

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING GROUP
Date:	9 October 2017
Reporting Officer:	Kathy Roe – Chief Finance Officer
Subject:	CAPITAL INVESTMENT PROGRAMME: 2017/18-2019/20
Report Summary:	<p>The report sets out a proposed revised Capital Investment Programme for the period 2017 -2020 of just under £170m.</p> <p>It summarises the latest capital programme based on information provided by project managers.</p> <p>The report also recommends additional projects are added to the programme together with the proposed funding for the updated three year programme.</p> <p>New prudential indicators are also required in order to align with the updated programme.</p> <p>The proposed three year Capital Programme has been produced following review and prioritisation of bids for Capital Investment during the summer of 2017. The proposed programme is based on this prioritisation exercise and a review of available resources.</p> <p>The opportunity presented in this report for a major capital investment boost is unique. Members must be certain that the proposed schemes for inclusion in the programme represent the priorities that must be addressed over the next three years. The significant resources available are non-recurrent and will not be available in future years once applied to fund capital investment.</p> <p>The ability to utilise the significant capital investment reserves is dependent on a stable revenue budget position. The proposed funding sources and affordability of the programme will need to be kept under regular review.</p>
Recommendations:	<p>That the Strategic Planning and Capital Monitoring Panel consider the proposed Capital Investment Programme and application of resources to fund this investment.</p> <p>That the Strategic Planning and Capital Monitoring Panel recommend the following to Executive Cabinet:</p> <ol style="list-style-type: none"> 1) That the changes to the existing programme (Table 2) and the revised Capital Investment Programme (Table 5) for 2017/18 to 2019/20 is approved; 2) That the allocation of funds for additional schemes (Table 4) is agreed in principle, subject to full business cases for each scheme; 3) That the Chief Finance Officer provides regular updates on the funding sources proposed for the Capital Investment Programme, and the affordability of the

programme; and

- 4) That all additional schemes (Table 4) submit a business case for consideration by Strategic Planning and Capital Monitoring Panel, prior to full approval by Executive Cabinet.

Links to Community Strategy:

The Capital Programme ensures investment in the Council's infrastructure is in line with the Community Strategy.

Policy Implications:

In line with Council Policies.

Financial Implications:

(Authorised by the Section 151 Officer))

The proposed Capital Investment Programme will be funded from a combination of grants, reserves and borrowing. Much of this funding is non-recurrent and additional funding on this scale will not be available in future years for alternative schemes.

The report sets out the proposed amount of Prudential Borrowing to be utilised to fund capital investment. The interest cost and principal repayments of borrowing is funded from future revenue budgets. The Council's ability to prudentially borrow to fund future schemes is limited by the budget pressures which the Council faces over the coming three years and beyond.

Close monitoring of capital expenditure on each scheme and the resources available to fund capital expenditure is essential and is an integral part of the financial planning process. There is very limited contingency funding set aside for capital schemes, and any significant variation in capital expenditure and resources will have implications for future revenue budgets or the viability of future schemes.

Legal Implications:

(Authorised by the Borough Solicitor)

Failure to adhere to strict capital monitoring effectively rationalised in accordance with the Council's corporate responsibilities and priorities exposes the Council to potential legal and ombudsman challenge in respect of its fiduciary duty and requirement to ensure value for money for the people of the Borough and the public purse.

Risk Management:

The Capital Investment Programme proposes significant investment across the borough. Failure to properly manage and monitoring the Council's Capital Investment Programme will lead to service failure, financial loss and a loss of public confidence. Funding of the Capital Programme assumes the realisation of Capital Receipts from land and property sales which if not achieved may require reassessment of the programme.

Access to Information:

The background papers relating to this report can be inspected by contacting Heather Green, Finance Business Partner by:



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1. INTRODUCTION

- 1.1 The Council maintains a three year Capital Programme which sets out planned capital investment and identifies the resources that are available to finance expenditure on all projects.
- 1.2 This report includes:
- The current programme, including changes approved as part of the Council's capital monitoring process;
 - An update for known or anticipated grant allocations;
 - An updated assessment of resources available to finance the investment programme;
 - A proposed updated investment programme through to 2019/20;
 - A consequential update to the prudential indicators for 2017/18 - 2019/20.

