

North Somerset Council

Report to the Executive

Date of Meeting: 8 February 2023

Subject of Report: Capital Strategy 2023_2028 and capital budget for 2023/24

Town or Parish: All

Officer/Member Presenting: Ashley Cartman, Executive Member for Corporate Services

Key Decision: YES

Reason: The council will incur expenditure in excess of £500,000 and spending covers more than two wards.

Recommendations

The Executive are asked to: -

- 1) Recommend to Council for approval the following: -
 - a. The capital strategy 2023/24 to 2027/28 as outlined in the Executive Summary and detailed in Appendix 5,
 - b. An increase to the capital programme of **£137.554m** for a range of new investments proposals as detailed in Section 4.2, and Appendix 3, subject to confirmation of grant funding allocations,
 - c. To approve the Commissioning Plan detailed in Appendix 4 for the procurement of the programme delivery plans associated with the Strategic Placemaking Projects (Levelling Up and Cultural Development Fund) outlined in Section 4.2,
 - d. Delegate authority to the S151 Officer for the approval and increase to the capital programme of up to **£9.614m** for the Strategic Placemaking & Development Programme schemes outlined in Section 4.3, subject to confirmation of grant funding,
 - e. Delegate authority to the S151 Officer, for the period 30 March 2023 – 31 May 2023, to approve Procurement Plans up to **£5m** for the Strategic Placemaking and Development Programme Schemes outlined in Section 4.3 to ensure delivery of the programme can meet funding timescales,
 - f. Delegate of authority to the S151 Officer for the approval of the Commissioning and Procurement Plan for Clevedon school grant funded scheme,
- 2) Note the revised borrowing impact within the capital programme of **£60.120m** for the period 2023/24 to 2027/28 as detailed in Section 4.3, which will increase the council's overall borrowing requirement to **£160.992m** over the period,

- 3) Delegate the approval for the detailed highways programme to the Assistant Director for Neighbourhoods and Transport in consultation with the Executive Member for Transport and Highways,
- 4) Approve the amendments to the capital budget for 2022/23 as detailed in Appendix 2.

1. Summary of Report

The Capital Strategy outlines the council's approach to capital investment over the short, medium and longer term and gives a high-level overview of how capital expenditure activity contributes to the provision of local public services within the area. We will use these resources to support our children and young people, tackle the climate emergency and invest in our communities and infrastructure, whilst aiming to strengthen the delivery of our basic services.

The report aims to update residents about the investment that has previously been agreed and is currently being delivered within communities, and also shares information about brand new investment that will happen in the future. One example of this relates to the Governments' Levelling Up agenda which has provided a cash boost to Weston-super-Mare as part of an ambitious placemaking vision for the town.

The £20m investment will be used to focus on several high-profile sites across Weston's town centre and seafront, transforming the culture, leisure and retail experience for residents, business, and visitors. This will help reinvent iconic heritage buildings, support local businesses, create new jobs, and deliver a year-round experience-led economy for the future.

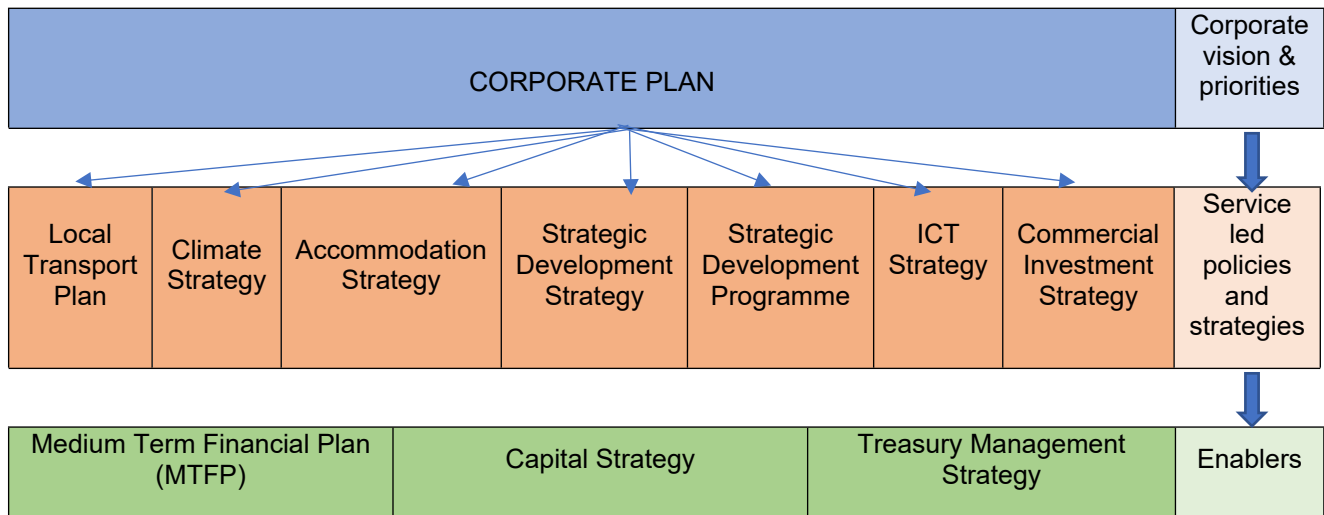
Other areas of new investment are also described throughout the report to ensure that North Somerset remains a great place to live, learn, work and play.

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 appraisals 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. The council must also review and approve a series of prudential indicators which provide an assessment of the spending and financing plans on key metrics.

The council's capital strategy matches the council's priorities and planned service requirements with funding projections and asset management considerations. It is very much an overarching strategic plan and is closely linked to other key plans and strategies as depicted in the graphic below.



The council recognises that decisions made this year on capital spend and financed through its associated treasury management activities, will have financial consequences for the council for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, as summarised throughout this report.

3. Executive Summary of our Capital Strategy

3.1. Introduction

North Somerset Council continues to have ambitious plans for investment in the region which will deliver sustainable projects with a tangible benefit to our communities. Alongside investment plans for infrastructure, housing and economic generation we recognise that we also need to maintain the assets that support delivery of our core services and facilities, such as schools and roads, to ensure these are fit for the future.

We understand that our Capital programme must be affordable over the long term and align with our commitments to be Open, Fair and Green.

This document outlines how we will make the best use of our finite resources, how we will prioritise investment needs and opportunities and how we will approach funding these projects to deliver sustainable outcomes. The development of a capital strategy is complex and recognises that the council also has an opportunity to generate income to support its spending plans, through both the submissions of bids to external funders and also from the sale of its assets, usually land and buildings, and utilise these capital grants and receipts to support future elements of the wider programme.

Whilst the report describes some of the key projects we will be working in the short-term, the Strategy ensures that capital planning proposals will continue to be developed and updated over time as more information is known.

3.2. Sustainable budget setting

Capital investment needs to be funded from revenue budgets via feasibility, costs of borrowing and making provision for repayment. We have ambitious plans, but finite resources. Our revenue budgets are increasingly pressurised by reduced funding, increasing demand and costs for delivering essential council services. Each pound that we borrow costs the Council up to 10% per year to finance (this is increasing due to interest rate changes) and therefore it is vital that we assess these costs in the context of our medium-term financial planning. This has been made more challenging by uncertainty over government funding and ringfencing of uplifts to adult social care; inhibiting our ability to make longer term plans and introducing the risk that capital schemes agreed now become unaffordable in future years.

Lack of sustainable budget funding and the need to demonstrate value for money mean we may need to make difficult decisions about how we prioritise investment. We need to consider our asset base and how we prioritise projects, which may result in asset divestment and deprioritising projects which cannot demonstrate a long-term sustainable impact. We also know that we have a backlog of maintenance needs. We operate in a different world post-Covid and, in some cases, there is reduced demand for assets (such as office accommodation) which accelerates the case for rationalising our estate.

We also need to ensure that projects which can achieve long term benefits to our communities are considered on merit and for potential return on investment, so distinct funding will be allocated to enhancement via development and match funding plans. The council has a successful track record of securing Government Funding with over £150m secured so far across the 2020-2025 period and even more is planned. The council has recently been awarded a further £20m of funding through the Governments' Levelling Up Fund and awaits to hear the results of other funding bids to support relating to the Cultural Development Fund and Special Educational Needs.

Our target is to be a net-zero Council by 2030, to achieve this we need to ensure that carbon impacts of our investments are made clear and evaluated through options appraisal. Carbon impact will become a core element of our decision making and funding will be made available to support our climate change objectives.

Capital expenditure needs to align with the aims and priorities of the council and reflect existing policies such as our Active Travel schemes and Health and Wellbeing Strategy. The council has recently introduced a framework to better evaluate the social value of our procurements and these themes, outcomes and measures will be used to support our objectives.

As we increase our levels of investment, we recognise the need to ensure robust governance is in place to promote clarity and consistency of decision making and demonstrate value. Measures are in place to ensure that the new governance framework and underlying monitoring and evaluation processes continue to be embedded across the organisation.

Since the Capital Strategy for 2022/23 onwards was set, the forecasts linked to the capital monitoring process show that the council is facing significant inflationary impacts for some of the projects within the current programme and so further work is underway to quantify the potential scale of these risks. The need to make significant savings within the revenue budget has also had an impact on the ability to finance our capital schemes.

This means that decisions must be taken to prioritise and manage the inflationary impacts within the current programme and inform decisions to deliver new capital investment projects within the short-term. A detailed assessment of the current programme has been carried out

which has looked to either re-phase or remove areas of non-essential spending in order to generate a financial saving within the revenue budget forecasts.

This approach means that whilst some additional council resources are available to support capital spending, they are likely to be at lower levels than in the current year.

3.3. How we will prioritise and build the capital programme

Given the need to consider the level of new council funding that will be available to support spending in the future, additions to the capital programme for the coming year will need to be prioritised to ensure that plans remain affordable. It is proposed that the council will apply the following criteria through our processes:



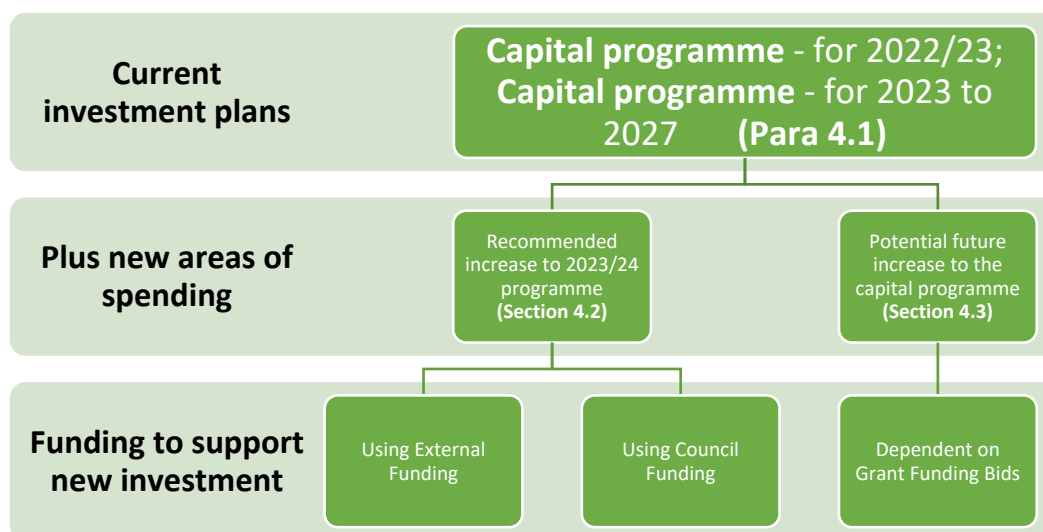
As a result, the **new capital strategy for 2023/24** proposes that additional capital spending will be focused on;

- projects which have ring-fenced external funding, such as maintenance of the highways network, bus service improvement plan,
- spending on maintaining schools and providing additional places, enabling residents to stay in their homes by providing disabled facilities grants and providing funding for more affordable housing,
- projects that actively support the council’s essential operational service delivery, such as investment in ICT provision,
- further investment in the maintenance of our roads, buildings, leisure facilities, or library assets to ensure that they are fit for purpose.
- projects that deliver a positive financial outcome from a business case

Whilst this report provides specific focus on decisions that will be implemented from April 2023, new areas of spending will be incorporated into the councils’ existing capital planning framework, thereby building and expanding the capital programme so that it includes all of our investment plans in one place.

