

REPORT TITLE: CAPITAL STRATEGY AND CAPITAL PROGRAMME 2017

CABINET

18 JANUARY 2017

PORTFOLIO HOLDER: THE LEADER

REPORT OF ASSISTANT DIRECTOR (POLICY AND PLANNING)

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WARD(S): ALL

PURPOSE

The report presents the Capital Strategy and Capital Programme for consideration and approval.

RECOMMENDATIONS:

To Cabinet:

1. Recommends to Council the approval of the Capital Strategy and Programme for 2017

To The Overview and Scrutiny Committee:

2. That The Overview and Scrutiny Committee raises with the Leader any issues arising from its consideration of the Capital Strategy for 2017 and whether any items of significance should be drawn to the attention of Cabinet or Council.

IMPLICATIONS:

1 COMMUNITY STRATEGY OUTCOME

- 1.1 The investment of capital resources will contribute to the achievement of the Council's main objectives and priorities in the Council Strategy and Portfolio Plans. The Capital Strategy is an integral part of the Medium Term Financial Strategy.

2 FINANCIAL IMPLICATIONS

- 2.1 Delivery schemes and projects included within the Capital Programme are dependent on many factors including the availability of the right resource (time, money, skills etc) at the right time. An Officer Programme Management Group helps to ensure the effective delivery of the Council's programme of Major Projects. This includes a monthly cycle of meetings, monitoring and reporting to Cabinet and the Performance Management Team. A newly established Officer Capital Strategy Board is responsible overseeing the delivery and expenditure of the Capital Programme.
- 2.2 Project managers mainly from within the Projects and Policy Team are assigned to projects by the Performance Management Team in accordance with the importance and significance of the project. Training is provided for staff both on the preparations of Business cases for individual projects along with the factors that need to be considered as part the development and initiation of projects. Staff are trained in project management skills relative to the roles which they play in the organisation varying from introductory courses to full Prince2 training.
- 2.3 Some projects will require the use of external resources either because of the need for particular expertise or to avoid bottlenecks that would otherwise arise because of limited internal resources
- 2.4 The Council has adopted the Treasury Green Book principles for project appraisal and the formulation of Project Business Cases which considers the whole life costings of options to ensure value for money is achieved.

2.5 LEGAL AND PROCUREMENT IMPLICATIONS

- 2.6 None associated with approval of the Strategy or programme. Individual projects included within the programme will be carefully considered in relation to legal and procurement issues and separate approvals sought as appropriate.

3 WORKFORCE IMPLICATIONS

- 3.1 These are considered on an ongoing basis in relation to the number, type and size of projects and schemes included within the Capital Programme. The resource requirements and workforce implications are an important

consideration in the production of business justification cases for all new capital programme projects.

4 PROPERTY AND ASSET IMPLICATIONS

- 4.1 Many of the projects and schemes within the Capital Programme are related to the Council's properties and assets and therefore aligning the programme with the Asset Management Plan is an important consideration. The Capital Strategy Board plays a key role in ensuring that this process takes place and that funds are identified to improve the Council's assets in line with its Strategies and Plans.

5 CONSULTATION AND EQUALITY IMPACT ASSESSMENT

- 5.1 The Capital Programme is a mechanism to deliver the Council's Strategy and associated schemes and projects. The formulation of the Council Strategy other supporting strategies and plans and associated consultation is therefore a key determinate in the formulation of the Capital Strategy and Programme.
- 5.2 Appropriate engagement and consultation is undertaken for all individual projects and schemes.

6 RISK MANAGEMENT

- 6.1 All projects and schemes included within the Capital Programme are subject to appropriate risk assessment.

7 SUPPORTING INFORMATION:

- 7.1 The draft Capital Strategy and Capital Programme are appended to this report.

OTHER OPTIONS CONSIDERED AND REJECTED

- 7.2 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

The Capital Strategy and Programme are approved annually.

Other Background Documents:-

The update of Council Strategy, which has recently been subject to consultation, will be considered by Cabinet in February.

APPENDICES:

Capital Strategy and Programme.

Winchester City Council

Capital Strategy 2017 - 2027

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A – Project Methodology

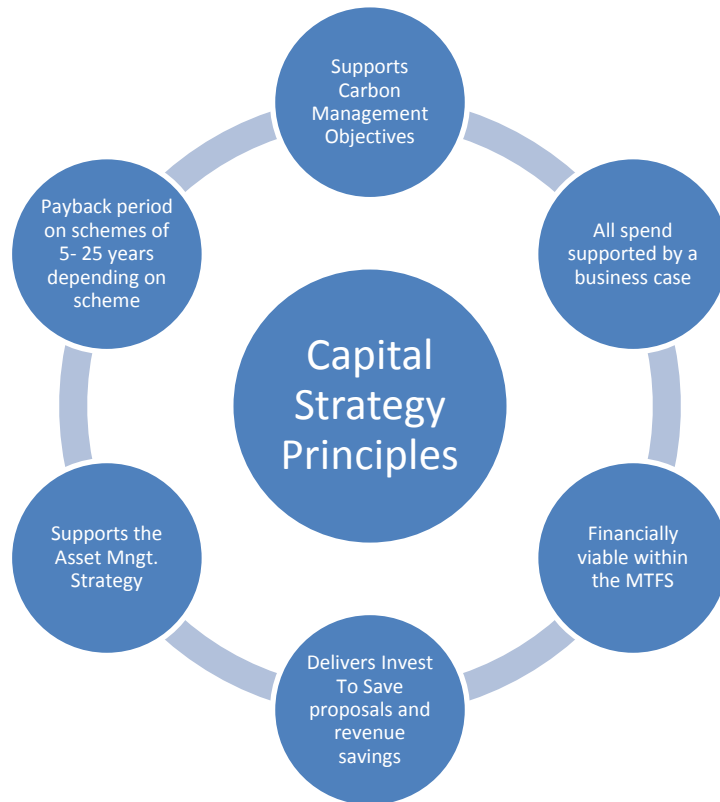
B – Approval of New Project Flow Chart

C – E Capital Programme

1. Purpose

The primary purpose of this strategy is to identify and progress schemes to help deliver the Council Strategy and to help make the Council self sufficient in order to be able to deliver the level of required services.

