding to support maintenance and improvements to the road network, through the Local Transport Plan (LTP) grant.

At present only indicative allocations of LTP grant are known for 2020/21 onwards and these have been included within the current programme – the final allocations will be confirmed in Spring 2020 and will be updated in the Programme at that time.

In addition to this further funding of £1.5m is also proposed to ensure the backlog of highways repairs are undertaken and that the condition of the highway's infrastructure assets is maintained in a steady state through additional investment. As in previous years this will be

funded from unsupported borrowing, the costs of which are included within the Council's annual revenue budget.

2.5 Schools Capital Maintenance / Statutory Compliance

The 2020/21 Schools Capital Maintenance grant has not yet been announced. However, as this is affected by other factors including transfers to academy status, it is expected that this to be a lower allocation than in previous years. An 'in principle' budget is recommended for approval in the programme but will need to be amended once the figure is confirmed. This is currently estimated to be in the region of £0.290m.

2.6 SEMH Free School

Social, Emotional and Mental Health (SEMH) Free-School – the Council was successful in its bid for the DfE/ESFA to deliver a new SEMH Free School in Churchill. The Council is working with the DfE to secure a sponsor for the site. Interviews have been delayed until after Christmas due to purdah, but it is hoped a sponsor will be secured in the new year. Whilst the ESFA will deliver the scheme, they have an expectation the Council will cover any site abnormal costs. These are likely to include the re-routing of power lines over the site and potential highways improvements to allow access to the site. A provisional allocation has been identified from the Special Provision Fund for this purpose.

2.7 Chestnut Park

The final cost plan from the design and build contractor has now been received and is forecast to cost £5.710m in comparison with the current budget of £4.973m. The additional cost of the build will be funded from basic need grant funding and s106 contributions of £0.397m and £0.340m respectively.

2.8 Leisure Assets

Urgent repairs are required across the Council's leisure portfolio to address health and safety requirements at three different sites. The proposed expenditure will prevent closure at these sites and will include roof repairs, new boilers, and upgrading air handling units and pool filters. These costs are forecast to be £0.510m and will be funded from a revenue contributions set aside in the MTFP.

2.9 New Special School

There is a projected increase in demand for special school places for pupils with Severe and Profound Learning Difficulties (S&PLD) due to demographic growth and an increase in the numbers of pupils with these learning characteristics. This is supported by various reviews, reports and consultation undertaken since 2017.

A public consultation asking for views on the possible expansion of Baytree Special School was undertaken between Thursday 19 September 2019 to Friday 25 October 2019. 96% of the 428 responses received agreed there is a need to create more places for pupils with Severe and Profound Learning Difficulties. 93% of consultees agreed that to take more pupils, Baytree Special School needs to expand onto a second site.

The report totals include an increase to the capital programme in 2020/21 in 'Principle' of £12.153m for the creation of a new special school site, subject to a separate report to full Council.

3. Potential Future Approvals

Several other capital schemes may be progressed over the coming months with several bids having been submitted and awaiting outcomes. These have been excluded from the capital programme until funding sources have been confirmed and will be reported separately at the appropriate time to the Executive or Council.

However in addition to those schemes, the Council continues to plan for investment in other areas, shown below are potential changes to the capital programme which may be presented to the Executive or Council in the year ahead, and which will need to be considered as part of the overall strategic planning assumptions to ensure that they meet the required aims and objectives, are robustly costed, financed and deemed affordable and sustainable, and can be delivered within the required timescales.

For clarity, these are **not** being considered for inclusion within the capital programme at this time, nor do they represent a complete schedule of the Council's investment priorities being considered, they are currently the most developed and / or material in terms of value or impact. It is possible that other areas of capital investment will be included within future Strategy reports.

3.1 MetroWest Rail Phase 1

The Development Consent Order (DCO) was successfully submitted to the planning inspectorate in December 2019. A budget has already been set to cover the 18 month period required to complete the process, with £4.93m allocated in 19/20 and £7.159m in 20/21 following approval of the Capital Strategy in February 2019.

The end of the DCO will end the development stage of the project and bring in the start the construction phase. With the project now fully funded future approvals totalling £88.614m will be required at a future date. This will be funded from multiple sources with £5.86m in contributions from the WECA, £31.9m from the DfT and £30.7m from Economic Development Funding, initially backed and funded from un supported borrowing. The balance of funding will be from the Council's internal resources.

3.2 Housing Infrastructure Fund (HIF)

The Council applied for £97m of grant funding from Homes England's Housing Infrastructure Fund in 2019/20 and has been successful in its application. The bid included a new Bypass in Banwell, transport improvements, installation of supporting utilities a new secondary school at Weston Villages, flood defences and associated land purchases. Once funding terms and conditions have been agreed with Homes England a full report will be presented to full council for its approval and addition onto the capital programme.

3.3 Winterstoke Road Bridge

Work is progressing with the MOD to agree Heads of Terms for the funding of the Winterstoke Road bridge. The bridge is life expired and it is no longer economic to repair the bridge with

replacement being the necessary course of action if the route is to be maintained. The bridge is located in an industrial area where a large number of heavy goods vehicles benefit from the use of carriageway. As a result it was necessary to impose a 7.5T weight restriction in December 2018 for the safety of highway users.

