
Capital Strategy and Programme 2018/19 to 2022/23 – Supporting Information

1. Introduction

- 1.1 The Capital Strategy sets out the financial and policy context within which the Council can plan for long term investment in its assets and in the future of West Berkshire. It defines the amount of planned investment over the next five years and shows how this is to be funded.
- 1.2 The aim of the Capital Strategy is to:
- Enable the Council's assets and systems to be maintained and improved, to enable the effective and efficient delivery of the Council's key priorities as set out in the Council Strategy 2015 to 2019;
 - To ensure that capital investment is affordable within the terms of the MTFS;
 - To target funding at Council priorities, within available resources, in particular to maintain and improve the highway network and schools and to improve the efficiency of Council services through investment in ICT;
 - Where appropriate to invest in assets which will help generate revenue income for the Council.

Key Issues addressed in the Capital Programme 2018-2023

- 1.3 The capital programme takes into account the following issues:
- i. The latest estimates of future school pupil numbers and the cost of providing additional school places to accommodate them;
 - ii. The need to maintain and improve the condition and suitability of school buildings;
 - iii. The outcome of the review of Pupil Referral Unit provision in West Berkshire;
 - iv. Priorities for maintenance of and improvements to highways and the availability of grants from the Department for Transport, the Local Enterprise Partnership and the Environment Agency;
 - v. The need for ongoing savings in the highways capital maintenance programme to fund investment in surface treatment of the A4 in 2014/15 (to be funded over the 10 years to 2024/25);
 - vi. The need to provide ICT solutions to support the transformation of other Council services in order to achieve further service improvements and efficiency savings;

- vii. The Council's strategy for investment in commercial property with a view to generating additional revenue income for the Council;
- viii. The Council's plans to maintain the supply of temporary accommodation for people at risk of becoming homeless, by acquiring new properties to replace units which are being lost through redevelopment;
- ix. The need for major redevelopment of the strategically important Gypsy and Travellers' site at Four Houses Corner to ensure that the site remains fit for purpose and to enable the lease for the site to be extended;
- x. The need to adapt and refurbish Council offices to ensure that front line and support services can continue to be delivered efficiently;
- xi. The implementation of the Community Infrastructure Levy (CIL), which has now replaced much of the Section 106 framework and is expected to provide a lower level of funding.

1.4 The Capital Programme for 2018 to 2023 will help to deliver many of the Council's strategic priorities including:

- £160,000 million capital investment in operational assets over the next five years;
- Highways schemes to improve road surfaces and reduce congestion;
- Continued investment in flood prevention;
- Ongoing maintenance of public rights of way;
- Additional primary school places in Newbury, Theale and Compton;
- Additional secondary school places in Thatcham, Burghfield and Newbury

1.5 These outcomes are planned to be achieved:

- by making optimum use of government grants, contributions from developers and other partners;
- through contributions from existing revenue budgets and future revenue income (where appropriate);
- and by continuing to increase the revenue budget for financing the capital programme by £500k per year for the next five years.

A summary and detailed breakdown of the proposed capital for the financial years 2018/19 to 2022/23 is shown in appendices C & D to this report.

1.6 The remainder of this report is structured as follows:

- Section 2:** The Draft Capital Strategy for 2018/19 to 2022/23 which explains how the programme helps to deliver the Council Strategy
- Section 3:** An analysis of how the programme is funded
- Section 4:** An overview of the proposed Capital Programme 2018/19 to 2022/23
- Appendix C:** A Summary of the of the Capital Programme 2018/19 to 2022/23
- Appendix D:** A detailed breakdown of the Capital Programme for 2018/19 to 2022/23

2. Capital Strategy

2.1 The Council's Capital Strategy is guided by the following principles:

- Resources are aligned with the priorities and principles identified in the Council Strategy for 2015-2019;
- Making best use of government capital grants (in particular for Education and Highways) to minimise the need for borrowing to fund capital investment;
- When borrowing is necessary to fund capital expenditure, ensuring that it is affordable, sustainable and prudent, in keeping with the principles of the Prudential Code, and that the revenue costs are in line with the MTFS;
- Seeking additional funding and capacity e.g. through partnership working and effective use of developers' contributions;
- Making best use of matched funding wherever available to enable schemes which otherwise might not be undertaken;
- Enabling "Invest to Save" bids through the provision of up front capital funding which will deliver long-term efficiency savings as well as financing the initial capital investment;
- A corporate framework involving both officers and members to ensure value for money through the evaluation and prioritisation of capital bids and the management and monitoring of projects;
- Ensuring full integration with the planning frameworks of both this Council and our key partners;
- Ensuring that the Council's property assets are fit for purpose and that any assets which are no longer needed for operational purposes are let out on a commercial basis to generate revenue income or sold to generate capital receipts;

- Taking account of key asset issues highlighted in the Council's Highways Asset Management Plan.

