

DRAFT 2024/25 CAPITAL PROGRAMME BUDGETS

AGENDA ITEM NO. 6

MEETING: ASSET MANAGEMENT MEMBER WORKING GROUP

DATE: 11TH OCTOBER 2023

REPORT BY: FINANCE MANAGER

1.0 Purpose of the Report

1.1 The purpose of this report is to present for the consideration of the Asset Management Member Working Group, the Council's draft Capital Programme Budget for the 2024/25 financial year.

2.0 Links to the Asset Management Plan

- 2.1 The Asset Management Plan helps the Council to plan, monitor and manage its fixed assets including all buildings, plant, vehicles, machinery, play equipment, street equipment and office equipment, to ensure that they effectively meet the Council's strategic aims and the operational requirements of its services both now and in the future.
- 2.2 The Asset Management Plan also provides the main reference point for the planning of the Council's capital investment via the Medium-Term Financial Plan and the annual Capital Programme Budget.
- 2.3 Surveys of all of the Council's buildings have previously been undertaken and rolling ten-year schedules of planned works drawn up for each building, in order to address all of the asset management requirements identified. These schedules set out the works likely to be required, the estimated cost, and in which budget year the work is expected to be undertaken.
- 2.4 Building on this, the Finance Manager has also drawn up replacement schedules for all other types of asset, including plant, vehicles, machinery, play equipment, street equipment and office equipment.
- 2.5 These schedules identify all of the material assets held in each category, their age, estimated useful life and estimated replacement cost, and set out a ten-year replacement plan which schedules, as a broad guide, in which budget year the replacements are expected to be required.
- 2.6 The annual update of the Council's Medium-Term Financial Plan reviews the potential capital investment requirements from these Asset Management Plan schedules and puts in place an indicative five-year Capital Programme Budget forecast.
- 2.7 This is then used to inform the development of the annual Capital Programme Budget.

3.0 Links to the Medium-Term Financial Plan

- 3.1 Members will recall that the Medium-Term Financial Plan highlighted a risk that the Council faces some potentially significant capital investment commitments in relation to its assets over the coming years, linked to the delivery of the Asset Management Plan, and that the funding of this investment will see a deterioration in the level of the Council's balances and reserves over the longer term.
- 3.2 This risk has been exacerbated by the ongoing economic situation, with the Council facing a number of uncertainties and budget pressures as it looks to next year and beyond which will impact upon the replenishment of Council balances and reserves.
- 3.3 In light of this, the Council has agreed that future capital investment will continue to be closely monitored and controlled in order to protect and preserve Council balances, and the 2024/25 Capital Programme Budget has been prepared on the basis of essential investment only, mainly linked to the delivery of the Asset Management Plan.
- 3.4 To be clear, it is *not* being recommended that *all* capital investment is restricted, more that investment should be focussed on those projects that contribute towards the delivery of the Asset Management Plan such as essential building works, replacement of vehicles and machinery at the end of their useful life, essential footpath and play area safety surface repairs and Ash tree dieback disease works.
- 3.5 The Medium-Term Financial Plan included an indicative five-year projection of the likely Capital Programme Budgets and identified forecast capital investment for 2024/25 totalling £331,450.

4.0 2024/25 Draft Capital Programme Budget

- 4.1 The 2024/25 Capital Programme Budget has been prepared largely on the basis of the investment already identified in the Medium-Term Financial Plan, adjusted for any changes in costs, the delaying or removal of any non-essential investment, as well as the addition of any new projects identified by managers as being of an essential nature.
- 4.2 The draft 2024/25 Capital Programme Budget has been agreed with all budget managers and reported to and considered at the meeting of Chairmen and Vice Chairmen of each Committee and spokesperson of each political group, and will be reported to Environment, Recreation and Policy and Resources Committees during October.
- 4.3 Officers have undertaken a review of the projects and made recommendations as to which projects are considered essential, which need to be included in the budget as provisional sums, which projects can be deferred to a future year, and which projects can be deleted from the programme.
- 4.4 **The draft 2024/25 Capital Programme Budget currently stands at £333,450 and a full breakdown is attached at Appendix 1.**

- 4.5 Further details on the individual projects included in the budget are set out below, including officers' recommendations:-

Council Offices Building Works £41,000

This budget provides for a number of building related works to the Council Offices including replacement windows, carpet and blind replacement, redecoration, alarms, and installation of electric vehicle charging points. It has been recommended that the budget for the carpet and blind replacement is retained as essential, the budget for alarms works is retained as provisional, the redecoration and windows are deferred to a future year as non-essential works and the installation of electric vehicle charging points is deleted with any installation undertaken via external funding streams.

