

## Appendix 4b

### Capital Investment Programme (CIP) narrative by directorate

#### Overview

##### Capital Investment Programme 2022/23 to 2026/27

General Fund	Planned	Planned	Planned	Planned	Planned	Total 2022 to 2027
	Programme 2022/23	Programme 2023/24	Programme 2024/25	Programme 2025/26	Programme 2026/27	
	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care (Integrated Community Equipment)	1,970	1,545	1,545	1,545	1,545	8,148
Children's Services	2,878	845	775	375	325	5,198
Transport & Engineering - Highways (inc indicative Pothole Grant and Local Transport Plan Grant)	10,611	6,388	7,888	7,888	7,888	40,663
Transport & Engineering - Transforming Cities Fund	39,661	16,500	0	0	0	56,161
Transport & Engineering - other	545	0	0	0	0	545
Transport & Engineering - coastal protection	10,340	15,893	1,935	7,347	1,862	37,376
Economic Regeneration	3,188	336	0	0	0	3,524
Major Development Projects	16,647	65,514	6,758	0	0	88,919
Destination & Culture (inc seafront development)	17,234	2,339	0	0	0	19,573
Housing & Communities (inc major housing development)	29,685	19,488	16,538	12,529	1,974	80,213
Hard Facilities Management (corporate estates)	1,352	518	518	518	518	3,424
Environment (waste, fleet, parks & open spaces)	13,784	4,900	0	0	0	18,684
Resources (ICT investment including Organisational Design)	6,233	0	0	0	0	6,233
<b>Capital Investment Planned</b>	<b>154,128</b>	<b>134,265</b>	<b>35,956</b>	<b>30,201</b>	<b>14,111</b>	<b>368,660</b>

#### Adults Social Care – £2.0 million 2022/23 (£8.1 million 5-year plan)

Planned investment includes £2.0 million in integrated community care equipment to further promote and support independent living at home. This is funded from government grant and includes one-off £0.4 million spend to support additional equipment purchase and occupational therapist staff costs. Ongoing community care equipment spend from 2023/24 onwards is assumed at £1.5 million per annum.

The council is developing plans for its extra care housing strategy. The further development of extra-care housing in Bournemouth, Christchurch and Poole is a necessary measure to deliver on the Council's commitments to both promote greater independence and to reduce the numbers of people entering residential care. There are a variety of shapes that extra-care housing provision can take and BCP Council needs to ensure that it has a good range and span of schemes and options.

Using local population projections, and benchmarking against a nationally recognised formula, it is estimated there is a need to develop and open, over the next five years, schemes to bring the council up to the target number of units of 1,312 by 2030 and 1,577 by 2040.

#### Children's Services £2.9 million 2022/23 (£5.2 million 5-year plan)

Appendix 4c of this report contains the Children's Services Capital Strategy – which outlines the key workstreams underway to clearly identify strategic needs across schools. This includes the commissioning of an updated SEND Strategy, which will result in a programme of SEND capital works to create additional specialist places and promote inclusion. To inform this process the Council has invited expressions of interests from local school leaders and has planned a process to assess and evaluate schemes for progression and consideration by the High Needs Board/Capital Programme Board. In addition, a programme of prioritised school building condition surveys is under way to better understand potential new school building condition improvements required. A

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detailed list of resulting capital schemes proposed for 2022-2027 will be brought forward for Member review and approval in early 2022/23.

Until this work is completed, the CIP includes only residual unspent approved capital budgets for schemes already underway and general allocations for building related works.

#### Highways - £11.2 million 2022/23 (£41.2 million 5-year plan)

This is routine and structural capital maintenance that is funded predominantly from Department for Transport (DfT) capital grant allocations for Local Transport Plan (LTP) and Pothole Fund. CIP spend is indicative at this stage and is based on an estimate of unspent capital grant from prior years and historic in-year grant allocations. Final grant allocations are expected to be announced in early 2022. A detailed report on planned utilisation of LTP and pothole grant funding for 2022/23 will be considered separately by council in March 2022. This report will also reflect the share of LTP capital grant funding that is allocated to the TCF programme (as match funding), Neighbourhood Services (for routine highways maintenance across the conurbation) and to fund new staff recruited to help deliver the routine and structural maintenance programme.