4. Building the Capital Programme

Section 4 of the report provides details of how the council builds its capital programme across the period of the Strategy and the graphic below provides an overview of each stage.



4.1. The council's current capital programme 2022 to 2027 - £385.164m

As noted above the council has previously approved ambitious spending plans of over £385m which cover the period 2022-2027, and work is already underway to deliver many of these projects, with investment of over £105m expected in the current financial year.

The capital programme, which is regularly updated, has increased significantly over the past 18 months, reflecting a wide range of community-based investment encompassing many aspects of council services.

A complete listing of all projects included within the current capital programme can be seen in **Appendix 1**, and **Appendix 2** shows further changes to the 2022/23 programme that require approval as part of this report.

A summary of the current capital programme and its' funding is highlighted in the tables below along with examples of our more strategic investment plans.

Table 1: Approved Capital Programme Spending - as at 31 December 2022	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	TOTAL £'000
Place Directorate						
MetroWest Rail	2,721	11,736	26,756	50,394	30,376	121,983
HIF - Banwell Bypass & Infrastructure	4,386	30,477	25,349	0	0	60,212
BSIP - Bus Service Improvement Plan	1,805	24,358	21,820	0	0	47,983
Local Transport Plan Projects, incl Pot Holes	13,665	1,530	0	0	0	15,195
All other Place directorate projects	25,924	18,941	1,929	0	0	46,794
Children's Services						
HIF - Winterstoke Hundred Academy Expansion	19,078	7,600	0	0	0	26,678
Baytree Special School	16,899	0	0	0	0	16,899
All other Children's services projects	6,686	4,650	600	0	0	11,936
Adult Social Care & Housing projects	9,297	3,881	3,881	0	0	17,059
Corporate Services projects	4,714	9,579	1,133	0	5,000	20,426
TOTAL - CURRENT CAPITAL SPENDING	105,174	112,753	81,468	50,394	35,376	385,164

Table 2: Approved Capital Programme Funding - as at 31 December 2022	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	TOTAL £'000
Grants and Contributions	83,005	94,206	77,318	16,882	0	271,411
Unsupported Borrowing	17,869	16,219	2,253	29,155	35,376	100,872
Capital Receipts - ring-fenced	1,651	1,500	1,562	0	0	4,714
Revenue Contributions and Reserves	2,648	827	336	4,357	0	8,168
Other Capital Resources	0	0	0	0	0	0
TOTAL - CURRENT CAPITAL FUNDING	105,174	112,753	81,468	50,394	35,376	385,164

Large or notable investment projects currently being delivered within communities are listed below;

- **£122m** of investment to complete the design phases of the Metro West Rail project, up to and including the Development Consent Order phase, as well as approval for delivery and implementation of the scheme.
- **£97m** of investment linked to the design and build of Banwell bypass, village and local area road improvements and local utility upgrades, as well as delivery of a new 900-place secondary school, all of which will be funded from Homes England via their Housing Infrastructure Fund (HIF) grant scheme.
- **£48m** of capital investment to deliver the Bus Service Improvement Plan (BSIP), enabling the council to rapidly transform the efficiency and effectiveness of bus services across the North Somerset area, delivering bus traffic signal priority along all key bus routes, new interchanges and upgrades to bus shelters, rapid charging facilities and integration of cycling facilities at key bus stops.
- the ongoing maintenance of existing road networks, as well as the creation and enhancement of major infrastructure, works to replace the bridge along Winterstoke Road and the early stages of improvements to the A38 network.
- continued investment of £2.3m in Weston to Clevedon Cycleway, creation of a cycle link between Weston-super-Mare and Clevedon by constructing an off-road cycleway between Wick Lane, Wick St Lawrence to Yeo Bank Lane, Kingston Seymour (linking existing quiet roads and other short sections of paths).
- schemes designed to create or improve infrastructure, facilities and other assets which benefit communities and neighbourhoods such provision of parks and play areas, improvements along the seafront in Weston, improvements to some of our libraries and parks and play areas across the district, and also providing match funding for facilities owned by local groups.
- projects to support delivery of core educational services, including £17m linked to the provision of the new Baytree Special School, as well as other funding to extend existing schools to facilitate the increasing demand for places.
- capital grant allocations to providers and other stakeholders to fund affordable housing schemes across North Somerset or directly influence affordable housing delivery. Grants are also paid to individual residents so that they can make adaptations to their homes enabling them to continue to live independently, and investment in Technology Enabled Care projects, again to support independent living.
- ongoing maintenance, compliance and improvements to schools, office buildings, leisure facilities and ICT systems and infrastructure.

4.2. New investment to be included within the capital programme - £137.554m

As noted above, the council has an iterative capital planning process which means that it is regularly updated with new proposals brought into the programme where they can demonstrate that they;

- support service delivery need,
- meet the council's strategic investment priorities and objectives,
- are supported by a proven business case, and
- also have an agreed source of funding in place

The table below provides a summary of **new investment** plans that have passed through the required feasibility and validation stages and have been assessed as ready for approval into the capital programme, with spending to start in the new year.

The individual new investment proposals have been reviewed and grouped into the council's investment themes as these help to describe the council's priorities, for example investing in our children and young people and our communities and tackling the climate emergency.

One example of the council's new capital spending plans relates to the Levelling Up agenda, which is a national initiative designed to invest in infrastructure that improves everyday life across the UK.

The prospectus for the Fund indicated that funding would be given to support town centre and high street regeneration, local transport projects, and cultural and heritage assets and so the council submitted a bid through its Strategic Placemaking and Development team. The bid was successful and on 19th January the Department for Levelling Up and Communities confirmed that the council has been awarded a total of £19,979,570.

This money will be used to fund a package of placemaking measures for Weston-super-Mare, centred on the themes of;

- Boosting the visitor economy by investing in much-loved but deteriorating heritage assets to create national visitor attractions and creative hubs,
- Reinvesting and diversifying Weston town centre, supporting the creative economy, independent retailers and food & drink innovators,
- Delivering wayfinding and quick win public realm improvements to increase footfall and spend and boost local pride in the quality of our environment

Investments would be focused on:

- Repairs & improvements to the Tropicana, particularly focusing on the outside arena area,
- Supporting the restoration of Birnbeck Pier and its buildings,
- Completing the restoration of Marine Lake,
- Refurbishing and re-purposing vacant high street units owned by the council,
- Wayfinding and public realm improvements, including improvements to Grove Park

The council will be required to provide £2.4m match funding towards the projects, this funding is already included within the current capital programme.

A summary of the total new spending is provided in the table below although further information on each of the individual projects has been included within **Appendix 3**.

Table 3: New Approvals into the Capital Programme for 2023-2028	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	TOTAL £'000
Children & young people	13,807	13,155	2,155	150	0	29,267
Delivering better basic services	31,631	21,586	3,060	526	0	56,803
Investing in our communities	10,970	12,980	0	0	0	23,950
Tackling the climate emergency	440	615	440	440	0	1,935
Other investments, incl statutory functions	5,041	2,776	7,016	7,166	3,600	25,599
TOTAL - NEW CAPITAL SPENDING PLANS	61,889	51,112	12,671	8,282	3,600	137,554

Grants and Contributions	52,463	20,471	0	0	0	72,934
Unsupported Borrowing	9,426	30,641	11,171	6,782	2,100	60,120
Capital Receipts	0	0	1,500	1,500	1,500	4,500
TOTAL - NEW CAPITAL FUNDING	61,889	51,112	12,671	8,282	3,600	137,554

Funding arrangements have also been included within the table above as it is important for the council to confirm that it has secured sufficient resources to pay for the spending as part of the approval process, to avoid spending at risk.

The proposed new spending will result in an additional borrowing requirement of £60.120m across the period of the programme, with £9.4m of this being required in 2023/24. The borrowing assumptions have been included within the Treasury Management Strategy report, and also within the Medium Term Financial Plan report, both of which are being considered elsewhere on the agenda for this meeting

Once these new projects are brought into the capital programme, the council will have increased its investment plans to over £522m across the Strategy period, as confirmed in the table below.

Table 4: Approved Capital Expenditure for 2022-2028	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	TOTAL £'000
Place	48,500	127,873	111,185	54,044	31,492	0	373,093
Children's Services	42,663	25,906	13,605	2,005	0	0	84,179
Adult Social Care and Housing	9,297	6,242	4,581	1,500	1,500	1,500	24,620
Corporate Services	4,714	14,620	3,209	5,516	10,666	2,100	40,825
TOTAL - APPROVED SPENDING PLANS	105,174	174,642	132,580	63,065	43,658	3,600	522,718

Grants and Contributions	83,005	146,669	97,788	16,882	0	0	344,345
Unsupported Borrowing	17,869	25,645	32,894	40,326	42,158	2,100	160,992
Capital Receipts - ring-fenced	1,651	1,500	1,562	1,500	1,500	1,500	9,214
Revenue Contributions and Reserves	2,648	827	336	4,357	0	0	8,168
TOTAL - APPROVED FUNDING	105,174	174,642	132,580	63,065	43,658	3,600	522,718

4.3. Potential future additions - Strategic Placemaking and Development Programme

The development of capital investment plans are complex and can take many months to prepare. In some cases these plans are dependent upon information received from other stakeholders, such as partner organisations or government departments. This is particularly relevant in situations where the council makes a bid to secure external funding towards one of its new capital projects.

Over recent months North Somerset Council has applied for grant funding from government for a number of strategic placemaking and development schemes. The outcome of the funding bids are currently unknown therefore **Recommendation 1c** of this report delegates authority to the S151 Officer to approve the acceptance of the funds and inclusion of the planned spending

within the council’s capital programme **once** the outcome has been confirmed by the relevant governing body.

The table below summarises the potential future schemes that may be included within the capital programme should external funding be approved.

Table 5: Potential Future Capital Plans for 2023-2028, awaiting confirmation of external funding	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	TOTAL £'000
Strategic Placemaking & Development Programme						
Cultural Development Fund - Tropicana and a small pavilion space at Birnbeck	178	2,385	1,251	0	0	3,814
Salix Decarbonisation grant - Boilers / Improvements	800	0	0	0	0	800
DFT - Special Education Needs development	5,000	0	0	0	0	5,000
TOTAL - Strategic Placemaking & Development Programme	5,978	2,385	1,251	0	0	9,614
Grants and Contributions	5,978	2,385	1,251	0	0	9,614
TOTAL - Strategic Placemaking & Development Programme	5,978	2,385	1,251	0	0	9,614

The funding applications are summarised below:

4.3.1. Cultural Development Fund

A total of £3.814m capital funding with the objective of securing a financially sustainable future for key cultural and heritage assets.

