

The Five Year Capital Programme

Capital Programme and Core Major Asset Plan

1. The Council strategically manages its operational properties through the Core and Major Asset Plan. The Council's operational properties include office accommodation, depots, yards and venues such as the markets and open space facilities. In addition the City has a Victorian legacy of the Grade I listed Harris Museum, cemetery, urban parks and dock estate.
2. The Core and Major Asset Plan is informed by regular stock condition surveys to establish a rolling programme of improvement and refurbishment. In addition we have a major repairs programme. Both of these take account of the need for efficiency and environmental impact issues.
3. The Council has an investment property portfolio managed to generate income to support the revenue budget and maximise opportunities for regeneration. Performance of this portfolio is reported quarterly to the Cabinet Member. As part of the efficiency plan work we engaged external property advisors to undertake a review of all property and land assets held by the Council, with the aim of identifying opportunities for disposal of assets for development and other available options. The disposal of freeholds or changes to leases on existing buildings producing potential receipts was also considered. An action plan was developed and is in the process of being implemented to maximise the investment returns and potential capital receipts from the portfolio.
4. The Cabinet have already agreed the sale of previous operational city centre assets which results in a capital receipt and reduces the annual cost burden of maintaining empty operational properties.
5. The opportunity for new schemes to be added to the Capital Programme is limited. This is due to the continued reduction in capital funding and the pressure on the revenue budget which limits the capacity to fund borrowing repayments. The Council has a five year programme; however the core and major asset programme extends over ten years. There is a significant amount of capital expenditure required in the future which is outside the current programme.

Background to the Capital Programme

1. The Council has a five year capital spending programme. The programme includes capital expenditure scheduled for the Council's operational assets. The Council ensures all capital expenditure is directly linked to the Council's priorities, affordable and delivered through key corporate projects. Any spend on the Council's operational assets is scheduled in line with the Council's Core Major Asset Plan. Expenditure in respect of grants or financial assistance is included if the nature of expenditure, when incurred by the Council, is classed as capital expenditure.
2. Capital expenditure is usually of a one-off nature, it can be a significant amount and can span over a number of financial years. Examples of capital schemes include the purchase and installation of a new lift or major construction works that includes extending the life of a building e.g. new waterproof roof. Other examples include the purchase of a new vehicle or the refurbishment of a park & open space.
3. The Capital Programme is updated continually for agreed changes and reported to the Cabinet Member (Resources) during the financial year on a quarterly basis and to Cabinet and Council as part of any financial forecast updates. A prudent approach is taken when preparing the programme to ensure that financing resources are only estimated for when there is relative certainty that they will be received.
4. In accordance with CIPFA's Prudential Code the Council's Chief Finance Officer is required to have full regard for affordability, sustainability and prudence when making recommendations about the Council's future capital programme. Such consideration includes the level of long term revenue commitments. The Council considers

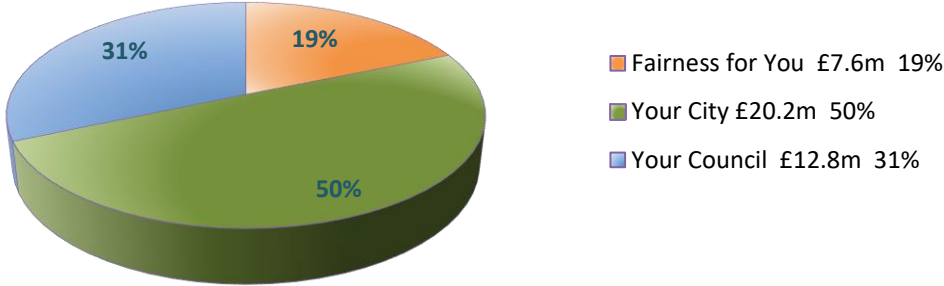
the affordability of capital investment and the impact on revenue forecasts when formulating its capital spending plans.

