

## COUNCIL

Wednesday, 25 January 2017

### CAPITAL PROGRAMME 2017/18 TO 2020/21 (REP1339)

#### EXECUTIVE SUMMARY

1. This report sets out the Council's General Fund and Housing Revenue Account (HRA) Capital Programmes for the financial year 2017/18 to 2020/21, including revisions to the 2016/17 programme. The report includes the main principles applied to set the programme and provides details of the expenditure and financing for 2016/17 to 2020/21.
2. The General Fund Capital Programme for 2017/18 to 2020/21, including revisions to 2016/17 totals £45.18 million, of which £35.28 million (78%) is external funded from grants and contributions.
3. The HRA Capital Programme for the same period totals £48.7 million and does not require any additional external borrowing to finance it, with the programme being funded from external grants and contributions and internal resources.
4. The Capital Programme for 2017/18 to 2020/21, including revisions to the 2016/17 programme are recommended for approval by Full Council.

Is the report Open or Exempt?	Open
<b>Wards Affected:</b>	All Wards within the District
<b>Cabinet Member:</b>	Councillor Mike Barnard Cabinet Member for Resources and Welfare Reforms
<b>Supporting Officer:</b>	Homira Javadi Chief Finance Officer (01394) 444529 <a href="mailto:homira.javadi@eastsoffolk.gov.uk">homira.javadi@eastsoffolk.gov.uk</a>

## **1.0 INTRODUCTION**

- 1.1 As part of the annual budget setting process, the Council is required to agree a programme of capital expenditure for the coming four years, together with a revision of the current year's programme. The capital programme plays an important part in the delivery of the Council's Medium Term Financial Strategy (MTFS), which in turn supports wider service delivery.
- 1.2 Capital expenditure within the Council is split into two main components, the General Fund Capital Programme and the Housing Revenue Account (HRA) Capital Programme.
- 1.3 The capital programme recognises the spending pressures within the Finance Settlement for 2016/17 and 2017/18 on the resources available. As a consequence, the programme continues to only incorporate those projects that are either a statutory requirement or are essential to the Council's service delivery. The programme includes schemes where the Council has been successful in securing funding from external grants and contributions, and also schemes where the Council is pro-actively working with external bodies to secure funding. For these schemes to go ahead it is important that the funding is secured.
- 1.4 The capital programme has been compiled taking account of the following main principles, to:
- maintain an affordable four-year rolling capital programme;
  - ensure capital resources are aligned with the Council's Business Plan, strategic vision and corporate priorities;
  - maximise available resources by actively seeking external funding and disposal of surplus assets; and
  - not to anticipate receipts from disposals until they are realised.
- 1.5 The current economic climate also places further emphasis on ensuring that the levels of capital receipts are maximised through improved asset management and through the sale of surplus and underused assets. The Council has been successful in disposing of land and buildings surplus to its requirements, which have supported the overall financing of capital investment and at the same time reduced the demand on the revenue budget.
- 1.6 The Council has taken a prudent approach in determining the overall affordability of its capital programme. The programme, set out in the report is affordable without the need to rely on future capital receipts, the extent and timing of which are unknown.

## **2 CAPITAL FUNDING SOURCES**

- 2.1 The capital investment proposals contained within this MTFS rely upon an overall funding envelope made up of a number of sources, including borrowing, capital receipts, capital grant and revenue contributions.
- 2.2 Borrowing - The local Government Act 2003 gave local authorities the ability to borrow for capital expenditure provided that such borrowing was affordable, prudent and sustainable over the medium term. The Council has to complete a range of calculations (Prudential Indicators) as part of its annual budget setting process to evidence this. These make sure that the cost of paying for interest charges and repayment of principal by a minimum revenue contribution (MRP) each year is taken into account when drafting the Budget and Medium Term Financial Strategy. Over the course of this MTFS, prudential borrowing of £6.19m has been assumed for the General Fund Capital Programme, being £4.58m (internal borrowing) and £1.61m (external borrowing).

