

New schemes and Future Years Variations to be added to the Capital Programme for 2020/21 to be approved

New Capital Project Approval Request	
Directorate:	Housing Revenue Account
Unit:	Property & Investment
Project Title:	Aerial Systems Upgrade
Total Project Cost (All Years) £:	195,000

Purpose, Benefits & Risks:
<p>Planned work to upgrade some of our aerial systems to make them compatible with Sky Q – the service that Sky currently offers – as well as carrying out some repairs that are needed.</p> <p>These works will need to be undertaken at some point in the future and the existing contract allows for these types of work, whilst the new one (planned for April 2021 onwards) will not as it is for repair and maintenance only, therefore these works need to be completed before the end of March 2021.</p>

Capital Expenditure Profile (£'000):						
Funding Source (see guidance below)	2020/21	2021/22	2022/23	2023/24	2024/25	Total All Years
<i>Revenue contribution</i>	195	0	0	0	0	195
Total Estimated Costs & Fees	195	0	0	0	0	195

Financial Implications:
<p>The funding will be met from the existing revenue contribution to the capital programme, as there is a significant underspend across the HRA capital programme as reported as part of the main TBM report. Any maintenance costs will be met from within existing revenue budgets.</p>

New Capital Project Approval Request	
Directorate:	Families, Children & Learning
Unit:	Schools – Longhill High School
Project Title:	Upgrade of Computers
Total Project Cost (All Years) £:	£33,000

Purpose, Benefits & Risks:
The purpose of the investment is to purchase 100 computers to upgrade computer suites.

Capital Expenditure Profile (£'000):						
Funding Source (see guidance below)	2020/21	2021/22	2022/23	2023/24	2024/25	Total All Years
<i>Capital Borrowing</i>	33	0	0	0	0	33
Total Estimated Costs & Fees	33	0	0	0	0	33

Financial Implications:
The total cost of the borrowing for this scheme is £34,702 including interest repayable over 5 years. Longhill School has traditionally used capital borrowing to fund the update of its computer equipment. The school is no longer in licensed deficit, and the annual repayments of £6,940 commencing in financial year 2021/22, will be built into their revenue budget plan, and can be accommodated.

New Capital Project Approval Request	
Directorate:	Families, Children and Learning
Unit:	Adult Social Care Learning Disabilities – Preston Drove
Project Title:	Vehicle Purchase
Total Project Cost (All Years) £:	£21,500

Purpose, Benefits & Risks:
<p>Services users at Preston Drove have learning Disabilities and their support needs require the use of a car to manage safely. They cannot access public transport.</p> <p>The loan repayments will be covered by the transport contributions paid for by the service-users.</p>

Capital Expenditure Profile (£'000):						
Funding Source (see guidance below)	2020/21	2021/22	2022/23	2023/24	2024/25	Total All Years
<i>Capital Borrowing</i>	21.5	0	0	0	0	21.5
Total Estimated Costs & Fees	21.5	0	0	0	0	21.5

Financial Implications:
<p>The vehicle purchase will be financed through capital borrowing with the financing costs repaid through the revenue service budget. Currently the service receives transport contributions from residents that cover the annual repayment of the borrowing scheme.</p>

New Capital Project Approval Request	
Directorate:	Economy, Environment & Culture
Unit:	City Environment Management
Project Title:	Seafront Lockup Health and Safety Works
Total Project Cost (All Years) £:	£50,000

Purpose, Benefits & Risks:
Urgent capital investment is required to carry out essential health and safety work at the seafront lockup which is the rest and toilet facility for council staff. There are currently insufficient toilet and wash facilities at the seafront lockup resulting in staff traveling to alternate locations which is not sustainable and a potential health risk.

Capital Expenditure Profile (£'000):						
Funding Source (see guidance below)	2020/21	2021/22	2022/23	2023/24	2024/25	Total All Years
<i>Capital Borrowing</i>	50	0	0	0	0	50
Total Estimated Costs & Fees	50	0	0	0	0	50

Financial Implications:
The health and safety works will be financed through capital borrowing with the financing costs repaid through the council's corporate revenue budget. The borrowing costs have been built into the General Fund revenue budget for 2021/22.