The Strategy sets out the Council's capital spending programme and the principles which underpin this to deliver the Council Strategy:



The City Council's capital programme incorporates both the General Fund and the Housing Revenue Account capital requirements to support service provision and links with the Council's Community Strategy, Housing Business Plan, Asset Management Plan, IT strategy and Medium Term Financial Strategy. This strategy provides a framework for the development and implementation of the capital programme.

2. Background

It is vital that the Council's maximises the use of its capital investment in the district over the next decade. As Government Grant to the Council disappears, the Council needs to utilise its capital programme to drive the most effective and efficient use of financial resources for the District's residents.

The Council Strategy has a number of Strategic Themes and actions which will be delivered through Capital spend and associated projects, in particular:

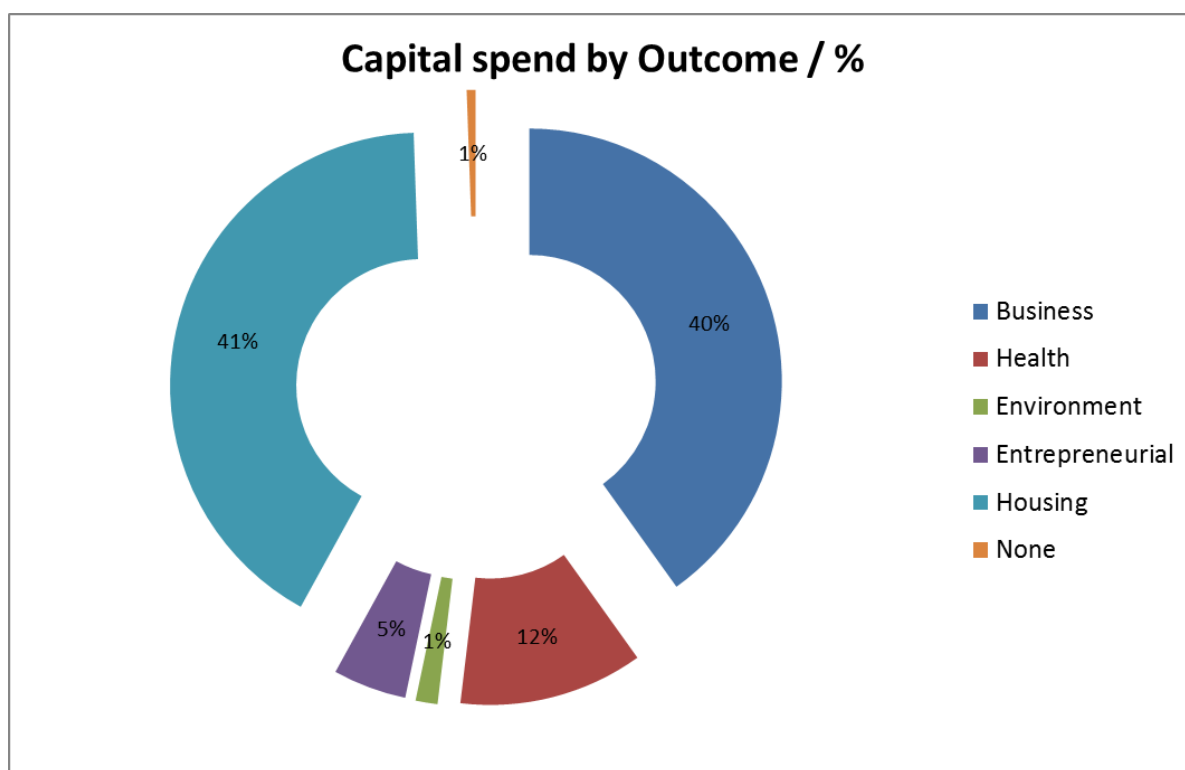
- Providing more affordable housing
- Enhancing its existing housing stock
- Major regeneration schemes and creating new employment
- Delivering critical infrastructure projects
- Using a strategic asset purchase scheme to generate financial returns
- Protect and enhance its assets to maximise income possibilities
- Promote digital infrastructure and new channels for its services
- Exploring new ways of delivering projects including investigating using alternative models such as a Housing company
- Enhancing public open spaces
- Delivering a new Sport and Leisure facility in Winchester
- Enhancing flood resilience
- Meeting sustainable transport and environmental objectives

The Capital Strategy and associated programme is therefore critical in the delivery of these actions. Good progress has been made in some areas and the lessons learnt from projects delivered and undelivered are being applied as we move forward. Work continues to bolster the Council's expertise, processes and resources in order to be more efficient and effective in its delivery.

The programme and processes in this strategy seeks to deliver these actions.

3 Proposed allocation of Capital Resources

Appendix C sets out the proposed capital programme. A summary of the spend by Council Strategy outcome is included per the below:



The focus of the capital strategy is clearly on housing and business outcomes. Many of these outcomes though overlap as some of the investment in the business outcome i.e. the major schemes will also yield a financial return to the Council to support the ambition of becoming more entrepreneurial in our work and to ensure financial self-sufficiency.

In total, an expected £386m is due to be spent across the district. This represents a major investment in the local area and is a very ambitious investment programme compared to a number of other similar Councils.

4 Capital Investment Processes

For effective delivery of the Capital Programme it is important that the programme is realistic in terms of what is included within it in terms of projects which can be delivered on time, within budget whilst and achieving the desired outcomes. The Council has a number of programme and project management procedures in place to help to ensure successful delivery of the capital programme, from the initiation and approval of projects to effective performance monitoring and post-implementation review.

In recent years there has been slippage of the Capital Programme and it is intended that the new approach set out in this Strategy has helped to formulate a more realistic and well resourced programme which will improve this situation.

To support this process, the Council will use its project methodology and this is detailed more fully in Appendix A and B.

Delivery of Programme, resources, expertise

The resources requirements for each corporate project are assessed as part of the development of the outline business case and associated project plan and initially identified in the Business Justification Case. This is then looked at in relation to the whole programme of projects to determine the cumulative impact of delivery on staff resources. This can have impacts on key service areas such as the Council's Project Office in terms of providing project managers, and other key areas such as Legal, Finance and Estates teams depending upon the nature of the projects. Where required, external support is commissioned to provide resources which cannot be met from within the Council's own resources.

The Council's Programme Management Group, the role of which is to monitor the programme and projects delivery together with identifying and addressing resource issues, meets on a monthly basis to consider such issues and to report concerns and to refer key decision to the Performance Management Team

New projects/ pressures/ opportunities

Some known pressures/ opportunities which are currently not included in the Capital Programme are listed below.