The Government has recently announced plans to allocate additional £400 million new capital grant funding between 2022/2023 and 2024/25, for the development and construction of high-quality walking and cycling schemes identified in Local Cycling & Walking Infrastructure plans (LCWIPs). Further guidance is anticipated from Government on how this funding will be allocated across the country. Whilst Government aims to provide long-term certainty for local authorities over the spending review period to 2024/25 and to minimise competitions wherever possible, a combined long-term pipeline bidding process is envisaged, to commence in Spring 2022, with long-term allocations agreed later in the year.

#### Transforming Cities Fund (TCF) - £39.7 million 2022/23 (£56.2 million 5-year plan)

The TCF Programme benefits from £79.3 million of DfT grant funding in addition to BCP and third-party local contribution. The council liaises closely with the DfT on delivery and planned spend profile. Because of BCP's progress to date in delivering this major programme of works, the DfT is expected to extend the original programme end date of March 2023 by another 12 months. Accordingly planned spend of £16.5 million has been reprofiled into 2023/24.

Key risks remain within the programme in relation to the ongoing impact of current market conditions on programme deliverability and affordability. These are, however, mitigated by the procurement strategy and level of risk allowance included in the programme through which increased costs are expected to be managed. This position is closely monitored by the Programme Management Board.

There are also potential risks associated with securing the third party "complementary investment" contribution of £11.5 million from the bus companies. This is assumed to consist of bus operator investment in new vehicles, engine upgrades and investments in new routes. Discussions are ongoing with bus operators to confirm the ongoing availability of this funding. The council is also considering what alternative local contributions could also be attributed to the TCF Programme, in order to mitigate the potential impact. This issue has been raised with the DfT. At this stage they have not indicated that it would impact the overall grant award.

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#### Coast Protection - £10.3 million 2022/23 (£37.4 million 5-year plan)

This programme is delivered in partnership with the Environment Agency and is primarily funded by government grant. The programme consists predominantly of two main schemes.

Poole Bay Beach Management Plan - an ongoing scheme designed to provide long term coastal erosion protection to thousands of properties and infrastructure via cyclical beach replenishment and ongoing groyne renewal works. This scheme assumes BCP local contribution in the final two years of the programme, funded from prudential borrowing which has been factored into the MTFP.

Poole Bridge to Hunger Hill scheme (PB2HH) approved in 20/21 is a flood defence scheme which will provide long term tidal flooding protection for parts of Poole town and the Twin Sails regeneration area.

#### Regeneration - £3.2 million 2022/23 (£3.5 million 5-year plan)

This consists of £1.5 million approved capital budget for the BIC medium term refurbishment plan (funded from prudential borrowing). In addition £0.3 million capital budget is currently expected to be spent in 2021/22 (total budget £1.8 million).

Residual unspent capital budget for the relocation of the Skills & Learning Service from Oakdale to the Dolphin Centre is included within the CIP. The Service has recently signed a lease on the property and approved the final architects M&E designs. Build works will commence in the new year.

The Lansdowne Business District programme phases 1 and 2 is expected to complete in 2021/22. At this stage no further funding has been approved for completion of phases 3 and 4 other than £0.05 million LTP funding for feasibility works.

#### Major Development - £16.6 million 2022/23 (£88.9 million 5-year plan)

Supporting the council's wider ambitions to regenerate Poole is a £45.6 million (total) investment in the Carter's Quay site. This will be a Build to Rent (BTR) residential scheme delivering 161 new homes and ancillary ground floor residential amenity and commercial space. The scheme will be delivered over 2021/22 to 2024/25 and is fully funded by prudential borrowing.