2.2 The links between the Capital Strategy and Programme and the key priorities in the Council Strategy are set out below.

2.3 Improving Educational Attainment and Closing the Educational Attainment Gap

2.3.1 The aim of the Council is to enable all children and young people to maximise their potential while intervening positively to ensure that the most vulnerable have an equal opportunity to succeed. The Education Asset Management Plan is the key document that supports this aim and drives capital investment in schools and Early Years settings, with the following key strategic outcomes: with the following key strategic outcomes:

- i. the provision of suitable and sufficient school places across the district;
- ii. the provision of buildings and grounds that meet all legislative requirements, are in good condition, and are safe and secure;
- iii. the creation of flexible, adaptable and stimulating learning environments designed and equipped for 21st century learning;
- iv. the provision of high quality sustainable ICT infrastructure to support learning, teaching and management, to improve engagement and raise pupil attainment, and promote community learning outside school hours;
- v. schools to act as facilities and learning hubs for the communities they serve;
- vi. the provision of learning environments that are examples of the practical application of sustainable construction, improving value for money and driving further down the carbon footprint of schools;
- vii. the continuing improvement in the accessibility of schools; and
- viii. inclusion of pupils with SEN into mainstream education where appropriate.

2.4 Key Infrastructure Improvements in Relation to Roads

2.4.1 The transport network keeps the local economy moving, supports future economic development and helps deliver a better quality of life for local people. The Highways and Transport Capital programme is driven by a number of key plans and strategies including the Council's Local Transport Plan 2011 to 2026 (LTP3). LTP3 is informed by a number of service specific plans and strategies as detailed below:

- Freight strategy
- Smarter choices strategy
- Passenger transport strategy
- Road safety strategy
- Sustainable modes of travel strategy
- Parking strategy
- Network Management Plan

2.4.2 The programme is also driven by the Highway Asset Management Plan which provides guidance on the delivery of value for money highway maintenance services with the aim of providing a safer highway network, improved travelling conditions for all highway users, and ensuring greater care of the local environment. The full Highways Asset Management Plan is included as Appendix F of this report. Previous years of developing and implementing asset management principles has been recognised nationally, with the Council receiving a favourable maintenance grant settlement from the Department for Transport.

2.5 Enabling the Completion of More Affordable Housing

2.5.1 Housing impacts on many areas of life – health, education, community safety, social care and care for the environment. High quality social housing is key to building communities which are inclusive and where people have a sense of belonging.

2.5.2 Government policy is intended to support the delivery of affordable housing. There are opportunities to bid to Homes England (previously Homes and Communities Agency) for grant funding. However, opportunities are limited in the market place and there is a reliance on s106 sites to deliver affordable housing which can be challenging. West Berkshire Council is able to deliver some social rented housing in partnership with social landlords and developers, but some schemes offer only “affordable” rents which are not affordable in practice for many households. This is made more difficult by the Local Housing Allowances which remain very low although the lower quartile private rents in West Berkshire have increased by 20% since 2014.

2.5.3 The Government has also continued with the rollout of Universal Credit which presents more challenges and threats to housing security. The introduction of the Homelessness Reduction Act 2017 and implementation by 3 April 2018 involves the identification of more housing solutions to assist households threatened with homelessness as well as the continued purchase of temporary housing.

2.5.4 The Council’s strategy for capital investment in housing therefore involves new and innovative ways of working in order to maximise the funding that is available and ensure delivery of new affordable housing. These include:

- Seeking grant from the Homes & Communities Agency (HCA)’s development programme through the Council’s new status as a registered provider and via our other registered provider partners.
- Seeking on-site affordable housing provision through S106 Agreements with no public subsidy on above-threshold development sites.
- Seeking commuted sums in lieu of on-site affordable housing provision on above-threshold development sites and utilising the monies to provide affordable housing on alternative sites.
- Exploring new ways of partnership working with local social housing providers to facilitate the use of housing association and Council assets (including surplus Council land, where appropriate) to improve the supply of affordable housing;

- Using future revenue streams, developers' contributions and/or HCA grant to improve the supply of temporary accommodation for people at risk of becoming homeless.