- City Offices - a potential project to enhance or rebuild the Council's offices in Winchester
- River protection works, including The Weirs and other flood works in and around the District
- Winchester Football Club / artificial pitch provision
- Central Winchester Regeneration Area
- Alresford public car parking provision
- Abbey Mill Potential Hydro-Electric scheme
- Abbey Gardens Play Area Refurbishment
- Tourist Information Centre
- North Winchester Community Facilities
- Rural Enterprise Centre
- Solar City Project
- Winchester Town Access Plan
- Wickham Drainage Improvements
- Bishops Waltham Southern Cycle/ Pedestrian route

5 Asset Management Plan (AMP)

The AMP seeks to address both the spending priorities for the maintenance of operational property and the development of the non operational estate to assist economic development and provide both capital receipts and revenue income streams.

The Council owns a well located portfolio of property which can provide an increasing level of income for the Council, whilst other sources of income may be restricted in growth. The value of the Council's portfolio can be unlocked by undertaking prudent development or refurbishment schemes on existing property, which can then be let to well secured tenants. Consideration of how such projects are funded will be undertaken through the formulation and approval of the capital programme. This approach will reflect the economic needs and vision for the District by providing commercial property and encouraging investment into the area.

Considerable investment is required in the operational estate and this is addressed in detail within the AMP.

The AMP has introduced a planned maintenance regime for the operational estate which is designed to improve the condition of the premises and to reduce energy costs and carbon emissions. Summary financial information in respect of the AMP is included in the Capital Strategy.

6 Housing Investment

The Housing Portfolio Plan takes full account of priorities detailed in the Council's Housing Strategy, its 30 year HRA Business Plan and the Housing Asset Management Strategy. Clear objectives addressed through these key documents include:

- provide, and support the provision of, new affordable housing, including constructing new council housing;
- making the most effective use of land and other assets to promote affordable housing;
- improving standards of private sector dwellings;
- providing disabled facilities grants aimed at helping residents manage their lives in their own home;
- ensuring that Council stock complies with the Decent Homes standard;
- reviewing and improving the provision of older persons housing; and
- the Council taking full account of tenant aspirations.

The City Council's "Self Financing Settlement" totalled £157 million and this was fully paid for by borrowing through the Public Works Loans Board. The financing costs are met directly from tenant's rents and other income in the HRA.

The HRA Business Plan implemented in 2012 took full account of this and enabled the Council to be able to address previous backlogs in investment, ensuring all homes meet the Decent Homes Standard and that all kitchens are less than 30 years old.

The HRA Business Plan gives priority to the maintenance of existing homes but also provides for the development of new homes. It includes key programmes to address the backlog of repairs, including kitchen and bathroom replacements, within 10 years. It also provides for:

- investment in repairs and enhancements to existing stock totalling £7 million per annum;
- additional investment of approximately £1m per annum on improvements and conversions to communal/sheltered housing, and also works to improve the overall quality of housing estates, including parking, landscaping, security and lighting etc;
- a programme of new build Council homes totalling almost £52 million over the period 2014/15 - 2019/20, which should be sufficient to fund the building of around 280 new homes; and
- investing £715,000 annually on disabled adaptations to Council homes and an additional £800,000 on disable facilities grants for other tenures helping to allow residents to live independently in their own homes.

The HRA Business Plan includes a comprehensive 30 year Investment plan for maintaining the Council's Housing stock. The plan takes account of the results of a full stock condition survey of all homes completed in 2014.

A number of changes have been announced through the recent Welfare Bill and Housing and Planning Bill that will impact on future Housing Capital investment. All key documents have been reviewed and updated to reflect those changes (annual rent reductions, potential high value sales etc).

7 IT Asset Management Plan

The purpose of the IT Service is to deliver cost effective robust data processing and voice services to support the productivity and ambitions of the Council. The IMT Service uses good practice methodologies (ITIL2) to ensure the quality control of supportable, sustainable and secure services.

The Council is formulating a digital transformation strategy which will be a key focus during 2017 and will aim to enhance how the Council engages and transacts with its customers whilst seeking efficiencies and improvements to processes.

The Council is also keen to learn from Smart City initiatives particularly in relation to Transport/ Parking and Tourism applications which will help to meet wider objectives.

The Council formed an IT delivery partnership with Test Valley Borough Council (TVBC) over six years ago that shares an infrastructure platform that continues to produce both capital avoidance and revenue financial savings. The assets which constitute the shared platform are jointly procured and owned. Other capital assets

which are required solely for the use of either party will continue to be funded independently. This will be reflected in setting out investment requirements.

The changing business environment whereby council services develop efficiencies through the adoption of new or improved IT-delivered information sources requires a future funding provision to ensure that the infrastructure remains fit for purpose and capable of delivering sustainable and supportable services when required. Equipment must be maintained in a condition which supports the needs of the services being provided, for example delivery of front-line information to Customer Services, or back-office GIS - Graphical Interface Services (mapping services) which are made available to the public.

The Capital Asset Management Plan (AMP) for IT infrastructure recognises this requirement for fit-for-purpose equipment through a programme of continuous investment. Generally, equipment will require refreshment after 4-5 years, at intermittent intervals due to the practical constraint of delivery and implementation.

The item groups which the IT AMP covers are:

- Network elements such as switches and routers, which are the conduit for data within the infrastructure. This is specific and local to each council;
- Server hardware, which runs the various business applications, and delivers their information over the network to user desktops. This can be shared to a large extent within the shared service;
- Data storage – Storage Area Networks (SAN), which securely and sustainably holds the Council’s data. This major component to the IT infrastructure and will be shared and mirrored (replicated) across two sites for resilience;
- Desktop devices to deliver appropriate information to users and provide line of business applications. These are specific and local to each council.

The IT AMP assumes the need to refresh infrastructure items on a like-for-like basis, and proposed costs reflect this. In reality, after five years the technology will have “moved on” and new developments which offer further advances will be considered which may give greater benefits for the same investment.

8 Capital Financing Considerations

The Council can invest in a capital programme so long as its capital spending plans are “*affordable, prudent and sustainable*”. For the HRA, a maximum level of borrowing (Housing debt cap) was imposed as part of the self-financing settlement.