Depot Separation Tank Cleaning £1,250

This budget provides for the cleaning of the separation tanks. It has been recommended that the budget is retained as an essential sum as it was deferred during the 2023/24 budget setting process.

Pre-School Windows, Doors and Redecoration £13,000

This budget provides for a number of building related works to the pre-schools including replacement windows and doors and redecoration. It has been recommended that these projects are included as they were deferred during the 2023/24 budget setting process.

Roofing Surveys £10,000

This budget provides for the periodic survey of the council building roofs to inform the asset management plan of any roofing work that is required. This was last undertaken ten years ago. It is recommended that this budget is included as essential.

Felt Roof Inspections £1,000

This is a new annual budget allocation to enable an inspection of those council buildings with felt roofs as required by the Council's insurer. It is recommended that this budget is included as essential.

Park Patrol Vehicle £18,000

This budget provides for the replacement of a park patrol vehicle. It has been recommended that this budget is included as essential as the vehicle is coming to the end of its useful life.

Replacement Works Electrical Machinery £5,000

This budget provides for the ongoing replacement of works machinery with electrical alternatives. This would include small petrol and diesel-powered hand mowers, strimmers and chainsaws. It has been recommended that the budget is included as essential to be used when it is necessary to replace machines at the end of their useful life.

Replacement Works Ride on Mower £45,000

This budget provides for the replacement of a works ride on mower. It is recommended that this is deferred to 2025/25 as it is not considered essential at this stage.

Replacement Tractor £57,000

This budget provides for the replacement of a works tractor. It has been recommended that this project is deferred to 2025/26 as it is not considered essential at this stage.

Computer Replacements £5,500

This budget provides for the replacement of computers and laptops as part of the Council's rolling programme of computer upgrades. It has been recommended that this budget is included as essential to be spent on upgrades and replacements as required.

Website Development £2,500

This annual budget provides for the on-going development of the Council website, including accessibility improvements. It has been recommended that this budget is included as essential to be spent on any required updates next year.

Photocopier Replacement £5,500

This budget provides for the replacement of the second office photocopier. It is recommended that it is retained as a provisional sum to be spent only if required as the other photocopier is due to be replaced this year.

Replacement Festive Lighting £2,500

This is an annual budget provision which provides for the replacement of the Council's festive lighting on a rolling programme over the coming years. It has been recommended that this budget is included in the budget to be utilised as required.

Replacement Goal Posts £1,000

This is an ongoing budget every two years which provides for the replacement of the Council's goal posts. It is recommended that this budget remains in place to be utilised in 2024/25.

Play Area Surfacing Replacement £25,000

This is an annual budget provision which provides for a rolling programme of replacement of safety surfacing across all of the Council's play areas. It has been recommended that this budget is included as essential to be spent on any required replacements next year.

Driving Range Bay Dividers Replacement £2,500

This provides for the replacement of the driving range bay dividers which are worn and in need of replacement. The replacement of the bay dividers has not been deemed essential at the present time and it has therefore been recommended that this project is deferred to a future year.

Golf Shop Changing Rooms £6,200

£5,000 has been identified for refurbishment of the toilet and showers at the Golf Complex, but the refurbishment has not been deemed as essential at the present time and it has therefore been recommended that this project is deferred to a future year. In addition to this £1,200 has been identified to replace the lighting with LED lights. The majority of the lights have now been replaced, and it is therefore recommended that this budget is deleted as the remaining lighting can be replaced from the revenue maintenance budget.

Golf Irrigation Repairs £2,500

This is an annual budget provision which provides for the ongoing repairs of the Golf Course irrigation system on a rolling programme over the coming years. It has been recommended that this budget is included as a provisional sum to be utilised only in the event of a repair being required to the irrigation system.

Golf Course Improvement Works £2,500

This is an ongoing budget every two years which provides for the ongoing ditch clearance works on the golf course to help with drainage, it is therefore recommended that this budget is retained as essential.

Golf Buggy Replacements £15,000

This budget provides for replacement of the remaining three golf buggies. There are currently six buggies on the golf course when the buggies are in use, normally there are a maximum of three on the golf course. This budget is therefore not deemed as essential it is therefore recommended that the budget is deferred to a future year.

Sports Complex Drainage Repairs £5,500

This budget provides resources to deal with ongoing repairs and works relating to the drainage system at the sports complex, if required. It has been recommended that this budget is included as a provisional sum to be utilised only in the event of drainage works being required

Sports Complex Bar Service Lift £1,500

This budget provides for the periodic replacement the ropes on the bar service lift which are due for replacement. It has been recommended that this budget is retained in the budget as an essential sum for the works to be undertaken.