2.5.5 Continuing to provide support to private tenants and home owners who are elderly or vulnerable and do not have the necessary resources to repair or improve their homes.

2.6 Regeneration and The Digital Economy

2.6.1 The Council continues to work in partnership with other Local Authorities and parish councils, central government and the telecoms industry to enable the delivery of superfast broadband to all areas of West Berkshire by 2017. This major project involves total public sector investment of more than £12 million, of which West Berkshire Council is contributing approximately £2 million.

2.7 Safeguarding Children and Vulnerable Adults

2.7.1 The Children's Services programme provides funding for home adaptations to enable foster carers better to care for vulnerable children. The Education capital programme also includes improvements to educational facilities for children with special educational needs.

2.7.2 The Adult Social Care capital and the Disabled Facilities Grants (DFG) programmes also support this priority by providing occupational health equipment and home adaptations for older people and individuals with a learning disability, or a physical or sensory disability. In this way vulnerable people are helped to maintain their independence, with the minimum of support from the Council.

2.7.3 Opportunities are also being sought to incorporate additional provision for extra care housing into the capital programme, as an alternative to residential care. This priority is being addressed by exploring the potential for further partnership working with social housing providers and the possible use of government grants, section 106 contributions, CIL and/or capital receipts to help fund future extra care housing schemes.

2.8 Support Communities to do More to Help Themselves

2.8.1 Quality of life is considerably enhanced by access to good quality parks, open spaces, countryside and heritage, and by opportunities to participate in sport, physical activity, performing and visual arts, continuing learning and other leisure interests. In particular it is important to provide play and social opportunities for children and young people. Where children and young people can be encouraged to make positive use of their leisure time it adds to their personal development but can also help to reduce levels of anti-social behaviour within communities.

- 2.8.2 Capital investment will be targeted at ensuring that the existing network of leisure centres, parks, recreation grounds and rights of way are accessible, safe to use and meet the reasonable expectations of users, in order to enhance the health and wellbeing of West Berkshire residents. In particular, a programme of investment in the structural maintenance and refurbishment of Leisure Centres will continue over the next five years in order to ensure that these facilities continue to provide a safe and enjoyable environment for service users and to enable the leisure provision contract to be retendered on favourable terms for the Council.
- 2.8.3 The Council also works in partnership with other organisations including schools, links with Parish and Town Councils and voluntary organisations to enhance the provision of cultural facilities across the district. In particular the programme provides grants to Parish Councils and other community based groups to support community based capital projects, including projects sponsored by members of the Council

2.9 Strategy for Management of the Council's Property Assets

- 2.9.1 As well as aiming to deliver the policy and service priorities outlined above, officers and members also monitor and review the use of the Council's assets, in particular land and buildings, to consider whether they continue to offer good value for money for operational purposes. Where appropriate, assets which are no longer needed for operational purposes may be let out on a commercial basis to generate revenue income or sold to generate capital receipts, which can be used to fund future capital spending, so reducing the revenue cost of borrowing to fund the capital expenditure.
- 2.9.2 The Council has also now adopted a strategy is also being developed for investment in commercial property with a view to generating additional revenue income for the Council. The spending and borrowing implications of this strategy have been incorporated into the latest version of the capital programme.
- 2.9.3 More details of the key principals for reviewing the suitability and future use of property assets are set out in the Council's Asset Management Strategy

3. Funding of the Capital Programme 2018-2023

- 3.1 The size of the Capital Programme is determined by the amount which the Council can afford to borrow together with other sources of capital funding, including capital receipts, government grants and developers' contributions.
- 3.2 The proposed Capital Programme for the five year period 2018/19 to 2022/23 is summarised in Appendix C. This shows the amounts proposed to be funded from Council funds (mainly from prudential borrowing), Section 106, CIL contributions and other external funds (mainly government grants).

