

From CABINET held on 5 February 2019

Council Agenda Item 8 (Minute No 8)

Capital Programme 2018/19 onwards

Recommendations

1. That the following be approved in respect of the Council's Capital Programme:
 - 1) The Revised Capital Programme 2018/19 to 2023/24 attached as Appendix 1 which includes all additions, deletions and amendments for slippage and re-phasing described in Sections 6 and 8 be approved
 - 2) The Section 151 Officer be given delegated authority to determine how each source of finance is used to fund the overall Capital Programme and to alter the overall mix of financing, as necessary, to maximise the flexibility of capital resources used and minimise the ongoing costs of borrowing to the Council
 - 3) That the Section 151 Officer in consultation with the Leader of the Council be given delegated authority to release capital resources held back for any contingent items that might arise, and also for any match funding requirements that may be required of the City Council in order to secure additional external capital funding (e.g. bids for funding from Government or the Solent Local Enterprise Partnership)
 - 4) The following schemes as described in Section 9 and Appendix 2 be reflected within the recommended Capital Programme 2018/19 to 2023/24 and be financed from the available corporate capital resources:

Recommended New Capital Schemes		Corporate Resources Required £	Total Scheme Value £
Education			
	Maintained Schools - Urgent Conditions Project	1,600,000	1,770,000
	Additional Special School Places - Design	500,000	679,200
	Additional School Places in Mainstream Schools - Design	250,000	250,000
	Additional Secondary School Places - St Edmunds Catholic School - Grant	650,000	650,000
	Additional School Places - 2020/21	6,908,000	6,908,000
Culture, Leisure & Sport			
	Invest in Football Facilities including Changing Facilities	335,000	588,000
	Parks & Open Spaces Protection Measures to Prevent Incursion	50,000	50,000
	Pyramids Refurbishment	1,500,000	1,500,000
	Repair / Refurbishment of Southsea Splashpool	102,000	102,000
	World War 1 Memorial Plaques	45,000	45,000
	Contribution to Roof at Southsea Skatepark	10,000	10,000
	Contribution to Architectural Design to Enable Regeneration of the Guildhall	40,000	40,000
	Contribution to Architectural Design to Enable Regeneration of the Kings Theatre	40,000	40,000
	Provision of a Dog Exercise and Training Area	11,000	11,000
Environment & Community Safety			
	Air Quality Initiatives	150,000	150,000
	Air Quality Equipment & Monitoring Station	100,000	100,000
Health & Social Care			
	Older Persons Supported Living (Extra Care Housing)	4,600,000	9,730,000
	Kestrel Centre Relocation to Civic Offices	350,000	350,000

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Recommended New Capital Schemes		Corporate Resources Required £	Total Scheme Value £
Housing & Property Services			
	Homes For Homeless	500,000	1,000,000
PRED			
	Brougham Road (Arts Centre) - External Repairs	300,000	300,000
	Public Realm - Improvements to Station Square & Isambard Brunel Road	250,000	250,000
Resources			
	Review of Revenues & Benefits Software Applications	188,000	188,000
	Landlord's Maintenance 2019/20	1,750,000	1,750,000
	The People's Network - Windows 10 Upgrade	350,000	350,000
Traffic & Transportation			
	Local Transport Plan 3	650,000	650,000
	Extension to Park & Ride Multi Story Car Park - Design	350,000	350,000
	Smart Cities: Intelligent Transport System Phase 2	200,000	200,000
	The Hard Interchange Auxiliary Works	300,000	300,000
Total Recommended Sum To Be Approved		22,079,000	28,311,200

- 5) Subject to a satisfactory financial appraisal approved by the Director of Finance & Section 151 Officer the following schemes as described in Section 10 be funded from Prudential Borrowing up to the amounts shown

	Total Prudential Borrowing £
Single Material Recycling Facility	4,838,400
Waste Collection Vehicle Replacement	4,125,000
Older Persons Supported Living (Extra Care Housing)	2,836,000
Homes For Homeless	500,000
Development of Cruise & Ferry Port	12,700,000
Passenger Boarding Bridge	5,000,000
Total Recommended Sum To Be Approved	29,999,400

