

From CABINET held on 4 February 2020

Council Agenda Item 9 (Minute No 14)

Capital Programme 2019/20 to 2024/25

- 1 That the following be approved in respect of the Council's Capital Programme:
- 1) The Revised Capital Programme 2019/20 to 2024/25 attached as Appendix 1 which includes all additions, deletions and amendments for slippage and rephrasing 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) Subject to a satisfactory financial appraisal approved by the Director of Finance and Resources & Section 151 Officer, the following schemes as described in Section 9 and Appendix 2 be reflected within the recommended Capital Programme 2019/20 to 2024/25 and be financed from the available corporate capital resources:

| Recommended New Capital Schemes | Corporate Resources Required £ | Total Scheme Value £ |
|--|---------------------------------------|-----------------------------|
| Community Safety | | |
| Redeployable CCTV Cameras | 50,000 | 50,000 |
| Culture & City Development | | |
| CCTV - Portsmouth Museum & Cumberland House | 50,000 | 50,000 |
| City Museum | 195,000 | 195,000 |
| Farlington Pavilion | 170,000 | 240,000 |
| Portsmouth Watersports Centre | 90,000 | 90,000 |
| Southsea Castle | 100,000 | 100,000 |
| Kings Theatre Regeneration | 350,000 | 4,650,000 |
| Bransbury Park Pavilion | 150,000 | 150,000 |
| Kings Theatre Landlord's Backlog Maintenance Obligations | 300,000 | 300,000 |
| Southsea Common & Town Centres Litter Management | 50,000 | 50,000 |
| New Eastney Swimming Pool - Feasibility / Outline Plan | 100,000 | 100,000 |
| Education | | |
| School Places SEND - Phase 1 & Phase 2 | 2,000,000 | 4,768,000 |
| Environment & Climate Change | | |
| Greening the City | 100,000 | 100,000 |

For City Council Meeting, 11 February 2020

| Recommended New Capital Schemes | | Corporate Resources Required £ | Total Scheme Value £ |
|---|--|---------------------------------------|-----------------------------|
| | Anaerobic Digestion Plant | 200,000 | 22,200,000 |
| | Food Waste Collection (Recycling) - expand by a further round | 221,000 | 221,000 |
| | Southsea Sea Defences - Public Realm Enhancements Phase 1 | 200,000 | 200,000 |
| Health, Wellbeing & Social Care | | | |
| | Medina House Heating & Cooling System | 110,000 | 110,000 |
| Housing | | | |
| | Landlord's Maintenance - Repairs across the whole City Council Estate | 2,140,000 | 2,140,000 |
| | Transitional Accommodation for Homeless - Adaptations to General Fund Property | 700,000 | 700,000 |
| Leader | | | |
| | Electrification of Light Goods Vehicles | 80,000 | 100,000 |
| | Living Walls Phase 1 | 20,000 | 20,000 |
| | Wind turbines at the Port | 800,000 | 2,700,000 |
| | The Camber Quay - Structural Investigations | 50,000 | 50,000 |
| | Shore to Ship Electric "Plug In" Facility (Feasibility / Design) | 75,000 | 75,000 |
| Resources | | | |
| | LAN Access Switches | 528,000 | 528,000 |
| | CISCO Data Centre Switches | 60,000 | 60,000 |
| | Replacement Servers & Storage | 945,000 | 945,000 |
| | Upgrade to Planet Press | 650,000 | 650,000 |
| | Checkpoint Internal Firewall | 142,000 | 142,000 |
| | Enterprise Voice (CISCO IPT) | 630,000 | 630,000 |
| Traffic & Transportation | | | |
| | Local Transport Plan 3 | 835,000 | 835,000 |
| | Air Quality Improvement | 220,000 | 10,220,000 |
| | Electric Vehicle Charging Infrastructure | 76,000 | 306,000 |
| | Local Cycling and Walking Investment Plan | 100,000 | 100,000 |
| | Continuous Improvements to Neighbourhood Living and Street Environment | 100,000 | 240,000 |
| | Cycle Parking Across the City | 25,000 | 25,000 |
| | One-way Streets and Low Traffic Neighbourhoods | 120,000 | 120,000 |
| | Full Business Case For Extension to Tipner Park & Ride Multi Storey Car Park | 500,000 | 500,000 |
| | Non-PFI Asset Management Register/Plan | 100,000 | 100,000 |
| Total Recommended Sum To Be Approved | | 13,332,000 | 54,760,000 |

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

| | Total Prudential Borrowing £ |
|---|---|
| Anaerobic Digestion Plant | 22,000,000 |
| Port - Floating Dock Jetty Dredge | 2,000,000 |
| Wind turbines at Port | 1,900,000 |
| City Centre Co-working space | 450,000 |
| Kings Theatre Regeneration | 3,000,000 |
| Guildhall Regeneration | 1,700,000 |
| Acquisition of New Council Housing | 1,700,000 |
| Transitional Accommodation for Homeless (Adaptations to HRA Property) | 800,000 |
| Development of Cruise and Ferry Port | 4,714,000 |
| Total Recommended Sum To Be Approved | 38,264,000 |