Investments would be focused on:

- Repairs & improvements to the Tropicana, particularly focusing on the internal areas and increasing flexibility, efficiency and ease of use for operators and end users
- The creation of a small-scale pavilion-type space for events and activities at Birnbeck Pier, which would generate income to help with future maintenance

4.3.2. Public Sector Decarbonisation Scheme (PSDS) (funded by Salix) - The Campus

The Department for Business, Energy and Industrial Strategy (BEIS) initiated the PSDS funding to help meet the UK Government’s ambitious carbon emissions targets. In 2019, the UK Government set out targets to achieve Net Zero greenhouse gas emissions across the whole UK by 2050. The PSDS provides grants for public sector bodies to fund heat decarbonisation and energy efficiency measures. Phase 3b opened in October 2022, with the emphasis on providing grant funding for projects that focus on the decarbonisation of heat.

North Somerset Council are applying for grant funding to make green infrastructure improvements at The Campus, Weston-super-Mare. The improvements consist of replacing the current fossil fuel boilers with heat pumps, as well as upgrades to the ventilation system. The project costs estimate is £1,197,000. NSC has applied for grant funding totalling £800,000 with the remaining £397,000 match funded by NSC. The scheme is programmed to start April 2023 with construction programmed for summer 2024. Scheme completion is estimated autumn 2024.

The scheme had a listing on the Forward Plan not before December 22, to accept funding and increase the capital programme, in co-ordination with when funding was originally scheduled to be announced. Engagement with Place Policy and Scrutiny Panel Chairperson was carried

out October 2022 with no further engagement required. Exec Member Cartman was briefed via email December 2022.

Announcements of successful bids is expected January 2023.

4.3.3. Special Educational Needs Development (SEND)

The Special Educational Needs and Disabilities (SEND) Partnership Board regularly meet to discuss a wide range of issues to ensure that the systems and process we operate and the services we commission fit together to provide the best support for children with SEND in North Somerset.

One area of interest is the delivery of a long-term strategy which looks to ensure that there is sufficient provision within the district through either the expansion of current sites or the development of new facilities.

Securing capital funding to support these plans is essential and over recent years the council has received several allocations from the Department for Education (DfE) to develop and deliver additional and innovative provision for those children with Education, Health and Care Plans.

The council has recently submitted a further application to the DfE to once again expand levels of provision for placements within the area as they continue to remain lower than the current demand. A business case has been drafted which shows that not only will increasing local provision benefit the children of North Somerset, it will also deliver annual savings within the revenue budget.

The capital funding bid has been aligned to the council's Safety Valve Programme, which is an initiative that looks to reduce the ongoing revenue cost of SEND provision. Further details are included within the Medium Term Financial Plan (MTFP) report considered on the agenda for the same meeting.

4.4. Summary of capital spending plans 2022/23 to 2027/28

Sections 4.1 to 4.3 of the report provide details of how the council will build its capital investment programme and the table below summaries the overall position, with spending having the potential to increase to £532 million by 2028;

- Section 4.1 current capital programme £385m 2022 to 2027
- Section 4.2 new additions to the programme £137m 2023 to 2028
- Section 4.3 potential future additions £ 10m 2023 to 2026

Table 6: Summary showing all of the council's capital investment plans	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	TOTAL £'000
Existing Programme	105,174	112,753	81,468	50,394	35,376		385,164
New Items	0	61,889	51,112	12,671	8,282	3,600	137,554
Grants Pending	0	5,978	2,385	1,251	0	0	9,614
TOTAL - SPENDING PLANS	105,174	180,620	134,965	64,316	43,658	3,600	532,332

Grants and Contributions	83,005	152,648	100,173	18,133	0	0	353,959
Unsupported Borrowing	17,869	25,645	32,894	40,326	42,158	2,100	160,992
Capital Receipts - ring-fenced	1,651	1,500	1,562	1,500	1,500	1,500	9,214
Revenue Contributions and Reserves	2,648	827	336	4,357	0	0	8,168
TOTAL - FUNDING	105,174	180,620	134,965	64,316	43,658	3,600	532,332

The revenue impacts of the 2023/24 spending plans have been reflected within the medium term financial plan and are therefore funded (subject to approval of the revenue budget) and they have also been included within the prudential indicators, which are reflected within the treasury management report.

It should be noted that some of the values presented may be 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

5. Consultation

The government, through its legislative framework, clearly expects that local authorities will be able to demonstrate that they have in place mechanisms to ensure that 'representatives of local people' are being appropriately informed, consulted or involved in services, policies or decisions that affect or interest them.

There are many aspects of service delivery which impact on our residents, customers and other stakeholders and members of the public, and so we recognise that it is our responsibility to ensure that any changes we make to them through the budget, need to be considered and consulted upon. Failure to do so adequately could result in aspects of the budget being subject to legal challenge.

The Capital Programme for 2023/24 provides a mechanism to bring together a series of individual investment projects within an overarching programme, although individual projects will still be subject to further governance as they progress through commissioning and procurement stages, which means that local people and key stakeholders will be provided with opportunities to understand more details on these projects before they are fully implemented.

6. Financial Implications

Financial implications are contained throughout the report.

7. Legal Powers and Implications

The Local Government Act 1972 lays down the fundamental principle by providing that every local authority shall make arrangements for the proper administration of their financial affairs, although further details and requirements are contained within related legislation.

The Council has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires it to approve a Capital Strategy before the start of each financial year.

Under this guidance, the role of the (Full) Council is to:

- Set the budget and capital programme, including debt and investment interest, and the Minimum Revenue Provision
- Approve the Capital Strategy
- Approve the Treasury Management Strategy (presented elsewhere on this agenda)
- Approve the Prudential Indicators

Under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, local authorities must not delegate the approval of an annual strategy to any committee or person.

The role of the Executive is to consider these strategies, and, if appropriate, recommend them for approval by full Council.

8. Climate Change and Environmental Implications

Climate and environmental related implications continue to be at the forefront of the council's thinking when considering the underlying Corporate Plan and service strategies as well as detailed capital investment and options that are described throughout this report.

The council has identified climate as one of its main investment priorities for the year ahead and has developed an initial approach which puts this at the centre of plans by seeking to invest in several new projects which entirely meet the climate vision, aims and objectives as their core theme.

However, in addition to this, the council is also progressing the concept of 'additionality' by ensuring that climate related issues are recognised, considered and incorporated in planned investments in other areas of priority spending. The council believes that it is important to fully consider climate issues within the design and scope of other spending proposals which means that it can begin to embed climate considerations and outcomes through a broader range of capital investments across the council.

Examples of this dual approach are demonstrated below: -

- Climate priority - it is the council's intention to deliver improvements in the strategic management of wildlife and biodiversity by purchasing land and creating North Somerset Nature Parks.
- Children and young people priority – it is the council's intention to undertake a series of improvements and extensions to school buildings to accommodate more children and ensure their learning environment meets their needs; the scope of this proposal will be widened to ensure that climate issues are considered before final designs are approved, this could mean that solar panels are added to a roof, energy efficient boilers are purchased, decarbonisation of walls and windows ensuring that they meet higher insulation and energy efficiency standards. It is possible that some of these measures will increase the cost of the planned investment, but they will be built into plans wherever possible.

One of the next steps to consider will be how to record and assess the impact of the council's capital investment plans in respect of carbon outcomes as well as other factors such as health and well-being.

9. Risk Management

In setting the capital budgets, the council must consider the known key financial risks that may affect its plans and these will either be explicitly provided for within the base budget or be offset and held against the unallocated contingency budget or the council's general fund working balance.

The council's Section 151 Officer has led work over recent months to assess and review these items, which are held in the Capital risk register below. Whilst there are several inherent risks within the Capital Strategy, the top risks are:-

- **Inflationary uplifts** – delivering within approved budget allocations is becoming more of an issue given the wider economic position and inflation levels at a record high. The council has also seen these challenges within the revenue budget however, given the scale of some of the more strategic infrastructure projects, the inflationary risk is acute and at the forefront of monitoring processes. All capital schemes will continue to be monitored through the capital governance process to understand the risks which the council is exposed to.
- **Asset Condition**- over the past 18 months much work has taken place to understand and document the condition of the council's asset base to ensure that it is fit for purpose and still able to support service delivery. It is anticipated that when this work has concluded the council will be able to develop more strategic plans to improve asset condition, and until then the council will continue to address the more urgent condition issues as and when they present.
- **Capital Grants and funding streams** – there are a number of grant allocations that are still subject to change, some of which relate to central government allocations as they have not yet advised of the 2023/24 allocations for all grants. Other external funding relates to being successful following the submissions of bids. There may be risks associated with any of these grant funding streams, some of which are also time-limited which would mean that delays in spending could put these at risk. All these funding streams will be reviewed and monitored to understand the level of risk that the council may be exposed to.
- **Economic Development Funded (EDF) schemes** which rely on achieving and sustaining increased business rate income and Revolving Infrastructure Funded (RIF) schemes whose repayments rely on generating significant capital receipts from land sales, which given the impacts of the pandemic on various elements of the business sectors, as well as the wider economic factors currently prevailing, could prove extremely challenging for the council to achieve the pre-pandemic forecast levels. Should these levels not be met then the council would be exposed to the risk of either stop spending on the relevant capital project (if that were even a possibility) or replacing the funding for these capital schemes.

Work is currently taking place to update the capital risk register and present it so that it aligns to the recently approved risk management framework, which will enable a better understanding and assessment of risk before and after mitigation. An update will be shared within the next monitoring report.

10. Equality Implications

There are many aspects relating to the investment priorities within the council's capital strategy, as well as the delivery of the individual capital projects within the overall programme, which impact on our residents, customers and other stakeholders and members of the public, and so we recognise that it is our responsibility to ensure that any investments we make through the capital budget, may need to be considered and consulted upon. There are no specific equality implications to note at this time although capital projects will be assessed at an individual level through the approvals processes.

11. Corporate Implications

The Corporate Plan, Capital Strategy and Medium Term Financial Plan are vital tools to help align effort across the organisation and ensure that services are all focused on delivery to agreed community and organisational priorities. With continuing financial pressures and demands for services, it is essential that the councils' limited resources continue to be prioritised and allocated in line with the identified priorities and changes reflected within the budget where required.

12. Options Considered

The Council is required to formally approve a Capital Strategy for 2023/24. This could be undertaken as a multi-year strategy or a stand-alone annual process. The council has chosen to adopt the multi year strategy as this has many proven benefits, the most significant of which is the relationship and integration with the medium term financial plan, which sets the context within which decisions relating to the annual revenue budgets are taken. Given that the Capital Strategy has a significant borrowing requirement over the period, the test will be to ensure that the council's plans are affordable over the long-term.