The Winter Garden's regeneration scheme is anticipated to commence in 2023/24. The Council has approved investment in the private rented sector (£32.7 million) and public car park elements (£11.8 million) of the development which also includes residential homes, commercial units, and public realm enhancements. Bournemouth Development Company (BDC) are still assessing viability and exploring options for redevelopment of the site in the context of the wider area and in consultation with BCP FuturePlaces.

BCP FuturePlaces is a wholly owned Council company set up to accelerate, energise and enhance redevelopment. BCP FuturePlaces will drive placemaking regeneration and property market transformation to support the aspirations set out in the Council's Big plan. It will provide professional development advice to the council and act as an enabler, interfacing effectively between the council and the property investment and development market, to bring expertise in place making, agile delivery and stewardship investment practice to secure best regenerative development outcomes. BCP FuturePlaces will present its findings and recommendations to Cabinet and Council for approval and financing where appropriate. It will initially be focusing on 14 priority major development sites across the conurbation. These include continuing the progression of the Turlin Moor, Holes Bay and the

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Heart of Poole schemes that originally started in the legacy councils; further projects will follow. Costs will be incurred to create full business cases articulating the development proposals for these sites.

Further regeneration activity as part of the £21.7 million Investment in Boscombe via the Towns Fund will be undertaken, as the first wave of business plans continue to be implemented in 2022/23 including Digital connectivity.

Recently Council approved £5.9 million investment in a 70.50km gigabit fibre network to enable residents to interact with future digital council services as part of the BCP Smart Place programme. This scheme is one of the first to receive funding from the Council's Futures Fund.

As part of the original land disposal at Wessex Fields, the Council has committed to invest £1.6 million in delivering a link road across the site to service University Hospital Dorset (UHD). It is anticipated this infrastructure will be completed in 2022/23.

#### **Destination & culture - £17.2 million 2022/23 (£19.6 million 5-year plan)**

This includes £11.4 million 2022/23 planned spend on approved seafront development projects. Anticipated costs for the Bistro on the Beach redevelopment project are now likely to be around £9 million (compared to £6.8 million currently approved within the CIP). A separate paper requesting additional capital budget will be brought forward for council approval in due course.

The Durley Chine Environmental Hub (fully funded through Coastal Communities Fund grant) is on course to complete by Easter 2022 with £0.5 million profiled in 2022/23. There may be additional budget requirement of £0.3 million needed and the service is looking at potential funding mechanisms for this increase. Delivery of the project has been impacted by delays around obtaining planning consent, and supply chain and inflationary cost pressures arising from current market conditions.

£3.1 million capital budget is currently approved within the CIP for new beach huts at Canford Cliffs. This is a historic budget allocation that will require updating in the light of increasing market prices, change in original approved project scope and the wider seafront strategy. Accordingly, the Service is in the process of developing a revised business case for Council approval. The seafront programme also includes £1.1 million for conversion and refurbishment works at the Canford Cliffs Pavilion. These works formed part of a programme of new seafront infrastructure (together with the Canford Cliffs beach huts) originally due to commence in 2017 but delayed following a cliff slip in that same year. Design works for the pavilion have now commenced with delivery expected to take place in 2022/23.

The CIP also includes £6.9 million investment in culture & arts. This includes £4.4 million (profiled across 2022/23 and 2023/24) investment in the Poole Museum "Our Museum" project. The council has recently been awarded £2.3 million grant from the Heritage Lottery Fund for this scheme. This is an ambitious project that will transform and update Poole Museum. It includes the conservation and restoration of the Wool Hall, development of three new galleries to showcase maritime and pottery collections, new visitor facilities and improved access. It is anticipated that the project will complete in early 2024.

Also programmed within culture and arts is £1.2 million for the Upton Country Park (UCP) discovery project. This project is already underway and 2022/23 will see the completion of a major element in the provision of a new Welcome Centre creating a gateway and place for

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visitors to meet, plan visits and discover the history of the former Upton estate. Other improvements to the park include new pathways and woodland management which will enhance the natural environment and restore historic views and vistas. This project benefits from Heritage Lottery Fund (HLF) grant. Further grant will be sought from the HLF in the new year (and additional capital budget approval sought in accordance with financial regulations) to progress with the final phase of the project – the provision of a new Volunteer Facility.