- 2.3 The Councils external borrowing limit is set at £123m with a General Fund limit of £35.74m and actual borrowing of £13.48m. The HRA borrowing limit is set at 87.26m with actual borrowing of £77.41m.
- 2.4 General Fund Capital Receipts - These are generated when a fixed asset is sold and the receipt is more than £10k. Capital receipts can only be used to fund capital expenditure. All of the receipts from the disposal of an asset on the Council's General Fund (i.e. for its main services) can be kept by the Council.
- 2.5 Capital Grant - The Council receives additional grant funding for a variety of purposes and from a range of sources. These include Communities and Local Government funding for Disabled Facility Grants and Environment Agency funding for Coastal Management projects.
- 2.6 General Fund Revenue Contributions - Although the Council can use its General Fund revenue balances to pay for capital expenditure, as it has in the past, the current financial constraints that are on the Revenue Budget means that this option is limited in the medium term.
- 2.7 General Fund Capital Reserves - Capital Short Life Asset Reserve – It is anticipated that this reserve will continue to fund assets with a life of less than 10 years, primarily being IT equipment and vehicles purchases.
- 2.8 HRA Right to Buy (RTB) Capital Receipts - On 6<sup>th</sup> April 2016, Ministers raised the cap on RTB discounts to £77,900 outside of London and confirmed that receipts from the additional sales would be used to fund replacement stock on a one for one basis. Ministers continue to confirm that their favoured option of delivering new homes would be through local authorities retaining receipts to spend in their areas. In order to keep these additional receipts it was necessary to enter into an agreement with the Secretary of State for Communities and Local Government. This allows the Council to retain additional RTB receipts over and above that budgeted by HM Treasury each financial year.
- 2.9 HRA Other Capital Receipts - These are generated when a fixed asset is sold and the receipt is more than £10k. Capital receipts can only be used to fund capital expenditure.
- 2.10 HRA Contributions – Funding for capital expenditure on housing can be met from within the HRA. The future funding requirements will be informed by the revised 30 year HRA business plan.
- 2.11 HRA Capital Reserves – Although the HRA subsidy system has ceased to exist, transitional arrangements allow the Council to continue to place the Major Repairs Allowance, as detailed in the settlement determination, in the Major Repairs Reserve. This is exclusively available for use on HRA capital expenditure.

### **3 SUMMARY GENERAL FUND CAPITAL PROGRAMME**

- 3.1 Capital expenditure relates to the acquisition of fixed assets or expenditure that adds to (and not merely maintains) the value of an existing fixed asset. The following tables show the General Fund original and revised budgets for 2016/17 and the revised budgets for 2017/18 to 2020/21.
- 3.2 The capital programme for 2016/17 through to 2020/21 has a total budget requirement £45.18m which will be financed through both internal and external resources.
- 3.3 The programme from 2016/17 to 2020/21 benefits from £35.28m (78%) of external grants and contributions, capital receipts of £0.51m (1%) which have already been received, the use of £3.2m (7%) of capital reserves and internal/external borrowing of £6.19m (14%).
- 3.4 In the event of external funding not being secured then those projects will look to secure other funding or will not be pursued.

<b>SUMMARY - GENERAL FUND PROGRAMME</b>	<b>2016/17 £000 Original</b>	<b>2016/17R £000 Revised Budget</b>	<b>2017/18 £000 Revised Budget</b>	<b>2018/19 £000 Revised Budget</b>	<b>2019/20 £000 Revised Budget</b>	<b>2020/21 £000 Revised Budget</b>	<b>Total 2016/17R to 2020/21</b>
<b>Capital Expenditure</b>							
Leader	100	170	79	25	200	100	574
Community Health & Safety	30	30	30	30	30	30	150
Operational Partnerships & Lowestoft Rising	1,067	2,601	970	575	550	550	5,246
Planning & Coastal Management	2,200	1,642	2,643	9,350	11,600	11,795	37,030
Resources & Welfare Reforms	350	677	612	340	445	101	2,175
<b>Total Capital Expenditure</b>	<b>3,747</b>	<b>5,120</b>	<b>4,334</b>	<b>10,320</b>	<b>12,825</b>	<b>12,576</b>	<b>45,175</b>
<b>Financed By:-</b>							
<b>External:</b>							
External (Grants/Contributions)	2,150	1,551	2,181	8,950	11,200	11,395	35,277
Borrowing	0	1,215	390	0	0	0	1,605
<b>Internal:</b>							
General Fund Capital Receipts	0	514	0	0	0	0	514
Borrowing	992	1,025	1,229	820	925	581	4,580
-Short Life Asset Reserve	605	815	534	550	700	600	3,199
<b>Total Financing</b>	<b>3,747</b>	<b>5,120</b>	<b>4,334</b>	<b>10,320</b>	<b>12,825</b>	<b>12,576</b>	<b>45,175</b>
<b>Increase in Revised Budget to Original (£3,747k less £5,271k)</b>							<b>1,373</b>
<b>Analysis of Budget Revisions:</b>							
Leader	70 Revised Corporate IT budget to include budget allocated from 2015/16.						
Operational Partnerships & Lowestoft Rising	-100 S106 Play Areas budget rephased over MTFS period.						
Operational Partnerships & Lowestoft Rising	-100 Battery Green Car Park revised budget.						
Operational Partnerships & Lowestoft Rising	220 Car Parks budget (work and replacement machines) rephased from 2017/18 & 2018/19.						
Operational Partnerships & Lowestoft Rising	100 Waveney Valley Pool revised budget on inspected works.						
Operational Partnerships & Lowestoft Rising	65 Revised Beach hut budget						
Operational Partnerships & Lowestoft Rising	915 New budget for Mariners Street phase 1 development.						
Operational Partnerships & Lowestoft Rising	50 New budget for the redevelopment of Triangle Market.						
Operational Partnerships & Lowestoft Rising	35 New budget for Southwold Health & Safety works on Harbour Wall.						
Operational Partnerships & Lowestoft Rising	284 New budget for the redevelopment of Ferry Road.						
Operational Partnerships & Lowestoft Rising	65 Other minor budget movements.						
Planning & Coastal Management	-25 Minor Capital Expenditure rephased to 2017/18.						
Planning & Coastal Management	-70 Lowestoft North Denes Appraisal rephased.						
Planning & Coastal Management	-30 Southwold Frontage PAR budget rephased.						
Planning & Coastal Management	-153 Lowestoft Tidal barrier budget rephased.						
Planning & Coastal Management	-280 Pathfinder transferred to reserves.						
Resources & Welfare Reforms	-50 District Enhancements reapplied to other projects.						
Resources & Welfare Reforms	-81 Estates Management rephased.						
Resources & Welfare Reforms	300 Investment Property acquisition.						
Resources & Welfare Reforms	158 Remainder of budget allocated to 2015/16 for the completion of Riverside and Marina Centre projects.						
<b>Total Increase/(Decrease)</b>							<b>1,373</b>
<b>Notes:</b>							
1) Capital Receipts already received for 2016/17 have been included.							
2) No capital receipts have been assumed in future years.							