It has been estimated that a replacement bridge will cost in the region of £10.8m. In the last financial year an initial approval of £0.4m was approved to progress initial design works. Once funding terms have been agreed a separate report will be presented to Council regarding the schemes full approval.

3.4 Locking Parklands Healthcare

A report was presented to the Executive in September 2019 regarding a proposed health care centre on land at Locking Parklands earmarked through a s106 agreement with the housing developer. The funding of the scheme will be provided by the NHS and is nearing the final stages of the NHS approval process. Once funding has been agreed a separate report will be presented to the Executive to progress with an estimated total scheme cost of £3m.

3.5 Development Programme

Several potential development schemes are being assessed to bring forward the delivery housing on Council owned land, with outcomes sought such as increasing the proportion of affordable homes, the creation of quality homes and speeding up the rate delivery of housing in the region. The schemes are also linked to the Council's place-making strategies although are currently only conceptual at this stage and will be brought to Council once more detailed plans have been developed.

3.6 Utilities

Within the current capital programme approval exists for the installation of utilities onto the North South Link road. It is proposed extending these utilities apparatus from the southern boundary of the link road to the new extended section. It is estimated to cost an additional £0.397m for this additional piece of work. Funding has yet to be identified, however one possible source could be to use £0.219m from the budget for Land at Locking Parklands set aside for gas protection works which are no longer required.

3.7 Existing Assets

Additional expenditure will be required to ensure Council owned assets are maintained to support ongoing service delivery. Work is currently being undertaken to review and prioritise which assets will receive future investment. The outcome is likely to lead to a commitment from headroom resources and possibly unsupported borrowing in the next financial year.

3.8 Special Educational Needs & Disability (SEND) Capital

The proposed additions to the capital programme include a new special school to accommodate increased demand for SEND places. Long term planning has identified the need for an additional 50 places over and above those currently being resourced at the new school. This is estimated to cost approximately £0.5m and funded from the existing DfE grant allocation. A separate report on the SEND strategy will be prepared for a future meeting of the asset steering group

3.9 New Care Home

Capacity within the social care market is currently insufficient to meet the growing demand for places. A proposal is in the early stages of development with an outline business case being drafted for the Council to stabilise the market and provide some intervention to ensure the required places are provided and to provide certainty on bed prices. This intervention is estimated to cost in the region of £6.6m with a proposal to fund the project from unsupported borrowing. This is in the early stages of development and is included for information only at this time.

A summary of the emerging projects which may potentially be approved in the future has been summarised below, although these values are subject to validation and have been included to provide scale and context to the Council's strategic planning considerations in the medium-term, as required by the CIPFA Prudential Code.

Figure 5: Extract showing some potential future capital investment

Potential Future Capital Investment 2020-2025	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	TOTALS £000
MetroWest Rail Delivery		4,930	54,231	29,453	0	0	88,614
Housing Infrastructure Fund (HIF)		38,406	32,750	28,300	0	0	99,456
Winterstoke Road Bridge		1,000	2,000	5,000	5,000	0	13,000
Locking Parklands Healthcare		2,000	1,000	0	0	0	3,000
Potential Development Programme		2,500	12,800	26,682	0	0	41,982
Utilities, Locking Parklands		178	0	0	0	0	178
Maintenance of existing assets		1,969	846	1,157	1,115	0	5,087
SEND capital		500	0	0	0	0	500
New Care Provision		6,600	0	0	0	0	6,600
Total Potential Future Approvals		58,083	103,627	90,592	6,115	0	258,417

Figure 6: Potential future capital programme

Forecast of Potential Future Investment 2020-2025	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	TOTALS £000
Existing Approvals	62,986	53,679	11,277	5,407	347	0	133,697
New Approvals	0	25,770	10,423	10,773	10,698	10,673	68,337
Potential Future Approvals	0	58,083	103,627	90,592	6,115	0	258,417
Total Potential Capital Programme	62,986	137,532	125,327	106,772	17,160	10,673	460,451

4. Prudential Indicators

4.1 Introduction and context

The Prudential Code was updated in 2017 following consultation with local authorities to improve the transparency of investment decisions. Changes to the Code include the requirement to produce a Capital Strategy which contains a schedule of **prudential indicators** within the report to allow the reader to understand overall financial impact of capital investment decisions, although with a focus on debt levels and how this will be repaid.

Local authorities are also required to consider the impacts of capital planning on its treasury management strategy, as treasury management is concerned with keeping enough but not excessive cash available to meet the Council's spending needs, while managing the

associated risks. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed, it is therefore important to integrate the financial impacts arising from these strategies.

4.2 Borrowing strategy

The Council's main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheaper short-term loans (currently available at around 0.75%) and long-term fixed rate loans where the future cost is known but higher (currently 2.0 to 3.2%).

Projected levels of the Council's total outstanding debt (which comprises borrowing and leases) are compared with the capital financing requirement.