Sports Complex CCTV System £5,500

This budget provides for a replacement internal CCTV system as the existing system is old and dated. Recent visits by the local policing team has reinforced the need for an updated system. It is therefore recommended that this project goes ahead in 2024/25.

Woodland Burial Site £11,500

This budget provides for the first phase of the development of the woodland burial site including planning approval and drawings at £1,500 and fencing at £10,000. Members views on the progress of this project are requested. It is currently shown under the provisional sum heading having previously been deferred in 2023/24.

West Cemetery £10,000

This budget provides £5,000 for replacement shutters in the West Cemetery building. These are currently in good working order and it is, therefore, officers recommendation that this element of the budget is deferred to a future year. The remaining £5,000 is identified for the refurbishment of the public toilets which are now required, and it has been recommended that this budget is included as essential work.

Aycliffe Village Allotments Fence £10,000

This budget provides for the replacement of the fencing at Aycliffe Village allotments site. The replacement of the fence is not deemed to be essential and was previously deferred from 2023/24 and is currently shown under the provisional sum heading. Members views on the progression of this project are sought.

Footpath Repairs £15,000

This budget provides for the ongoing programme of repairs to Council owned footpaths, car parks and access roads. This budget is used to fund a prioritised programme of essential repairs and it has therefore been recommended that this budget be included as essential.

Bus Shelter Repairs £2,500

This is an annual budget provision provides for the ongoing repair of the Council's bus shelters, on a prioritised programme of works, and it is recommended that this budget be included as essential work.

Ash Dieback Disease Works £10,000

This budget provides for the ongoing programme of works to remove and replace trees affected by Ash dieback disease across the Parish and it is recommended that this budget be included as essential work.

- 4.6 It is also likely that a number of capital projects from the current financial year will need to be carried forward to 2024/25. These projects include various provisional sums, roofing and shutter works, information technology investment relating to the sports and golf complex till and booking system and works to the flooring in the main sports hall and squash courts at the Sports Complex.
- 4.7 Implementation of the proposed 2024/25 Capital Programme will facilitate the continued delivery of the Council's Asset Management Plan and ensure that all essential building works and replacements of vehicles, machinery, office equipment, street equipment and play equipment are kept on schedule.
- 4.8 In accordance with the Council's Standing Orders for Contracts and Procurement, all capital projects identified in the 2024/25 Capital Programme over the value of £5,500, would be subject to the obtaining of competitive quotes, and approval by the appropriate spending Committee and Council, before going ahead.
- 4.9 The 2024/25 Capital Programme Budget will be funded from the Council's Earmarked Capital Reserves, which have been built up and set aside for this purpose.
- 4.10 Any external capital grants or contributions that can be secured towards specific capital projects next year, such as from the Great Aycliffe and Middridge Area Action Partnership funding or Section 106 Agreement monies, would provide resources over and above those shown in the draft 2024/25 Capital Programme Budget. For example, the installation of EV charging points at the sports and golf complex is being investigated via external funding.
- 4.11 The Asset Management Working Group is requested to consider and agree the draft 2024/25 Capital Programme Budget.
- 4.12 Any feedback or proposed amendments from the Working Group will be incorporated into the draft budget proposals which are due to be reported to the Policy and Resources Committee on 25th January 2023.

5.0 Policy Implications

- 5.1 Conforms to Council Aim 2 of the Council's Aims and Targets –
“To manage the Council's finances and assets in a responsible manner”.

6.0 Staffing Implications

- 6.1 The draft 2024/25 Capital Programme Budget has been developed in consultation with the relevant service managers.

7.0 Financial Implications

- 7.1 The financial implications for the Council are fully set out in the report.

8.0 Crime and Disorder Implications

- 8.1 None.

9.0 Equal Opportunities Implications

- 9.1 None.

10.0 Environmental, Biodiversity and Climate Change Implications

- 10.1 None.

11.0 Risk Assessment

- 11.1 A full risk assessment will be included in respect of the setting of the Council's 2024/25 Revenue and Capital Budget, at the final stage of the budget setting process, when the Council finally determines and approves the 2024/25 Precept in January 2024.

12.0 General Data Protection Regulations (GDPR)

- 12.1 There is no personal or sensitive data required for this proposal which may have any implications for GDPR.

13.0 Recommendations

- 13.1 It is recommended that the Asset Management Group considers the draft 2024/25 Capital Programme Budget confirm which projects should go ahead as essential works, which should be retained as provisional sums, and which should be deferred to a future year or deleted altogether.