Proposed Use of Capital Receipts

- 3.3 The Council is still planning to commit some of its available capital receipts to fund the revenue cost of transforming Council services. However it has been assumed that £725,000 capital receipts from the sale of assets which have been identified as surplus to the Council's requirements will be used to fund capital expenditure in 2018/19 and 2019/20. In order to generate the maximum revenue benefit, it is proposed to use these receipts to fund expenditure which would otherwise be funded by borrowing over five years (mainly investment in ICT).

Minimum Revenue Provision Statement

- 3.4 Statutory guidance on Local Authority capital spending requires the Council to set a policy for its Minimum Revenue Provision (MRP) for the repayment of debt to fund capital expenditure. The policy must be approved by Full Council each year. The guidance offers four options for calculation of MRP, of which West Berkshire applies Option 3, the Asset Life Method. This method is the equivalent of charging to revenue each year the full cost of interest and principle repayments on annuity loans which are taken out over the life of the asset to be funded.
- 3.5 This is achieved by undertaking any new prudential borrowing on an annuity basis with the length of loan linked to the life of the asset. We also make an annual provision for the future payment of the Council's outstanding maturity loans, which were all inherited from the former Berkshire County Council. This provision is equivalent on average to the annual repayments which would be made if these loans were refinanced on an annuity basis.
- 3.6 The exception to this principle is where funds are borrowed in order to purchase assets intended to be held for investment purposes. These assets are financed through maturity loans with the intention that when the loan is due to be repaid, the asset will either be sold or refinanced on the strength of additional future income.

The Cost of Borrowing to Fund the Capital Programme

- 3.7 The currently Council plans to increase its provision for revenue funding of capital by approximately £500k each year to meet the increase in the cost of borrowing to fund capital spend and to make provision for the future repayment of maturity loans. (The next group of these loans, totalling approximately £16 million, will become due for repayment in around 2031).
- 3.8 The planned increase in the overall revenue budget to allow for the cost of capital financing does not include funding for invest to save capital schemes. Such schemes will require a larger increase in the revenue budget for financing of the capital programme. However this increase will be offset by savings in existing revenue budgets. These schemes are, therefore, revenue cost neutral for the

Council as a whole. However these arrangements will commit the Council to repaying loans over the life of the asset to be provided, and so may, to some extent, limit its ability to make revenue savings in service budgets. Funds to be transferred from service revenue budgets to help fund capital expenditure are expected to include capital investment in leisure centres; occupational health equipment previously funded from the Adult Social Care revenue budget; efficiencies from investment in ICT and energy management; rental income from temporary accommodation and investment properties to fund the purchase of these properties.

- 3.9 The overall increases in the capital financing budget, including the element to be financed from savings in existing revenue budgets are as follows:

Table 1 –Annual Cost of Borrowing to Fund Approved Level of Programme 2018-2023						
	2018/19 £000	2019/20 £000	2020/21 £000	2022/23 £000	2022/23 £000	5 year Total £000
Annual Increase overall revenue budget to accommodate the cost of borrowing	500	500	500	500	500	2,500
Funds transferred from/(to)* existing revenue budgets to fund invest to save schemes	80	53	43	(87)*	33	122
Increase in revenue cost of borrowing to fund temporary housing to be met from additional rental income	53	46	0	0	0	99
Revenue cost of borrowing to fund investment property to be met from commercial rents	459	724	0	0	0	1,183
Total Annual increase in capital financing budget	1,092	1,323	543	413	533	3,904

**Reductions in borrowing costs will occur when loans to fund specific projects have been repaid in full.*

- 3.10 The estimated cost of borrowing shown is based on the assumption that the Bank of England base rate each will remain at 0.5% for the remainder of the financial year but that interest rates will then increase by around 0.5% each year from 2018/19 onwards to a peak of 2.5% in 2022/23). The cost of borrowing will be higher if interest rates increase more quickly and/or to a higher level. However, this would be offset in part by additional interest earned on the Council’s short term investments.

External Funding – Government Grants

3.11 The externally funded element of the proposed programme set out in Appendix C mainly consists of government grants. The main elements of capital grant funding are for Highways, Education, and Disabled Facilities Grants.

3.12 The current estimated levels of capital grants for 2018/19 to 2020/21 are shown in Table 2, in comparison with actual grant allocations in 2016/17 and 2017/18.