New Capital Project Approval Request	
Directorate:	Economy, Environment & Culture
Unit:	Culture, Tourism & Sport – Sport & Leisure
Project Title:	Stanley Deason 3G Pitch Replacement
Total Project Cost (All Years) £:	£415,000

Purpose, Benefits & Risks:

The 3G pitch at Stanley Deason Leisure Centre is in urgent need of replacement. It is now 9 years old and has reached the end of its predicted lifespan. It has been used extensively since installation in 2012 by numerous football groups as well as GBMET and has been extremely popular. The participation levels for football increased substantially from the pre 3G pitch levels and the associated income created has made the site more financial sustainable. Unfortunately, a quarter of the pitch has now been deemed as dangerous in terms of Health and Safety and has had to be taken out of use. The rest of the pitch is also in a poor condition. It is a BHCC contractual responsibility to ensure the facility is replaced and if not replaced then Freedom Leisure, as our Operator, could claim under the terms of the contract for loss of income. Replacement works have been costed up by independent consultants and assuming the existing shock pad is still in good condition the cost has been estimated at £0.415m. The lighting columns are thought to be over 20 years old along with the fencing and whilst the pitch is being replaced it would provide economies of scale if these were also replaced at the same time as the pitch by the contractor. The funding will need to come from existing capital budgets and direct revenue funding in future years.

Capital Expenditure Profile (£'000):

Funding Source (see guidance below)	2020/21	2021/22	2022/23	2023/24	2024/25	Total All Years
<i>Direct Revenue Contributions</i>	188	0	80	80	0	348
<i>Specific Reserves</i>	0	67	0	0	0	67
Total Estimated Costs & Fees	188	67	80	80	0	415

Financial Implications:

Once completed, the facility will be operated by Freedom Leisure as part of the Sports Facilities contract. There will be no direct financial implications for BHCC as ongoing management and maintenance costs will be managed by Freedom Leisure. There will however be a requirement for an ongoing £0.025m/annum sinking fund to enable capital replacement by BHCC again in 8-10 years. The capital costs of the project will be funded by £0.188m of revenue contributions this financial year with £0.067m from the Sports Facilities Reserve in 2021/22 and revenue contributions of £0.080m in 2022/23 and 2023/24.

New Capital Project Approval Request	
Directorate:	Economy, Environment & Culture
Unit:	Culture, Tourism & Sport – Sport & Leisure
Project Title:	Withdean Sports Complex – Soft Play Development
Total Project Cost (All Years) £:	£473,000

Purpose, Benefits & Risks:

The offer at Withdean Sports Complex for under 12s is fairly limited. There are sports activities such as climbing, tennis lessons and athletics, however, the provision for young children should be expanded to better meet the needs of family orientated customers and the local area. A number of S106 allocations for the development of indoor sports have been identified and pooled to support helping improve and develop the existing sports facilities provision. A Sports Facilities Investment Plan has also recently been undertaken by external consultants and this also highlights the need and requirement for such an offer within the Sports Facilities Portfolio. The proposal is also supported by Freedom Leisure as the current operator to help increase the long term financial sustainability of the facility and improve the physical activity offer to its customers and local community. In the current situation it is even more important that the health and wellbeing of children is considered into the future and the ability to play and exercise is a key in supporting both their physical activity levels and mental health.

Capital Expenditure Profile (£'000):

Funding Source (see guidance below)	2020/21	2021/22	2022/23	2023/24	2024/25	Total All Years
<i>Direct Revenue Contributions</i>	30	25	25	25	0	105
<i>External Contributions – Section 106 Contributions</i>	0	368	0	0	0	368
Total Estimated Costs & Fees	30	393	25	25	0	473

Financial Implications:

Some of the S106 monies have a limited timeframe to be spent. At least £0.031m needs to be spent on capital improvements at Withdean Sports Complex for Indoor Sport before Autumn 2021. This project has been assessed by the Sports Facilities Team and Freedom Leisure as the most advantageous scheme to take ahead at this time in terms of the time scale for delivery and positive impact on the existing sports facilities offer. Once completed the new facility will be operated by Freedom Leisure as part of the Sports Facilities contract. There will be no ongoing direct financial implications for BHCC as all ongoing costs would sit with Freedom Leisure. The capital costs will be funded by £0.105m of revenue contributions and £0.368m of Section 106 funding.