It is vital that Council investment is supported through an appropriate financing mechanism, and some of the key capital financing methods are included below:

‘Financed’ capital expenditure

- Capital receipts e.g. from asset sales
- Capital grants e.g. Disabled Facility Grants
- S106 contributions
- Community Infrastructure Levy (CIL)

- Revenue contributions e.g. through earmarked reserves to day to day spending

'Unfinanced' capital expenditure

If insufficient financing is available, or a decision is taken not to apply financing from the above sources, the expenditure will give rise to a financing need, which may or may not lead to external borrowing depending on the Council's cash flow position.

Funding for the HRA capital programme now largely comes from revenue resources. Under self-financing, the Government has imposed a limit on the level of debt that the HRA is allowed to have. The business plan approved for the period 2014/15 to 2043/44 forecasts that the HRA will reach the debt cap in 2015/16 and remain there until repayments of external debts commence in 2022/23. The Council has successfully applied to the DCLG for a limited increase in the debt cap associated with the provision of new build schemes. The HRA also has the option of selling assets to generate capital receipts. This is covered in more detail in paragraph 5 above.

The Council maintains a Major Investment Reserve which can be used to finance either revenue or capital expenditure for the Council's major projects. There are also a number of specific earmarked reserves established for capital expenditure purposes.

It is currently Council policy that all capital receipts from the sale of GF assets are allocated to fund GF capital expenditure and all non Right-To-Buy HRA capital receipts are allocated to fund HRA capital expenditure. Since self-financing of the HRA, Right-To-Buy receipts now fall into 3 tranches:

- The first tranche of receipts is divided between DCLG and the Council. The receipts kept by the Council are available to fund any capital expenditure on the HRA or General Fund (GF). Current Council policy is that these are allocated to the GF.
- The next tranche of receipts is also divided between the DCLG and the Council. However, part of the Council's share must be retained by the HRA as it represents the HRA self-financing debt on the extra sales. The final tranche of receipts is fully retained by the Council. Part of these receipts represents the HRA self-financing debt on the extra sales but the majority is available to fund the provision of new rented social housing. Current Council policy is that these are used to help fund the HRA's new house building programme.

APPENDIX A – Project Methodology

Formulation of Programme, business case process

All potential capital projects will be subject to an appropriate level of Business Case development before any capital expenditure budget is allocated for them, except for ongoing asset maintenance and ICT maintenance budgets. This is to ensure that each of the five themes (strategic, economic, commercial, financial and management) have been considered carefully and a thorough options appraisal undertaken before deciding on a preferred option. The level and detail required will be dependent upon the size and cost of the project. All new projects initially will require a Business Justification Case to be prepared. This can then be developed into an appropriate Business Case depending upon the cost of the project. Appendix B sets out the process and requirements for this.

All corporate projects are progressed using the Prince2 methodology which recommends that major projects should be initiated by a sponsoring client officer (normally the relevant Corporate Director or Assistant Director) and have a named project manager who has overall responsibility for delivering the project on time and within budget. A project Executive Officer and any Senior Users will also be identified for each Corporate Project. A Project Team should be identified once enough feasibility work has been completed to determine whether the project has potential to proceed through the formal stages of evaluation. The Council's Performance Management Team agree when this will be the case and hence when a Project becomes a Corporate Project to be taken forward through the Council's Project Management Processes. A Project Board (consisting of the Project Sponsor, the Executive, Senior users and the Project Manager) is also established at this stage to oversee the development and agreement of the Full Business Case which will identify the preferred option identified.

For smaller capital projects an appropriate level of project team will be established to ensure the work progresses and a named nominated officer will be responsible for the allocated budget will be requested to report progress to the Capital Strategy Board.

Initiation and monitoring of all capital items is in accordance with limits set out in the Financial Procedure Rules and the Council's Project Management procedures.

All projects estimated to cost in excess of the limit set out in the Financial Procedure Rules (£100,000) must be subject to a report approved either by Cabinet or under the portfolio holder decision-making scheme.

Winchester Town Forum may authorise incurring expenditure up to a limit of £50,000 on Town Account capital schemes within the approved capital programme without a separate report to Cabinet.

Prioritisation of agreed Corporate Projects will be undertaken by the Council's Performance Management Team and in consultation with the Leader and portfolio holders. It is important to ensure that projects are prioritised and programmed to reflect the level of resources available. External resources can be used in cases where work cannot be delivered through the Council existing staff resources and where projects are deemed to warrant this. Resource requirements should be identified through the Business Justification Case in terms of external and internal needs.

Nominated officers

All capital projects will have a nominated 'responsible officer' who will be accountable for progressing and delivering the project and who will report and be accountable to the Capital Strategy Board.

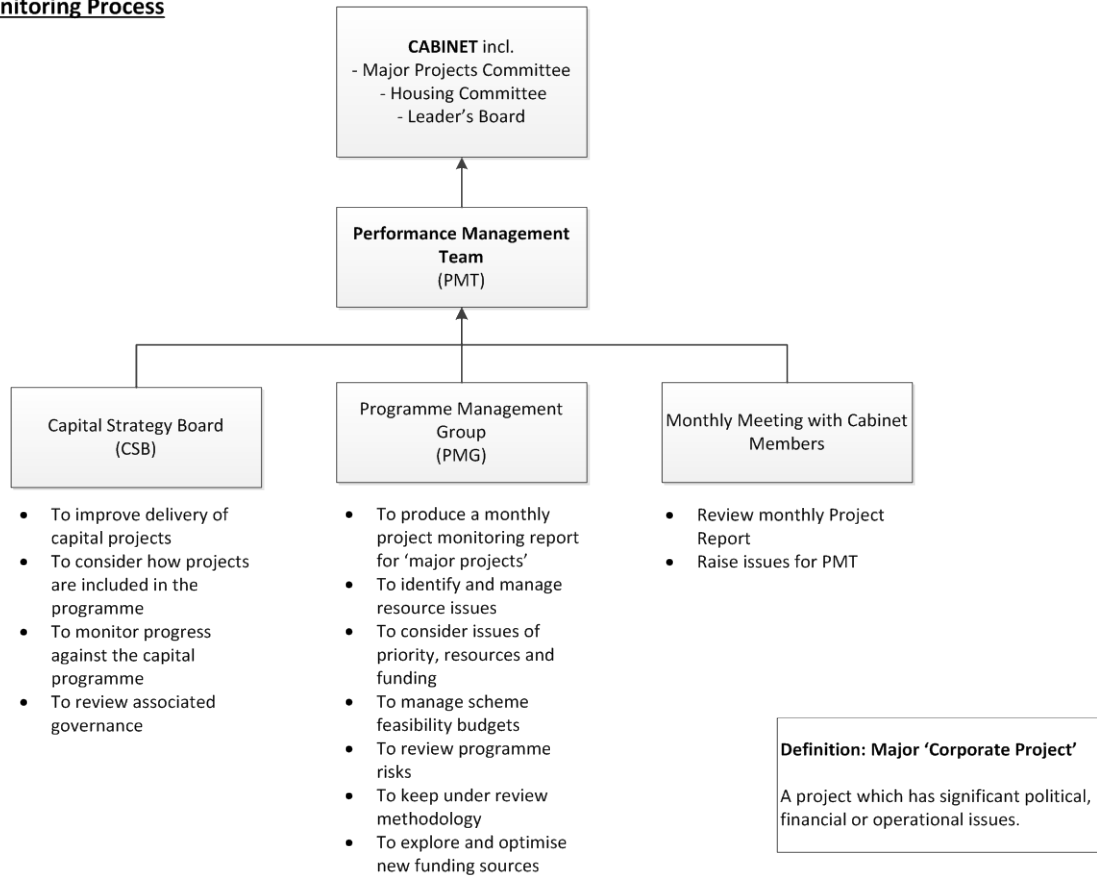
Grant and funding opportunities which support our objectives