Figure 8: Prudential Indicator: Comparison of Gross Debt and Capital Financing Requirement

Gross Debt & Capital Financing Requirement (£m)	Actual 31/03/19	Forecast 31/03/20	Budget 31/03/21	Budget 31/03/22	Budget 31/03/23
Debt (Incl leases)	185.33	189.00	219.00	253.00	309.00
Capital Financing Requirement	195.50	196.66	222.01	257.11	312.50

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen the Council expects to comply with this in the medium term.

4.3 Affordable borrowing limit

The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year in line with statutory guidance, which cannot be exceeded, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Figure 8: Prudential Indicator: Authorised Limit and Operational Boundary

Authorised Limit and Operational Boundary for external debt (£m)	Limit 2019/20	Limit 2020/21	Limit 2021/22	Limit 2022/23
Authorised Limit - borrowing	219.00	223.00	263.00	327.00
Authorised Limit - leases	55.00	30.00	30.00	30.00
Authorised Limit - total external debt	274.00	253.00	293.00	357.00
Operational Boundary - borrowing	211.00	211.00	249.00	310.00
Operational Boundary - leases	50.00	30.00	30.00	30.00
Operational Boundary - total external debt	261.00	241.00	279.00	340.00

It is estimated that the current forecast level of long term borrowing for 2019/20 will be £189m (PWL B £147m, Ex Avon loan Debt £13.3m and £23.187m long term leases).

4.4 Investment strategy (Treasury)

Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Longer-term investments may also be held in pooled funds.

Figure 9: Prudential Indicator: Projected Investment Balances

Treasury Management Investments (£m)	Actual 31/03/19	Forecast 31/03/20	Budget 31/03/21	Budget 31/03/22	Budget 31/03/23
Short-term Investments	70.68	100.00	100.00	100.00	100.00
Long-term Investments	9.84	9.80	9.80	9.80	9.80
Total Investments	80.52	109.80	109.80	109.80	109.80

Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Corporate Accountancy and other senior staff, who must act in accordance with the treasury management strategy approved by Council. Reports on treasury management activity are presented to the Audit Committee for scrutiny.

In addition to debt of £189m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £250.527m).

Decisions on incurring new discretionary liabilities are taken by service managers in consultation with the Director of Finance and Property. The risk of liabilities crystallising and requiring payment is monitored by finance and reported to audit and accounts committee. New liabilities are reported to Audit Committee and recommendations made to Council.

4.5 Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP and loans fund repayments are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from council tax, business rates and general government grants.

Figure 10: Prudential Indicator: Proportion of financing costs to net revenue stream

Proportion of financing costs to Net Revenue Stream	Actual 31/03/19	Forecast 31/03/20	Budget 31/03/21	Budget 31/03/22	Budget 31/03/23
Financing costs (£m)	10.97	12.89	12.37	14.16	16.72
Proportion of Net Revenue Stream	7.12%	8.46%	7.44%	8.42%	9.68%

4.6 Knowledge and Skills

The council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.

Where council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The council currently employs Arlingclose Limited as treasury management advisers and Montagu Evans as property consultants. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