New Capital Project Approval Request	
Directorate:	Economy, Environment & Culture
Unit:	City Development & Regeneration
Project Title:	Dukes Mound Arches
Total Project Cost (All Years) £:	£10,000

Purpose, Benefits & Risks:

The location of these arches provides an opportunity to assist with wider regeneration of the eastern seafront as it can offer a “staging front” for drawing visitors along to Black Rock and the Marina. The City Development and Regeneration major projects team will commence work on exploring the options and funding sources / bids for the opportunity to increase potential revenue returns at this site. This budget forms part of the council’s annual corporate Strategic Investment Fund (SIF).

Capital Expenditure Profile (£'000):

Funding Source (see guidance below)	2020/21	2021/22	2022/23	2023/24	2024/25	Total All Years
<i>Capital Receipts</i>	10	0	0	0	0	10
Total Estimated Costs & Fees	10	0	0	0	0	10

Financial Implications:

The project will be financed from the Council’s 2020/21 Strategic Investment Fund which is financed using corporate capital receipts. The council allocates an annual sum of £0.250m pa to support major projects investment. The SIF is financed using capital receipts balances.

Capital Variation Approval Request	
Service:	Culture
Project title:	Royal Pavilion Estate (Phase 1)
Total Project Costs (All Years):	£30.403m (including Variation request of £2.459m)

Purpose, benefits and risks:

The project has experienced a number of unforeseen issues resulting in increased project costs due to the following:

- the Covid-19 pandemic resulting in delays to the timetable and increased costs;
- a procurement exercise and appointment of new contractors to undertake recovery works and completion of the project following the previous contractor going into administration; and
- Additional costs following substantial structural works on the Corn Exchange roof to rectify serious defects.

The additional cost of work will be profiled into the council's 2021/22 capital programme. A review of the current fundraising contribution to the project has identified that it is also at risk and the situation is being monitored closely.

Capital expenditure profile (£'000):

Year	2020/21	2021/22	Future Years	TOTAL
Variation: Capital Borrowing	6,000	1,000	0	7,000
Variation: Grants with Conditions HLF	928	1,000	0	1,928
Variation: Grants with Conditions ACE	1,204	459	0	1,663
External Contributions	830	0	0	830
Borrowing (Brighton Dome Festival Ltd)	1,273	0	0	1,273
Total estimated costs and fees	10,235	2,459	0	12,694

Financial implications:

Note, the actual spending on this project up to 31 March 2020 was £17.709m which is not shown in the table above. A combination of significant additional costs (as detailed above) and delays to the programme whilst a new contractor was appointed plus additional costs incurred due to the delay around Covid-19 have resulted in an increase to the delivery of the project which is due to be

completed in December 2021. This significant variation will be funded from a combination of £1.000m borrowing and additional grants of £1.459m.

Over the autumn the council has made bids to both the National Lottery Heritage Lottery (NLHF) and the Arts Council England (ACE) for additional financial support. ACE have confirmed that funding of £0.459m from the ACE Cultural Capital Kickstart allocation that supports costs that have arisen as a result of the Covid-19 pandemic. This funding is required to be spent by 31 March 2022. An additional £1.0m has been bid to the Heritage Capital Kickstart Fund and confirmation of this award is awaited. This funding is part of the Department for Digital, Culture, Media and Sport's Culture Recovery Fund package and similarly addresses funding shortfalls and cost pressures arising from the Covid-19 pandemic.

An additional £1.000m is required to fund the estimated capital shortfall which will be required to be met from borrowing. Given the scheme's importance to the city, local businesses and the visitor economy, it is proposed to utilise borrowing with the financing costs being met from within the council's general fund revenue budget and this is incorporated into the 2021/22 General Fund Budget reported to this committee. The estimated additional financing costs for this borrowing is £0.054m per annum.