Capital funding can also be a powerful mechanism for leveraging in other sources of finance, either directly or through other parties. Enablement is a key factor in determining where best to invest resources and may determine whether facilities are provided directly by the City Council or by partner organisations. This should be highlighted in the Business Justification Case.

Monitoring and Management

A monthly monitoring and management process is in place for the Council's 'Major' corporate Projects Programme as set out below. For smaller capital projects, the expenditure and progress will be overseen and managed by the Capital Strategy Board:

Monthly Monitoring Process



A project monitoring report is produced each month providing an update on each of the 'major' corporate projects in the programme and highlighting any blockages, resource and programme issues. This is monitored by the Programme Management Group, Performance Monitoring Team, the Leader of the Council and relevant Portfolio Holders.

The Capital Strategy Board monitors the Capital programme delivery.

The Performance Management Team monitors financial performance against the agreed capital budget.

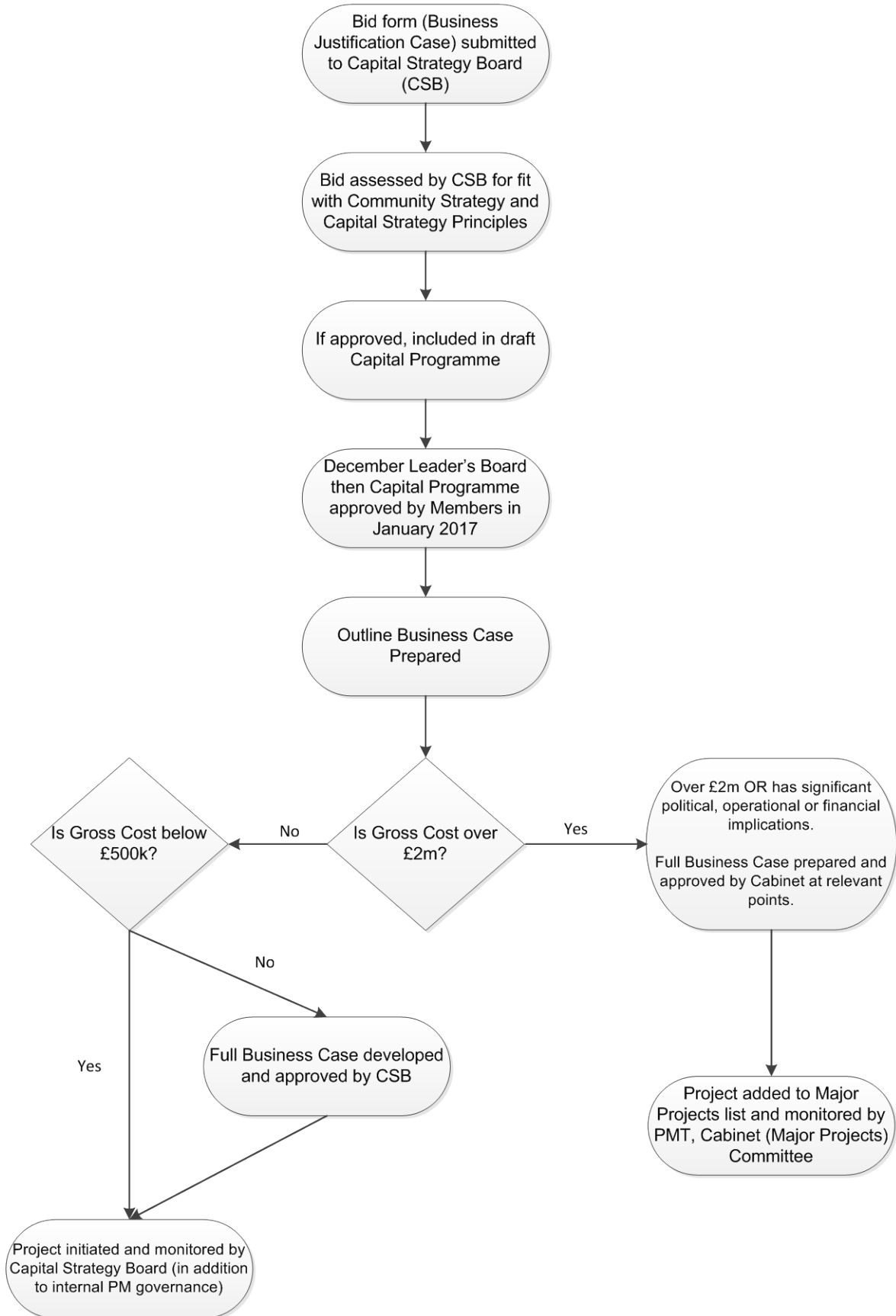
Cabinet receives an annual capital outturn report providing explanations for any significant variations to budget. This constitutes an element of the performance management framework. Monthly updates on programme spend and implications are provided to the Leader's Board in the Monthly Finance Report.

The Overview and Scrutiny Committee can review any major capital project or programme at any time.

Post implementation reviews are carried out six months after implementation for each major scheme approved with findings reported to the Programme Management Group and to The Overview and Scrutiny Committee if required due to cost over runs

of more than 10% for schemes over £1m. The post implementation review should identify learning opportunities and assess the value for money achievement, helping to identify payback on the investment of resources.