MONITORING OF 2019/20 CAPITAL PROGRAMME							APPENDIX 3							
	APPROVED BUDGET					TOTAL APPROVED BUDGET	MONITORING TO 31 DECMEBER 2019			APPROVED FUNDING				TOTAL APPROVED FUNDING
	2019/20 Estimated Spend	2020/21 Estimated Spend	2021/22 Estimated Spend	2022/23 Estimated Spend	2023/24 Estimated Spend		Actual Spend	Commitments	2019/20 Total Cost	Borrowing	Grants & Contributions	Reserves & Revenue	Capital Receipts	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
APPROVED GENERAL FUND CAPITAL SCHEMES														
P&C Children & Young People	11,395,959	6,685,205	0	0	0	18,081,164	6,515,513	846,357	7,361,871	0	18,044,676	8,785	27,703	18,081,164
P&C Adult Social Services	771,113	0	0	0	0	771,113	220,710	212	220,922	0	552,081	0	219,032	771,113
P&C Housing	3,590,190	693,498	0	0	0	4,283,688	2,094,652	118,653	2,213,305	0	2,278,140	0	2,005,548	4,283,688
Corporate Services	1,450,863	16,520,000	10,635,000	5,407,000	347,000	34,359,863	666,391	434,670	1,101,062	30,032,915	24,805	1,012,257	3,289,886	34,359,863
Development & Environment	45,778,133	29,780,592	642,000	0	0	76,200,725	20,003,254	10,461,429	30,464,683	9,263,659	55,343,301	290,888	11,302,878	76,200,726
AUTHORITY TOTAL	62,986,258	53,679,295	11,277,000	5,407,000	347,000	133,696,553	29,500,521	11,861,321	41,361,842	39,296,574	76,243,003	1,311,930	16,845,047	133,696,555
									66%	29%	57%	1%	13%	
P&C CHILDREN & YOUNG PEOPLE														
Primary Schools														
Breach Classes	0	400,000	0	0	0	400,000	0	0	0	0	400,000	0	0	400,000
Flax Bourton Phase 2	19,603	0	0	0	0	19,603	10,377	1,261	11,638	0	19,603	0	0	19,603
Parklands Temporary School	11,976	0	0	0	0	11,976	343	0	343	0	11,976	0	0	11,976
Parklands Primary School	5,000,000	3,645,678	0	0	0	8,645,678	4,354,631	8,016	4,362,648	0	8,645,678	0	0	8,645,678
New Yatton Primary School	2,000,000	2,639,527	0	0	0	4,639,527	155,831	350,000	505,831	0	4,639,527	0	0	4,639,527
Blagdon Primary School	160,000	0	0	0	0	160,000	0	0	0	0	160,000	0	0	160,000
Secondary Schools														
Secondary Places in Portishead	12,100	0	0	0	0	12,100	0	0	0	0	12,100	0	0	12,100
Central Secondary	557,927	0	0	0	0	557,927	0	0	0	0	557,927	0	0	557,927
Weston places	0	0	0	0	0	0	-985	0	-985	0	0	0	0	0
Special Schools														
SEND - Specialist Provisions	0	0	0	0	0	0	39	0	39	0	0	0	0	0
Resource Base	275,000	0	0	0	0	275,000	0	0	0	0	275,000	0	0	275,000
Baytree Special School	1,000,000	0	0	0	0	1,000,000	337,208	423,319	760,527	0	1,000,000	0	0	1,000,000
Westhaven Special School	31,000	0	0	0	0	31,000	2,510	0	2,510	0	31,000	0	0	31,000
Programmes														
Devolved Formula Capital	90,416	0	0	0	0	90,416	184,971	0	184,971	0	90,416	0	0	90,416
Statutory Compliance	1,618,443	0	0	0	0	1,618,443	1,473,424	63,761	1,537,185	0	1,618,443	0	0	1,618,443
Contingency Fund	610,709	0	0	0	0	610,709	0	0	0	0	583,006	0	27,703	610,709
Youth, Play & Pre-School														
EY - Long Ashton Extension Project	8,785	0	0	0	0	8,785	-2,835	0	-2,835	0	0	8,785	0	8,785
Sub total	11,395,959	6,685,205	0	0	0	18,081,164	6,515,513	846,357	7,361,871	0	18,044,676	8,785	27,703	18,081,164
									65%					

MONITORING OF 2019/20 CAPITAL PROGRAMME							APPENDIX 3							
	APPROVED BUDGET					TOTAL APPROVED BUDGET	MONITORING TO 31 DECMEBER 2019			APPROVED FUNDING				TOTAL APPROVED FUNDING
	2019/20 Estimated Spend	2020/21 Estimated Spend	2021/22 Estimated Spend	2022/23 Estimated Spend	2023/24 Estimated Spend		Actual Spend	Commitments	2019/20 Total Cost	Borrowing	Grants & Contributions	Reserves & Revenue	Capital Receipts	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
P&C ADULT SOCIAL SERVICES														
Ebdon Court Redevelopment	204,188	0	0	0	0	204,188	0	0	0	0	43,412	0	160,776	204,188
Other														
Aids & Adaptations Equipment	302,856	0	0	0	0	302,856	163,560	0	163,560	0	302,856	0	0	302,856
Housing & Technology Fund	5,813	0	0	0	0	5,813	179	0	179	0	5,813	0	0	5,813
ALS Replacement	58,256	0	0	0	0	58,256	56,972	0	56,972	0	0	0	58,256	58,256
Awaiting Full Approval														
Social Care Projects/ Other DFG pressures	200,000	0	0	0	0	200,000	0	0	0	0	200,000	0	0	200,000
Sub total	771,113	0	0	0	0	771,113	220,710	212	220,922	0	552,081	0	219,032	771,113
									29%					
P&C HOUSING														
Disabled Facilities Grants	1,471,415	0	0	0	0	1,471,415	946,224	118,653	1,064,877	0	1,471,415	0	0	1,471,415
Other Private Sector Renewal	29,725	0	0	0	0	29,725	52,433	0	52,433	0	29,725	0	0	29,725
Assistance to Housing Associations														
Social Housing Grants (LASHG)	0	693,498	0	0	0	693,498	0	0	0	0	272,000	0	421,498	693,498
Social Housing Grants (LASHG) - re S106	505,000	0	0	0	0	505,000	0	0	0	0	505,000	0	0	505,000
Other														
Repurchase Leasehold Property	1,509,050	0	0	0	0	1,509,050	1,095,995	0	1,095,995	0	0	0	1,509,050	1,509,050
First Time Buyer Loan Scheme	75,000	0	0	0	0	75,000	0	0	0	0	0	0	75,000	75,000
Sub total	3,590,190	693,498	0	0	0	4,283,688	2,094,652	118,653	2,213,305	0	2,278,140	0	2,005,548	4,283,688
									62%					
CORPORATE SERVICES														
ICT Replacement Programme	393,590	320,000	235,000	407,000	347,000	1,702,590	128,553	338,933	467,486	0	0	0	1,702,590	1,702,590
Old Town Hall & Castlewood	0	0	0	0	0	0	7,714	2,670	10,384	0	0	0	0	0
Corporate Asset Management Plan	789,358	0	0	0	0	789,358	565,125	93,067	658,192	0	24,805	377,257	387,296	789,358
Leisure Assets	235,000	0	0	0	0	235,000	0	0	0	0	0	235,000	0	235,000
Police Station & Magistrates Court	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community Investment Fund	32,915	0	0	0	0	32,915	0	0	0	32,915	0	0	0	32,915
Commercial Investment Fund	0	10,000,000	10,000,000	0	0	20,000,000	-35,000	0	-35,000	20,000,000	0	0	0	20,000,000
Commercial Investment Fund - Sovereign Cent	0	5,000,000	0	5,000,000	0	10,000,000	0	0	0	10,000,000	0	0	0	10,000,000
CCTV Upgrade	0	400,000	0	0	0	400,000	0	0	0	0	0	400,000	0	400,000
Awaiting Full Approval														
Corporate Asset Management Plan	0	800,000	400,000	0	0	1,200,000	0	0	0	0	0	0	1,200,000	1,200,000
Sub total	1,450,863	16,520,000	10,635,000	5,407,000	347,000	34,359,863	666,391	434,670	1,101,062	30,032,915	24,805	1,012,257	3,289,886	34,359,863
									76%					

