

New schemes to be added to the Capital Programme in 2017/18 to be approved

New Capital Project Approval Request				
Unit:	Sport and Leisure			
Project title:	3G Pitch - Hove Park			
Total Project Cost (All Years):	£177,470			
Purpose, benefits and risks:				
<p>The purpose of the project is to provide local residents with upgraded and modern facilities which will offer increased opportunities to participate in sport. There are a lack of 3G pitch facilities in the city, which was identified in the Sports Facilities Plan (2012-2022) and Playing Pitch Strategy. It is likely that the project will increase the value of the asset, increase the extent to which the asset can be used, and will provide additional revenue due to the service improvement and potential operating model that can be explored.</p>				
Capital expenditure profile (£'000):				
Year	2017/18	2018/19	2019/20	TOTAL
External Contribution (inc S106)	177			177
Total estimated costs and fees	177			177
Financial implications:				
<p>Once completed it is anticipated that expressions of interest will be sought for the operation of the 3G pitch. BHCC would look to appoint an external operator/leaseholder to run the facility on behalf of the council. Approval is required to establish a reserve into which the service charge income (expected to be around £0.015m per year) will be paid. This will then be used to finance the renewal of the pitch at the end of its estimated useful life which is expected to be 10 years. There will be no direct financial implications for BHCC as all ongoing costs would sit with the new leaseholder. The capital costs will be funded by Section 106 contributions.</p>				

Appendix 6 – New Capital Schemes & Future Years Variation

New Capital Project Approval Request				
Unit:	Housing Revenue Account - Tenancy Services			
Project title:	Estates Service - Fleet Replacement			
Total Project Cost (All Years):	£280,000			
Purpose, benefits and risks:				
<p>The current fleet of vehicles (14 vans & 2 bulk trucks) are in excess of 5 years old and need to be replaced to ensure the Estates Team can meet their service commitments to council tenants.</p> <p>The purchase of replacement vehicles is considered to be the most cost effective option.</p>				
Capital expenditure profile (£'000):				
Year	2017/18	2018/19	2019/20	TOTAL
Capital Reserves	0	222		222
Capital Receipts from the sale of assets	0	58		58
Total estimated costs and fees	0	280		280
Financial implications:				
<p>This project will be funded by a contribution from reserves of £0.222m and an estimated £0.058m from the proceeds of current vehicles.</p> <p>Running costs will continue to be met from within existing budget allocations.</p>				

Appendix 6 – New Capital Schemes & Future Years Variation

Capital Project Budget Variation Request				
Unit:	Property			
Project title:	GP Surgery - 62/63 Old Steine & 3 Palace Place			
Total Project Cost (All Years):	£2.247m			
Purpose, benefits and risks:				
<p>The original budget estimate was produced in 2016 using average 'rates per square metre' and without a detailed specification or a full client brief.</p> <p>Following protracted discussions with the GPs, the latest budget estimate is based on a detailed brief and specification which has resulted in an increased scope of the work required to convert the building.</p>				
Capital expenditure profile (£'000):				
Year	2017/18	2018/19	2019/20	TOTAL
External Contribution (NHS EITF)	100	713	0	813
Borrowing	0	1,434	0	1,434
Total estimated costs and fees	100	2,147	0	2,247
Financial implications:				
<p>An additional loan of £0.584m is required through council borrowing to meet the cost of the revised brief and specification. The financing costs associated with the additional borrowing will be recovered from NHS CCG over the life of the lease and therefore will have no impact on the council's revenue budget.</p>				

Appendix 6 – New Capital Schemes & Future Years Variation

Capital Project Budget Variation Request				
Unit:	Transport			
Project title:	A259/West Street Shelter Hall - BS5618			
Total Project Cost (All Years):	£19.214m (including Variation request of £7.000m)			
Purpose, benefits and risks:				
<p>The project has experienced a number of significant engineering and geotechnical challenges due to unstable ground conditions that has necessitated both major temporary and permanent engineering solutions to ensure the stability of the primary A259 coast road. The council is effectively trying to rebuild a bridge whilst keeping it open. There have also been a greater number than anticipated of historic buried structures (sea walls) and in addition the statutory undertakers have required the installation of additional utilities infrastructure. There have also been significant challenges in trying to build a new structure over a strategic main sewer which runs through the site. There have also been a number of significant design changes to ensure the final building meets, BHCC Estates, Planning, Conservation and Historic England's requirements. The opportunity has also been taken by the council to create a higher specification land mark building over two floors to maximise future income and create a centrepiece flagship venue, which will encourage and enable other planned major developments to be brought forward, such as the Waterfront Development. The former (Listed) kiosk was also unable to be salvaged and had to be completely rebuilt in accordance with strict historical and conservation parameters, which has incurred additional cost and delays. A progress update report on the Shelter Hall project will be presented to Environment, Transport & Sustainability Committee in March 2018.</p>				
Capital expenditure profile (£'000):				
Year	2017/18	2018/19	2019/20	TOTAL
Government Grant (National Productivity Investment Fund)	978	0	0	978
Government Grant (DfT Highways Maintenance Challenge Fund)	2,321	0	0	2,321
Government Grant (DfT LTP)	1,000	1,500	1,500	4,000
Government Grant (DfT LTP) forward funding	0	0	1,000	1,000
Capital Receipts	0	1,000	0	1,000
Unsupported Borrowing	0	1,000	1,000	2,000

Appendix 6 – New Capital Schemes & Future Years Variation

Total estimated costs and fees	4,299	3,500	3,500	11,299
Financial implications:				
<p>Note, the actual spending on this project up to 31 March 2017 was £7.915m which is not shown in the table above. The future costs of the scheme including the current year are estimated at £11.299m. This is an increased programme cost of £7.000m which is requested as a variation to the programme and is intended to be funded from the resources detailed below following a competitive tendering exercise:</p> <ul style="list-style-type: none"> • £1.500m of Local Transport Plan (LTP) capital funding in years 2018/19 and 2019/20, as well as £1.000m of forward funding from future years' allocations. The forward funding will be funded temporality from reserves and would be replenished from the 2020/21 LTP grant allocation. Indicative DfT LTP grant allocations have been provided up to the 2020/21 financial year, giving assurance of the availability of funding. • The November 2017 Policy, Resources & Growth Committee included options to support capital investment in the city including a proposed allocation of £1.000m of unallocated capital resources to support this project. This proposal is contained in the final budget report elsewhere on this committee agenda and has been assumed in the funding profile above. • It is proposed to use £2.000m of unsupported borrowing; the annual repayments will be met from the anticipated rental income from premises being created by this project based on prudent estimates of rental income and repayment timescale. 				

