

ASSET MAINTENANCE & REPLACEMENT PROGRAMME AND GENERAL FUND CAPITAL PROGRAMME 2020/21

1. Purpose of the report

- 1.1 This report provides the panel with the proposed revenue funded Asset Maintenance & Replacement programme (AMR) and General Fund Capital programme for 2020/21 and outline budgets to 2022/23.

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 programme budget for 2019/20 totalled £1.7m (shown within appendix 1), with a further £1.011M of one-off requirements funded by the general fund and HRA;

	General Fund £'000	HRA £'000	TOTAL £'000
ICT Protect & Maintain	290	60	350
ICT Strategy 2018-2022	498	102	600
Community Grants	61		61
	849	162	1,011

- 2.2 The November 2019 Medium Term Financial Plan included a general fund revenue budget allowance to cover the AMR of £1.8m for 2020/21. There are currently no planned adjustments to the overall programme budget 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 2020/21 with a strong brief that the programme had to be within the financial parameters set and realistic in terms of timeframes and deliverability. The programme now being proposed matches the budgeted sum.

3. Proposed Asset Maintenance and Replacement Programme 2020/21

- 3.1 The bid categories for the submitted programme for 2020/21 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 2019/20 – 2022/23 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 2020/21 proposed programme at project level is included as appendix 2.

3.4 **Further Information Relating to Projects**

Works to ATC and Communal Areas

The smarter working programme has brought a significant proportion of the ATC work space to a modern and new corporate standard. The new dedicated resources area located on the first floor of the East wing brings together the flexible workspace café and several meeting rooms offering a variety of work space, with rooms of differing sizes with various ICT equipment. A programme of works will be agreed by EMT in line with the £75k budget proposed within 2020/21 maintenance programme to bring communal areas and meeting rooms up to an equivalent modern corporate standard, to include, for example, the continued roll out of more energy efficient lighting.

Health & Leisure Centres Annual Maintenance Programme

During 2019, a full condition survey of the Council's 5 Leisure Centres was procured by the Council and carried out by a third-party specialist. The resultant report identified a works schedule covering a 15 year period to maintain the centres at the current standard/condition. Annually, this report will be reviewed and will inform the necessary value of maintenance expenditure required at the Leisure Centres. The detailed programme of works will be agreed with the Executive Head with responsibility for Leisure.

Stillwater Park

The Council owns and operates Stillwater park. It is a park containing static homes (from which the Council generates an income) with communal buildings. There have been several reported water leaks on the site, and works are necessary to upgrade windows, doors and electrics to the fixed buildings and repair/replace boundary fencing.

Dibden Golf Centre Landlord Maintenance Responsibilities

Several projects have been identified as required at the Golf Centre in 2020/21 (via a condition survey completed in 2019/20). The 9 hole/overflow gravel car park is uneven and raises Health & Safety concerns. It is proposed that the Council complete the project to resurface to tarmac. Before these works commence, the operator will be required to carry out the projects on the site that they are responsible for delivering and funding (which include a commitment to cover the cost of the replacement CCTV within the car park).

3.5 **Other One-Off Funded Programmes**

The ICT Investment Report presented to the panel in November covered progress as against the 'Protect and Maintain Frontline Services Fund', and an update on the delivery of the ICT strategy covering 2018-2022.

The Community Grants Panel have been given a maximum budget of £100,000 for one-off construction grant applications for 2020/21. The Panel are well aware this is a financial ceiling, and not a target.

The above will require financial resources, funded by the revenue budget or reserves and will be included on the Medium Term Financial Planning Reports through Cabinet.

4. **Capital Programme 2020/21**

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 2020/21 totalling £9.894m 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 commencing in 2020/21 are gaining approval to proceed at this stage.

4.3 **Further Information Relating to Projects**

Public Convenience Modernisation Programme

The Public Convenience task & finish group determine which Public Convenience is deemed as suitable for renovation in 2020/21. The recommendation is that the Barton-on-Sea convenience is replaced. At the appropriate time, the project cost will be finalised and any necessary budget adjustment as required included within the Capital programme.

Public Convenience Additional Enhancements

The Public Convenience due for renovating in 2019/20 is Lymington Quay. A broader project to enhance the quay as a visitor attraction is subject to a public consultation process followed by a planning application and is jointly sponsored with the Harbour Commissioners (funding yacht user facilities) and Lymington & Pennington Town Council (funding £100k of quay enhancements). A fully costed project has not yet been developed. It is however likely that the District Council may wish to match fund the Town Council's contribution towards the wider visitor attraction at the quay. Up to £75k has been made available to offer a financial contribution to the overall larger scale enhancement of the site. The Cabinet will agree the basis on which this contribution is made, and at what value.

Lymington Sea Wall

The Environment Agency have produced an outline design report to consider options for the works necessary on a stretch of the Sea Wall at Lymington. Modelling has been undertaken to determine likely flood risk to properties, which identifies 13 residential and 12 commercial properties will be at risk. Further discussions with the EA have identified that further modelling needs to be undertaken as it is considered that more properties may be at risk. Before any works commence there would need to be stakeholder engagement undertaken with both the Royal Lymington Yacht Club and Lymington Harbour Commissioners as they both have aspirations for the affected area, which may generate opportunities for delivering the works. The Environment Overview and Scrutiny Panel will be presented with a full report during 2020/21 before any funds are committed, including the funding options identified (as the EA will only partially fund this project, indicatively at less than 15% of the total).

New Depot Site

Following initial works to assess the suitability of Hardley Industrial Estate as a new (alternative to Claymeadow) depot site for the Council, work is on-going to bring together a fully costed specification and accompanying business plan. This will be presented to the Cabinet to make a decision before the development of site commences.