Table 2: Actual and Estimated Capital Grant Allocations 2016/17 to 2020/21					
	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Highways:				<i>Indicative</i>	
Integrated Transport Grant	910	910	910	910	910
Capital Maintenance Grant	3,955	3,836	3,978	3,472	3,472
DfT Challenge fund grant for A339	1,753	1,361			
DfT Challenge fund grant for LED Streetlights	2,028				
DfT Pothole Action Fund		336			
DfT National Productivity Investment Fund		480	353		
DfT Challenge Fund Tranche 2A		1,250	1,750		
LEP Funding for:					
London Rd Junction	1,400				
Kings Road Link		1,000	1,500		
Sandleford Access			600	500	1,000
A4 Cycle Route		425	600		
Newbury Rail Station			1,000	2,600	2,400
				<i>Est.</i>	<i>Est.</i>
DEFRA flood defence funding	1,625	1,169	2943	0	787
Total for Highways	11,671	10,767	13,634	7,483	8,570
Care Commissioning Housing and Safeguarding:			<i>Est.</i>	<i>Est.</i>	<i>Est.</i>
Disabled Facilities Grant (including allocation for Adult Social Care)	1,400	1,400	1,400	1,400	1,400
Education:			<i>Indicative</i>	<i>Est.</i>	<i>Est.</i>
Basic need	7,478	0	4,159	6,381	10,502
			<i>Est.</i>	<i>Est.</i>	<i>Est.</i>
Capital Maintenance	1,854	1,800	1,600	1,600	1,600
Total non devolved Education Grants	9,332	1,800	5,759	7,981	12,102

Key:

Firm allocation

Indicative Allocation

Estimated future Allocation

Grant not applicable

Section 106 Developers Contributions/Community Infrastructure Levy (CIL)

- 3.13 From April 2015, the current Section 106 framework has to a large extent been replaced by the Community Infrastructure Levy or CIL. The proposed five year programme includes £7.6m spend which is planned to be funded from CIL. This is broadly in line with current estimates of the actual amount of CIL likely to be received over that period. However there is a risk that future CIL receipts may be lower than currently forecast. CIL forecasts will therefore need to be regularly updated and the funded elements of the programme kept under close review and adjusted, if necessary in line with forecast income from CIL.
- 3.14 Section 106 agreements are still applicable however, where infrastructure is required entirely because of a particular development, for example the need for a new Primary School associated with the Sandford housing development in Newbury. This is why the level of developers' contributions increases in 2021/22 and 2022/23, although the underlying trend is downwards.

4. Overview of the Proposed Capital Programme 2018-2023

- 4.1 The proposed capital programme for 2018/19 to 2022/23 is summarised in Appendix C. Appendix D gives a more detailed breakdown of the programme. In both appendices the capital expenditure for each year is broken down into the elements which are funded from Council funding (mainly from borrowing), external funding sources (mainly government grants), Section 106 contributions and CIL.
- 4.2 The main elements of the proposed programme for each service grouping are also summarised below.

4.3 Communities

Adult Social Care (ASC)

- 4.3.1 The programme includes a number of schemes funded from grants from the Department of Health (DoH) to improve the efficiency and effectiveness of the service. These include the implementation of assistive technology to enable vulnerable adults to be supported remotely with fewer social worker visits and implementation of the Care Act by providing systems and equipment to enable social workers to work more efficiently in the field.
- 4.3.2 The programme also includes £735k per year for the acquisition of occupational therapy aids and equipment from the Berkshire Community Equipment Service. This is funded partly through a contribution of £431k per year from the Disabled Facilities Grant from the Department of Health (DoH) and partly from an ongoing contribution from the Adult Social Care revenue budget to the cost of borrowing the balance of the funds needed.
- 4.3.3 An increase of £50k per year (to £150k) is also proposed in the allocation for structural maintenance of ASC buildings because of ongoing requirements for maintenance and refurbishment of the care homes which are operated by the Council.

Children and Families Services

4.3.4 The programme includes approximately £17k per year for building works to foster carers' homes, to enable more children with disabilities to be fostered within West Berkshire, and £14k for adaptations to Council offices to enable the Children and Families Service to operate more efficiently

Education

4.3.5 The proposed programme has been set within the existing Council funding envelope and latest assumptions of available government grants.

4.3.6 The draft programme takes into account the delays to the new Highwood Copse Primary school and the relocation and expansion of Theale Primary School. Both of these schemes have been delayed because of issues with the availability of land. Due to the delays these projects have increased in cost and have put further pressure on the education capital programme.