APPENDIX B - APPROVAL OF NEW PROJECTS FLOW CHART



CAPITAL PROGRAMME

Capital Programme 2017 to 2027

| | | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | TOTAL |
|---|---|----------------|--------------------|------------------|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------------|
| | Comments | Lead Officer | Outcome | Revised Estimate | Forecast incl. reprofiling | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | 2017-2027 Forecast |
| | | | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Programmed But Subject to Appraisal | | | | | | | | | | | | | | | |
| Station Approach - Cattlemarket** | Commercial and residential development | Kevin Warren | Business | - | - | - | - | - | 8,900 | 23,700 | 23,700 | 23,700 | - | - | 80,000 |
| Station Approach - Carfax** | Commercial and residential development | Kevin Warren | Business | - | 250 | 8,660 | 18,630 | 18,630 | 18,630 | - | - | - | - | - | 64,800 |
| Station Approach - Public Realm | Improvements to the Public Realm | Kevin Warren | Environment | - | - | - | 2,500 | 2,500 | - | - | - | - | - | - | 5,000 |
| New Leisure Centre | Replacement leisure centre | Kevin Warren | Health & Happiness | - | - | 5,682 | 17,045 | 11,363 | - | - | - | - | - | - | 34,090 |
| Redevelopment of Old Bar End Depot | Commercial development | Kevin Warren | Business | - | 250 | 2,375 | 2,375 | - | - | - | - | - | - | - | 5,000 |
| Open Spaces & Recreational Facilities | Play area refurbishments and replacements | Susan Croker | Health & Happiness | - | 270 | 160 | 25 | 90 | 120 | 180 | 110 | 110 | - | - | 1,065 |
| Bishop's Waltham Depot | Industrial Units | Kevin Warren | Business | - | 1,000 | - | - | - | - | - | - | - | - | - | 1,000 |
| Changing Pavilions (Town A/C) | Replacements at North Walls & King George V | Susan Croker | Health & Happiness | - | 300 | 400 | - | - | - | - | - | - | - | - | 700 |
| Abbey House | External and internal remedial works | Kevin Warren | - | - | 150 | 194 | 50 | - | - | - | - | - | - | - | 394 |
| South Winchester Coach Park | Replacement coach park | Richard Hein | Environment | - | 50 | 250 | - | - | - | - | - | - | - | - | 300 |
| 6-8 Middle Brook St | Refurbishment to bring up to leasing standard | Kevin Warren | Business | - | 150 | - | - | - | - | - | - | - | - | - | 150 |
| 2-3 Bridge St | Remedial works to listed building | Kevin Warren | Business | - | 100 | - | - | - | - | - | - | - | - | - | 100 |
| Old Chesil Rectory | Improvements | Kevin Warren | - | - | 80 | - | - | - | - | - | - | - | - | - | 80 |
| Handlebar Café | Capital Grant | Eloise Appleby | Health & Happiness | - | 75 | - | - | - | - | - | - | - | - | - | 75 |
| Market Lane Toilet Works | Refurbishment | Kevin Warren | - | - | 44 | - | - | - | - | - | - | - | - | - | 44 |
| Enveloping Machine | Replacement - current machine at end of life | Alison Gavin | - | - | 36 | - | - | - | - | - | - | - | - | - | 36 |
| Asset Management Plan | Reactive capital works to Estate | Kevin Warren | - | 141 | - | - | - | - | - | - | - | - | - | - | 0 |
| Total Programmed But Subject to Appraisal* | | | | 141 | 2,755 | 17,721 | 40,625 | 32,583 | 27,650 | 23,880 | 23,810 | 23,810 | - | - | 192,834 |
| Total General Fund | | | | 5,799 | 26,873 | 24,439 | 41,695 | 33,696 | 28,650 | 24,928 | 24,920 | 24,930 | 1,072 | 1,070 | 232,273 |
| Housing Revenue Account | | | | | | | | | | | | | | | |
| New Build | | Richard Botham | Housing | 15,543 | 15,681 | 4,380 | 5,970 | 6,149 | 6,098 | 6,250 | 6,406 | 6,566 | 6,730 | 6,898 | 71,128 |
| Major repairs | | Richard Botham | Housing | 7,458 | 6,130 | 6,283 | 6,440 | 6,601 | 6,766 | 7,203 | 7,383 | 7,568 | 7,757 | 7,951 | 70,082 |
| Improvements & Loft Conversions | | Richard Botham | Housing | 760 | 590 | 350 | 350 | 350 | 350 | 300 | 300 | 300 | 300 | 300 | 3,490 |
| Disabled Adaptations | | Richard Botham | Housing | 600 | 770 | 770 | 770 | 770 | 770 | 770 | 770 | 770 | 770 | 770 | 7,700 |
| Other Capital Spend | | Richard Botham | Housing | 85 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,000 |
| Total Housing Revenue Account | | | | 24,446 | 23,271 | 11,883 | 13,630 | 13,970 | 14,084 | 14,623 | 14,959 | 15,304 | 15,657 | 16,019 | 153,400 |
| Grand Total | | | | 30,245 | 50,144 | 36,322 | 55,325 | 47,666 | 42,734 | 39,551 | 39,879 | 40,234 | 16,729 | 17,089 | 385,673 |

* Under the Council's Financial Procedure Rule 6.4, the inclusion of a scheme in the capital programme does not constitute authority to incur the expenditure. Such authority is obtained subject to the various conditions and limits as set out in the Constitution.