LEADER	2016/17 £000 Original Budget	2016/17R £000 Revised Budget	2017/18 £000 Revised Budget	2018/19 £000 Revised Budget	2019/20 £000 Revised Budget	2020/21 £000 Revised Budget
Corporate IT Requirements	100	80	64	25	200	100
Corporate IT - additional allocation	0	53	7	0	0	0
Corporate IT - Land Terrier *	0	12	8	0	0	0
Corporate IT - Legal CM System *	0	25	0	0	0	0
<b>Total Budgeted Expenditure</b>	<b>100</b>	<b>170</b>	<b>79</b>	<b>25</b>	<b>200</b>	<b>100</b>
<b>Financed By:-</b>						
<b>Internal Funding:</b>						
Internal Borrowing	100	0	0	0	0	0
Capital Receipt	0	0	0	0	0	0
Reserve	0	170	79	25	200	100
	100	170	79	25	200	100
<b>External Funding:</b>						
Grants	0	0	0	0	0	0
Contributions	0	0	0	0	0	0
Borrowing	0	0	0	0	0	0
	0	0	0	0	0	0
<b>Total Budgeted Financing</b>	<b>100</b>	<b>170</b>	<b>79</b>	<b>25</b>	<b>200</b>	<b>100</b>
<b>Project</b>	<b>Description</b>					
Corporate IT Requirements	Purchase of A0 scanner, RSA tokens, Good Licences, replacement video conferencing units, Intrusion detection and MS Licensing.					
Corporate IT - additional allocation	Purchase of mobile phones, thermal printers, Ipad replacement and upgrades, Firmstep Offline Forms Module, laptop upgrades and Citrix work and desktop/mobile refresh.					
Corporate IT - Land Terrier	Costs for loading of data onto the land terrier system.					
Corporate IT - Legal CM System	Purchase of a legal case management system.					

\* New project

COMMUNITY HEALTH & SAFETY	2016/17 £000 Original Budget	2016/17R £000 Revised Budget	2017/18 £000 Revised Budget	2018/19 £000 Revised Budget	2019/20 £000 Revised Budget	2020/21 £000 Revised Budget
Footway Lighting Works	30	30	30	30	30	30
<b>Total Budgeted Expenditure</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>Financed By:-</b>						
<b>Internal Funding:</b>						
Internal Borrowing	30	0	30	30	30	30
Capital Receipt	0	30	0	0	0	0
Reserve	0	0	0	0	0	0
	30	30	30	30	30	30
<b>External Funding:</b>						
Grants	0	0	0	0	0	0
Contributions	0	0	0	0	0	0
Borrowing	0	0	0	0	0	0
	0	0	0	0	0	0
<b>Total Budgeted Financing</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>Project</b>	<b>Description</b>					
Footway Lighting Works	Cyclical replacement lamps and columns throughout the district.					