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Appendices:

- Appendix 1 Monitoring of the 2022/23 Capital Programme
- Appendix 2 Changes to the 2022/23 Capital Programme
- Appendix 3 New Investment Proposals for 2023/24 to 2027/28
- Appendix 4 Potential Future Investment Proposals for Placemaking developments
- Appendix 5 Capital Strategy & Asset Requirements

Background Papers:

Reports presented to the Executive:

- Capital Strategy report 2022/23 (February 2022)
- Budget monitoring reports 2022/23 (July 2022-December 2022)
- MTFP and Revenue Budget for 2023/24 (February 2023)
- Treasury Management Strategy for 2023/24 (February 2023)

Monitoring of the Capital Programme in 2022/23

MONITORING OF 2022/23 CAPITAL PROGRAMME							MONITORING TO 31 DEC 2022					APPROVED FUNDING				
APPROVED GENERAL FUND CAPITAL SCHEMES	RAG rating	APPROVED BUDGET					TOTAL APPROVED BUDGET	Actual Spend	Orders	TOTAL COSTS IN 2022/23	Borrowing	Grants & Contributions	Reserves & Revenue	Capital Receipts	TOTAL APPROVED FUNDING	
		2022/23 Estimated Spend	2023/24 Estimated Spend	2024/25 Estimated Spend	2025/26 Estimated Spend	2026/27 Estimated Spend										£
SUMMARY																
Childrens Services		42,662,715	12,249,594	600,000	0	0	55,512,309	19,965,185	19,099,469	39,064,654	5,499,639	50,012,672	0	0	55,512,311	
Adult Social Services		1,437,591	300,000	300,000	0	0	2,037,591	324,601	389,153	713,754	0	2,037,591	0	0	2,037,591	
Housing		7,859,104	3,581,237	3,581,237	0	0	15,021,578	2,843,674	364,396	3,208,070	421,498	10,026,855	0	4,573,225	15,021,578	
Corporate Services		4,714,111	9,579,127	1,133,000	0	5,000,000	20,426,238	996,854	1,256,939	2,251,933	17,779,927	1,366,522	415,035	864,754	20,426,237	
Place		48,500,037	117,418,677	75,854,182	50,393,719	0	292,166,615	17,144,075	3,472,577	20,590,553	76,420,673	209,406,772	1,064,895	5,274,272	292,166,612	
AUTHORITY TOTAL		105,173,559	143,128,635	81,468,419	50,393,719	5,000,000	385,164,332	41,274,389	24,582,534	65,828,964	100,121,737	272,850,412	1,479,929	10,712,251	385,164,330	
CHILDRENS SERVICES																
Breach Classes		625,000	2,625,000	0	0	0	3,250,000	0	0	0	0	3,250,000	0	0	3,250,000	
Parklands Primary School (FF&E)	G	15,000	0	0	0	0	15,000	721	0	721	0	15,000	0	0	15,000	
New Yatton Primary School - Chestnut Park	G	208,820	0	0	0	0	208,820	126,765	0	126,765	0	208,821	0	0	208,821	
St Josephs demountable	G	13,060	0	0	0	0	13,060	11,757	0	11,757	0	13,060	0	0	13,060	
Banwell Primary School	A	1,066,351	0	0	0	0	1,066,351	147,364	448,476	595,840	738,591	327,760	0	0	1,066,351	
Monitoring of Party Wall (REFCUS)		0	0	500,000	0	0	500,000	0	0	0	500,000	0	0	0	500,000	
Kewstoke - Roof and other school updates	A	250,000	1,500,000	0	0	0	1,750,000	14,344	6,330	20,674	1,750,000	0	0	0	1,750,000	
Golden Valley Primary - Fire escape & H&S	G	223,610	0	0	0	0	223,610	3,099	0	3,099	0	223,610	0	0	223,610	
Central Secondary	G	307,927	250,000	0	0	0	557,927	0	0	0	0	557,927	0	0	557,927	
HIF - WHAE School	G	19,078,050	7,599,594	0	0	0	26,677,644	13,448,444	10,624,031	24,072,475	0	26,677,645	0	0	26,677,645	
Gordano School - 2 * Yr7 Classes	G	30,831	0	0	0	0	30,831	0	0	0	0	30,831	0	0	30,831	
Baytree Special School - Original Site	G	100,000	0	0	0	0	100,000	16,383	0	16,383	0	100,000	0	0	100,000	
Baytree Special School - Brookfield Walk Clev	G	16,899,097	0	0	0	0	16,899,097	5,389,165	7,436,581	12,825,746	0	16,899,097	0	0	16,899,097	
SEMH - Churchill - relocation of low volatge po	G	450,000	0	0	0	0	450,000	1,389	320,000	321,389	350,000	100,000	0	0	450,000	
SEMH - Churchill interim site at Nailsea	G	671,552	0	0	0	0	671,552	141,449	50,738	192,187	408,160	263,392	0	0	671,552	
SEMH School Clusters		360,000	0	0	0	0	360,000	8,224	33,720	41,944	360,000	0	0	0	360,000	
Ravenswood Roof	G	282,888	0	0	0	0	282,888	308,835	-774	308,061	282,888	0	0	0	282,888	
VLC Milton project	G	12,545	0	0	0	0	12,545	1,519	3,134	4,653	0	12,545	0	0	12,545	
Ravenswood replacement de-mountable		0	150,000	0	0	0	150,000	0	0	0	150,000	0	0	0	150,000	
Baytree (The Campus) - works including roof	G	510,000	0	0	0	0	510,000	0	0	0	510,000	0	0	0	510,000	
Carlton Centre	G	290,000	0	0	0	0	290,000	92,492	157,457	249,949	290,000	0	0	0	290,000	
Devolved Formula Capital	G	294,959	0	0	0	0	294,959	201,120	0	201,120	0	294,959	0	0	294,959	
Statutory Compliance	G	813,026	125,000	100,000	0	0	1,038,026	50,916	600	51,516	0	1,038,026	0	0	1,038,026	
Childrens Centre - Rolling Maintenance Progr	G	160,000	0	0	0	0	160,000	1,199	19,176	20,375	160,000	0	0	0	160,000	
		42,662,715	12,249,594	600,000	0	0	55,512,309	19,965,185	19,099,469	39,064,654	5,499,639	50,012,672	0	0	55,512,311	
ADULT SOCIAL SERVICES																
Adult social care accommodation shift		187,024	0	0	0	0	187,024	0	0	0	0	187,024	0	0	187,024	
Aids & Adaptations Equipment	G	300,000	300,000	300,000	0	0	900,000	275,288	0	275,288	0	900,000	0	0	900,000	
Housing & Technology Fund	G	5,813	0	0	0	0	5,813	513	94	607	0	5,813	0	0	5,813	
Social Care Projects	G	944,754	0	0	0	0	944,754	48,800	389,059	437,859	0	944,754	0	0	944,754	
		1,437,591	300,000	300,000	0	0	2,037,591	324,601	389,153	713,754	0	2,037,591	0	0	2,037,591	

MONITORING OF 2022/23 CAPITAL PROGRAMME							MONITORING TO 31 DEC 2022					APPROVED FUNDING				
APPROVED GENERAL FUND CAPITAL SCHEMES	RA/G rating	APPROVED BUDGET					TOTAL APPROVED BUDGET	Actual Spend	Orders	TOTAL COSTS IN 2022/23	Borrowing	Grants & Contributions	Reserves & Revenue	Capital Receipts	TOTAL APPROVED FUNDING	
		2022/23 Estimated Spend	2023/24 Estimated Spend	2024/25 Estimated Spend	2025/26 Estimated Spend	2026/27 Estimated Spend										£
HOUSING																
Disabled Facilities Grants	A	2,929,031	2,081,237	2,081,237	0	0	7,091,505	1,237,187	299,382	1,536,569	0	7,091,505	0	0	7,091,505	
Other Private Sector Renewal	G	38,225	0	0	0	0	38,225	86,662	14,389	101,051	0	0	38,225	38,225		
Social Housing Grants (LASHG)	G	693,498	0	0	0	0	693,498	0	0	0	421,498	272,000	0	693,498		
Grant funding of affordable housing - West Wi	G	1,422,750	0	0	0	0	1,422,750	0	0	0	0	1,422,750	0	1,422,750		
Insulation of park homes	G	490,600	0	0	0	0	490,600	596,370	50,625	646,995	0	490,600	0	490,600		
Repurchase Leasehold Properties	G	1,500,000	1,500,000	1,500,000	0	0	4,500,000	923,455	0	923,455	0	0	4,500,000	4,500,000		
First Time Buyer Loan Scheme	G	35,000	0	0	0	0	35,000	0	0	0	0	0	35,000	35,000		
Technology Enabled Care	G	750,000	0	0	0	0	750,000	0	0	0	0	750,000	0	750,000		
		7,859,104	3,581,237	3,581,237	0	0	15,021,578	2,843,674	364,396	3,208,070	421,498	10,026,855	0	4,573,225	15,021,578	
CORPORATE SERVICES																
ICT Replacement Programme	G	522,067	0	0	0	0	522,067	143,796	102,790	246,586	522,067	0	0	0	522,067	
Devices - Laptops (break fix & new starters)	A	110,000	0	0	0	0	110,000	127,655	0	127,655	110,000	0	0	0	110,000	
Networks & Infrastructure	G	400,000	0	0	0	0	400,000	150,870	249,010	399,880	400,000	0	0	0	400,000	
Security Tools		0	50,000	0	0	0	50,000	0	0	0	50,000	0	0	0	50,000	
Windows 11 upgrade project		0	50,000	0	0	0	50,000	0	0	0	50,000	0	0	0	50,000	
Changes to ContrOCC - Adult Social Care system		250,000	0	0	0	0	250,000	0	0	0	0	250,000	0	0	250,000	
Jontec Carelink system	G	140,000	0	0	0	0	140,000	0	138,555	138,555	140,000	0	0	0	140,000	
ContrOCC - Provider Portal module		0	150,000	0	0	0	150,000	0	0	0	150,000	0	0	0	150,000	
LAS / Childrens system	G	100,000	0	0	0	0	100,000	25,665	65,120	90,785	100,000	0	0	0	100,000	
Customer Services		100,000	50,000	0	0	0	150,000	0	0	0	150,000	0	0	0	150,000	
Digital Decisions		0	50,000	0	0	0	50,000	0	0	0	50,000	0	0	0	50,000	
GIS / Mapping system projects		0	105,000	0	0	0	105,000	0	0	0	105,000	0	0	0	105,000	
Council Chamber - Sound System	G	100,000	0	0	0	0	100,000	0	96,667	96,667	100,000	0	0	0	100,000	
Corporate Asset Management Plan	G	518,113	706,127	0	0	0	1,224,240	151,516	293,224	444,740	128,707	59,329	171,450	864,754	1,224,240	
Flax Bourton Mortuary	A	218,522	0	0	0	0	218,522	-1,049	219,571	218,522	0	0	218,522	0	218,522	
Leisure Asset Management Plan	A	1,140,740	700,000	0	0	0	1,840,740	304,979	83,616	388,595	1,758,484	57,193	25,063	0	1,840,739	
Accommodation Strategy	G	149,000	1,718,000	133,000	0	0	2,000,000	91,563	8,386	99,949	2,000,000	0	0	0	2,000,000	
Development Strategy	G	0	0	1,000,000	0	0	1,000,000	-1	0	-1	1,000,000	0	0	0	1,000,000	
Commercial Investment Fund - Sovereign Centre		0	5,000,000	0	0	5,000,000	10,000,000	0	0	0	10,000,000	0	0	0	10,000,000	
Decarbonisation of heat (boilers)		0	1,000,000	0	0	0	1,000,000	0	0	0	0	1,000,000	0	0	1,000,000	
Energy efficiency buildings	G	865,669	0	0	0	0	865,669	1,860	0	0	865,669	0	0	0	865,669	
Rooftop solar pilot		100,000	0	0	0	0	100,000	0	0	0	100,000	0	0	0	100,000	
		4,714,111	9,579,127	1,133,000	0	5,000,000	20,426,238	996,854	1,256,939	2,251,933	17,779,927	1,366,522	415,035	864,754	20,426,237	

