

## **Amendment to Budget 2023-2024 report as a result of the Ashchurch Bridge position**

### **10.0 CAPITAL PROGRAMME**

**10.1** The current capital programme is shown at Appendix B and covers forward forecasts of the next five years.

**10.2** The programme is reduced in size in comparison to previous years and currently totals £10.79m over the next five years. The reduction in the size of the programme is largely as a result of the cessation of the acquisition phase of the commercial property portfolio. The portfolio, currently valued at £60m, is of an appropriate size and risk for our council. Recent changes to the regulatory framework have also made it clear that the purchase of assets solely for the yield they attract is not an appropriate activity for a local authority. In addition, the planned construction of a bridge in Ashchurch to support the delivery of the garden town has also been removed from the capital programme given the recent Court of Appeal and impending withdrawal of external funding.

**10.3** Included within the programme is the re-provision of a large proportion of the vehicle fleet expected to total £4.7m and funded from revenue set aside. A further report will be submitted to members about the detailed proposals for the fleet replacement programme. Also included within the fleet purchase figure is the additional £498,000 required for the additional rounds required to be provided to meet the growth of the Borough and to enable safer collections from hard-to-reach places within the Borough.

An increased level of expenditure on Disabled Facilities Grants (DFGs), based on the current year expenditure profile, is projected throughout the programme. This totals £4m over the five year forecast and is financed entirely by government grant.

The annual asset capitalisation programme, which provides funding for the purchase of waste and recycling receptacles as well as the IT replacement programme, has been uplifted to £125,000 p.a. to reflect increased costs and the shorter expected lifespan of personal devices.

**10.4** The programme relies heavily on external capital grant funding with £4.06m expected to be received to support the DFG programme and the rollout of electric vehicle charging points. Revenue financing of capital expenditure is expected to contribute £5.87m to the capital programme with the majority coming from the vehicle replacement reserve and an allocation from the investment reserve. Given the small balance on the capital receipts reserve, only £0.86m is forecast to be consumed from capital receipts.

**10.5** Further additions to the capital programme can be made at any time of the year following Council approval. Members must be mindful of the revenue consequences, both negative and positive of any decision to commit further capital expenditure.