2. CAPITAL STRATEGY

- 2.1 One of the aims of the Council's capital strategy is to link resources to priorities and this updated programme sets out how this will be achieved.
- 2.2 Another important aim is that the capital programme is affordable. In this regard the assumed level of borrowing, which places demands on the constrained revenue budget in terms of loan servicing costs, has been reduced. In its place there will be a significant planned use of earmarked reserves and a step increase in the realisation and use of capital receipts from the sale of surplus assets.
- 2.3 It is vital that expenditure of the scale recommended is effectively controlled with regular reports to the Strategic Planning and Capital Monitoring Panel from the appropriate accountable officers.
- 2.4 Given the significant scale of the Capital Programme over the next three years, it is proposed that an officer led Capital Programme working group is established to tightly manage and monitor the Council's Capital Programme going forwards.

3. REVIEW OF THE EXISTING CAPITAL PROGRAMME

- 3.1 The original capital programme for 2017/18 to 2019/20 includes forecasted expenditure of £112m. This is following the re-profiling exercise carried out and reported as part of the 2016/17 Capital Outturn Report.
- 3.2 Table 1 below provides a high level summary of capital expenditure by service area:

Table 1: Original Capital Programme 2017/18 to 2019/20 by Service Area

Original Capital Investment Programme	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
PEOPLE				
Adult Services	0			0
Children's Services	125			125
PLACE				
Education	15,626			15,626
AIPM	36,964			36,964
Stronger Communities	454			454
Development & Investment	3,321			3,321
Digital Tameside	1,340	440		1,780
Engineering Services	18,248			18,248
Environmental Services	2,200			2,200
Transport	6,289			6,289
Active Tameside	10,174	6,524		16,698
EXCHEQUER	10			10
RESOURCES	4,982	5,000		9,982
Grand Total	99,733	11,964		111,697

- 3.3 It is important that projects contained in the capital investment programme are reviewed to ensure they are in alignment with current plans and priorities of the Council. This is to ensure the finite resources available for the programme are utilised for maximum effect. Such a review has been carried out and it is proposed that the schemes set out in Table 2 are removed from the programme, allowing their resources to be reallocated.

Table 2: Schemes to be removed from the Capital Programme

Schemes to be removed from the original Capital Investment Programme	2017/18 £000s	2018/19 £000s
Specific Capital Reserve	403	
The Longdendale Integrated Transport Strategy*	8,289	
Carbon Reduction - Invest To Save Schemes Approval Required	311	
Estimated Future Borrowing Approvals / Receipts	4,262	5,000
Repayment Of Prudential Borrowing	721	
Sub-total	13,986	5,000
TOTAL SCHEMES TO BE REMOVED		18,986

** This is a long standing priority of the Council. However; current understanding is that the Department of Transport is devising a scheme that does not rely on funding from the Council. Should this position change then the investment programme can be reviewed to accommodate the scheme.*

- 3.4 Since the re-profiling exercise carried out and reported as part of the 2016/17 Capital Outturn Report, a small number of additional 2017/18 schemes have been approved by the Executive. The additional schemes which have been approved are set out in Table 3 below.