** Assumes a WCC backed and funded scheme

Capital Programme Financing 2017 to 2027

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | Total |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| General Fund | | | | | | | | | | | | |
| <i>Externally Funded</i> | | | | | | | | | | | | |
| Government Grants | 500 | 1,206 | 3,400 | 3,300 | 3,300 | 800 | 800 | 800 | 800 | 800 | 800 | 16,006 |
| External Contributions | | | | | | | | | | | | |
| Non governmental grants | 0 | 0 | 1,700 | 4,500 | 3,000 | 0 | 0 | 0 | 0 | 0 | 0 | 9,200 |
| Open Space Fund | 0 | 312 | 167 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 479 |
| Developer's Contributions | 170 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Externally Funded | 670 | 1,518 | 5,267 | 7,800 | 6,300 | 800 | 800 | 800 | 800 | 800 | 800 | 25,685 |
| <i>Earmarked Reserves</i> | | | | | | | | | | | | |
| Car Parks Property | 310 | 1,025 | 370 | 160 | 70 | 70 | 180 | 180 | 180 | 180 | 180 | 2,595 |
| Community Infrastructure Levy | 50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Information, Management, and Technology | 113 | 178 | 140 | 110 | 243 | 130 | 68 | 130 | 140 | 92 | 90 | 1,321 |
| Major Investment Reserve | 56 | 94 | 0 | 720 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 814 |
| Property - Asset Management Reserve | 489 | 869 | 194 | 50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,113 |
| Winchester Town | 0 | 313 | 193 | 25 | 90 | 120 | 180 | 110 | 110 | 0 | 0 | 1,141 |
| Total Earmarked Reserves | 1,018 | 2,479 | 897 | 1,065 | 403 | 320 | 428 | 420 | 430 | 272 | 270 | 6,984 |
| <i>Capital Receipts</i> | 1,126 | 1,715 | 5,070 | 1,198 | 690 | 39,997 | 667 | 667 | 38,000 | 0 | 0 | 88,004 |
| <i>Revenue Contribution to Capital</i> | 0 | 150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 150 |
| <i>Capital Financing Requirement</i> | 2,985 | 21,011 | 13,205 | 31,632 | 26,303 | (12,467) | 23,033 | 23,033 | (14,300) | 0 | 0 | 111,450 |
| Total General Fund | 5,799 | 26,873 | 24,439 | 41,695 | 33,696 | 28,650 | 24,928 | 24,920 | 24,930 | 1,072 | 1,070 | 232,273 |
| Housing | | | | | | | | | | | | |
| Capital Grants and Contributions | 3,170 | 2,028 | 150 | 100 | 250 | 250 | 250 | 300 | 250 | 300 | 250 | 4,128 |
| Major Repairs Reserve | 5,995 | 6,430 | 6,665 | 6,830 | 6,999 | 7,174 | 7,353 | 7,537 | 7,726 | 7,919 | 8,117 | 72,750 |
| Capital Receipts | 1,004 | 5,702 | 1,222 | 1,588 | 1,638 | 1,512 | 900 | 950 | 900 | 950 | 900 | 16,262 |
| Revenue Contribution to Capital | 4,871 | 9,111 | 3,846 | 4,662 | 4,583 | 5,148 | 6,120 | 6,172 | 6,428 | 6,488 | 6,752 | 59,310 |
| <i>Capital Financing Requirement</i> | 9,406 | 0 | 0 | 450 | 500 | 0 | 0 | 0 | 0 | 0 | 0 | 950 |
| Total Housing Revenue Account | 24,446 | 23,271 | 11,883 | 13,630 | 13,970 | 14,084 | 14,623 | 14,959 | 15,304 | 15,657 | 16,019 | 153,400 |
| Total Financing of Capital Programme | 30,245 | 50,144 | 36,322 | 55,325 | 47,666 | 42,734 | 39,551 | 39,879 | 40,234 | 16,729 | 17,089 | 385,673 |

Revenue Consequences of General Fund Capital Programme 2017 to 2027

Notes:

Revenue consequences are estimates and are subject to change. More detailed analysis is carried out prior to actual expenditure being approved.

To be consistent with the presentation in the published financial statements, negative figures (in brackets) represent income or savings.

* Under the Council's Financial Procedure Rule 6.4, the inclusion of a scheme in the capital programme does not constitute authority to incur the expenditure. Such authority is obtained subject to the various conditions and limits as set out in the Constitution.

| GENERAL FUND | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|---|------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Spending and committed | | | | | | | | | | | |
| Income | - | (74) | (81) | (81) | (81) | (81) | (81) | (81) | (81) | (81) | (81) |
| Expenditure | 5 | 8 | (22) | (22) | (22) | (22) | (19) | (22) | (22) | (22) | (22) |
| Net Cost of services | 5 | (66) | (103) | (103) | (103) | (103) | (100) | (103) | (103) | (103) | (103) |
| Financing & Investment Income & Expenditure | | | | | | | | | | | |
| Rental Income | - | (33) | (40) | (40) | (40) | (40) | (40) | (40) | (40) | (40) | (40) |
| Interest payable | - | 30 | 29 | 29 | 76 | 75 | 74 | 73 | 72 | 71 | 70 |
| (Surplus)/ deficit on Provision of Services | 5 | (69) | (114) | (114) | (67) | (68) | (66) | (70) | (71) | (72) | (73) |
| Adjustments between accounting basis and funding basis under regulations | | | | | | | | | | | |
| Minimum Revenue Provision | - | 22 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 |
| Revenue Contribution to Capital | - | - | - | - | - | - | - | - | - | - | - |
| (Surplus)/Deficit - spending and committed | 5 | (48) | (80) | (80) | (31) | (31) | (28) | (31) | (31) | (31) | (31) |
| Approved* - not committed | | | | | | | | | | | |
| Income | - | (129) | (176) | (381) | (381) | (381) | (381) | (381) | (381) | (381) | (381) |
| Expenditure | 17 | 342 | (60) | (76) | (76) | (76) | (76) | (75) | (76) | (76) | (76) |
| Net Cost of services | 17 | 213 | (236) | (457) | (457) | (457) | (457) | (456) | (457) | (457) | (457) |
| Financing & Investment Income & Expenditure | | | | | | | | | | | |
| Rental Income | - | - | - | - | - | - | - | - | - | - | - |
| Interest payable | - | - | 156 | 154 | 152 | 149 | 147 | 145 | 142 | 140 | 137 |
| (Surplus)/ deficit on Provision of Services | 17 | 213 | (80) | (303) | (305) | (308) | (310) | (311) | (315) | (317) | (320) |
| Adjustments between accounting basis and funding basis under regulations | | | | | | | | | | | |
| Minimum Revenue Provision | - | - | - | 77 | 80 | 82 | 84 | 86 | 89 | 91 | 94 |
| Revenue Contribution to Capital | - | 150 | - | - | - | - | - | - | - | - | - |
| (Surplus)/Deficit - approved* not committed | 17 | 363 | (80) | (226) | (226) | (226) | (226) | (225) | (226) | (226) | (226) |
| Programmed but not yet approved* | | | | | | | | | | | |
| Income | - | (30) | 110 | 264 | (1,100) | (3,457) | (5,190) | (6,220) | (6,527) | (7,749) | (8,476) |
| Expenditure | 685 | 878 | 1,241 | 372 | 2,642 | 3,038 | 3,109 | 3,121 | 3,124 | 3,126 | 3,128 |
| Net Cost of services | 685 | 848 | 1,350 | 636 | 1,541 | (419) | (2,082) | (3,099) | (3,403) | (4,623) | (5,348) |
| Financing & Investment Income & Expenditure | | | | | | | | | | | |
| Rental Income | - | - | (91) | (91) | (635) | (635) | (635) | (635) | (635) | (635) | (635) |
| Interest payable | - | - | 32 | 325 | 1,367 | 1,837 | 1,488 | 2,107 | 2,708 | 2,306 | 2,280 |
| (Surplus)/ deficit on Provision of Services | 685 | 848 | 1,291 | 870 | 2,273 | 783 | (1,228) | (1,626) | (1,330) | (2,952) | (3,703) |
| Adjustments between accounting basis and funding basis under regulations | | | | | | | | | | | |
| Minimum Revenue Provision | - | - | 50 | 51 | 220 | 406 | 601 | 581 | 592 | 972 | 994 |
| Revenue Contribution to Capital | - | - | - | - | - | - | - | - | - | - | - |
| (Surplus)/Deficit - programmed but not yet approved* | 685 | 848 | 1,341 | 921 | 2,492 | 1,189 | (627) | (1,046) | (738) | (1,980) | (2,709) |
| TOTAL (SURPLUS)/DEFICIT | 707 | 1,164 | 1,181 | 616 | 2,236 | 932 | (881) | (1,302) | (995) | (2,237) | (2,967) |