- 5. Capital schemes are directly linked with the Council’s priorities. Major items of enhancement or renewal are identified via the Council’s Core and Major Asset Plan.
- 6. The latest Capital Programme is attached at **Appendix G** and totals £40.6m. The planned spend over the life of the programme is continuously reviewed and any scheme profiling changes are reflected in quarterly update reports. The table below sets out the latest Capital Programme summary. This has been updated for agreed changes up to the end of December 2019:

Table: Capital Investment Programme Summary 2019/20 to 2023/24:
The table below highlights spend in relation to the Council’s key priorities.

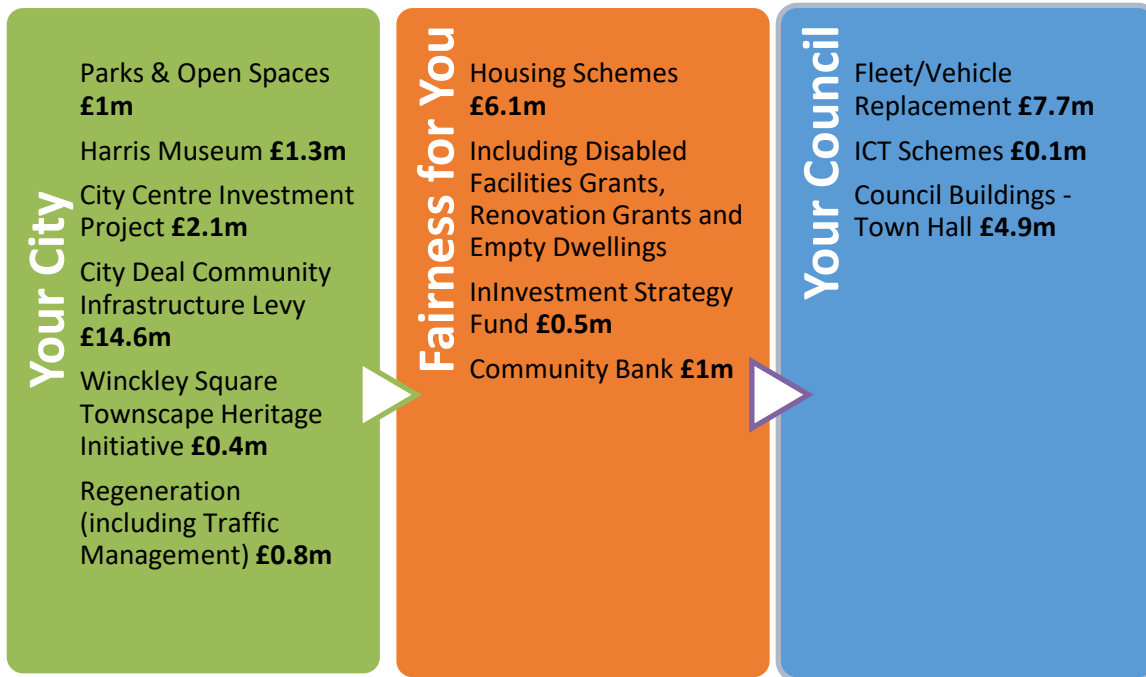
Priority Area	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m	£m	£m
Your Council	0.9	4.4	3.4	3.3	0.8	12.8
Your City	5.4	3.5	2.6	3.6	5.1	20.2
Fairness for You	1.8	3.9	1.0	0.4	0.5	7.6
Estimated Expenditure	8.1	11.8	7.0	7.3	6.4	40.6

Capital spending over the next five years by Priority:



Examples of capital schemes by Council Priority:

The following shows major planned capital spending by Council priority:



Capital Programme - Financing the Capital Programme

The Council has estimated the following financing sources will be available to fund the capital investment programme:

- Disabled Facilities Grant £4.1m
- Capital Receipts £0.6m
- Revenue Funding £1.7m
- Borrowing £16.2m
- External Contributions £3.5m
- Community Infrastructure Levy £14.6m