MONITORING OF 2019/20 CAPITAL PROGRAMME							APPENDIX 3							
	APPROVED BUDGET					TOTAL APPROVED BUDGET	MONITORING TO 31 DECMEBER 2019			APPROVED FUNDING				TOTAL APPROVED FUNDING
	2019/20 Estimated Spend	2020/21 Estimated Spend	2021/22 Estimated Spend	2022/23 Estimated Spend	2023/24 Estimated Spend		Actual Spend	Commitments	2019/20 Total Cost	Borrowing	Grants & Contributions	Reserves & Revenue	Capital Receipts	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
DEVELOPMENT & ENVIRONMENT														
Community & Consumer														
RFID In Libraries	145,424	0	0	0	0	145,424	0	119,065	119,065	0	127,000	0	18,424	145,424
Beach Huts	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tropicana Electrical Supply	0	0	0	0	0	0	39,372	0	39,372	0	0	0	0	0
Banksy Pinwheel	50,000	0	0	0	0	50,000	13,234	3,600	16,834	0	50,000	0	0	50,000
Shop Front Enhancement	75,000	120,000	156,000	0	0	351,000	0	0	0	0	351,000	0	0	351,000
Highways & Transport														
Highways														
Unclassified Road Schemes 2018/19	96,224	0	0	0	0	96,224	0	0	0	96,224	0	0	0	96,224
Maintenance Schemes 2018/19	249,064	0	0	0	0	249,064	0	0	0	249,064	0	0	0	249,064
Public Transport Schemes	40,000	0	0	0	0	40,000	23,174	0	23,174	0	40,000	0	0	40,000
Congestion Management	23,064	75,000	0	0	0	98,064	14,862	5,158	20,020	0	98,064	0	0	98,064
Walking	202,129	8,000	0	0	0	210,129	103,406	0	103,406	0	210,129	0	0	210,129
Cycling Programme	22,850	0	0	0	0	22,850	3,948	0	3,948	0	22,850	0	0	22,850
Safety & Travel Plans	381,773	29,000	0	0	0	410,773	114,688	468	115,156	0	410,773	0	0	410,773
Other Schemes	111,402	0	0	0	0	111,402	34,414	364	34,778	0	111,402	0	0	111,402
Programme Management	16,375	38,000	0	0	0	54,375	7,097	0	7,097	0	54,375	0	0	54,375
Cross Cutting	75,141	100,000	0	0	0	175,141	6,200	7,075	13,275	0	175,142	0	0	175,142
Parking	0	0	0	0	0	0	1,446	17,056	18,502	0	0	0	0	0
Maintenance Schemes														
Principal Roads	1,071,513	0	0	0	0	1,071,513	618,739	8,965	627,705	0	1,071,512	0	0	1,071,512
Non Principal Roads	2,572,619	0	0	0	0	2,572,619	1,258,228	34,334	1,292,561	1,431,923	1,140,696	0	0	2,572,619
Bridges & Structures	956,560	326,000	0	0	0	1,282,560	-90,536	234,585	144,049	34,500	1,248,060	0	0	1,282,560
Street Lighting	0	0	0	0	0	0	-22,296	178,423	156,127	0	0	0	0	0
Traffic Signals	131,328	0	0	0	0	131,328	1,877	108,717	110,594	0	131,328	0	0	131,328
Footways	386,063	0	0	0	0	386,063	82,267	-3,263	79,004	31,250	354,813	0	0	386,063
Asset Officer	55,000	0	0	0	0	55,000	333	0	333	0	55,000	0	0	55,000
Drainage Schemes within LTP	697,622	131,000	0	0	0	828,622	29,593	1,110	30,703	0	828,622	0	0	828,622
Cycling Infrastructure	45,150	0	0	0	0	45,150	23,137	0	23,137	38,700	6,450	0	0	45,150
Sand Bay Car Park	0	0	0	0	0	0	-1,957	0	-1,957	0	0	0	0	0
NSC Capital Unclassified Roads	2,161,721	0	0	0	0	2,161,721	524,831	0	524,831	1,639,040	522,681	0	0	2,161,721
Additional Highways Investment														
Safe Routes to Schools	181,419	0	0	0	0	181,419	0	0	0	0	0	0	181,419	181,419
Wrington Flood Relief Scheme	-197,742	0	0	0	0	-197,742	57,853	2,980	60,833	0	-186,432	-11,310	0	-197,743
A370 Yanley Viaduct	24,665	0	0	0	0	24,665	-62,259	0	-62,259	0	24,665	0	0	24,665
Summer Lane Flood Relief Scheme	781,149	500,000	0	0	0	1,281,149	17,895	3,550	21,445	427,354	808,795	45,000	0	1,281,149
Street Lighting Lamp Column Replacement	1,319,688	3,401,803	0	0	0	4,721,491	56,831	0	56,831	4,221,491	500,000	0	0	4,721,491
Winterstoke Rd Bridge	400,000	0	0	0	0	400,000	72,770	4,500	77,270	0	400,000	0	0	400,000
A371 Safer Roads	10,000	486,000	486,000	0	0	982,000	7,626	4,795	12,421	0	982,000	0	0	982,000