Revenue Consequences of General Fund Capital Programme 2017 to 2027

Notes:

Revenue consequences are estimates and are subject to change. More detailed analysis is carried out prior to actual expenditure being approved.

To be consistent with the presentation in the published financial statements, negative figures (in brackets) represent income or savings.

* Under the Council's Financial Procedure Rule 6.4, the inclusion of a scheme in the capital programme does not constitute authority to incur the expenditure. Such authority is obtained subject to the various conditions and limits as set out in the Constitution.

| Impact on (Surplus)/Deficit by project (nil impact excluded) | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | 2020/21 £000 | 2021/22 £001 | 2022/23 £000 | 2023/24 £000 | 2024/25 £000 | 2025/26 £000 | 2026/27 £000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Spending and committed | | | | | | | | | | | |
| Garrison Ground acquisition | - | 37 | 37 | 37 | 86 | 86 | 86 | 86 | 86 | 86 | 86 |
| Car Parks | - | (13) | (43) | (43) | (43) | (43) | (40) | (43) | (43) | (43) | (43) |
| Surface Car Park at Friarsgate | 5 | (56) | (63) | (63) | (63) | (63) | (63) | (63) | (63) | (63) | (63) |
| Kayac Building | - | (18) | (14) | (14) | (14) | (14) | (14) | (14) | (14) | (14) | (14) |
| Open Space & Recreational Facilities | - | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| (Surplus)/Deficit - spending and committed | 5 | (48) | (80) | (80) | (31) | (31) | (28) | (31) | (31) | (31) | (31) |
| Approved* - not committed | | | | | | | | | | | |
| St Clement's Surgery Replacement | 17 | 59 | (39) | (128) | (128) | (128) | (128) | (128) | (128) | (128) | (128) |
| Enterprise Centre Managed Workspace | - | (15) | (35) | (71) | (71) | (71) | (71) | (71) | (71) | (71) | (71) |
| Matley's Yard | - | - | 10 | (12) | (12) | (12) | (12) | (11) | (12) | (12) | (12) |
| New Special Maintenance Depot | - | - | (15) | (15) | (15) | (15) | (15) | (15) | (15) | (15) | (15) |
| River Park Leisure Centre - essential repairs | - | 289 | - | - | - | - | - | - | - | - | - |
| City Offices & Annexe Works | - | 30 | - | - | - | - | - | - | - | - | - |
| (Surplus)/Deficit - approved* not committed | 17 | 363 | (80) | (226) | (226) | (226) | (226) | (225) | (226) | (226) | (226) |
| Programmed but not yet approved* | | | | | | | | | | | |
| Station Approach - Carfax | 428 | 340 | 1,149 | 413 | 907 | 1,207 | (777) | (1,772) | (1,817) | (1,862) | (1,908) |
| Station Approach - Cattlemarket | - | - | - | 431 | 1,446 | 21 | 272 | 906 | 1,269 | 76 | (604) |
| New Leisure Centre | 257 | 513 | 250 | - | 456 | 281 | 172 | 134 | 127 | 126 | 126 |
| Redevelopment of Old Bar End Depot Site | - | - | - | 140 | (255) | (258) | (262) | (265) | (268) | (272) | (275) |
| Bishop's Waltham Depot | - | - | (37) | (37) | (37) | (37) | (37) | (37) | (37) | (37) | (37) |
| 6-8 Middle Brook St | - | (30) | (12) | (12) | (12) | (12) | 18 | - | - | - | - |
| South Winchester Coach Park | - | 25 | (4) | (8) | (8) | (8) | (8) | (7) | (7) | (7) | (7) |
| Old Chesil Rectory | - | - | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (4) |
| (Surplus)/Deficit - programmed but not yet approved* | 685 | 848 | 1,341 | 921 | 2,492 | 1,189 | (627) | (1,046) | (738) | (1,980) | (2,709) |
| TOTAL (SURPLUS)/DEFICIT | 707 | 1,164 | 1,181 | 616 | 2,236 | 932 | (881) | (1,302) | (995) | (2,237) | (2,967) |

Forecast interest payable and Minimum Revenue Provision are affected by borrowing rates available to the Council.

The figures above are based on prevailing rates. An increase or decrease of 0.5% (50 basis points) would have the following impact:

| | | | | | | | | | | | |
|---|---|---|------|------|-------|-------|-------|-------|-------|-------|-------|
| Difference to TOTAL (SURPLUS)/DEFICIT (+0.5%) | - | - | 30 | 75 | 274 | 337 | 249 | 364 | 478 | 356 | 356 |
| Difference to TOTAL (SURPLUS)/DEFICIT (-0.5%) | - | - | (30) | (73) | (272) | (331) | (241) | (354) | (467) | (340) | (340) |