MONITORING OF 2022/23 CAPITAL PROGRAMME								MONITORING TO 31 DEC 2022							
APPROVED GENERAL FUND CAPITAL SCHEMES	RAG rating	APPROVED BUDGET						MONITORING TO 31 DEC 2022			APPROVED FUNDING				
		2022/23 Estimated Spend	2023/24 Estimated Spend	2024/25 Estimated Spend	2025/26 Estimated Spend	2026/27 Estimated Spend	TOTAL APPROVED BUDGET	Actual Spend	Orders	TOTAL COSTS IN 2022/23	Borrowing	Grants & Contributions	Reserves & Revenue	Capital Receipts	TOTAL APPROVED FUNDING
		£	£	£	£	£	£	£	£	£	£	£	£	£	£
PLACE															
Clevedon Library	G	286,729	0	0	0	0	286,729	267,678	-41,041	226,637	34,331	252,398	0	0	286,729
Banksy Pinwheel	G	30,881	0	0	0	0	30,881	30,881	0	30,881	0	30,881	0	0	30,881
Shop Front Enhancement	G	150,000	54,994	0	0	0	204,994	114,000	8,757	122,757	0	204,994	0	0	204,994
Heritage Action Zone	G	550,000	186,883	0	0	0	736,883	296,922	83,051	379,973	0	736,883	0	0	736,883
Nailsea Library Relocation	G	775,545	0	0	0	0	775,545	53,442	6,477	59,919	745,000	30,545	0	0	775,545
Joint place-making initiatives - Birbeck Pier		500,000	0	0	0	0	500,000	0	0	0	0	500,000	0	0	500,000
Seafront Investments - (Lighting and Shelters)	G	822,070	0	0	0	0	822,070	296,515	21,853	318,368	657,070	45,000	120,000	0	822,070
Maintenance Schemes 2020/21	G	369,990	0	0	0	0	369,990	0	0	0	0	369,990	0	0	369,990
Pot Hole and Challenge Fund	G	143,067	0	0	0	0	143,067	0	0	0	0	143,067	0	0	143,067
Integrated Transport Schemes															
Public Transport Schemes	A	275,317	0	0	0	0	275,317	98,091	-4,588	93,503	0	275,317	0	0	275,317
Walking	A	216,579	0	0	0	0	216,579	77,627	11,681	89,308	0	216,579	0	0	216,579
Cycling Programme	A	132,059	0	0	0	0	132,059	3,394	990	4,384	0	132,059	0	0	132,059
Safety & Travel Plans	A	421,777	0	0	0	0	421,777	26,937	1,000	27,937	0	421,777	0	0	421,777
Other Schemes	A	321,429	0	0	0	0	321,429	156,288	3,915	160,203	0	321,429	0	0	321,429
Programme Management	A	6,742	0	0	0	0	6,742	0	0	0	0	6,742	0	0	6,742
Cross Cutting	A	653,119	0	0	0	0	653,119	143,272	0	143,272	0	653,119	0	0	653,119
Parking	A	70,000	0	0	0	0	70,000	0	0	0	0	70,000	0	0	70,000
COVID Grant - Walking & Cycling (EATF)	A	1,952,676	0	0	0	0	1,952,676	1,079,760	18,186	1,097,946	61,299	1,891,377	0	0	1,952,676
Maintenance Schemes															
Principal Roads	A	1,349,923	0	0	0	0	1,349,923	1,107,370	16,327	1,123,697	645,504	704,419	0	0	1,349,923
Non Principal Roads	A	1,728,317	0	0	0	0	1,728,317	424,534	22,629	447,163	896,465	831,852	0	0	1,728,317
Bridges & Structures	A	1,064,571	895,189	0	0	0	1,959,760	126,114	73,229	199,343	810,695	1,139,066	10,000	0	1,959,761
Street Lighting	A	330,973	0	0	0	0	330,973	197,655	0	197,655	80,973	250,000	0	0	330,973
Traffic Signals	A	198,326	0	0	0	0	198,326	7,671	43,823	51,494	115,126	83,200	0	0	198,326
Footways	A	452,296	35,000	0	0	0	487,296	118,892	0	118,892	46,238	441,058	0	0	487,296
Asset Officer	A	120,173	0	0	0	0	120,173	35,391	0	35,391	35,173	85,000	0	0	120,173
Drainage Schemes within LTP	A	1,818,021	51,000	0	0	0	1,869,021	362,846	5,016	367,862	24,659	1,844,362	0	0	1,869,021
Fencing	A	81,376	0	0	0	0	81,376	35,885	17,938	53,823	81,376	0	0	0	81,376
Road Restraint Programme	A	108,721	0	0	0	0	108,721	-9,579	0	-9,579	33,721	75,000	0	0	108,721
Other Highways & Street Lighting															
NSC Capital Unclassified Roads	G	1,817,706	399,000	0	0	0	2,216,706	468,041	0	468,041	778,127	1,438,579	0	0	2,216,706
Safe Routes to Schools		31,419	150,000	0	0	0	181,419	4,529	0	4,529	0	0	0	181,419	181,419
Wrighton Flood Relief Scheme	G	81,618	0	0	0	0	81,618	0	0	0	0	76,998	4,620	0	81,618
Summer Lane Flood Relief Scheme	G	126,777	240,000	0	0	0	366,777	-7,822	23,354	15,532	0	337,459	0	29,317	366,776
Street Lighting Lamp Column Replacement	G	244,996	0	0	0	0	244,996	-72,143	735	-71,408	244,996	0	0	0	244,996
Wintertoke Rd Bridge	A	2,434,828	9,256,267	0	0	0	11,691,095	242,581	80,075	322,656	0	11,691,095	0	0	11,691,095
A371 Safer Roads	G	45,000	0	0	0	0	45,000	12,872	20,752	33,624	0	45,000	0	0	45,000
Clevedon Sea Front Illuminations	G	19,903	0	0	0	0	19,903	0	0	0	0	0	19,903	0	19,903
South Bristol Link - Part 1 Claims	G	606,893	284,892	335,557	0	0	1,227,342	39,781	16,421	30,104	0	891,785	335,557	0	1,227,342

MONITORING OF 2022/23 CAPITAL PROGRAMME								MONITORING TO 31 DEC 2022							
APPROVED GENERAL FUND CAPITAL SCHEMES	RAG rating	APPROVED BUDGET						MONITORING TO 31 DEC 2022			APPROVED FUNDING				
		2022/23 Estimated Spend	2023/24 Estimated Spend	2024/25 Estimated Spend	2025/26 Estimated Spend	2026/27 Estimated Spend	TOTAL APPROVED BUDGET	Actual Spend	Orders	TOTAL COSTS IN 2022/23	Borrowing	Grants & Contributions	Reserves & Revenue	Capital Receipts	TOTAL APPROVED FUNDING
		£	£	£	£	£	£	£	£	£	£	£	£	£	£
PLACE															
Metro West subtotal	A	2,721,000	42,112,000	26,756,000	50,393,719	0	121,982,719	553,344	973,323	1,526,666	59,531,000	58,095,000	0	4,356,719	121,982,719
North South Link	G	626,871	0	0	0	0	626,871	119,109	127,632	246,741	0	626,871	0	0	626,871
Land at Parklands Village	G	889,238	0	0	0	0	889,238	7,245	66,405	73,650	0	889,238	0	0	889,238
Strawberry Line - Lighting Shute Shelf	G	30,748	0	0	0	0	30,748	0	30,748	30,748	0	30,748	0	0	30,748
Utilities at Parklands Village	A	674,917	0	0	0	0	674,917	738,880	95,236	834,116	0	674,917	0	0	674,917
Office for Low Emission Vehicles (OLEV)	G	359,074	0	0	0	0	359,074	35,695	92,931	128,626	0	359,074	0	0	359,074
HIF - Banwell Bypass & Infrastructure	R	4,385,522	30,477,410	25,348,847	0	0	60,211,779	3,226,340	453,941	3,680,281	0	60,211,778	0	0	60,211,778
LGF4 (Old LSTF) 2018/19 - sustainable transp	G	156,778	0	0	0	0	156,778	-356	9,000	8,644	84,994	71,784	0	0	156,778
Weston to Clevedon Cycleway (Tutshill Sluice	A	2,376,661	0	0	0	0	2,376,661	1,990,164	284,552	2,274,716	125,479	2,251,181	0	0	2,376,660
Metrobus Contingency/ AVTM	A	700,000	0	0	0	0	700,000	-510,610	0	-510,610	700,000	0	0	0	700,000
J19 Wyndham Way		0	0	0	0	0	0	264	0	264	0	0	0	0	0
HTST Ravenwood School Parking		250,000	0	0	0	0	250,000	0	0	0	0	250,000	0	0	250,000
Weston Transport Enhancement Scheme	G	501,776	0	0	0	0	501,776	358,843	6,949	365,792	0	8,740	0	493,036	501,776
Bus Service Improvement Plan	G	1,805,000	24,358,000	21,820,000	0	0	47,983,000	228,984	217,821	446,805	0	47,983,000	0	0	47,983,000
J21 Northbound Slip	G	0	2,686,561	0	0	0	2,686,561	0	0	0	0	2,686,559	0	0	2,686,559
Major Road Network (A38)	A	442,186	535,703	1,148,000	0	0	2,125,889	140,788	25,377	166,165	236,324	1,889,564	0	0	2,125,888
Avonmouth Bridge Wayfinding	A	101,241	0	0	0	0	101,241	103,840	2,568	106,408	0	101,241	0	0	101,241
Low Emission Vehicle Provision - Match (gran	G	0	45,000	0	0	0	45,000	0	0	0	45,000	0	0	0	45,000
Beach Recycling Weston Bay	G	3,050	0	0	0	0	3,050	0	0	0	0	0	3,050	0	3,050
England Coast Path	G	228,074	0	0	0	0	228,074	-5,251	40,635	35,384	0	228,074	0	0	228,074
Parks & Street Scene - vehicles & equipment	A	29,570	0	0	0	0	29,570	29,570	0	29,570	29,571	0	0	0	29,571
Weston Marine Lake - Dredging	G	355,994	0	0	0	0	355,994	278,648	72,639	351,287	355,994	0	0	0	355,994
Portishead Lakegrounds	G	100,000	150,000	0	0	0	250,000	0	0	0	250,000	0	0	0	250,000
Clevedon Marine Lake	G	136,000	0	0	0	0	136,000	30,012	0	30,012	136,000	0	0	0	136,000
Clapton Lane Pitches	G	12,333	0	0	0	0	12,333	16,612	0	16,612	0	12,333	0	0	12,333
PROW - Gate	A	59,718	0	0	0	0	59,718	64,792	0	64,792	0	0	59,718	0	59,718
Play Areas - replacement and upgrade progra	G	290,000	0	0	0	0	290,000	0	270,776	270,776	290,000	0	0	0	290,000
Play Areas - Local Match Funding - Skate Park	G	285,000	0	0	0	0	285,000	13,959	42,999	56,958	260,000	0	25,000	0	285,000
Purchase of Land to support biodiversity net gain		0	300,000	0	0	0	300,000	0	0	0	300,000	0	0	0	300,000
SuperPond	G	150,000	0	0	0	0	150,000	0	0	0	150,000	0	0	0	150,000
Sea Defences	G	400,000	0	0	0	0	400,000	102,928	4,463	107,391	400,000	0	0	0	400,000
Parking Schemes	G	35,716	0	0	0	0	35,716	0	0	0	35,716	0	0	0	35,716
Leigh Woods - Car Parking	G	45,000	0	0	0	0	45,000	39,803	12,572	52,375	0	45,000	0	0	45,000
Parking Review	G	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of Vehicles - Place	G	148,498	45,778	45,778	0	0	240,054	7,500	0	7,500	-36,423	0	62,695	213,781	240,053
Waste Depot		0	1,705,000	0	0	0	1,705,000	14	0	14	1,705,000	0	0	0	1,705,000
Waste & Recycling - vehicles and electric vehi	G	1,953,000	1,250,000	0	0	0	3,203,000	560,500	0	560,500	3,203,000	0	0	0	3,203,000
HWRC - Investment Programme	G	350,000	0	0	0	0	350,000	17,723	35,478	53,201	350,000	0	0	0	350,000
The Foodworks SW - Contract Retentions	G	484,964	0	0	0	0	484,964	2,277	1,000	3,277	0	484,964	0	0	484,964
Locking Parklands Health Centre	A	3,513,654	0	0	0	0	3,513,654	2,505,329	107,019	2,612,348	0	3,513,654	0	0	3,513,654
CDS - Connecting Devon & Somerset		0	200,000	0	0	0	200,000	0	0	0	0	100,000	100,000	0	200,000
Weston General Stores	A	702,617	0	0	0	0	702,617	599,615	58,306	657,921	378,265	0	324,352	0	702,617
Land Release Fund - Churchill Avenue, Cleve	A	350,000	0	0	0	0	350,000	0	0	0	0	350,000	0	0	350,000
Land Release Fund - Uplands, Nailsea	G	481,020	0	0	0	0	481,020	0	0	0	0	481,020	0	0	481,020
Brownfield Release Sites - Walliscote Place	A	1,075,000	0	0	0	0	1,075,000	47,734	8,707	56,441	0	1,075,000	0	0	1,075,000
Tropicana, Magistrates and Wayfinding	G	200,000	2,000,000	400,000	0	0	2,600,000	100,356	920	101,276	2,600,000	0	0	0	2,600,000
Weston Business Quarter		750,000	0	0	0	0	750,000	0	0	0	0	750,000	0	0	750,000
		48,500,037	117,418,677	75,854,182	50,393,719	0	292,166,615	17,144,075	3,472,577	20,590,553	76,420,673	209,406,772	1,064,895	5,274,272	292,166,612