4.3.7 The building of Highwood Copse is currently programmed to start in June 2018, subject to the resolution of the land transfer for the access road. The programme allows for additional places to be provided at Speenhamland Primary School to compensate for the delay in the opening of Highwood Copse and to meet additional ongoing pressure for primary places in Newbury.

4.3.8 The work to secure the alternative site for Theale Primary School is still ongoing. The Council is no longer seeking to pursue compulsory purchase (CPO) of the new site and thus the relocation of the school to this site is dependent upon Theale Parish Council agreeing to relinquish the lease.

4.3.9 Work is ongoing in the development of a Secondary Strategy for Newbury and Thatcham to mitigate the impact from the significant primary demographic pressure in Newbury, as it moves into secondary. A plan has been developed to mitigate the forecast impact in September 2019 and we are working with the schools concerned to implement solutions. Future secondary Basic Need allocations are currently indicative for 18/19 and 19/20 and unknown beyond that. The solution(s) to secondary basic need are likely to be very expensive, given the nature and scale of the accommodation and site requirements. The combination of grant funding levels that are insufficient to cover actual costs, uncertain future funding levels and the likely cost of secondary basic need mitigation continues to present a potentially significant financial risk across latter part of the five year programme.

4.3.10 The programme also allows for the implementation of the accommodation solutions following the review of Pupil Referral Units (PRUs).

4.3.11 The draft Education programme also includes the Service's best estimate of the cost of additional primary places in Newbury and secondary places at the Willink School in Burghfield, as result of planned future housing developments, which are expected to be funded predominantly from CIL, mainly in latter part of the programme.

- 4.3.12 The timing of delivery of new housing, forecast pupil numbers and expected future CIL receipts will have to be kept under close review. If the expected pressure as a result of increased demand for school places and a shortfall in CIL persists, and if government funding for additional school places does not increase to compensate for the shortfall in CIL, it may be necessary to reduce council or CIL funded spend on other services and/or increase borrowing to ensure that sufficient school places can be provided.
- 4.3.13 The proposed Education programme also includes a new allocation of approximately £46,000 per year to expand capacity in West Berkshire Schools for nursery places for 2, 3 and 4 year olds. This is aimed at providing sufficient places to fulfil the government policy of expanding access to free nursery education. It is proposed to increase the number of places in West Berkshire Council schools, as current indications are that it is not financially viable for private, voluntary and independent providers to make available all the places needed, based on the Governments current funding arrangements.
- 4.3.14 The proposed Education programme also includes a new grant allocation of £500,000, called the Special Provision Fund. This is aimed at supporting capital investment in provision for pupils with special educational needs and disabilities to improve the quality and range of provision available to the local authority.

4.4 Environment

Public Protection and Culture

- 4.4.1 £618k investment is planned for structural maintenance of Shaw House and its grounds between 2018/19 and 2022/23. £368k of this sum is from allocations of £50,000 per year set aside for this purpose in previous years, with a further £50k per year being allocated from 2017/18 onwards in line with the conditions of Heritage Lottery Funding for the building. Major works include the restoration of the historic boundary wall adjacent to Love Lane which is currently in a dangerous state of disrepair.
- 4.4.2 The five year programme also includes £1.2 million (an average of £245k per year) on essential maintenance and modernisation of Leisure Centres. This sum includes £300,000 for refurbishment of Leisure Centres which will be funded from contributions from the revenue budget for Leisure and investment of around £100,000 per year in Leisure Centre equipment which is required under the contract to operate West Berkshire's Leisure Centres. Investment will be focussed on meeting urgent health and safety needs and on improvements which will enable a new contract for operation of Leisure Centres to be negotiated on more favourable terms for the Council when the existing contract expires in 2022.
- 4.4.3 The Culture and Environmental Protection programme also includes approximately £160,000 per year for structural maintenance of libraries and to fulfil the Council's maintenance responsibilities as landlord of the Corn Exchange.

Transport and Countryside

- 4.4.4 The proposed programme is approximately £56m over the 5 year period and includes £7.6m Council funding, £38.2m external grant funding and £10.7m S106 & CIL funding.