<b>OPERATIONAL PARTNERSHIP &amp; LOWESTOFT RISING</b>	<b>2016/17 £000 Original Budget</b>	<b>2016/17R £000 Revised Budget</b>	<b>2017/18 £000 Revised Budget</b>	<b>2018/19 £000 Revised Budget</b>	<b>2019/20 £000 Revised Budget</b>	<b>2020/21 £000 Revised Budget</b>
S106 Play Equipment ***	150	50	50	50	50	50
Battery Green Car Park **	100	0	250	0	0	0
Car Park Works	60	80	60	0	0	0
Car Park Ticket Machine	112	312	0	0	0	0
Waveney Norse Vehicles	555	560	405	500	500	500
Waveney Norse Grounds Equipment	50	50	25	25	0	0
Waveney Valley Pool *	0	100	0	0	0	0
Lowestoft Lifeguard Station	40	0	40	0	0	0
Southwold Harbour Wall *	0	35	0	0	0	0
Lowestoft Beach Huts	0	165	0	0	0	0
Britten Centre - Lift *	0	0	140	0	0	0
Mariners Street - Phase 1 **	0	915	0	0	0	0
18 Ferry Road Southwold*	0	284	0	0	0	0
Triangle Market *	0	50	0	0	0	0
<b>Total Budgeted Expenditure</b>	<b>1,067</b>	<b>2,601</b>	<b>970</b>	<b>575</b>	<b>550</b>	<b>550</b>
<b>Internal Funding:</b>						
Internal Borrowing	312	657	100	0	0	0
Capital Receipt	0	0	0	0	0	0
Reserve	605	645	430	525	500	500
	917	1,302	530	525	500	500
<b>External Funding:</b>						
Grants	0	0	0	0	0	0
Contributions	150	50	50	50	50	50
Borrowing	0	1,249	390	0	0	0
	150	1,299	440	50	50	50
<b>Total Budgeted Financing</b>	<b>1,067</b>	<b>2,601</b>	<b>970</b>	<b>575</b>	<b>550</b>	<b>550</b>
<b>Project</b>	<b>Description</b>					
S106 Play Equipment	Play Equipment installation on play parks throughout the district funded from S106 contributions.					
Battery Green Car Park	Budgeted provision for development works.					
Car Park Works	Enhancement to car park surfaces at Halesworth Thoroughfare and Whapload Road, Lowestoft.					
Car Park Ticket Machine	Replacement car park ticket machines throughout the District. Also new machines will be compliant with the new 12 sided £1 coin.					
Waveney Norse Vehicles	Purchase of Vehicles for use by Waveney Norse (contractual).					
Waveney Norse Grounds Equipment	Replacement lawn tractors/mowers.					
Waveney Valley Pool	Final costs for the refurbishment of the boiler and plant area.					
Lowestoft Lifeguard Station	Provisional budget for redevelopment or demolition of old Lifeguard Station.					
Southwold Harbour Wall	Health & Safety works to the Harbour Wall and Fisherman's compound following completion review.					
Lowestoft Beach Huts	Purchase and installation of temporary beach huts Lowestoft.					
Britten Centre - Lift	Budget provision for the replacement of the lift within the car park (contractual).					
Mariners Street - Phase 1	Redevelopment of the former offices at Mariners Street.					
18 Ferry Road, Southwold	Development of a vacant building plot at 18 Ferry Road, Southwold					
Triangle Market	Infrastructure investment at Market site.					