Table 3: Additional Schemes approved since February 2017

Additional Schemes Approved by Executive since February 2017	2017/18 £000s
Egremont Street Playing Fields and Greenspace Infrastructure	74
Investment in Corporate and Civic Buildings	525
Transport Asset Management Plan	2,750
Active Tameside – Hyde Pool	1,096
Refurbishment of Concord Suite	550
Ashton Interchange	445
TOTAL	5,440

4. PROPOSED CAPITAL INVESTMENT PROGRAMME 2017/18 – 2019/20

- 4.1 All Directorates of the Council and members of the Single Leadership Team have been invited to submit bids for inclusion in the updated capital investment programme to 2019/20.
- 4.2 Bids have been categorised in line with the emerging Corporate priorities or as unavoidable schemes resulting from our statutory responsibilities. The Single Leadership Team have considered how the proposed schemes meet the Council's Capital Strategy, how they contribute to the Council's priorities, and how the schemes contribute to the Council's financial sustainability.
- 4.3 The additional schemes proposed for inclusion in the revised Capital Investment Programme for 2017/18 to 2019/20 are detailed in **Appendix 1**. The schemes, by priority area, are summarised in Table 4 below.

Table 4: Additional Schemes by Priority

	2017/18 £000	2018/19 £000	2019/20 £000
Digital Future			
Tameside Digital Infrastructure	1,752		
Tameside Data Centre	840		
Ashton Old Baths Annex	800	800	
Care Together Digital Funding		3,000	
	3,392	3,800	
Excellent Health & Care			
Denton Festival Hall Health Hub	1,000	2,500	
Union Street Health Hub	1,000	4,500	

A&E Streaming		700	
Oxford Park Development	455		
New Children's Home		1,000	
	2,455	8,700	
Strong Communities			
Ashton Library		200	
4C Community Centre Ashton	150		
CCTV	200		
	350	200	
Vibrant Economy			
Parking Enforcement System Upgrade		200	
Flood Prevention and Repairs	75	300	400
Pension Fund Building	8,400		
Asset Management Strategy – Plantation Industrial Estate	1,400		
LED Street Lighting Scheme for Main Roads	100	1,750	1,750
Tameside Highways Asset Management Plan	250	3,870	6,380
Refurbishment of Ashton Town Hall	2,000	4,700	
Refurbishment of Concord Suite, Droylsden	450		
Hyde Town Hall Roof	1,300		
Ashton Gateway	1,500		
Investment and Development Fund	11,500		
Godley Green Development	200		
Ashton Interchange	55		
Borough Gateways		300	
Asset Management Software	500		
	27,730	11,120	8,530
Statutory Obligations			
Replacement of Cremators		1,500	
Woodend Mill Chimney	200		
Property Assets Statutory Compliance	3,000		
Transport Services – Fleet Replacement Programme		500	
Property Assets – Refurbishment of Capital Assets		975	1,000
Hyde Indoor Market Redevelopment		2,500	
Cemetery Boundary Walls	200		
Crowded Places Pedestrian Safety		250	
	3,400	5,725	1,000
TOTAL ADDITIONAL SCHEMES PROPOSED	37,327	29,945	9,530

- 4.4 It should be noted that approval to placing schemes in the capital programme at this point is to earmark funding for the project. It is expected that each of the schemes will provide a full business case for consideration by the Strategic Planning and Capital Monitoring Group, prior to recommendation for approval by the Executive.
- 4.5 Table 5 below summarises the overall revised capital investment programme proposed for 2017-2020.

Table 5a: Overall revised Capital Investment Programme 2017-2020

	2017/18 £000	2018/19 £000	2019/20 £000
Original Capital Programme (Table 1)	99,733	11,964	
Schemes to be removed from the programme (Table 2)	(13,986)	(5,000)	
Additional Schemes approved since February 2017 (Table 3)	5,440		
Additional Schemes proposed for inclusion (Table 4)	37,327	29,945	9,530
Total revised Capital Investment Programme	128,514	36,509	9,530
Total overall revised Capital Investment Programme	174,553		

Table 5b: Overall revised Capital Investment Programme by Priority

	2017/18 £000	2018/19 £000	2019/20 £000
Digital Future	4,742	4,240	0
Excellent Health and Care	14,722	15,224	0
Strong Communities	8,014	200	0
Successful Lives*	15,690	0*	0*
Vibrant Economy	81,946	11,120	8530
Statutory Obligations	3,400	5,725	1000
Total revised Capital Investment Programme	128,514	36,509	9,530
Total overall revised Capital Investment Programme	174,553		

**Schemes relate primarily to Education and are funded from annual grant allocations. Programme for 2018/19 and 2019/20 will be revised once future years grant allocations are known.*

5. FUNDING THE CAPITAL PROGRAMME 2017 - 2020

- 5.1 Table 6 below shows the sources of funding planned to be used to support the original programme, which was summarised in Table 1 above. The original planned funding included a significant amount of prudential borrowing which results in a call on revenue budgets for debt servicing and repayment.