MONITORING OF 2019/20 CAPITAL PROGRAMME							APPENDIX 3							
	APPROVED BUDGET					TOTAL APPROVED BUDGET	MONITORING TO 31 DECMEBER 2019			APPROVED FUNDING				
	2019/20 Estimated Spend	2020/21 Estimated Spend	2021/22 Estimated Spend	2022/23 Estimated Spend	2023/24 Estimated Spend		Actual Spend	Commitments	2019/20 Total Cost	Borrowing	Grants & Contributions	Reserves & Revenue	Capital Receipts	TOTAL APPROVED FUNDING
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Transport														
Weston Package	0	0	0	0	0	0	-194,897	0	-194,897	0	0	0	0	0
South Bristol Link	1,344,216	0	0	0	0	1,344,216	466,223	31,870	498,093	545,377	676,483	0	122,355	1,344,216
Metro West Rail Phase I	4,000,000	7,652,044	0	0	0	11,652,044	2,345,291	1,064,492	3,409,783	0	11,484,788	-133,950	301,206	11,652,044
Metro West Rail Phase I Local Contribution Cor	0	4,600,000	0	0	0	4,600,000	0	0	0	0	0	0	4,600,000	4,600,000
North South Link	7,904,563	4,032,524	0	0	0	11,937,087	4,751,864	5,142,531	9,894,396	0	6,232,012	-250,925	5,956,000	11,937,087
Land at Parklands Village	2,555,000	1,185,000	0	0	0	3,740,000	1,401,977	581,584	1,983,561	0	3,740,000	0	0	3,740,000
Utilities at Parklands Village	2,896,974	0	0	0	0	2,896,974	440,226	823,031	1,263,257	0	2,797,000	0	99,974	2,896,974
Locking Parklands Health Centre	279,000	0	0	0	0	279,000	26,761	2,209	28,970	0	279,000	0	0	279,000
Office for Low Emission Vehicles (OLEV)	407,149	650,100	0	0	0	1,057,249	98,381	21,033	119,414	0	1,057,249	0	0	1,057,249
LGF (Old LSTF) 2016/17	0	0	0	0	0	0	-1,606	86,421	84,815	0	0	0	0	0
LGF (Old LSTF) 2017/18 - sustainable transpo	684,994	0	0	0	0	684,994	-796	0	-796	150,000	600,000	-65,006	0	684,994
Tutshill Sluice	98,079	0	0	0	0	98,079	39,711	78,492	118,202	0	98,079	0	0	98,079
LGF3 17/18	410,968	0	0	0	0	410,968	263,660	6,223	269,883	0	410,968	0	0	410,968
Metrobus Contingency	322,000	0	0	0	0	322,000	0	0	0	0	322,000	0	0	322,000
J19 Wyndham Way	1,572,095	0	0	0	0	1,572,095	42,859	19,862	62,721	208,020	1,364,075	0	0	1,572,095
Weston Transport Enhancement Scheme	685,152	5,400,000	0	0	0	6,085,152	375,594	47,694	423,288	0	6,085,152	0	0	6,085,152
Real Time Information	5,220	0	0	0	0	5,220	0	0	0	0	5,220	0	0	5,220
J21 Northbound Slip	0	526,121	0	0	0	526,121	9,411	0	9,411	0	526,121	0	0	526,121
Signing and Cycling	0	0	0	0	0	0	-12,060	0	-12,060	0	0	0	0	0
Streets & Open Spaces														
3G Sports Provision at Grove Park	0	0	0	0	0	0	2,404	0	2,404	0	0	0	0	0
Beach Recycling Weston Bay	35,150	20,000	0	0	0	55,150	14,000	700	14,700	0	38,400	16,750	0	55,150
Marina, Pill Park	132,587	0	0	0	0	132,587	149,960	-14,842	135,118	0	132,587	0	0	132,587
Gardners Walk Play Area	22,839	0	0	0	0	22,839	22,839	0	22,839	0	22,839	0	0	22,839
Ashcombe Park Tennis Courts	83,339	0	0	0	0	83,339	0	0	0	0	83,339	0	0	83,339
Parking	35,716	0	0	0	0	35,716	1,747	0	1,747	35,716	0	0	0	35,716
Leigh Woods Parking Scheme	221,573	0	0	0	0	221,573	17,881	0	17,881	155,000	30,000	36,573	0	221,573
Vehicles	38,400	0	0	0	0	38,400	38,385	7,551	45,936	0	0	14,900	23,500	38,400
Waste Contract - Vehicles, Equipmt & Plant	141,069	0	0	0	0	141,069	0	0	0	0	0	141,069	0	141,069
Waste - Garden Waste Bins	431,787	0	0	0	0	431,787	31,134	17,820	48,954	0	0	431,787	0	431,787
Strawberry Line	144,913	0	0	0	0	144,913	8,029	0	8,029	0	78,913	66,000	0	144,913
Strategic Flood Solution	128,576	0	0	0	0	128,576	972	0	972	0	128,576	0	0	128,576
Town Square	103,762	0	0	0	0	103,762	1,955	4,820	6,775	0	103,762	0	0	103,762
Creative Hub	59,886	0	0	0	0	59,886	26,255	-12	26,243	0	59,886	0	0	59,886
The Foodworks SW	8,843,926	500,000	0	0	0	9,343,926	6,698,322	1,808,468	8,506,790	0	9,343,926	0	0	9,343,926
Awaiting Full Approval														
Utilities at Parklands	104,000	0	0	0	0	104,000	0	0	0	0	104,000	0	0	104,000
Sub total	45,778,133	29,780,592	642,000	0	0	76,200,725	20,003,254	10,461,429	30,464,683	9,263,659	55,343,301	290,888	11,302,878	76,200,726
									67%					