\* New project \*\* subject to business case \*\*\* Externally Funded

<b>PLANNING &amp; COASTAL MANAGEMENT</b>	<b>2016/17 £000 Original Budget</b>	<b>2016/17R £000 Revised Budget</b>	<b>2017/18 £000 Revised Budget</b>	<b>2018/19 £000 Revised Budget</b>	<b>2019/20 £000 Revised Budget</b>	<b>2020/21 £000 Revised Budget</b>
Coast Protection - Minor Capital Works	200	175	262	200	200	200
Coast Protection -Lowestoft Seawall Phase 2 ***	100	100	0	0	0	0
Coast Protection Path Finder Project	280	0	0	0	0	0
Hopton to Corton - PAR & Works ***	0	0	0	50	100	500
Lowestoft North Denes Project Appraisal ***	70	0	70	100	2,000	2,000
Southwold Frontage PAR & Works ***	50	20	70	100	1,500	1,500
Southwold Harbour South Pier works ***	0	0	50	500	500	0
Lowestoft Tidal Barrier *** (part WDC Funded £250k 17/18 to 20/20)	1,500	1,347	2,191	8,400	7,300	7,595
<b>Total Budgeted Expenditure</b>	<b>2,200</b>	<b>1,642</b>	<b>2,643</b>	<b>9,350</b>	<b>11,600</b>	<b>11,795</b>
<b>Internal Funding:</b>						
Internal Borrowing	200	0	512	450	450	450
Capital Receipt Reserve	0	175	0	0	0	0
	0	0	0	0	0	0
	200	175	512	450	450	450
<b>External Funding:</b>						
Grants	2,000	1,467	2,131	8,900	11,150	11,345
Contributions	0	0	0	0	0	0
Borrowing	0	0	0	0	0	0
	2,000	1,467	2,131	8,900	11,150	11,345
<b>Total Budgeted Financing</b>	<b>2,200</b>	<b>1,642</b>	<b>2,643</b>	<b>9,350</b>	<b>11,600</b>	<b>11,795</b>
<b>Project</b>	<b>Description</b>					
Coast Protection - Minor Capital Works	The Coastal Management Team carries out a comprehensive programme of inspections which highlight when repair and maintenance works need to be carried out. This ensures that the defences are functioning correctly, extends the life of the assets and protects the public from potential hazards.					
Coast Protection -Lowestoft Seawall Phase 2	Replacement of destroyed Seawall and area along with installation of rock reef following the storm surge of 2013.					
Coast Protection Path Finder Project	Government funded project to improve the coastal environment and cliff stabilization and the rollback of 9 households at Easton Bavents. Council purchases a site and households fund property and infrastructure.					
Hopton to Corton - PAR & Works	This item is for works to remove or part remove / improve defences to the north of Corton Village that were abandoned after failure in line with 2010 Shoreline Management Plan policy. Management of this frontage is under review by the Gorleston to Lowestoft Strategy Study, which will be submitted to EA for approval in spring 2017.					
Lowestoft North Denes Project Appraisal	This item is for works to strengthen the North denes seawall in response to increasing erosion pressure.					
Southwold Frontage PAR & Works	This item is to improve the performance of the Southwold defences that were built in 2005 but have not delivered the design objective. The works are likely to involve improvements to groynes. The project will probably be a joint scheme with Environment Agency.					
Southwold Harbour South Pier works	The Southwold Harbour South Pier is a river training structure that supports navigation and river discharge. Work is likely to involve reconstruction of the pier in rock.					
Lowestoft Tidal Barrier	A major project to construct a permanent tidal wall which will be built around the harbour to protect Lowestoft from future tidal surges, with a tidal gate located near to the Bascule Bridge to prevent surge water entering Lake Lothing. Including the interim measure of temporary flood barriers.					

\*\*\* Externally Funded

<b>RESOURCES &amp; WELFARE REFORMS</b>	<b>2016/17 £000 Original Budget</b>	<b>2016/17R £000 Revised Budget</b>	<b>2017/18 £000 Revised Budget</b>	<b>2018/19 £000 Revised Budget</b>	<b>2019/20 £000 Revised Budget</b>	<b>2020/21 £000 Revised Budget</b>
District Transformation Enhancements	50	0	0	0	0	0
Estates Management	300	219	574	340	445	101
Investment Property Acquisition **	0	300	0	0	0	0
Marina Customer Service Centre	0	9	0	0	0	0
Riverside Road	0	149	0	0	0	0
Commercial Road *	0	0	38	0	0	0
<b>Total Budgeted Expenditure</b>	<b>350</b>	<b>677</b>	<b>612</b>	<b>340</b>	<b>445</b>	<b>101</b>
<b>Internal Funding:</b>						
Internal Borrowing	350	368	587	340	445	101
Capital Receipt Reserve	0	309	0	0	0	0
	0	0	25	0	0	0
	350	677	612	340	445	101
<b>External Funding:</b>						
Grants	0	0	0	0	0	0
Contributions	0	0	0	0	0	0
Borrowing	0	0	0	0	0	0
	0	0	0	0	0	0
<b>Total Budgeted Financing</b>	<b>350</b>	<b>677</b>	<b>612</b>	<b>340</b>	<b>445</b>	<b>101</b>
<b>Project</b>	<b>Description</b>					
District Transformation Enhancements	Budget Provision for minor enhancements throughout the District.					
Estates Management	A planned preventative maintenance list of works required on Council owned properties throughout the district.					
Investment Property Acquisition	Commercially Sensitive.					
Marina Customer Service Centre	Finalisation of Marina Centre refurbishment.					
Riverside Road	Finalisation of Riverside Development.					
Commercial Road	Conversion of a property into flats and communal living space for temporary accommodation and to deliver welfare training.					