Table 6: Sources of Funding for the original programme in Table 1

Original proposed funding	£000
Grants & Contributions	30,137
Revenue Contributions	731
Corporate:	
- Prudential Borrowing	69,271
- Reserves / Capital Receipts	11,558
Total	111,697

- 5.2 It is proposed that the revised Capital Investment Programme is primarily funded from capital receipts, reserves and grants to minimise the level of prudential borrowing required. This proposed resourcing structure is intended to make the investment plans affordable, which is one of the key strands of the capital strategy.
- 5.3 Table 7 summarises the expected funding sources for 2017 - 2020. The resourcing structure will fluctuate during the next three years and this will be kept under review by the Chief Finance Officer and reported to Members. The overall proposed three year programme of £174,553k exceeds the available resources identified. The funding position will be kept under review as schemes progress to full business case, and prioritisation may be necessary if resources cannot be identified to fund the proposed programme in future years.

Table 7: Expected funding sources 2017 – 2020

	2017/18 £000	2018/19 £000	2019/20 £000	Total
Grants and Contributions	23,637	1,600	1,600	26,837
Revenue Contributions	731	0	0	731
Forecast Capital Receipts	46,307	4,762	2,414	53,483
Reserves	41,416	22,923	4,871	69,210
Prudential Borrowing	16,423	6,524	0	22,947
Total	128,514	36,509	8,185	173,208

Grants and Contributions

- 5.4 Resources available from external sources, such as grants and third party contributions, are limited. Table 8 summarises the assumed level of capital grants currently in the capital programme. This table refers to the grants received in year, so does not tie up to the planned funding in Table 7 above, which also includes elements of grants and contributions rolled forward from prior years.

Table 8: Assumed capital grants 2017 - 2020

Assumed level of capital grants	2017/18 £000	2018/19 £000	2019/20 £000
Schools Condition Allocation	1,678		
Devolved Formula Capital	432		
Basic Need	4,883		
Highways Maintenance	2,064	1,600*	1,600*
Disabled Facilities Grant	2,152		
GM Growth Deal	746		
Challenge Fund (£0.5m reallocated into 17/18)	500		
City Cycle Ambition Grant	180		

Total	12,635	1,600	1,600
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**estimate only*

- 5.5 Grant allocations in future years are expected but no assumptions have yet been made regarding the amounts available other than for Highways. Any capital grants that are new allocations will be utilised to fund additional schemes specific to the area allocated.
- 5.6 Third party contributions consist of developer contributions in the form of section 106 agreements. The current programme contains £0.5m of this type of funding.
- 5.7 Whilst all grant allocations and third party contributions are welcomed, on their own they will not match the needs and priorities of the Council. As such the Council must generate resources of its own and these come in the form of capital receipts, reserves and prudential borrowing. The Council is also able to make revenue contributions to the Capital Programme but clearly these place an additional pressure on the revenue budget.

Forecast Capital Receipts

- 5.8 The Council has an active disposal programme of its surplus land and buildings that will generate capital receipts which can then be reinvested in new projects for the long term benefit of residents and businesses in the borough.
- 5.9 The current disposal programme forecasts capital receipts totalling £49.9m over the three year period, with the bulk of this scheduled for 2017/18.
- 5.10 In addition to this a further £3.6m is available from receipts realised in 2016/17 that were not applied to fund that year's capital investment programme. This results in projected capital receipts of £53.5m over the period of the Capital Investment programme as set out in table 9.

