

## **ASSET MAINTENANCE & REPLACEMENT PROGRAMME AND GENERAL FUND CAPITAL PROGRAMME 2019/20**

### **1. Purpose of the report**

- 1.1 This report provides the panel with the proposed revenue and reserve funded Asset Maintenance & Replacement programme (AMR) and Capital programme for 2019/20 and outline budgets to 2021/22.

### **2. Background**

- 2.1 The Council's General Fund revenue budget includes a large budgeted sum for the maintenance and cyclical replacement of Council owned assets. The AMR revenue budget for 2018/19 totalled £2.351m, with a further £704k of projects funded by reserves.
- 2.2 The November 2018 Medium Term Financial Plan included a revenue budget allowance of £1.7m for 2019/20. This includes a reduction in light of the MTFP funding position, and includes a movement from this revenue programme into the capital programme, regarding the major refurbishment programme of the Council's Public Conveniences. There are currently no further planned reductions to the programme over the period covered by the current Medium Term Financial Plan.
- 2.3 Service Managers were asked to come up with their proposed projects for 2019/20 with a strong brief that the programme had to be within the financial parameters set and realistic in terms of timeframes and deliverability. EMT reviewed the programme and the programme now being proposed fits in with the resources available.

### **3. Proposed Asset Maintenance and Replacement Programme 2019/20**

- 3.1 The bid categories for the submitted programme for 2019/20 were;
- 1 – Protect & Maintain Front Line Service Delivery
  - 2 – Efficiency / Savings / Income Generation
  - 3 – Improve / Enhance Value of Asset
- 3.2 The summary programme covering 2018/19 – 2021/22 is included as **Appendix 1**. The budget is monitored at this overall summary level to allow for sufficient flexibility should more urgent projects come to light during the financial year.
- 3.3 The 2019/20 proposed programme at project level is included as **Appendix 2**.

### 3.4 **Reserve Funded Programme**

The ICT Investment Report on this same agenda covers progress as against the 3 year Protect and Maintain Frontline Services fund, and also proposals for delivering the ICT strategy covering 2018-2022. The Service Manager for Business and Community is involved in the Customer Engagement strand which is focussing mainly on the electronic means of communication the Council's customers expect, but where our current offer falls short.

The Community Grants Panel have been given a maximum budget of £100,000 for one-off construction grant applications for 2019/20. The Panel are well aware this is a financial ceiling, and not a target.

All of the above will require financial investment, funded by reserves, over the period covered by this programme and will be included on the appropriate Medium Term Financial Planning Reports through Cabinet.

## 4. **Capital Programme 2019/20**

- 4.1 The capital programme consists of projects funded by NFDC resources (capital reserve and receipts received), various grants / funds and Developer Contributions / CIL.
- 4.2 The proposed programme for 2019/20 totalling £9.614m for the General fund including the outline financing is included as **Appendix 3**. The project proposals for a 3 year period have been included for overall context, although only the projects in 2019/20 are gaining approval to proceed at this stage.
- 4.3 The sums allowed for under the projects headed 'Smarter Working' and 'New Depot Site' have both been previously approved by Council, subject to spending beyond design and feasibility being further ratified by the Cabinet. To date, Cabinet have approved utilisation of £1.25m from the Smarter Working budget. Work is still on-going with the design of the New Depot Facility.
- 4.4 Members will note that the replacement of Vehicles & Plant (V&P) occurs on both the revenue AMR programme and the Capital Programme. The Council's policy is to capitalise individual items with a value greater than £10k and then depreciate these over their estimated useful life. The capital programme therefore includes the cash amount required to purchase the V&P, and the revenue programme includes the depreciation charge. The depreciation charge to revenue then makes a direct contribution towards the capital cost through a charge known as the Minimum Revenue Provision (MRP).
- 4.5 The Public Convenience task & finish group determine which Public Convenience is deemed as suitable for renovation in 2019/20. At the appropriate time, the project cost will be estimated and the budget included within the Capital programme.

## 5. **Crime & Disorder / Equality & Diversity / Environmental Implications**

- 5.1 There are no implications as a direct result of this report.

## **6. Conclusion**

- 6.1 The AMR programme represents a significant element of the Councils annual net expenditure. The programme for 2019/20 totals £1.697m, in line with the sum as allowed for in the latest Medium Term Financial Plan.
- 6.2 The Council needs to continue with its investment in ICT and the financial implications to deliver the strategy 2018-22 will be included on the appropriate Medium Term Financial Planning Reports through Cabinet.
- 6.3 The General fund Capital programme is funded in several ways, and the net NFDC funding requirement for 2019/20 after Vehicle & Plant MRP is £3.850m.

## **7. Recommendations**

- 7.1 That the members of COSP;
  - a) note the contents of this report and appendices and recommend the schedule of projects as included at Appendix 2 and 3 be agreed so that initial preparatory works can commence.

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**Background Papers**