- 4.4.5 A total of £19.6m has been allocated to carriageway resurfacing over the five years, along with a further £3.6m for the maintenance of other major highway assets including bridges and street lighting.
- 4.4.6 £5.2m has been allocated for investment in drainage and flood prevention which includes £3.7m from Defra for major flood alleviation schemes, the majority of which will continue the excellent work on implementing the Thatcham Surface Water Management Plan
- 4.4.7 £1.5m will be invested in walking and cycling with £600k from the Local Enterprise Partnership towards the development of a new National Cycle Network Route along the A4. This also includes substantial footway improvements funded from S106 in Newbury and Aldermaston.
- 4.4.8 £13m will be invested in Network Management and Road Safety improvements, with much of this funding towards improving traffic flow on the A339 including the Bear Lane junction improvements and a new access to the Sandleford development. These projects are aimed at supporting economic growth.
- 4.4.9 Approximately £7m will be invested in public transport infrastructure including the construction of a new public transport interchange in Newbury's wharf area and a £6m LEP funded upgrade to Newbury Railway Station.
- 4.4.10 The Transport and Countryside Programme also includes £125k per year investment in the essential maintenance and improvement of 1,100km of rights of way, public conveniences and children's play areas. £290k S106 contributions have also been allocated in 2018/19 which includes the development of an additional all weather pitch and improved parking facilities at Henwick Worthy.

Development and Planning

- 4.4.11 This programme includes approximately £1.5 million per year for grants to enable people with disabilities to live independently in their own homes. £1.1 million of this is expected to be funded from the Disabled Facilities Grant from the DoH. These grants are mandatory and if the level of demand increases or the DoH grant is lower than expected, it will be necessary to increase the level of Council contribution.
- 4.4.12 The programme also allows £1.6m funds brought forward from previous years' programmes to complete the redevelopment of the Gypsy and Travellers' site at Four Houses Corner. This work is necessary to ensure that the site remains fit for purpose, because of the strategic importance of the site to the Council and to enable the lease for the site to be renewed.
- 4.4.13 Approximately £1.1 million has also been allocated in 2018/19 to continue the programme of acquisition of additional units of temporary accommodation, to replace existing units which are about to be lost due to redevelopment. The cost of borrowing to fund this new accommodation will be funded from rents received from tenants at local housing allowance levels.

4.5 Resources

Finance and Property

- 4.5.1 The five year programme includes approximately £707k per year for survey and maintenance of corporate offices and other council buildings and for the remainder of a programme of fire risk remedial works which is expected to be completed 2019. The programme for maintenance of corporate buildings has been increased by approximately £500k per year from the 2017-2022 programme to allow for a major programme of refurbishment of corporate offices which has now become urgent, including window replacement, lift repairs and refurbishment of staff toilets.
- 4.5.2 The programme also includes £96k for remodelling of the West Street House and Market Street reception areas to ensure that they meet the developing needs of services and service users.
- 4.5.3 The staffing cost of project management of corporate and Education capital projects is approximately £597k per year.
- 4.5.4 The Finance and Property programme also includes £30m in 2018/19 to continue the Council's strategy for acquisition of commercial property. The revenue cost of financing this capital spent will be the first call on commercial rents received, but the strategy is aimed at generating a significant level of surplus revenue income for the Council, after covering the additional borrowing and running costs.
- 4.5.5 The Finance and Property Programme also includes £100,000 to enable the Council's core financial system, Agresso to be upgraded, to ensure that it can continue to be supported by the supplier and that it remains secure and robust. There is also a Corporate Allocation of £50k per year to allow for any unforeseen capital pressures across all services.

Customer Services and ICT

- 4.5.6 Investment in ICT to enable the maintenance of existing systems and to enhance the efficient delivery of Council's systems remains a priority for officers and members. It is therefore proposed to invest approximately £809k per year in improvements and upgrades to corporate ICT systems between 2018 and 2023. The programme has been increased by approximately £128k per year from the previously approved programme to allow for changes in the terms for software licenses imposed by Microsoft; the need to replace multi function printer/copier devices between 2019-20 and 2022-23; the need to provide new ICT equipment for members after the next council election and additional salary costs to be charged to capital in order to achieve revenue savings.
- 4.5.7 In addition, the programme includes £4 million contributions from government grant, other local authorities and the private sector to enable the completion of the Superfast Broadband project across Berkshire. This is scheme expected to provide superfast broadband to over 99% of homes in West Berkshire and forms part of a major project funded jointly by West Berkshire Council, the other Berkshire Local Authorities, Central Government and private sector broadband providers.