Table 9: Forecast Capital receipts

Forecast Capital receipts	£000
Brought forward from 2016/17	3,556
2017/18	42,751
2018/19	4,762
2019/20	2,414
Total	53,483

- 5.11 Progress on disposals will be kept under regular review and reported to the Strategic Planning and Capital Monitoring Panel. Any significant variance to this programme of disposals may require a reappraisal of schemes in the capital investment programme.

Reserves

- 5.12 Another significant source of funding is from the Council's reserves. Reserves can be built up over a prolonged period of time and can be generated from a combination of:
- (i) a planned accumulation from specific budgets in the Council e.g. insurance, debt management;
 - (ii) utilisation of windfall proceeds e.g. airport dividend;
 - (iii) utilisation of year end surpluses.
- 5.13 Reserves are generally earmarked for specific purposes and fully disclosed in the Annual Statement of Accounts. The Capital Investment Reserve currently stands at £69m. Reserves can only be spent once and their use in this way, on non-recurrent commitments, is a sensible proposition. This will still leave sufficient reserves to cover specific risks and liabilities.

Prudential borrowing

- 5.14 One further source of finance is prudential borrowing. The interest cost and principal repayments of borrowing is funded from future revenue budgets. The Council's ability to prudentially borrow to fund future schemes is limited by the budget pressures which the Council faces over the coming three years and beyond.
- 5.15 Borrowing will only be used to a limited extent due to associated impact on the revenue budget in having to repay this debt. It is therefore proposed that the use of further borrowing will be restricted to initiatives that produce savings or a new revenue stream to the Council.

6. PRUDENTIAL INDICATORS

- 6.1 The CIPFA Prudential Code for Finance in Local Authorities was introduced as a result of the Local Government Act (2003) and was effective from 1 April 2004. The Code sets out indicators that must demonstrate that the objectives of the Code are being fulfilled. The initial Prudential Indicators for 2017/18 and the following two years were approved by the Council in February 2017. These have now been updated in line with the changes proposed in this report and are included in **Appendix 2**.

APPENDIX 1

Proposed Additional Capital Investment Schemes by Priority

		2017/18 £000	2018/19 £000	2019/20 £000
Digital Future				
Tameside Digital Infrastructure	<p>To refresh the networking equipment for newer faster models and increase the capacity of the core network from 1GB per link to 10GB. This will then provide the speed and bandwidth we will need for the next 5 years.</p> <p>Continuing to develop and expand the Tameside Digital Infrastructure into, and around the main Town Centres across the borough - linking not only key Council buildings but also key industrial development sites, CCTV cameras and Health and other Public Sector partners.</p>	1,752		
Tameside Data Centre	<p>A new Data Centre constructed in Ashton Old Baths which will provide hosting for Council, Health and Commercial computer systems. (Council systems currently hosted by Rochdale MBC)</p> <p>A new purpose built Data Centre within the Ashton Old Baths Development will provide hosting facilities for the Council and partners for the foreseeable future. It also has the potential to stimulate and grow the digital and technical economy in Tameside helping to create and sustain high value jobs.</p>	840		
Ashton Old Baths Annex	The Council owns the Ashton Old Baths annexe which is currently lying vacant. Investment will create modern office accommodation which will be let on commercial basis similar to the adjacent Friendship Inn generating rental and business rate income	800	800	
Care Together Digital Funding	To ensure the interoperability of all IM&T systems across Social Care, Primary Care and Secondary Care, supported through the Integrated Neighbourhood models. The access to and sharing of all patient / client records will be a key component of this project and will support the creation of the 'one patient record'.		3,000	
	Digital Future Total	3,392	3,800	
Excellent Health & Care				
Denton Festival Hall Health Hub	To progress the Integrated Neighbourhood model for Denton and bring together services across the Council, CCG and Foundation Trust. This will release efficiencies from other parts of the estate and organisations revenue budgets.	1,000	2,500	
Union Street Health Hub	To progress the Integrated Neighbourhood model for Hyde and bring together services across the Council, CCG and Foundation Trust. This will release efficiencies from other parts of the estate and organisations revenue budgets.	1,000	4,500	
A&E Streaming	To enable a significant element of our Local transformation plan to be progressed with regard to urgent care and to ensure we adhere to the nationally mandated requirement for every hospital to implement this in 2017.		700	