2020/21

- 1 The Council's Budget Working Group have undertaken a review of the financing of the five year capital programme. The proposals are:
 - a reduction to the level of existing prudential borrowing by £500k (excluding borrowing for vehicles);
 - removal of the Empty Homes scheme for £50k in 2020/2021. The outcomes of this scheme are included in the Affordable Housing scheme included in the programme in 2019/2020.
- 2 A review of the phasing of schemes was undertaken to produce a more accurate projection of expenditure and reduce the impact of financing costs within the 5 year programme.
- 3 A review of proposed new schemes was undertaken to examine the future requirements not only within the current five year programme but in the years beyond. Budget Working Group has produced proposals for new schemes to be added to the current five year programme along with their financing proposals below.

Capital Programme Proposed Schemes:

	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	£000	£000	£000	£000	£000	£000
Schemes:						
Avenham Car Park Security Works		100				100
Vehicle Replacement Programme		165		220	101	486
City Centre Asset Management	796	553	435	430	466	2,680
Total	796	818	435	650	567	3,266

Latest Capital Programme

Scheme Cost Centre	Schemes in Progress	EST. Total Cost of Scheme	Total Actual to 31.03.19	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total 2019/20 - 2023/24 £'000
	PCC Schemes								
2043	CCTV Replacement Camera Project	120	100	20	-	-	-	-	20
2044	Repair to Cemetery Gates	42	0	42	-	-	-	-	42
2045	New Burial Ground Within Existing Cemetery	172	0	0	172	-	-	-	172
2101	Parks Depots Replacement Obsolete Elect.	40	27	13	-	-	-	-	13
2103	Harris Museum & Library - Internal Works	30	11	7	12	-	-	-	19
2111	Leisure Site Residual Remedial Repair Works	322	276	16	30	-	-	-	46
2117	Town Hall Internal Areas Refurbishment	72	6	45	20	-	-	-	66
2135	Parks Pavilions - Upgrade Elect. Installation	40	10	20	10	-	-	-	30
2137	General Car Park Repairs Ph 2	101	54	31	16	-	-	-	47
2143	Town Hall - Window Replacement	200	0	0	200	-	-	-	200
2144	Door Access System Replacement & Upgrade	62	20	39	3	-	-	-	42
2146	Town Hall - New roof installation & Membrane	150	106	27	17	-	-	-	44
2147	Penny Street Car Park	60	57	3	-	-	-	-	3
2148	Riversway Locomotive Shed - Slate Roof Replacement	28	0	28	-	-	-	-	28
2149	Miller Park Offices - Rebuilding of WC & Mess Room	80	0	0	80	-	-	-	80
2150	Harris Building Replacement of Fire Alarm System	100	0	50	50	-	-	-	100
2151	Core & Major Assets Review 2019/2020 to 2022/2023	284	0	0	134	150	-	-	284
2152	Argyll Road Depot Improvements - LAAC	50	0	-	50	-	-	-	50
2153	City Centre Asset Management	150	0	150	-	-	-	-	150
5651	Alleygating	281	262	0	19	-	-	-	19
5700	Remediation of Land at Chapman Road	29	24	2	3	-	-	-	5
5952	Affordable Housing Scheme	801	88	301	412	-	-	-	713
6340	Re-Imagining the Harris - Development Ph1	529	0	246	283	-	-	-	529
7310	ICT - Virtual Desktop Infrastructure	464	349	65	50	-	-	-	115
7937	Roman Way Industrial Units Roof Replacement Project	1,210	1,180	30	-	-	-	-	30
7952	City Centre Investment Fund	8,916	6,861	2,055	-	-	-	-	2,055
7961	Investment Fund Strategy	500	0	-	-	500	-	-	500
8317	Vehicle Replacement Scheme 2016 to 2021	10,809	3,577	434	1,925	2,472	2,401	-	7,232
				3,626	3,484	3,122	2,401	-	12,633
	Payback schemes								
	ICT Strategy Fund								
Scheme Cost Centre	Schemes funded wholly/partly by External Finance or Government Grants	EST. Total Cost of Scheme	Total Actual to 31.03.19	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total 2019/20 - 2023/24 £'000
2431	Winckley square Townscape Heritage Initiative	1,054	665	389	-	-	-	-	389
2432	Moor Park Avenue Sites - LAAC	1,186	0	-	1,186	-	-	-	1,186
3219	Traffic Management Schemes	291	236	-	55	-	-	-	55
3220	Rough Hey Road	200	50	-	150	-	-	-	150
3221	Grimsargh Cycle Route	746	402	5	339	-	-	-	344
3236	The Guild Wheel	451	392	55	4	-	-	-	59
3237	Footway Improvement Works - Lancaster Road	86	0	86	-	-	-	-	86
5930	Disabled Facilities Grants	7,310	3,187	1,522	1,251	450	450	450	4,123
6959	Moor Park Restoration	2,226	2,182	44	-	-	-	-	44
6963	Jubilee Park Capital Project	133	87	35	11	-	-	-	46
6965	Winckley Square Garden Restoration	60	50	10	-	-	-	-	10
6966	Grange Park Play Area Refurbishment	105	97	8	-	-	-	-	8
6967	Drainage & Enhancement Scheme - Football Pitches	171	0	8	163	-	-	-	171
6968	Tower Lane Bridge Repair Works	44	37	7	-	-	-	-	7
6969	Grimsargh Green Football Pitch	30	0	30	-	-	-	-	30
6970	Fishwick Road Recreation Ground - Play Area	33	0	31	2	-	-	-	33
6971	Conway Park - Phase 1 Play Area Refurbishment	42	0	42	-	-	-	-	42
6972	Ribbleton (Waverley) Park Lighting Improvements	27	0	0	27	-	-	-	27
6973	Tanterton Green Play Area Refurbishment	48	0	48	-	-	-	-	48
6974	Haslam Park Play Area Refurbishment	40	0	-	40	-	-	-	40
7963	Rapid Re-Housing Pathway Funding	128	110	18	-	-	-	-	18
7964	Community Infrastructure Levy	24,587	9,966	2,159	2,134	2,113	3,075	5,139	14,621
				4,497	5,362	2,563	3,525	5,589	21,537
	Total of Schemes in Progress			8,123	8,846	5,685	5,926	5,589	34,170