\* New project \*\* subject to business case

<b>Total Capital Budget</b>	<b>3,747</b>	<b>5,120</b>	<b>4,334</b>	<b>10,320</b>	<b>12,825</b>	<b>12,576</b>
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#### 4 SUMMARY HRA CAPITAL PROGRAMME

- 4.1 Capital expenditure relates to the acquisition of fixed assets or expenditure that adds to (and not merely maintains) the value of an existing fixed asset. The following tables show the HRA capital original and revised budgets for 2016/17 and the revised budgets for 2017/18 to 2020/21.
- 4.2 The capital programme for 2016/17 through to 2020/21 has a total budget requirement £48.717m which will be financed through both internal and external resources.
- 4.3 The programme from 2016/17 to 2020/21 relies upon £6.40m (13%) of external grants and contributions, capital receipts of £5.72m (12%) which have already been received, the use of £12.69m (26%) of capital reserves and direct revenue financing of £23.90m (49%).

SUMMARY – HOUSING PROGRAMME	2016/17 £000 Original	2016/17R £000 Revised Budget	2017/18 £000 Revised Budget	2018/19 £000 Revised Budget	2019/20 £000 Revised Budget	2020/21 £000 Revised Budget	Total 2016/17 R to 2020/21
<b>Capital Expenditure</b>							
Housing Repairs	3,785	3,845	3,117	3,492	2,462	2,422	15,338
Housing Development	4,347	2,956	14,782	5,842	4,484	2,000	30,064
Housing Improvements	516	663	663	663	663	663	3,315
<b>Total Capital Expenditure</b>	<b>8,648</b>	<b>7,464</b>	<b>18,562</b>	<b>9,997</b>	<b>7,609</b>	<b>5,085</b>	<b>48,717</b>
<b>Financed By:-</b>							
<b>External</b>							
External (Grants/Contributions)	1,516	1,054	2,148	1,003	1,533	663	6,401
<b>Internal:</b>							
-HRA Direct Revenue Financing	4,980	5,421	6,830	3,977	3,849	3,822	23,899
-HRA Reserves	2,152	0	7,489	3,400	1,804	0	12,693
-HRA Capital Receipts	0	989	2,095	1,617	423	600	5,724
<b>Total Financing</b>	<b>8,648</b>	<b>7,464</b>	<b>18,562</b>	<b>9,997</b>	<b>7,609</b>	<b>5,085</b>	<b>48,717</b>
<b>Cumulative Expenditure to be financed by Housing Revenue Account</b>	<b>N/A</b>	<b>5,421</b>	<b>12,251</b>	<b>16,228</b>	<b>20,077</b>	<b>23,899</b>	
<b>Increase in Revised Budget to Original</b>		<b>-1,184</b>					
<b>Analysis of Budget Revisions:</b>							
Housing Repairs – Reconversions		129	Revised programme				
Housing Repairs – Re-roofing		76	Revised programme				
Housing Repairs – windows		-35	Revised programme				
Housing Repairs – external doors		20	Revised programme				
Housing Repairs – Rewiring		-75	Revised programme				
Housing Repairs – Central Heating/Boilers		-72	Revised programme				
Housing Repairs – Energy Efficiency Work		28	Revised programme				
Housing Repairs – Kitchens		-205	Revised programme				
Housing Repairs – Bathrooms		30	Revised programme				
Housing Repairs – Housing Repair Vans		5	Revised programme				
Housing Repairs – Door Security Systems		94	Revised programme				
Housing Repairs – Harry Chamberlain Court		20	Revised programme				
Housing Repairs – Mobility Scooter Parking		45	Revised programme				
Housing Development - Expenditure on Acquisitions		203	Revised programme				
Housing Development - New Builds		-1,594	Revised programme				
Housing Improvement - Grants		147	Revised programme				
<b>Total Increase/(Decrease)</b>		<b>-1,184</b>					
Notes: 1) No capital receipts have been assumed in future years that have not already been received.							
2) Housing Improvement is financed from external grants.							
3) Housing Revenue Account expenditure is HRA direct revenue financing (DRF)							