		2017/18 £000	2018/19 £000	2019/20 £000
Oxford Park Development	To build an extension to the existing sports facility at Oxford Park A-U-L that will provide a base for a range of services	455		
New Children's Home	Purchase of an additional Children's Home within the borough, creating additional capacity within Tameside and reducing expenditure on out of borough placements.		1,000	
		2,455	8,700	
Strong Communities				
Ashton Library	Following the relocation of the library to the new Service Centre the existing listed building will be redeveloped for office and shared space whilst retaining the upstairs gallery.		200	
4C Community Centre Ashton	To work in partnership with the 4C charity to enable them to enhance the 4C Community Centre (4C) to create an inspiring, highly sustainable community-led facility catering for the need of the community. It will bring all members of the community together, irrespective of their makeup, to foster better links; participation and self-help. 4C are contributing an addition £50,000 to the works.	150		
CCTV	To ensure that the CCTV system is fit for purpose to assist in the detection, prevention and deterrence of crime and disorder in the area. To ensure that the CCTV system is fit for purpose in order to generate income through the monitoring of CCTV cameras for other internal and external agencies.	200		
	Stronger Communities Total	350	200	
Vibrant Economy				
Parking Enforcement System Upgrade	To replace current operating system for parking enforcement and other associated enforcement activities including the issue of penalty charge notices and debt collection. In order to comply with the Traffic Management Act we need to ensure that enforcement is carried out to assist and improve the transport infrastructure and a system used to record, respond and progress penalty charge notices issued. The supplier of the current system has now issued a notification that they have begun an end of life support for the system.		200	
Flood Prevention and Repairs	Routes will be reinforced and resurfaced both to enable them to be reopened and add resilience with regards to any future events of this severity.	75	300	400
Pension Fund Building	Proposal is to acquire the new Pension Fund building and immediately enter in to a Lease back arrangement with the Pension Fund to secure initial rental income for the Council over the next 25 years. The Lease back arrangement would exclude that part of the ground floor which is ear-marked for the new Droylsden Library. The anticipated rental income would be in the order of £538,000 p.a. The Council will retain control of the Library which will be fitted-out by the Pension Fund but paid for by the Council via the Sale and Leaseback deal. £7m will be to fund the building & £1.4m is the approximate cost of fitting out the library.	8,400		