Changes to the Capital Programme in 2022/23

Appendix 2 details changes to the approved capital programme reflecting re-phasing of capital works, increased grant funding and other decisions recommended for approval by the Capital Programme: Planning and Delivery Board or the Section 151 Officer. These changes require formal approval through this report as part of the usual governance process.

	2022/23 Capital Programme Budget £000	2023/24 Capital Prog Budget £000	2024/25 Capital Prog Budget £000	2026/27 Capital Prog Budget £000	Total Capital Prog Budget £000
ORIGINAL APPROVED CAPITAL EXPENDITURE BUDGETS	94,798	99,181	17,978	0	211,957
Adj P10 - P12	2,273	0	0	0	2,273
Budget as per P12 Out-turn	97,071	99,181	17,978	0	214,230
Planned Additions to the capital Programme - Exec, Feb 2022	38,722	0	0	0	38,722
Slippage of approved budgets from 2021/22	48,582	0	0	0	48,582
TOTAL ORIGINAL CAPITAL BUDGETS	184,374	99,181	17,978	0	301,533
AMENDMENTS TO THE PROGRAMME IN-YEAR:					
Months 1-5 - Previously approved	(14,939)	13,969	35,349	5,000	39,378
Month 6-8 - Previously approved					
Additions - Kia E-Niro - (DP233)	36	0	0	0	36
Additions - Golden Valley Primary School - (CY56)	224	0	0	0	224
Additions - BSIP (DP247)	200	0	0	0	200
Rephase - Low Emission Vehicle Provision	(45)	45	0	0	0
Rephase - Purchase of Land to support biodiversity net gain	(300)	300	0	0	0
Rephase - Digital documentation of Decisions taken	(50)	50	0	0	0
Rephase - GIS / Mapping system projects	(105)	105	0	0	0
Rephase - Ravenswood replacement de-mountable building	(150)	150	0	0	0
Rephase - Portishead Lakegrounds	(150)	150	0	0	0
Rephase - Development Strategy	(1,000)	1,000	0	0	0
Rephase - Waste Depot	(500)	500	0	0	0
Rephase - Tropicana & Magistrates	(400)	0	400	0	0
Rephase - ICT - Security Tools	(50)	50	0	0	0
Rephase - ICT - Windows 11 upgrade project	(50)	50	0	0	0
Rephase - ICT - Customer Services	(50)	50	0	0	0
Rephase - ICT - ContrOCC	(150)	150	0	0	0
Rephase - Accommodation	(1,851)	1,718	133	0	0
Rephase - Banwell Monitor of party Wall	(500)	0	500	0	0
Rephase - J21 northbound Slip	(527)	527	0	0	0
Rephase - Highways Maintenance Schemes	(1,098)	1,098	0	0	0
Rephase - Waste & Recycling - vehicles and electric top-up	(1,250)	1,250	0	0	0
Rephase - A38 MRN	(567)	(581)	1,148	0	0
Rephase - SBL Part 1 Claims	(620)	285	336	0	(0)
Rephase - Leisure Asset Management (HM Air Handling & Roof)	(700)	700	0	0	0
Rephase - Asset Management Plans	(806)	806	0	0	0
Rephase - Parks & Streetscene - Vehicles & Equipment	6	(6)	0	0	0
Savings - Parks & Streetscene - Vehicles & Equipment	0	(812)	0	0	(812)
Savings - Parking Review	0	(250)	0	0	(250)
Savings - Placemaking District Wide	(125)	0	0	0	(125)
Additions - Safer Streets Van (DP289)	63	0	0	0	63
Additions - Lighting Shute Shelf Tunnel (DP275)	31	0	0	0	31
Rephase - Shop Front Enhancement	100	(100)	0	0	0
Rephase - Summer Lane Flood Relief Scheme	(240)	240	0	0	0
Rephase - Waste Depot	(205)	205	0	0	0
Rephase - Development Strategy	0	(1,000)	1,000	0	0
Savings - Kewstoke Primary	(60)	0	0	0	(60)
Savings - Golden Valley - H&S/Fire Break	(60)	0	0	0	(60)
Savings - Churchill - H&S / Fire Break	(60)	0	0	0	(60)
Savings - St Andrews - H&S/Fire Break	(100)	0	0	0	(100)
Savings - ASD Hubs	(300)	0	0	0	(300)
Savings - SEN Hubs	(250)	(800)	0	0	(1,050)

	2022/23 Capital Programme Budget £000	2023/24 Capital Prog Budget £000	2024/25 Capital Prog Budget £000	2026/27 Capital Prog Budget £000	Total Capital Prog Budget £000
AMENDMENTS TO THE PROGRAMME IN-YEAR (CONTD):					
Realignment - Mendip Green demountable - Scheme complete	(1)	0	0	0	(1)
Realignment - Leigh Woods - Scheme complete	(15)	0	0	0	(15)
Realignment - A370 Yanley Viaduct - Scheme complete	(25)	0	0	0	(25)
Realignment - VMS Barriers - Scheme complete	(2)	0	0	0	(2)
Realignment - Boardwalk Portishead - Scheme complete	(1)	0	0	0	(1)
Realignment - Real Time Information - Scheme complete	(5)	0	0	0	(5)
Realignment - Festival Way - Scheme complete	(8)	0	0	0	(8)
Realignment - Ecargo Bikes - Scheme complete	(26)	0	0	0	(26)
Additions - Footbridges Lovers Walk (DP307)	100	0	0	0	100
Additions - Footbridges Lovers Walk (DP307)	10	0	0	0	10
Additions - Beach Lawns - Managing vehicular access (DP312)	100	0	0	0	100
Additions - Clevedon Library UKSPF funding (DP202)	31	0	0	0	31
Rephase - Safe Routes to School - Churchill (KDH303)	(150)	150	0	0	0
Rephase - Corporate Asset Management Plan	100	(100)	0	0	0
Rephase - Metro West DfT funding to new cost codes	(14,807)	14,807	0	0	0
Realignment - Campus Gym - Project no longer being delivered	0	(184)	0	0	(184)
Month 9					
Addition - Bus Service Improvement Plan (BSIP)	1,405	24,358	21,820	0	47,583
Addition - Property & Asset Management Asset Management Software	118	0	0	0	118
Addition - Footbridges Loverswalk Clevedon	20	0	0	0	20
Realignment - MetroWest Rail	(38,267)	(45,308)	2,805	30,376	0
Realignment - South Bristol Link	322	0	0	0	322
Realignment - Churchill Leisure Centre - Project under review	(1,500)	0	0	0	(1,500)
REVISED 2022/23 CAPITAL PROGRAMME	105,173	112,753	81,468	35,376	385,164

New Approvals from 2023/24 – 2027/28

Sections 3 and 4 of the main body of the report provide an overview of the planned new investments for 2023/24-2027/28 and this appendix provides further details of the schemes and projects being recommended for inclusion within the draft programme for next year.

The sections below align to the council's key investment themes and detailed projects within each area can either be linked to existing areas of spending, a new one-off project or part of an annual programme of investment.

2.1. Children and young people

Investment proposals included below show that the council takes planning for the children and young people within our community seriously and has identified their needs as one of our key priorities, both for today and into the future.

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	TOTAL £'000
Children & young people						
Investment to deliver additional school places - various sites and locations	6,769	0	0	0	0	6,769
Provision for Special Educational Mental Health and Special Educational Needs places, through Nurture Groups, expansion, enhancements & adjustments	2,714	0	0	0	0	2,714
Clevedon Secondary School Expansion (includes external funding)	2,865	2,500	0	0	0	5,365
Replacement VLC Site(s) in Weston (Ashcroft and Milton)	1,000	5,000	2,000	0	0	8,000
Maintenance Programme for schools sites	309	5	5	0	0	319
Investment and improvements for Play Areas owned by North Somerset	150	150	150	150	0	600
Haywood Village Primary - Green Agenda Planning (Developer provided school)	0	500	0	0	0	500
Yatton Secondary new site/expansion	0	5,000	0	0	0	5,000
TOTAL - Children & Young People	13,807	13,155	2,155	150	0	29,267
Grants and Contributions	12,632	4,500	0	0	0	17,132
Unsupported Borrowing	1,175	8,655	2,155	150	0	12,135
TOTAL - New investment plans	13,807	13,155	2,155	150	0	29,267

The proposals aim to address several issues within the 'school' environment, such as repairs and enhancements to learning facilities, the expansion of sites to accommodate the growing numbers of young people and the creation of local hubs for those who require additional support because of special or mental health needs, all of which will help contribute towards their educational experiences and support better outcomes in the future. Some of these plans are immediate and spending will start next year, whereas other projects reflect the need for investment over longer periods.

Continued investment is also planned areas within the community that children and young people regularly use and enjoy, such as parks and play areas. The council will continue to improve and enhance the current facilities that it owns by moving into the second year of its rolling programme of investment. Initial investment of £300k was included within the current capital programme to upgrade the council owned sites, along with a scheme to provide

£250k of match funding to support improvements in facilities that are not owned by the council; this proved an extremely popular and successful initiative.