Vehicles & Plant

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). The significant Capital Outlay required will result in older less efficient vehicles being replaced with the latest more efficient models.

Smarter Working

This project has been included on previously adopted Capital Programmes and relates to the roll-out of flexible ICT to enable remote working, and the updating to new corporate standard flexible workspace. To date, Cabinet have approved utilisation of £1.75m from the Smarter Working budget. The same adopted principle will apply to the use of the future delivery funding, in that Cabinet will ratify and approve any future phases and requirement for additional spend beyond the £1.75M already committed. The more efficient workspace (no longer 1 for 1 in terms of people to desks and lighting improvements) coupled with the ability for officers to work remotely is a significant step towards the Council becoming more environmentally friendly.

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

- 5.1 As the Council invests in the maintenance and replacement of its assets, it will do so ensuring environmental implications are considered and where it can, the delivery of energy efficiencies, whether that be in lighting / heating or in more economic vehicles, will be at the forefront of the Council's spending decisions.

6. Conclusion

- 6.1 The AMR programme represents a significant element of the Councils annual net expenditure. The programme for 2019/20 totals £1.8m in line with the sum as allowed for in the latest Medium Term Financial Plan.
- 6.2 The Council is committed to the continuation of 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 2020/21 after Vehicle & Plant internal borrowing is taken into account is £3.875m.

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 by the Cabinet for inclusion in the 2020/21 budget.

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Background Papers

	2019/20	2020/21	2021/22	2022/23
	£'000's	£'000's	£'000's	£'000's
ASSET MAINTENANCE & REPLACEMENT PROGRAMME				
Asset Maintenance				
Health & Leisure Centres (including Equip)	360	500		
Dibden Golf Centre	30	72		
Eling Experience	25			
Offices, Depots & Outlying Buildings	105	118		
Stillwater Park		75		
CCTV Camera Replacement		31		
	520	796	-	-
ICT Replacement Programme	200	150		
V&P; Deferred Expenditure (Depreciation / MRP)	1,192	1,082		
	1,912	2,028	-	-
Rephased Budget from previous year		- 28		
Less: Proportion allocated to HRA	- 215	- 200		
Third Party Contribution	-	-		
Total Revenue Programme	1,697	1,800	-	-
General Fund Budget Available	1,700	1,800	1,800	1,800

APPENDIX 2

Portfolio(s)	Category Key (1 - 3)	Location	Project Name	AMR Prog. Value	
				20/21 £	21/22 £
F,CS&I	2	ATC	Works to ATC (communal & external areas & works emanating from condition survey)	75,000	
F,CS&I	2	ATC	*DDA Compliance Works	28,000	
F,CS&I	1 & 2	Ringwood Depot	Ringwood Depot Resurfacing	15,000	
			TOTAL OFFICES AND DEPOTS	118,000	150,000
L&W	1&2	HLC's	Annual Maintenance Programme	500,000	
			TOTAL HEALTH & LEISURE CENTRES	500,000	500,000
F,CS&I	1,2,3	District Wide	ICT Replacement Programme	150,000	
			TOTAL ICT REPLACEMENT	150,000	150,000

Portfolio(s)	Category Key (1 - 3)	Location	Project Name	AMR Prog. Value	
				20/21 £	21/22 £
F,CS&I / ALL	1	District Wide	Fleet Replacements (GF)	922,000	
F,CS&I / HOUS	1	District Wide	Fleet Replacements (HRA)	160,000	
			TOTAL VEHICLES AND PLANT	1,082,000	1,100,000
COMM	1,2	Multiple	CCTV Upgrade	31,000	
HOUS	2	Stillwater Park	Maintenance	75,000	
L&W	1	Dibden	Landlord Maintenance Responsibilities	72,000	
			TOTAL NON-CORE PROJECT FUND	178,000	100,000
Grand Total				2,028,000	2,000,000

* Funded by rephased budget from 2019/20

CAPITAL PROJECTS REQUIREMENTS WITH FINANCING

	Portfolio	PROJECT REQUIREMENTS £			2020/21 PROJECT FINANCING £				
		2020/21	2021/22	2022/23	NFDC Resources / Loan	TBC	Better Care Fund	Grant	DC / CIL
Disabled Facilities Grants	ENV	1,200,000	1,200,000	1,200,000			1,200,000		
Strategic Regional Coastal Monitoring (15-21)	ENV	1,495,000						1,495,000	
Barton Drainage Test (19-21)	ENV	50,000						50,000	
Public Convenience Modernisation Programme	ENV	300,000	300,000	300,000	300,000				
Public Convenience Additional Enhancements	ENV/LEADERS	75,000			75,000				
Lymington Sea Wall	ENV	400,000				400,000			
New Depot Site	F,CS&I	3,000,000	2,000,000		3,000,000				
V&P; Replacement Programme	F,CS&I	1,682,000	2,000,000	1,500,000	1,682,000				
Smarter Working; Future Delivery	F,CS&I	500,000	500,000		500,000				
Open Space Schemes	P&I	292,000	200,000	200,000					292,000
Transport Schemes	P&I	265,000	175,000	175,000					265,000
Mitigation Schemes	P&I	635,000	500,000	500,000					635,000
TOTAL GENERAL FUND CAPITAL PROGRAMME		9,894,000	6,875,000	3,875,000	5,557,000	400,000	1,200,000	1,545,000	1,192,000
									9,894,000
LOAN FINANCED					-1,682,000				
RESIDUAL NFDC RESOURCES					3,875,000				