CHANGES TO THE CAPITAL PROGRAMME		APPENDIX 4				
	2019/20 Capital Budget €000	2020/21 Capital Budget €000	2021/22 Capital Budget €000	2022/23 Capital Budget €000	2023/24 Capital Programme €000	Total Capital Budget €000
APPROVED CAPITAL EXPENDITURE BUDGETS						
Capital Programme for 2018/19 approved by Council Feb 2019	74,592	35,049	15,700	0	0	125,341
Addition of new approved projects as per Council 5 Feb 2019	11,054	7,159	0	0	0	18,213
Slippage of approved budgets from 2018/19	34,347	0	0	0	0	34,347
Re-phasing and amendments	(16,500)	0	(10,000)	0	0	(26,500)
TOTAL ORIGINAL CAPITAL BUDGETS	103,493	42,208	5,700	0	0	151,401
AMENDMENTS TO THE PROGRAMME IN 2019/20						
Months 1-8						
D&E - LTP programme changes (DE376)	(482)	0	0	0	0	(482)
D&E - Addition of Tutshill Sluice (DE02) - Forward Funded from LTP	100	0	0	0	0	100
D&E - Removal of Devco	(1,070)	0	0	0	0	(1,070)
D&E - Addition to LTP programme - funded from Pothole Action Fund (DE413)	205	0	0	0	0	205
D&E - Virements within LTP codes - no increase in overall capital spending	0	0	0	0	0	0
D&E - Addition of Strawberry line - funded from s106 and RCCO (DE73)	126	0	0	0	0	126
D&E - Virement from LGF4 to WTC Enhancement - Council report July 2019 and LTP addition	0	0	0	0	0	0
D&E - LGF4 re profile and budget alignment	408	(469)	0	0	0	(61)
D&E - Addition of Backwell Leisure Centre (DE95/ 125) - funded from RCCO	75	0	0	0	0	75
D&E - Addition of Seafront vehicles (DE123) - Funded from capital receipts and RCCO	38	0	0	0	0	38
D&E - Addition of Parklands Village (DE85) - funded from ACF grant	300	0	0	0	0	300
D&E - Increase to Utilities and Change of funding source (DE85)	692	0	0	0	0	692
D&E - Addition of Gardners Walk play area (DE91) - Funded from s106	23	0	0	0	0	23
CSD - Increase ICT replacement Programme (CSD04) - Funded from headroom resources	97	20	(65)	407	347	806
P&C - Addition of Special Provision Fund (PC15) - Funded from special provision grant	31	0	0	0	0	31
P&C - Increase Parklands and switch funding on Yatton (PC34) - Funded from Basic Need and S	200	0	0	0	0	200
P&C - Increase Capital maintenance (PC21) - funded from kitchen refurbishment grant	69	0	0	0	0	69
P&C - Addition of Blagdon Primary School (PC38) - Funded from capital contingency	160	0	0	0	0	160
P&C - Remove remaining Childrens ICT budget	(148)	0	0	0	0	(148)
D&E - Increase to Marina, Pill Park - funded from S106	10	0	0	0	0	10
P&C - Virements within Adult Social Service accommodation codes - no increase in overall spend	0	0	0	0	0	0
D&E - Adj for LTP funded schemes	(160)	0	0	0	0	(160)
P&C - Adj Kitchen Reurbishment grant for PC21	(65)	0	0	0	0	(65)
P&C - Addition of Resource base (PC20) - Funded from special provision fund	275	0	0	0	0	275
D&E - Land at Parklands Village (Sept Exec) - Funded from LAAC HE grant	3,440	0	0	0	0	3,440
D&E - Addition of GP Practice (Sept Exec) - funded from CCG	279	0	0	0	0	279
Various - Removal of completed schemes	(572)	0	0	0	0	(572)
D&E - Virements within LTP codes - no increase in overall capital spending	0	0	0	0	0	0
P&C - Addition of Affordable Housing West Wick (PC46) - Funded from S106	505	0	0	0	0	505
D&E - Rephase Bridges & Structures & Drainage	(376)	376	0	0	0	0
D&E - Rephase Cross Cutting Schemes	(100)	100	0	0	0	0
D&E - Adjustments to LTP programme	(983)	0	0	0	0	(983)
D&E - Foodworks reprofile	(500)	500	0	0	0	0
D&E - Summerlane reprofile	(500)	500	0	0	0	0
D&E - Rephase Weston Town Centre Enhancement highways scheme	(5,400)	5,400	0	0	0	0
D&E - Rephase Metrowest contingency	(4,600)	4,600	0	0	0	0
P&C - Yatton Primary re profile	(2,040)	2,040	0	0	0	0
P&C - Rephase Locking Parklands development	(3,646)	3,646	0	0	0	0
P&C - Remove provisional allocations - to be replaced with approved schemes in 2020/21	(8,174)	(16,275)	0	0	0	(24,449)
P&C - Change of funding source on Locking Parklands - Basic Need for S106	0	0	0	0	0	0
P&C - Addition of Ashcombe Tennis Courts (DE213) - Funded from LTA grant and s106	83	0	0	0	0	83