		2017/18 £000	2018/19 £000	2019/20 £000
Asset Management Strategy – Plantation Industrial Estate	On completion of the purchase of Plantation Industrial Estate the Council will refurbish and remodel the estate to create modern units in the size and format demanded by the market and that comply with legislation (particularly energy). This will be to increase rental revenues from under £50k currently to c£200k.	1,400		
LED Street Lighting Scheme for Main Roads	To reduce the energy and maintenance costs associated with the main road street lighting columns across the highway network. Once installed the total energy saving has been calculated at circa £300K (20/21), however this figure will continue to be refined as lanterns become more efficient and until a lantern type is known. Revenue savings estimated at £100k 17/18, £200k 18/19 and £300k from 20/21.	100	1,750	1,750
Tameside Highways Asset Management Plan	Maintenance of the Council's Highway Network to a sustainable standard. The Council's Highway assets are managed in accordance with the Codes of Practice for Well-Maintained Highways.	250	3,870	6,380
Refurbishment of Ashton Town Hall	Ashton Town Hall is a Grade 2-listed major civic and heritage asset in Tameside and is currently vacant having been decanted as part of the VTP2 project. The Council has the objective of securing the long term future of the building and has recently commissioned detailed surveys and a headline business case to determine a strategy for securing a modern and viable function for the building. This will develop a modern future use based on The principles of Inform (museum and cultural hub), Debate (Council Chamber and meeting facilities) and Celebrate (ball room and function rooms), there will also be opportunities for retail and income generating uses.	2,000	4,700	
Refurbishment of Concord Suite, Droylsden	The Council will need to lease alternative staff accommodation from summer 2018 which will cost far in excess of the annual revenue cost of the capital investment required to refurbish the building	450		
Hyde Indoor Market Redevelopment	The redevelopment of Hyde Indoor Market to provide a modern and accessible Market Hall .Creation of new external entrance increase footfall and to enable to Market Hall to be used for activities outside of 'normal ' business hours . The project will reduce maintenance and running costs of the site by modernising facilities and replacing ageing, high maintenance and costly equipment		2,500	
Ashton Gateway	Public Realm Development of Wellington Road/Albion Way (Oldham Road – Henrietta Street) The Vision Tameside redevelopment strategy will bring an important step change in the prosperity and vitality of Ashton-under-Lyne. A vital component of this strategy involves redesign and modification of the streetscape and public realm to the north of the Advanced Learning Centre.	1,500		
Investment and Development Fund	To establish an investment and development fund which will invest in capital projects in Tameside. Initially the fund will be focused on development of existing Council assets as well as considering new acquisitions.	11,500		
Godley Green Development	To provide initial capital capacity to support the development of a new Garden Village with the potential	200		

		2017/18 £000	2018/19 £000	2019/20 £000
	for 2,000 new homes and facilities.			
Ashton Interchange	Completion of land assembly to facilitate the new Tameside Interchange development.	55		
Borough Gateways	A programme to refresh the Boroughs strategic gateways/entrances and provide low maintenance infrastructure at these sites.		300	
Asset Management Software	Purchase of an integrated land and property system for Asset Management purposes. One integrated system would allow the Council to maximise the use of its assets through better understanding of our asset base. System would also enable more efficient accounts closedown.	500		
	Vibrant Economy Total	26,430	13,620	8,130
Statutory Obligations				
Replacement of Cremators	To replace 3 Cremators and auxiliary equipment which have come to the end of their working life. Dukinfield Crematorium carries out approximately 2000 cremations per annum. To deal with this number of cremations, 3 cremators are required. The current cremators were installed in 1998 and the life expectancy of cremators, based on the capacity they are being used at Dukinfield, is between 15 and 20 years. Due to advances in technology the existing carbon bed system, which was installed in 2009, is no longer fit for purpose and in order to comply with its Environmental permit, we need to convert to an injection system to retrieve the mercury and other pollutants. The Environmental Protection Act and DEFRA.		1,500	
Woodend Mill Chimney	Make safe of existing mill chimney by reducing it's height to a level where members of the public are not put at risk. The existing mill chimney is in a dangerous condition structurally. Under the Building Acts the Council has a responsibility to ensure the safety of members of the public from buildings/structures	200		
Property Assets Statutory Compliance	To fund a work plan of remedial work emanating from statutory compliance checks e.g. Fire Risk Assessments, Legionella, Asbestos Surveys. The Council has a duty to ensure that all it's building provide a safe environment for staff and services operating in them. The Council has to undertake a raft of statutory compliance checks. Emanating from these checks will be remedial work that needs to be undertaken to ensure that we comply. These works have a cost. We intend to create a work plan for operational buildings that list and prioritise the work that needs to be undertaken. An example of this would be the need for us to reassess our Fire Risk Assessments for all our operational buildings – all of the completed assessments will have remedial work that needs to be completed.	3,000		
Transport Services – Fleet Replacement Programme	On-going Fleet Replacement Programme to ensure that the Council has fit for purpose fleet and can continue to deliver quality services		500	
Property Asset –	The Councils property portfolio requires ongoing and		975	1,000

