

SUPPLEMENTARY NOTE: AGENDA ITEM 6:

CAPITAL MONITORING QUARTER 3 2021/22 & CAPITAL STRATEGY 2022 TO 2026

This note updates Executive Agenda Item 6 to incorporate proposed changes made to the Health & Wellbeing Centre Capital Scheme that were drafted subsequent to Item 6 being submitted for inclusion on the Agenda.

The impact of the changes are set out below in bold typeface. Additionally, revised Appendices A (Variations) and Appendix C (Financing) are also appended.

- 3.3 If all the changes proposed in this report are approved, the total Capital Programme 2021/22 to 2025/26 would increase by ~~£33,896k~~ **£44,645k**, solely due to the inclusion of new capital bids. Planned capital expenditure of £849k will be re-phased from 2021/22 to 2022/23

Health and Well-being Centre (~~£14.581m~~ **£25.330m**)

- 3.22 This scheme, which was the subject of a preliminary report to Executive in October 2021, concerns the redevelopment of the former Adventure Kingdom and Great Hall as a Health & Well Being Centre, together with a new community hall and 48 accommodation units. 6 Construction will be funded by the CCG and Council, with the CCG taking a lease on the Health & Well Being Centre. Based on projected revenues from lease income and the sale of units, a surplus of £1.53m is forecast. **The gross cost of this scheme is estimated at £25.330m, with a net cost (following adjustment for the CCG's contribution to the scheme) of £14.581m**

Following the changes highlighted above, Appendix A has been amended to incorporate the amended estimated cost of the scheme. Additionally, Appendix C also required amendment, though the Financing Shortfall and Available Reserves figures are unchanged from the original submission.

Attached: Revised Appendices A and C.

APPENDIX A - VARIATION SUMMARY

CAPITAL PROGRAMME MONITORING - JANUARY 2022 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME

Variations on individual schemes	Date of Portfolio meeting	Revised 2021/22	Revised 2022/23	Revised 2023/24	Revised 2024/25	Revised 2025/26	TOTAL 2021/22 to 2025/26	Comments / reason for variation
		£'000	£'000	£'000			£'000	
Current Approved Capital Programme								
Programme approved by Executive 24/11/2021	Exec 24/11/21	74,492	50,487	5,748	3,341	0	153,813	
Housing & Library Improvement in West Wickham	Exec 24/11/21	0	4,800	4,841	0	0	9,641	
Depot Infrastructure Works - Budget Reduction	Exec 24/11/21	0	0	Cr 355	0	0	Cr 355	
Additional Estimate: York Rise	Sp Exec 27/01/22	0	3,174	0	0	0	3,174	
Approved Programme prior to 3rd Quarter's Monitoring		74,492	58,461	10,234	3,341	0	146,528	
variations in the estimated cost of approved schemes								
<i>(i) variations requiring the approval of the Executive</i>								
None this cycle		0	0	0	0	0	0	
		0	0	0	0	0	0	
<i>(iii) variations not requiring approval</i>								
Net rephasing from 2021/22 into future years		Cr 849	849				0	
		Cr 849	849	0	0	0	0	
TOTAL AMENDMENT TO CAPITAL PROGRAMME		Cr 849	849	0	0	0	0	
Add: Proposed new schemes								
Legal Case Management & Court Bundling System		0	355	0	0	0	355	
Winter Maintenance Equipment Replacement		0	0	115	115	230	460	
Operational Estate Maintenance		0	3,500	7,500	7,500	0	18,500	
Health & Well Being Centre		0	1,332	21,480	1,972	545	25,330	
New Schemes Total		0	5,187	29,095	9,587	775	44,645	
TOTAL REVISED CAPITAL PROGRAMME		73,643	64,497	39,329	12,928	775	191,173	
Less: Further slippage projection		Cr 40,000	Cr 10,000	15,000	15,000	15,000	Cr 5,000	
Add: Estimate for further new schemes		0	3,500	3,500	3,500	3,500	14,000	
TOTAL TO BE FINANCED		33,643	57,997	57,829	31,428	19,275	200,173	