Scheme Cost Centre	Schemes awaiting Approval	Est. Total Cost of Scheme	Total Actual to 31.03.19	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total 2019/20 - 2023/24 £'000
ua1	Avenham Car Park - Lift Replacement	130	0	-	130	-	-	-	130
ua2	Moor Park Football Pavilion - Refurbishment	75	0	-	-	75	-	-	75
ua3	Town Hall Refurbishment	100	0	-	-	-	50	50	100
ua4	Empty Homes	0	0	-	-	-	-	-	-
ua5	Re-Imagining the Harris - Implementation Ph2	750	0	-	-	250	500	-	750
ua6	Parks Electrical, Heating & Security Upgrades	72	0	-	-	72	-	-	72
ua7	Cemetery & Crematorium	35	0	-	35	-	-	-	35
ua10	Investment Property Refurbishment Programme	120	0	-	30	30	30	30	120
ua11	Fishergate Hill Parks Fund	140	0	-	-	140	-	-	140
ua13	Parks Electrical, Heating & Security Upgrades	235	0	-	-	125	70	40	235
ua14	Miller Park Offices	0	0	-	-	-	-	-	-
ua15	Community Bank	1,000	0	-	1,000	-	-	-	1,000
ua16	Town Hall - Window Replacement	420	0	-	-	200	100	120	420
ua17	District Energy Networks	113	0	-	113	-	-	-	113
Total of Schemes Awaiting Approval				-	1,308	892	750	240	3,190
New Schemes									
ua18	Avenham Car Park Security	100	0	-	100	-	-	-	100
ua19	Vehicle Replacement Programme	486	0	-	165	-	220	101	486
ua20	City Centre Asset Management	2,680	0	-	1,349	435	430	466	2,680
Total New Schemes				-	1,614	435	650	567	3,266
Grand Total				8,123	11,768	7,012	7,326	6,396	40,626