		2017/18 £000	2018/19 £000	2019/20 £000
Refurbishment of Capital Assets	constant refurbishment . Currently this is funded by request to Strategic Panel . The creation of a separate capital budget would allow for improved prioritisation and planning of required capital works . This would also link in with the 5 yearly surveys they are undertaken across the whole of the portfolio . These surveys identify a program of capital works that require undertaking to keep buildings operational and fit for purpose			
Hyde Town Hall Roof	To redesign and replace the roof of Hyde Town Hall and annexe . To prevent ongoing water damage caused by poor design and deterioration of existing roof	1,300		
Cemetery Boundary Walls	To ensure the cemetery boundary walls are repaired and made safe. We have 8 Cemeteries, many of the boundary walls are becoming dangerous with some already falling down and they require significant work to ensure they are brought back to a safe and aesthetic appearance. Under The Local Government Cemeteries Order 1977, Article 4 (1) Local Authorities have a duty to “keep the cemetery in good order and repair, together with all buildings, walls and fences thereon and other buildings provided for use therewith”.	200		
Crowded Places Pedestrian Safety	A programme of works to provide additional separation between traffic and pedestrians at sensitive locations including places of education and worship.		250	
		4,700	3,225	1,000
TOTAL ADDITIONAL SCHEMES PROPOSED		37,327	29,295	9,130
		75,702		

APPENDIX 2

Prudential Indicators

1.

Limit/indicator	2017/18 %	2018/19 %	2019/20 %
Ratio of financing costs to net revenue stream	5.2	5.5	5.7

2.

Limit/indicator	2017/18 £000	2018/19 £000	2019/20 £000
Core Capital Financing Requirement	185,355	197,880	199,471
Other long term liabilities (e.g. PFI and finance leases)	107,797	104,919	102,170
Total Capital Financing Requirement	293,152	302,799	301,640

3.

Limit/indicator	2017/18 £000	2018/19 £000	2019/20 £000
Capital expenditure	128,514	36,509	9,530

4.

Limit/indicator	2017/18 £	2018/19 £	2019/20 £
For the Band D Council Tax	3	13	13

5.

Limit/indicator	2017/18 £000	2018/19 £000	2019/20 £000
Operational Boundary for external debt	212,528	211,449	216,365
Authorised Limit for external debt	232,528	231,449	236,365

Limit/indicator	2017/18 £000	2018/19 £000	2019/20 £000
Estimated 31 March 2017	118,477		
Previous year Operational Boundary		212,528	211,449
Add debt maturing in year	6,466	320	333
Add borrowing for 2017/18 and previous years requirement not taken up	84,959		

Add borrowing in advance for 2018/19 and future years	6,524	10,000	10,000
Less already borrowed in advance for future years			
Less previous year maturing fall out		(6,466)	(320)
Less MRP	(3,898)	(4,933)	(5,096)
Operational Boundary - borrowing	212,528	211,449	216,365
Add allowances for cash flow etc.	20,000	20,000	20,000
Authorised Limit - borrowing	232,528	231,449	236,365

Limit/indicator	2017/18 £000	2018/19 £000	2019/20 £000
Operational Boundary for other long term liabilities	107,797	104,919	102,170
Add allowance for new agreements	1,000	1,000	1,000
Authorised Limit for other long term liabilities	108,797	105,919	103,170

6.

Limit/indicator	2017/18 £000	2018/19 £000	2019/20 £000
Core capital financing requirement	185,355	197,880	199,471
Gross borrowing	185,355	197,880	199,471

7.

Limit/indicator	2017/18 £000	2018/19 £000	2019/20 £000
Upper limit for fixed interest rate exposure	185,355	197,880	199,471
Upper limit for variable interest rate exposure	61,785	65,960	66,490

8.

		Upper %	Lower %
Upper/lower limit for maturity structure	Under 12 months	15	0
	12 months and within 24 months	15	0
	24 months and within 5 years	30	0
	5 years and within 10 years	40	0
	10 years and above	100	50