APPENDIX C - FINANCING

CAPITAL FINANCING STATEMENT - EXEC 09/02/22 - ALL RECEIPTS

(NB. Assumes all capital receipts - see below)

	2019-20		2020-21		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Estimate £'000	Actual £'000	Estimate £'000	Actual £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000
Summary Financing Statement											
Capital Grants	12,074	9,851	11,122	8,394	13,622	14,428	0	0	0	0	0
Other external contributions	8,248	7,060	10,314	5,192	4,308	3,364	2,200	2,200	2,200	2,200	2,200
Usable Capital Receipts	909	6,601	1,365	1,103	3,034	21,563	34,626	18,978	8,529	7,489	3,540
Internal Borrowing	0	0	0	0	0	16,395	0	0	0	0	0
Revenue Contributions	4,662 Cr	58	8,266	5,056	12,679	2,247	100	100	100	0	0
Borrowing (external)	0	0	0	0	0	0	0	0	0	0	0
Total expenditure	25,893	23,444	31,067	19,745	33,643	57,997	38,926	21,278	10,829	9,689	5,740
Financing Required					33,643	57,997	57,829	31,428	19,275		
Financing Shortfall					0	0	20,903	10,150	8,446		
Usable Capital Receipts											
Balance brought forward	29,313	29,313	24,439	24,439	25,263	33,979	23,231	23,992	6,458	5,963	5,963
New usable receipts	3,580	1,727	3,995	1,927	11,750	10,815	51,287	1,444	8,529	7,489	8,906
	32,893	31,040	28,434	26,366	37,013	44,794	74,518	25,436	14,987	13,452	14,869
Capital Financing	Cr 909	Cr 6,601	Cr 1,365	Cr 1,103	Cr 3,034	Cr 21,563	Cr 34,626	Cr 18,978	Cr 8,529	Cr 7,489	Cr 3,540
Repayment of Internal Borrowing	0	0	0	0	0	0 Cr	15,900	0 Cr	495	0	0
Balance carried forward	31,984	24,439	27,069	25,263	33,979	23,231	23,992	6,458	5,963	5,963	11,329
Internal Borrowing											
Balance brought forward	0	0	0	0	0	0 Cr	16,395	Cr 495	Cr 495	0	0
Capital Financing	0	0	0	0	0 Cr	16,395	0	0	0	0	0
Repaid from new Capital Receipts	0	0	0	0	0	0	15,900	0	495	0	0
Balance carried forward	0	0	0	0	0 Cr	16,395	Cr 495	Cr 495	0	0	0
General Fund											
Balance brought forward	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Less: Capital Financing	0	0	0	0	0	0	0	0	0	0	0
Less: Use for Revenue Budget	0	0	0	0	0	0	0	0	0	0	0
Balance carried forward	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL AVAILABLE RESERVES	51,984	44,439	47,069	45,263	53,979	43,231	43,992	26,458	25,963	25,963	31,329
Anticipated Capital Financing Requirement (CFR)											
Non housing Housing		9,600 Cr	1,000	25,700	14,900	14,100	13,300				
Housing		0	0	0	10,000	10,000	10,000				
Total CFR		9,600 Cr	1,000	25,700	24,900	24,100	23,300				
Movement in CFR		8,400 Cr	10,600	16,100 Cr	800 Cr	800 Cr	800				

The future transfer of land from the General Fund to the HRA does not result in a capital receipt, as the HRA is not a separate legal entity but the effect would be similar in that it would mean that the Council can incur more capital expenditure without needing to borrow. Although the accounting arrangements are 'technical' in order to meet statutory accounting requirements the effective transfer of land has the same impact as generating a capital receipt of an equivalent value and therefore the equivalent value can be used to fund future capital schemes.

Assumptions:

New capital schemes - £3.5m p.a. from 2022/23 for future new schemes.

Capital receipts - includes figures reported by Property Division as shown in Appendix E

Current approved programme - as recommended to the Executive 24/11/21

Internal Borrowing to fund until Capital Receipts pay back - Site G, Depot Improv.