APP February Budget 2020 - Preston City Council Capital Financing Statement

	Estimate 2019/20 £'000	Estimate 2020/21 £'000	Estimate 2021/22 £'000	Estimate 2022/23 £'000	Estimate 2023/24 £'000	Total Estimate 2019/20 - 2023/24 £000
Estimated Expenditure						
Schemes in Progress	8,123	8,846	5,685	5,926	5,589	34,170
Schemes Awaiting Approval	0	1,308	892	750	240	3,190
New Schemes	0	1,614	435	650	567	3,266
Total Capital Payments	8,123	11,768	7,012	7,326	6,396	40,626
Estimated Resources						
General Fund :						
Direct Revenue Finance	78	13	0	0	0	90
Disabled Facilities Grant	1,522	1,251	450	450	450	4,123
Other External Finance (see next page)	1,094	2,405	0	0	0	3,499
Community Infrastructure Levy	2,159	2,134	2,113	3,075	5,139	14,621
Prudential Borrowing	2,779	3,078	562	1,450	526	8,395
Prudential Borrowing - Vehicle Replacement	434	1,925	2,472	2,401	101	7,333
Prudential Borrowing - Pay Back Schemes	28	0	0	0	0	28
Investment Fund Strategy - Loan Repayment	0	0	500	0	0	500
Capital Reserves	0	0	0	0	0	0
Earmarked Reserves	150	621	150	370	150	1,441
IT Strategy Fund	65	50	0	0	0	115
Capital Receipts	196	100	100	100	100	596
Total Resources	8,505	11,577	6,347	7,846	6,466	40,741
Total surplus(-)/shortfall in year	-381	191	665	-520	-70	
Cumulative total surplus(-)/shortfall	-381	-190	475	-45	-115	-115

ANALYSIS OF OTHER EXTERNAL FINANCE					
	Estimate 2019/20 £'000	Estimate 2020/21 '£000	Estimate 2021/22 £'000	Estimate 2022/23 £'000	Estimate 2023/24 £'000
2043 - CCTV - 2043 - CCTV Replacement Cameras Project	20				
2135 - Parks Pavilions - Upgrade Elect. Installation - Section 106	4				
2431 - Winckley square Townscape Heritage Initiative - Heritage Lottery Fund	258				
2431 - Winckley square Townscape Heritage Initiative - Section 106	53				
2432 - Moor Park Avenue Sites - LAAC - Homes England		1186			
3221 - Grimsargh Cycle Route - Section 106 Contribution	5	339			
3236 - The Guild Wheel - Section 106	43				
5651 - Alleygating - S106 Contribution	0	14			
5952 - Affordable Housing Scheme - Section 106	301	412			
6340 - Re-Imagining the Harris - Development Ph1 - Lancashire County Council	125	125			
6341 - Re-Imagining the Harris - Development Ph1 - Heritage Lottery Fund	56	68			
6959 - Moor Park Restoration - Heritage Lottery Fund	33				
6963 - Jubilee Park Capital Project - LEF	19	11			
6963 - Jubilee Park Capital Project - Lea Parish Council	8				
6967 - Drainage & Enhancement Scheme - Football Pitches		140			
6969 - Grimsargh Green Football Pitch - City Deal	25				
6969 - Grimsargh Green Football Pitch - Parish Council	5				
6970 - Fishwick Road Recreation Ground - Play Area	31				
6971 - Conway Park - Phase 1 Play Area Refurbishment	42				
6972 - Ribbleton (Waverley) Park Lighting Improvements	0	27			
6973 - Tanterton Green Play Area Refurbishment	48				
6974 - Haslam Park Play Area Refurbishment - Lancashire Environmental Fund	0	30			
7952 - City Centre Investment Fund - Community infrastructure - City Deal	0	53			
7963 - Rapid Re-housing Pathway Funding - MHCLG	18				
General Fund Total :	1,094	2,405	0	0	0