HOUSING REPAIRS	2016/17	2016/17R	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000
	Original Budget	Revised Budget	Revised Budget	Revised Budget	Revised Budget	Revised Budget
Disabled Works	250	250	220	220	220	220
Reconversions	340	469	150	120	40	0
Environmental Works	25	25	10	10	10	10
Re-Roofing	400	476	400	400	400	400
Fascia's	15	15	10	10	10	10
Windows	65	30	30	30	30	30
External Doors	25	45	17	17	17	17
Rewiring	375	300	280	280	280	280
Central Heating/Boilers	800	728	650	550	550	550
Lifts	55	55	0	0	0	0
Energy Efficiencies Work	300	328	225	200	200	200
Kitchens	705	500	500	500	500	500
Bathrooms	100	130	50	50	50	50
Housing Repair Vans	130	135	110	110	110	110
Heat Metering	200	200	200	100	0	0
Door Security Systems *	0	94	0	0	0	0
44 Harry Chamberlain Court - Temp Accommodation *	0	20	0	0	0	0
Staith Road - Reconversion *	0	0	170	0	0	0
Mobility Scooter Parking *	0	45	45	45	45	45
Digital Transformation *	0	0	50	0	0	0
New Office Accommodation for Housing *	0	0	0	850	0	0
<b>Total Budgeted Expenditure</b>	<b>3,785</b>	<b>3,845</b>	<b>3,117</b>	<b>3,492</b>	<b>2,462</b>	<b>2,422</b>
<b>Financed By:-</b>						
<b>Internal Funding:</b>						
Housing Revenue Account	3,785	3,845	3,117	3,492	2,462	2,422
	3,785	3,845	3,117	3,492	2,462	2,422
<b>External Funding:</b>						
Grants	0	0	0	0	0	0
Contributions	0	0	0	0	0	0
	0	0	0	0	0	0
<b>Total Budgeted Financing</b>	<b>3,785</b>	<b>3,845</b>	<b>3,117</b>	<b>3,492</b>	<b>2,462</b>	<b>2,422</b>
<b>Project</b>	<b>Description</b>					
Disabled Works	These works provide disabled adaptations to the Council's housing stock to improve the living conditions of tenants, for example, the installation of flush floor showers, stairlifts etc.					
Reconversions	Conversion of different stock types to provide more appropriate accommodation i.e. flats reconverted to houses, etc. as need dictates.					
Environmental Works	Works controlled by tenants for environmental improvements, examples could be additional estate parking, communal play improvements etc.					
Re-Roofing	A rolling programme provides replacement roofs to the housing stock.					
Fascia's	A rolling programme provides replacement fascia's to the housing stock.					
Windows	A rolling programme provides replacement windows to the housing stock.					
External Doors	A rolling programme provides replacement doors to the housing stock.					
Re-Wiring	Rewiring to the housing stock.					
Central Heating/Boilers	A rolling programme has been established which provides replacement heating appliances, boilers and installation of full heating systems to the housing stock.					
Lifts	Replacement of hydraulic lifts to sheltered schemes and communal areas.					
Energy Efficiency Works	Energy improvement works to properties, examples could be electrical improvements to blocks of flats to reduce energy consumption, more efficient heating systems, installation of over bath showers to reduce water usage etc.					
Kitchens	Replacement and improvements to kitchens and layouts to the housing stock.					
Bathrooms	Replacement and improvements to bathrooms and layouts to the housing stock.					
Housing Repair Vans	Cyclical renewal of Housing vans					
Heat Metering	Works to be compliant with the Heat metering network regulations. Every communal system should have individual meters within each property to allow residents to know their specific usage.					
Door Security Systems	Installation of secure door entry systems to blocks of flats.					
Harry Chamberlain Court - Temp Accommodation	Conversion of the old Mencap (44) unit for temporary accommodation use.					
Staith Road - Reconversion	Capital budget is for conversion of three existing flats into a 5 bedroomed detached house.					
Mobility Scooter Parking	Installation of mobility buggy parking areas to sheltered housing schemes.					
Digital Transformation	Smarter working practices being considered such as mobile working.					
New Office Accommodation	Provided for alternative depot office accommodation.					

\* New project

HOUSING DEVELOPMENT	2016/17	2016/17R	2017/18	2018/19	2019/20	2019/20
	£000	£000	£000	£000	£000	£000
	Original Budget	Revised Budget	Revised Budget	Revised Budget	Revised Budget	Revised Budget
Expenditure on Housing Acquisitions	0	203	40	0	0	0
New Builds *** (Internal & external Funding)	4,347	2,753	14,742	5,842	4,484	2,000
<b>Total Budgeted Expenditure</b>	<b>4,347</b>	<b>2,956</b>	<b>14,782</b>	<b>5,842</b>	<b>4,484</b>	<b>2,000</b>
<b>Financed By :-</b>						
<b>Internal Funding:</b>						
Housing Revenue Account	1,195	1,576	3,713	485	1,387	1,400
Housing Revenue Account Reserves	2,152	0	7,489	3,400	1,804	0
Housing Capital Receipts	0	989	2,095	1,617	423	600
	3,347	2,565	13,297	5,502	3,614	2,000
<b>External Funding:</b>						
Grant	1,000	391	1,485	340	870	0
Contributions	0	0	0	0	0	0
	1,000	391	1,485	340	870	0
<b>Total Budgeted Financing</b>	<b>4,347</b>	<b>2,956</b>	<b>14,782</b>	<b>5,842</b>	<b>4,484</b>	<b>2,000</b>
<b>Project</b>	<b>Description</b>					
Expenditure on Housing Acquisitions	Purchase of new alternative accommodation to meet statutory duties for housing					
New Builds	Provision of new housing					