It is recognised that investing to provide better access for children to play and encouraging these outdoor activities also supports the council’s vision within the health and well-being strategy.

2.2. Delivering better basic services

Whilst the council has the responsibility to provide a range of core services to the residents and businesses who live and work within North Somerset, it also wants to ensure that the assets linked to these services are fit for purpose, maintained, and aligned to the needs of the community who use them.

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	TOTAL £'000
Delivering better basic services						
Maintenance programme for highways network	8,491	5,991	0	0	0	14,482
A38 Improvements, including active travel and public transport investments	20,479	1,435	522	0	0	22,436
Investment in Car Parks	200	200	0	0	0	400
Continuation of the Public Rights of Way Programme	100	100	100	100	0	400
Recycling service	0	9,172	306	426	0	9,904
Provision of a new Waste Depot	0	4,688	2,132	0	0	6,820
Disabled Facilities Grants to residents (Estimate)	2,361	0	0	0	0	2,361
TOTAL - Delivering better basic services	31,631	21,586	3,060	526	0	56,803
Grants and Contributions	28,831	5,991	0	0	0	34,822
Unsupported Borrowing	2,800	15,595	3,060	526	0	21,981
TOTAL - New investment plans	31,631	21,586	3,060	526	0	56,803

One of the council’s largest ‘assets’ is its highways and infrastructure network which provides many ways to move around the area and connect to the surrounding regions. Whether residents, businesses or visitors use the highways network in vehicle or on a bicycle, the council recognises that it is essential that these assets are maintained at safe levels and so further investment is planned which will stop deterioration and maintain a steady state.

The A38 is a significant transport route which runs through North Somerset and a joint initiative with Somerset County Council is currently being proposed which will deliver a range of improvements covering at least ten locations between Barrow Tanks and Junction 22 of the M5 motorway at Edithmead, six of which are within North Somerset. The scheme, which will provide improvements to the existing highway, carriage-way widening, and include active travel improvements, contributes towards several of the council’s Corporate Plan priorities and so will benefit many residents and businesses. The values presented within this report continue to be updated as the project develops; they will include the total projected costs of the scheme and although the council will only be expected to provide a local contribution of 15%. It is anticipated that approximately 85% of the funding will be provided by the Department for Transport, subject to the submission of business cases and relevant approvals, which makes this an attractive investment for local people.

Significant investment has been included to provide a new waste depot so that the council can manage the household waste and recycling services in a safe and maintained space.

Waste services are an essential part of daily life, and it is hoped that the new depot will also provide facilities to sort, bail and store recyclable materials and be a storage location for the council’s fleet of waste vehicles.

2.3. Investing in our communities

The council recognises through its place-making strategy that it is important for residents to have access to local amenities, services, networks and facilities to become thriving and successful communities and so has prioritised investment in communities as a key theme within its capital strategy.

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	TOTAL £'000
Investing in our communities						
Levelling Up Round 2 - Tropicana, Birnbeck Pier, Marine Lake, High Street vacant units and Wayfinding	10,000	9,980	0	0	0	19,980
Community facilities - Hutton Moor Leisure Centre	970	0	0	0	0	970
Development programme in key sites across North Somerset	0	3,000	0	0	0	3,000
TOTAL - Investing in our communities	10,970	12,980	0	0	0	23,950
Grants and Contributions	10,000	9,980	0	0	0	19,980
Unsupported Borrowing	970	3,000	0	0	0	3,970
TOTAL - New investment plans	10,970	12,980	0	0	0	23,950

The council already provides a range of ‘built’ facilities within communities such as schools, childrens centres, leisure centres, libraries, community halls as well as other amenities used by the public such as seafronts, public open spaces, cycle routes and public rights of way, many of which need investment to maintain, enhance or adapt the assets being used. Examples of this are included within the proposed spending plans for next year.

The council also plans to invest further sums in new projects which build on the place-making ambitions for our communities and spending proposals shown above include examples of investment which are likely to transform areas.

The largest element of of the programme will be focused on Weston following the successful outcome of the councils’ bid to the governments’ Levelling Up Fund, which provides £20m to help reinvent iconic heritage buildings, support local businesses, create new jobs, and deliver a year-round experience-led economy for the future. This will be achieved by making investments in the town centre and seafront, transforming the culture, leisure and retail experience for residents, business, and visitors. Further details are provided throughout the report.

2.4. Tackling the climate emergency

Since the council has announced a climate, it has been developing and progressing an action plan to show the changes that need to be made to achieve the required outcomes. However as noted in Section of the report, other investments are being made which have climate and environmental considerations incorporated into them.

APPENDIX 3

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	TOTAL £'000
Tackling the climate emergency						
Annual programme to rebuild and enhance sea defences in Clevedon and Weston	400	400	400	400	0	1,600
Natural Flood Management at various Coombe locations	40	40	40	40	0	160
Eco Bus (library outreach vehicle (mobile library replacement)	0	175	0	0	0	175
TOTAL - Tackling the climate emergency	440	615	440	440	0	1,935
Grants and Contributions						0
Unsupported Borrowing	440	615	440	440	0	1,935
TOTAL - New investment plans	440	615	440	440	0	1,935

2.5. Other investments, including statutory responsibilities

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	TOTAL £'000
Other Investments, statutory functions						
Investment in ICT - technology upgrades to systems and networks	1,541	1,776	516	666	100	4,599
Corporate Asset Management - to include urgent maintenance & ICT	3,500	1,000	5,000	5,000	2,000	16,500
Sheltered Leasehold Property Re-purchases	0	0	1,500	1,500	1,500	4,500
TOTAL - Other Investments, statutory functions	5,041	2,776	7,016	7,166	3,600	25,599
Grants and Contributions	1,000	0	0	0	0	1,000
Unsupported Borrowing	4,041	2,776	5,516	5,666	2,100	20,099
Capital Receipts	0	0	1,500	1,500	1,500	4,500
TOTAL - New investment plans	5,041	2,776	7,016	7,166	3,600	25,599

Whilst planned investments in these areas may not have a direct and tangible impact on communities it is anticipated that residents will feel and understand the benefits that they will bring, for example, by investing in technology means that services can become more efficient and deliver outcomes more effectively and sometimes at less cost than before, which means that savings can potentially be realised and seen within the annual revenue budget.

Weston Placemaking grant funding and investments

A specific appendix has been drafted to pull together the key components of the council's place-making investment programme, progress of which is predicated on the successful outcome of grant funding applications.

The paper therefor summarises the funding applications that have been submitted together with the next steps that will need to be undertaken over the next few months if successful.

1. Funding applications

NSC has applied for the following grant funding from government:

(i) Levelling Up Round 2:

A total of £19,979,570 to fund a package of placemaking measures for Weston-super-Mare, centred on the themes of:

- Boosting the visitor economy by investing in much-loved but deteriorating heritage assets to create national visitor attractions and creative hubs.
- Reinventing and diversifying Weston town centre, supporting the creative economy, independent retailers and food & drink innovators.
- Delivering wayfinding and quick win public realm improvements to increase footfall and spend and boost local pride in the quality of our environment

Investments would be focused on:

- Repairs & improvements to the Tropicana, particularly focusing on the outside arena area.
- Supporting the restoration of Birnbeck Pier and its buildings.
- Completing the restoration of Marine Lake.
- Refurbishing and re-purposing vacant high street units owned by the council.
- Wayfinding and public realm improvements, including improvements to Grove Park.

The council has been advised that the funding bid was successful, which means that it will be required to provide £2.4m match-funding towards the projects, bringing the programme total to £23m. These sums have been included within Section 4.2 of the report and will be included as part of the councils' approved spending plans from 2023/24.

The original bid requirement was that expenditure must commence in 2022/23 and be completed by 31 March 2025 although given the delays in the process by the government so far, it is hoped that spending profiles will be revisited, in the early years at least. The spend profile associated with the original bid process are noted below, although they will be confirmed when the final grant conditions are received.

2022/23	£2.36m
2023/24	£10.27m
2024/25	£10.39m

However, it is unlikely that the government will change the completion date of 31 March 2025 and so the council will need to ensure that it has plans in place to proceed within

commissioning and procurement decisions as soon as possible. As a result an outline commissioning plan is provided in Section 3 below and a recommendation (1 c) has been included within the main body of the report to delegate approval to the Section 151 Officer to avoid unnecessary delays.

(ii) Cultural Development Fund:

A bid has been made to obtain £3,813,960 of capital funding, plus £700,000 of revenue funding has been made to the government, with the objective of securing a financially sustainable future for key cultural and heritage assets.

Capital proposals are:

- Repairs & improvements to the Tropicana, particularly focusing on the internal areas and increasing flexibility, efficiency and ease of use for operators and end users.
- The creation of a small-scale pavilion-type space for events and activities at Birnbeck Pier, which would generate income to help with future maintenance.

Revenue funding would be used to fund activities during the construction period to generate interest in the facilities; skills and employment initiatives linked to creative industries and heritage construction; and to provide revenue support for operations in the early period after works are complete.

If the funding bid is successful, the council will be required to provide £800k match-funding towards the projects, bringing the programme total to £5,313,960 (including the revenue element).

A decision on the bid is expected in March 2023 and expenditure would take place from 1 April 2023 – 31 March 2026. The expected spending profile is as below:

FUNDING	2023/24	2024/25	2025/26	TOTAL
Council match funding	118,082	272,767	409,151	800,000
CDF Funding (Capital)	178,448	2,384,624	1,250,888	3,813,960
CDF Funding (Revenue)	140,000	280,000	280,000	700,000
Total funding	436,530	2,937,391	1,940,039	5,313,960

2. Project delivery and Commissioning Plan

Decisions by government in January and March require a rapid response including entering into funding agreements and commissioning of works to meet the timelines for expenditure.

The bids submitted included information on the expected routes to procurement, forming the basis of these Commissioning Plan proposals. These were informed by in-house knowledge and recent engagement with the market for similar works in Weston, however further engagement with the market will take place prior to the confirmation of Procurement Plans.

Given the mixture of generalist and specialist requirements within the projects, it is anticipated that each of the main elements will be procured separately. Opportunities for combined contracts will be explored, however such opportunities are thought likely to be relatively limited.

Whilst this entails additional officer work in procuring different contractors, it has the advantage of enabling the council to more effectively manage the programme of works, so that 'quick win' lower cost or initial phase projects can move forward in advance of the more complex schemes.

Given the specialist nature of some of the works (i.e. heritage, marine environment) it is expected that a large proportion of procurement activity will be carried out via open tendering rather than through frameworks. Pre-tender supplier engagement will be critical to ensure bidders understand the Council's expectations and the nature of the work required. Where possible, contracts will be packaged to encourage smaller & local contractors to deliver works. Advice will be sought from partners including Historic England and the Arts Council to identify the most suitable suppliers for specialist work.

Potential routes to market to procure our requirements include:

- Established NSC frameworks and Dynamic Purchasing Systems (DPS) for Minor Works.
- Established government frameworks, e.g. CCS Construction Works and Associated Services, NEPO Civil Engineering and Infrastructure Framework.
- Other available construction frameworks such as Scape and Hampshire CC Gen 4.
- Open tendering.