- 6) That borrowing for a sum of £15m be approved in principle for Capital Investment into MMD Ltd but subject to the approval by Cabinet on their preferred option for the MMD site which is to be considered at a future meeting of the Cabinet
- 7) In the event that the Cabinet continue to operate MMD, that £15m be made available as a loan draw down facility subject to a satisfactory financial appraisal approved by the Director of Finance & Section 151 Officer, as outlined in Section 10, and provided at an interest rate consistent with State Aid rules
- 8) Subject to a satisfactory financial appraisal approved by the Director of Finance & Section 151 Officer the following schemes as described in Section 11 be funded from the MTRS Reserve

Scheme	Total MTRS Funding £
Enterprise Resource Planning (ERP) Software Replacement	1,000,000
Utilities & Energy Management 2019/20	1,050,000

Enable and Improve Mobile Working	191,000
Total Recommended Sum To Be Approved	2,241,000

- 9) The following schemes as described in Section 12 be funded from Earmarked Reserves

Scheme	Total Funding From Earmarked Reserves £
Enterprise Resource Planning (ERP) Software Replacement	1,000,000
Enable Mobile Working	182,000
Older Persons Supported Living (Extra Care Housing)	1,000,000
Total Recommended Sum To Be Approved	2,182,000

- 10) The following Schemes as described in Section 14 be included within the "Reserve List" of Capital Schemes to be considered once additional capital resources are identified

Future Priority Capital Schemes – Not in Priority Order
Additional School Places in Primary & Secondary Schools
Anti-Poverty Projects
Development of Performing Arts
Digital Strategy (incl. move to cloud based Information Technology systems)
Landlord's Repairs & Maintenance
Local Transport Plan - Road safety and traffic improvement schemes
Park Life
Sea Defences
School condition (roofs, boilers, electrics, windows etc)
The Camber Quay Berth 4 Replacement

- 11) The Prudential Indicators described in Section 15 and set out in Appendix 3 be approved.
- 12) That the S.151 Officer, in consultation with the Leader, be given delegated authority to borrow as necessary for the Joint Venture limited liability partnership which is established to deliver the City Centre re-development as described in the report to the Cabinet on 5th February 2019 entitled "City Centre Regeneration"
- 13) That prior to any borrowing described in Recommendation 12 above, a full business case and financial appraisal is prepared that can satisfactorily demonstrate with good certainty that cost savings / additional income or value uplift of the development which will accrue directly to the Council will at least cover the cost of that borrowing on a sustained basis over the lifetime of the borrowing undertaken

2. That the following be noted in respect of the Council's Capital Programme:

- 1) The passported Capital Allocations (Ring-fenced Grants) as set out in Section 7
- 2) That Cabinet Members, in consultation with the Section 151 Officer, have authority to vary Capital Schemes and their associated funding within their Portfolio in order to manage any potential overspending or funding shortfall or to respond to emerging priorities
- 3) As outlined in Section 9 and Appendix 2 that the Director of Housing, Neighbourhood & Building Services will work with other Directors to further prioritise the schedule of identified Landlord's Maintenance works to ensure that those with the highest priority are undertaken up to the value of the £1.75m allocated
- 4) As outlined in Section 13 and Appendix 2 the release of £444,200 from the Environment & Community Safety Portfolio Reserve towards a £380,000 scheme for the provision of Public Toilets (£200,000); Replacement of WC Hand Washing and Drying Units (£130,000) and a Food Waste Recycling Pilot (£114,200)
- 5) As outlined in Section 13 and Appendix 2 the release of £1m from the PRED Portfolio Reserve towards a £6m scheme for a new Passenger Boarding Bridge
- 6) The City Council note that Prudential Borrowing can only be used as a source of capital finance for Invest to Save Schemes as described in Sections 8 and 15