Strategic Support

4.5.8 The Strategic Support programme includes approximately £105,000 per year to support community projects across West Berkshire (including the Members' bids programme) and the Shopmobility scheme in Newbury.

Legal Services

4.5.9 The programme also funds the equivalent of one post in the legal services team to assist with the procurement of contracts and other legal advice required for the implementation of capital schemes.

5. Consultation and Engagement

5.1 Capital Strategy Group (including representatives of all capital spending services, the Head of Finance and the Portfolio Holder for Finance)

Subject to Call-In:

Yes: No:

The item is due to be referred to Council for final approval



Strategic Aims and Priorities Supported:

The proposals will help achieve the following Council Strategy aims:

- BEC – Better educated communities**
- SLE – A stronger local economy**
- P&S – Protect and support those who need it**
- HQL – Maintain a high quality of life within our communities**
- MEC – Become an even more effective Council**

The proposals contained in this report will help to achieve the following Council Strategy priorities:

- BEC1 – Improve educational attainment**
- BEC2 – Close the educational attainment gap**
- SLE1 – Enable the completion of more affordable housing**
- SLE2 – Deliver or enable key infrastructure improvements in relation to roads, rail, flood prevention, regeneration and the digital economy**
- P&S1 – Good at safeguarding children and vulnerable adults**
- HQL1 – Support communities to do more to help themselves**
- MEC1 – Become an even more effective Council**

Officer details:

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Appendix B

Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity.

Please complete the following questions to determine whether a Stage Two, Equality Impact Assessment is required.

Name of policy, strategy or function:	Capital Strategy and Programme 2018/19 to 2022/23
Version and release date of item (if applicable):	Version 1 – 1 st February 2018
Owner of item being assessed:	Gabrielle Esplin
Name of assessor:	Gabrielle Esplin
Date of assessment:	24 th January 2018

Is this a:		Is this:	
Policy	No	New or proposed	No
Strategy	Yes	Already exists and is being reviewed	Yes
Function	No	Is changing	Yes
Service	No		

1. What are the main aims, objectives and intended outcomes of the policy, strategy function or service and who is likely to benefit from it?	
Aims:	To target funding at Council priorities in order to enable the Council's assets and systems to be maintained and improved in a way which is affordable within the terms of the MTFS.
Objectives:	To enable the effective and efficient delivery of the Council's key priorities as set out in the Council Strategy 2015 to 2019.
Outcomes:	The Council's buildings, equipment and systems are maintained, renewed and improved.
Benefits:	Improvements in the effectiveness and efficiency of the Council's services.

2. Note which groups may be affected by the policy, strategy, function or service. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.

(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
Group Affected	What might be the effect?	Information to support this
Older people, people, people with disabilities, people at risk of homelessness, children with special educational needs and looked after children	The proposed capital programme includes a number of capital schemes to support services to these groups in particular the programme for services within the Communities directorate	See Paragraphs 2.5, 2.7, 4.3.1-4.3.4 and 4.4.11-4.4.13 of Appendix A and Appendix D
Further Comments relating to the item:		
The capital strategy itself does not have any direct equalities impact, but more detailed equalities assessments will be carried out for any new schemes within the capital programme, or potential asset transfers, prior to implementation.		

3. Result	
Are there any aspects of the policy, strategy, function or service, including how it is delivered or accessed, that could contribute to inequality?	No
Please provide an explanation for your answer: The capital strategy seeks to improve the quality of buildings, equipment and systems in order to address improve accessibility for vulnerable groups.	
Will the policy, strategy, function or service have an adverse impact upon the lives of people, including employees and service users?	No
Please provide an explanation for your answer: The capital strategy seeks to improve the quality of buildings and equipment which are used by employees and for the benefit of service users	

If your answers to question 2 have identified potential adverse impacts and you have answered ‘yes’ to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage 2 Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the Equality Impact Assessment guidance and Stage Two template.

4. Identify next steps as appropriate:

Stage Two required	No
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	
Stage Two not required:	

Name: Gabrielle Esplin

Date: 24th January 2018

Please now forward this completed form to Rachel Craggs, the Principal Policy Officer (Equality and Diversity) for publication on the WBC website.