More detailed procurement routes for this programme will be set out in the Procurement Plan and will be dependent on the individual projects and feedback from the pre-tender market engagement. However expectations as to routes to market are as set out in the table below:

Activity	Proposed procurement approach	Procurement considerations
Design services	Design and other professional services can be provided from a range of frameworks, e.g. WECA Professional Services or ESPO.	Some design services may need to be procured via open tender where the necessary specialist expertise (e.g. heritage, marine environment) is not held with frameworks.
Other professional services (e.g. surveys, engineering, etc)	Market engagement will be held to identify where frameworks can be used to provide robust standard services, and where specialist services need to be procured separately.	

<p>Construction works</p>	<p>Works will be packaged into the following:</p> <ul style="list-style-type: none"> ➤ Standard construction works - provided by a combination of works contractors under frameworks and smaller, local contractors. ➤ Specialist works: to be procured via open tender, following engagement with partners to secure the best value and most appropriate option. 	<p>Specific elements of works are likely to be provided by a specialist contractor (e.g. heritage / marine) and we may use contracting options that are available to partners with more experience in this area.</p> <p>The Dynamic Purchasing System established for Weston shopfront improvements is likely to be suitable for the work on high street units.</p> <p>Elements of wayfinding work can be provided by our Highways Term Maintenance and Grounds Maintenance contractors.</p> <p>Interior works are most likely to be low-risk, and could be the most suitable for smaller local contractors. In some cases these may be subcontracted via the main works contractor, with the requirement that they will tender this competitively and be able to demonstrate value for money.</p>
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All procurements will be evaluated on the basis of Quality vs Cost (i.e. Value for Money), with a required weighting of 10% for Social Value.

The weight allocated to Quality and Cost may vary depending on the type of service provided, with Quality weighted between 60 - 80% quality and Cost weighted between 10 – 30% (taking account of the 10% already allocated to Social Value). The higher quality ratings are likely to be required for procurements such as design services and sensitive construction elements. Lower quality ratings may apply for more routine activity such as electrical works, however a reasonably strong quality element will remain to be required in the light of factors such as responding to the marine and heritage environments and the importance of delivering a high quality, robust product and finish.

Delivery of the projects will be led by the Council’s Major Projects Team, supported by NSC’s dedicated Procurement Team and with the Weston Placemaking Team acting as lead Client alongside Seafront and Open Space teams. Governance has been established including project officer groups and a senior level officer board reporting into the Asset Strategy Steering Group and Capital Board. Executive and Local Members will be kept informed on updates and decisions.

Decisions and authorisations:

To enable projects to progress in line with likely government requirements for expenditure, the following authorities are requested:

- To delegate authority to the Council's Section 151 Officer, in consultation with Executive Members, to accept the offer(s) of funding and to enter into associated funding and legal agreements.
- To approve match-funding of grant from the Council's Capital Programme, up to a maximum of £2.4m – this has been reflected within the Strategy summarised in Section 4.2
- To approve the Commissioning Plan for the procurement of programme delivery as set out above.
- For the period from 30 March – 31 May 2023, to delegate authority to the Council's Section 151 Officer to approve Procurement Plans of a value of up to £5m per plan where required to ensure delivery of the programme to meet funding timescales.

CAPITAL STRATEGY & ASSET REQUIREMENTS

1. General principles for capital planning

Definition: capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. This includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.

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 continue to shape where capital investment needs to be delivered and these are defined within the Corporate Plan, which was updated in February 2020, and is focused around three themes:

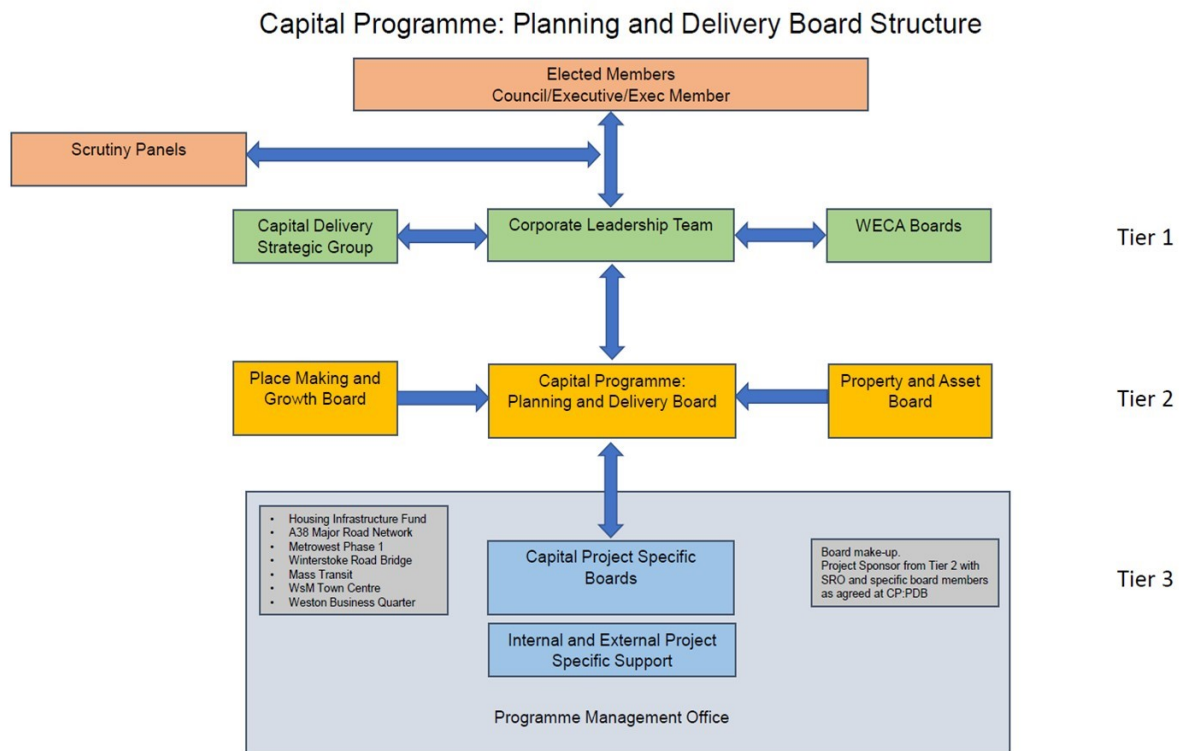
- **Open** – We will provide strong community leadership and work transparently with our residents, businesses, and partners to deliver our ambition for North Somerset.
- **Fair** – We aim to reduce inequalities and promote fairness and opportunity for everyone.
- **Green**- We will lead our communities to protect and enhance our environment, tackle the climate emergency, and drive sustainable development.

3. Governance

Capital investment decisions are made in accordance with the council's financial regulations which are contained within the Constitution. 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.

Governance surrounding capital strategy and delivery continues to be developed and refined to ensure that it stays relevant to changes which may occur within the organisation.

The governance framework in respect of capital delivery and programme management was updated in 2022 and continues to be embedded across the organisation, the chart below shows the latest position which aims to strengthen and improve communication and reporting, and thereby reduce risks.



3.1 Capital Programme: Planning and Delivery Board

This officer board ensures quality, consistency of approach and co-ordination across the Capital Programme as part of the Council’s Capital Strategy. It also oversees the operational, risk and financial performance of capital projects which align to the organisation’s intended outcomes and make recommendations to decision makers. Bringing together programme planning, monitoring and delivery in to one place with a wide range of stakeholders to consider effective investment proposals.

Each directorate has nominated representatives on the board which is currently chaired by the Director of Corporate Services and Section 151 Officer. The board is responsible for making recommendations to decision makers.

3.2 Capital Programme Approvals

The approval of spend for inclusion within the capital programme is outlined within the councils’ financial regulations as follows:

- 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

All proposals will be considered by the Capital Programme: Planning and Delivery Board prior to any decision.

3.3 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:

- **Strategic asset management planning** – the council has undertaken a strategic review of its entire asset base with a view to formulating a direction of travel for the future, determining which of the current assets should be held, maintained or listed as surplus and therefore for potential disposal. The outcomes of this review have been considered by the Asset Strategy Board who are developing a series of plans that will be integrated with the longer-term planning.

Some elements of this work have been delayed over the course of the past year as a result of the need to respond to operational issues; the two main ones being the recruitment of staff to vacant posts and responding to urgent health and safety issues within some of the councils' property base.

Workstreams include 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.

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

- **Strategic Development** – funding to support delivery of the Council’s Development Strategy as approved by Council in February 2021 (see [Development strategy](#)) and further considered in November 2022 ([Development consultation](#)). The funding will be used to deliver high quality, sustainable development on council-owned land, specifically to support the delivery of NSC sites facing proven viability challenges, and/or to accelerate and increase the provision of affordable housing and higher sustainability standards. It is expected that this will include expenditure within the 2023/24 financial year.
- **Schools programme** – Education Provision in North Somerset ~ A Commissioning Strategy 2021 – 2025 is the latest policy base for local decisions in relation to school place planning and the school’s capital programme. The current 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 infrastructure are routinely identified through the ICT replacement programme in collaboration with the council’s partnership with Agilisys. The programme is continually being refreshed to consider further investment in digital and transformation solutions which may deliver revenue budget savings, as well as any changes which may be required as a response to new ways of working
- **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

- **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 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 the major projects currently being promoted or delivered by the council have a BCR above 2.

5. Capital Strategy Action Plan

Our current action plan to support development and delivery of an affordable capital programme, which continues to be embedded across the organisation includes the following key components.

5.1 Financial planning and risk management

- Embed the decision-making pathways from the Strategic Asset Management Plan
- Establish feasibility budget, creating headroom for exploratory work including for Strategic Investment Funds
- Review out-turn performance against budgets and compare with market information to ensure that our contingencies are robust
- Specifically monitor and track inflationary provision within approved budgets to ensure that assumptions relating to cost estimates remain robust
- Develop detailed cash flows for projects so that borrowing requirements can be better profiled
- Introduce an optimism bias to mitigate against timing differences and slippage against the programme
- Use data and outputs from the Strategic Asset Management Plan to inform future maintenance requirements
- Use indices to consider delaying projects where market conditions may prevent delivery within budget and timescales

5.2 Governance/ decision making

- Simplification of our governance model at officer level to combine the Capital Projects Programme Board with the Infrastructure and Investment Board into a Capital Programme – Planning and Delivery Board
- Expand the remit of the new board beyond major projects to consider all capital
- Use our Programme Management Office to develop standard templates and reporting frameworks to support clarity and consistency

- Establish clear triggers for escalation of risk; including budget, timescale, deliverability and scope
- Update our reports for councillors to provide enhanced visibility of risks
- Establish a framework to assess the carbon impact of our schemes

6. Prudential Indicators

The Prudential Code was updated in 2021 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 reference to a series of **prudential indicators** which enable the reader to understand overall financial impact of capital investment decisions, with a focus on debt levels and how these will be repaid.

It should be noted that the Treasury Management Code of Practice also provides for the same reporting requirements meaning that there is an overlap in terms of the preparation and reporting of such prudential indicators.

To avoid confusion, and to ensure that all Treasury and Capital indicators use the same base data, we have reflected all the indicators within one of the core strategy reports, they are all contained within the Treasury Management Strategy report, considered elsewhere on the agenda for this same meeting. This is because the treasury report also requires local authorities to consider the impacts of capital planning on its treasury management strategy, as well as both borrowing and investment decisions.

Attention should therefore be drawn to the Prudential Indicators for capital expenditure, the capital financing requirement, revenue budget impacts of borrowing, as well as borrowing and investments thresholds and forecasts.