- 6) Subject to a satisfactory financial appraisal approved by the Director of Finance and Resources & Section 151 Officer the following schemes as described in Section 11 be funded from the MTRS Reserve

| Scheme | Total MTRS Funding £ |
|---|---------------------------------|
| Port - Floating Dock Jetty Dredge | 1,000,000 |
| City Centre Co-working space | 450,000 |
| Adaptions to Carers' Homes | 1,000,000 |
| Applications Upgrade linked to Software Modernisation | 250,000 |
| Office 365 | 820,000 |
| Implementation of Northgate Citizen Access Suite | 110,000 |
| Migration to Azure (Cloud Servers) | 2,348,000 |
| Total Recommended Sum To Be Approved | 5,978,000 |

- 7) The following Schemes as described in Section 13 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 - Primary & Secondary |
| Anti-Poverty Projects |
| Digital Strategy (incl. modernisation of Information Technology systems) |
| Landlord's Repairs and Maintenance |
| Local Transport Plan - Road safety and traffic improvement schemes |
| Local Football Facilities (Park Life) |
| Sea Defences |
| Berth 4 Replacement & Jetty Repairs at The Camber Quay |
| Cathodic Protection at the Hard |
| Design and Build of 2,000 Space Multi Storey Car Park at the Existing Park & Ride Site |

- 8) The Prudential Indicators described in Section 14 and set out in revised Appendix 3 (as attached) be approved.

- 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 12 and Appendix 2 the release of £229,000 from the Culture & City Development Portfolio Reserve to fund the following schemes Canoe lake de-silting (£25,000); Parks & Open Spaces Boundary Protection Measures (£10,000); Burfields Road Barns - Demolition (£162,000), Hotwalls Paving Maintenance (£32,000)
 - 4) As outlined in Section 12 and Appendix 2 the release of £20,000 from the Leader (Port) Portfolio Reserve towards a £100,000 scheme for the Electrification of Light Goods Vehicles
 - 5) 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 14

PRUDENTIAL INDICATORS

Details of the Capital Programme are contained in Appendix 1

| Ratio of Financing Costs to Net Revenue Stream | | | | | | | |
|--|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2018/19 Actual | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate | 2023/24 Estimate | 2024/25 Estimate |
| Non - HRA | 10.3% | 12.0% | 16.3% | 17.5% | 16.4% | 14.5% | 12.7% |
| HRA | 7.4% | 7.4% | 7.9% | 8.4% | 8.9% | 9.2% | 9.6% |

| Capital Financing Requirement | | | | | | | |
|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2018/19 Actual £'000s | 2019/20 Estimate £'000s | 2020/21 Estimate £'000s | 2021/22 Estimate £'000s | 2022/23 Estimate £'000s | 2023/24 Estimate £'000s | 2024/25 Estimate £'000s |
| Non - HRA | 453,626 | 633,173 | 681,251 | 706,789 | 709,738 | 703,783 | 688,692 |
| HRA | 173,068 | 175,807 | 189,155 | 209,201 | 225,455 | 241,033 | 263,318 |

| Authorised Limit for External Debt | | | | | | | |
|--|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2018/19 Actual £'000s | 2019/20 Estimate £'000s | 2020/21 Estimate £'000s | 2021/22 Estimate £'000s | 2022/23 Estimate £'000s | 2023/24 Estimate £'000s | 2024/25 Estimate £'000s |
| Borrowing | 658,069 | 744,623 | 828,030 | 879,720 | 904,532 | 918,002 | 929,637 |
| Other Long Term Liabilities (ie Credit Arrangements) | 66,151 | 62,377 | 57,151 | 51,340 | 46,032 | 42,494 | 38,366 |
| Total | 724,220 | 807,000 | 885,181 | 931,060 | 950,565 | 960,496 | 968,003 |

| Operational Boundary for External Debt | | | | | | | |
|--|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2018/19 Actual £'000s | 2019/20 Estimate £'000s | 2020/21 Estimate £'000s | 2021/22 Estimate £'000s | 2022/23 Estimate £'000s | 2023/24 Estimate £'000s | 2024/25 Estimate £'000s |
| Borrowing | 640,093 | 714,623 | 813,255 | 864,649 | 889,160 | 902,322 | 913,644 |
| Other Long Term Liabilities (ie Credit Arrangements) | 66,151 | 62,377 | 57,151 | 51,340 | 46,032 | 42,494 | 38,366 |
| Total | 706,244 | 777,000 | 870,406 | 915,990 | 935,193 | 944,816 | 952,010 |