CHANGES TO THE CAPITAL PROGRAMME		APPENDIX 4				
	2019/20 Capital Budget €000	2020/21 Capital Budget €000	2021/22 Capital Budget €000	2022/23 Capital Budget €000	2023/24 Capital Programme €000	Total Capital Budget €000
Months 8-9						
D&E - Parish Wharf boiler repairs (DE216) - Funded from earmarked capital reserve	160	0	0	0	0	160
D&E - Addition for RFID libraries (DE222) - Funded from s106	127	0	0	0	0	127
D&E - Virement to Wyndham Way from the LTP programme (DE217)	0	0	0	0	0	0
D&E - Increase to Wyndham Way (DE217) - Funded from grant funding and s106 receipts	475	0	0	0	0	475
D&E - Addition of Shop Frontage Scheme (DE136) - Funded from grant funding	75	120	156	0	0	351
D&E - Addition of Leigh Woods Parking (Exec Nov 19) - Funded from Unsupported Borrowing	155	0	0	0	0	155
D&E - Virement to Leigh Woods Parking from LTP and Parking schemes	0	0	0	0	0	0
P&C - Increase to schools capital maintenance (PC66) - Funded from Kitchen Refurb grant	199	0	0	0	0	199
P&C - Virement from kitchen refurb grant to capital maintenance (PC66)	0	0	0	0	0	0
CSD - Addition of CCTV upgrade (CSD90) - Funded from revenue reserves and local contributions	400	0	0	0	0	400
D&E - Virement to LGF4 2018/19 from LTP Programme (DE231)	0	0	0	0	0	0
D&E - Re profile A371 Safer Roads	(972)	486	486	0	0	0
CSD - Re profile Commercial Investments	(10,000)	0	10,000	0	0	0
CSD - Re profile Commercial Investments - Sovereign Centre	(5,000)	5,000	(5,000)	5,000	0	0
D&E - Rephase LTP schemes	(231)	231	0	0	0	0
D&E - Virement Summerlane from LTP (DE260)	0	0	0	0	0	0
D&E - Virements within LTP codes - no increase in overall capital spending	0	0	0	0	0	0
D&E - Addition to Summerlane (DE260) - Additional contribution from Wessex	200	0	0	0	0	200
D&E - Addition of sustainable transport LGF3 17/18 (DE4) - LGF and LTP funded	657	0	0	0	0	657
D&E - Increase to North South Link Road - Funded from headroom resources	145	0	0	0	0	145
D&E - Reprofile Land at Locking Parklands	(1,185)	1,185	0	0	0	0
D&E - Reprofile OLEV	(500)	500	0	0	0	0
D&E - Reprofile MetroWest	(493)	493	0	0	0	0
P&C - Reprofile Breach classes	(400)	400	0	0	0	0
P&C - Reprofile New Yatton Primary School	(600)	600	0	0	0	0
P&C - Reprofile social housing grants (LASHG)	(693)	693	0	0	0	0
D&E - Re profile CCTV	(400)	400	0	0	0	0
Corp - Re profile AMP	(400)	400	0	0	0	0
Corp - Re profile J21	(526)	526	0	0	0	0
REVISED 2019/20 CAPITAL PROGRAMME	62,986	53,680	11,277	5,407	347	133,697