\*\*\* Externally Funded

HOUSING IMPROVEMENT	2016/17	2016/17R	2017/18	2018/19	2019/20	2019/20
	£000	£000	£000	£000	£000	£000
	Original Budget	Revised Budget	Revised Budget	Revised Budget	Revised Budget	Revised Budget
Social Care Fund	0	0	0	0	0	0
Orbit HIA Disabled Facilities Grant ***	516	663	663	663	663	663
<b>Total Budgeted Expenditure</b>	<b>516</b>	<b>663</b>	<b>663</b>	<b>663</b>	<b>663</b>	<b>663</b>
<b>Financed By :-</b>						
Housing Revenue Account	0	0	0	0	0	0
External Funding	516	663	663	663	663	663
<b>Total Budgeted Financing</b>	<b>516</b>	<b>663</b>	<b>663</b>	<b>663</b>	<b>663</b>	<b>663</b>
<b>Project</b>	<b>Description</b>					
Orbit HIA Disabled Facilities Grant	Grant expenditure on disabled adaptations					

\*\*\* Externally Funded

<b>Total Capital Budget</b>	<b>8,648</b>	<b>7,464</b>	<b>18,562</b>	<b>9,997</b>	<b>7,609</b>	<b>5,085</b>
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## 5 THE REVIEW PROCESS

- 5.1 Monitoring of the capital programme takes place on a quarterly basis, with all project managers required to provide an update on the current status of their projects. A summary of this information is reported to Cabinet, forming part of the Council's integrated quarterly performance monitoring.
- 5.2 In addition to the quarterly monitoring, those projects in the capital programme which are subject to a business case cannot commence until Cabinet have been presented with and approved a satisfactory business case at one of their meetings, as at this stage, only the capital financing has been approved by Council, which is why delegate authority to proceed is requested to be granted to Cabinet.

## 6 REVENUE IMPLICATIONS

- 6.1 Capital projects have revenue implications, depending on the nature of the projects and how they are financed. The majority of the Council's general fund capital expenditure is financed by prudential borrowing and therefore incurs both an interest charge and a charge for repaying the debt known as the Minimum Revenue Provision (MRP).
- 6.2 The HRA is funded through direct revenue financing (DRF) and only attracts an interest charge on its loans acquired for the settlement of its share of the Government's Housing debt in 2011/12.
- 6.3 Both these costs have to be funded from the Council's General Fund or HRA as appropriate. Consequently, the amount of capital works that can be undertaken are constrained by the ability

of the revenue accounts to absorb these charges. The current and forecast charges are shown in the table below.

	2016/17	2017/18	2018/19	2019/20	2020/21
<b>General Fund</b>					
Capital Charges	1,383,000	1,327,000	1,302,000	1,325,000	1,346,000
<b>Housing Revenue A/c</b>					
Capital Charges	2,015,000	2,025,000	2,025,000	2,025,000	2,025,000

## 7 HOW DOES THIS RELATE TO EAST SUFFOLK BUSINESS PLAN?

7.1 The Capital Programme feeds directly into the Councils MTFS which in turn is the mechanism by which the key Business Plan objective of Financial Self-Sufficiency will be delivered over the medium term. The Capital Programme also links directly to the Councils specific actions within the Business Plan and provides the capital financing for some of these actions.

## 8 REASON FOR RECOMMENDATION

8.1 Approval of the capital programme for 2017/18 to 2020/21, including revisions to 2016/17, is required as part of the overall setting of the budget and MTFS.

### RECOMMENDATIONS

1. That the Capital Programme for 2017/18 to 2020/21, including revisions to 2016/17 be approved by Full Council.
2. That Delegated Authority be granted to the Cabinet to authorise those projects which are subject to a business case to proceed once a satisfactory business case has been presented and approved at a Cabinet meeting.

### APPENDICES - (none)

### BACKGROUND PAPERS (none)