A further £1.0 million investment in Poole Museum and Scaplen's Court is planned in 2022/23. This work assumes the availability of £0.8 million Salix decarbonisation grant funding, which is time-limited and therefore comes with risk. A separate paper outlining funding risks associated with the Salix grant funding is being prepared for Corporate Management Board (CMB) review.

The recreational programme includes £1.1 million for a new artificial pitch at Rossmore Leisure Centre. This will be procured in 2022/23 in tandem with replacement of the pitch at Two Rivers Meet leisure centre to ensure a consistent approach and to secure best value for money.

#### **Housing - £29.7 million 2022/23 (£80.2 million 5-year plan)**

Appendix 4d of the Budget 2022/23 report includes the Council Newbuild Housing and Acquisitions Strategy (CNHAS). This provides further information on and seeks approval for 2022/23 planned capital spend for CNHAS schemes. CNHAS general fund housing schemes include a new hostel and private rented sector accommodation at Princess Road, the general fund component of the Oakdale development (separate paper planned for Council March 2022), new housing units at the Alma Road surgery and around £47.9 million investment in the acquisition of 250 new 'street properties' over the next 5 years.

Indicative government grant allocations of around £3.5 million per annum have been assumed within the CIP for the Disabled Facilities Grant (DFG) programme of capital works. Of this, £1.5 million is earmarked each year for the purchase of integrated community care equipment. For 2022/23 a further £0.4 million has been directed from the DFG budget to support additional equipment purchase and occupational therapist staff costs within Adult Social Care. The MTFP has been adjusted for this amount.

#### **Estates - £1.4 million 2022/23 (£3.4 million 5-year plan)**

This represents profiled spend on hard facilities management across the authority and includes ongoing £0.5 million annual investment in the maintenance of BH Live assets funded from revenue contributions to capital. The 2022/23 programme also assumes £0.7 million of time-limited Salix decarbonisation grant funded works on the civic estate. This assumption carries the same risks as decarbonisation grant for Poole Museum, and will be included in the CMB paper outlining Salix grant funding risks.

As part of the MTFP process, there is a need to consider the full extent of property maintenance needs across the council's civic estate. This review should be considered in the context of all revenue and capital budgets and revenue reserves available, as well as in the context of the wider estates rationalisation strategy. A paper on future funding requirements is being prepared for Corporate Property Group review in the first instance.

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#### Environment - £13.8 million 2022/23 (£18.7 million 5-year plan)

This includes planned spend of £12.2 million (2022/23) and £4.9million (2023/24) on the council's Fleet Replacement Strategy, approved by Council in September 2021. This programme is fully funded by prudential borrowing. There is funding risk associated with this capital budget, should vehicle acquisition prices in the current market exceed original capital budget assumptions. There are also difficulties with extended lead in times for delivery of vehicles ordered as well as potential costs of fleet branding. This position will be monitored closely in the first quarter of 2022.

The council continues to deliver a programme of enhancements and improvements to its parks and open spaces including play areas. £1.4 million is currently planned for various schemes in 2022/23. The most significant of these is construction of a new pavilion at Fernheath playing fields, already underway and expected to complete in 2022/23. Commenced and due to complete in the spring of 2022 is the work to reopen the Poole Park Miniature Railway involving replacement of the tracks and rolling stock and a new engine shed.

In 2019 the council in partnership with the Parks Foundation were awarded just under £1 million Future Parks grant from the Heritage Fund. This is being used to fund revenue spend on design, consultants, staffing for engagement etc at the same time enhancing sustainability and well-being for people using the park through small practical improvements. A further grant bid to continue with this work will be submitted by 31 March 2022.

There is currently no capital project relating to this but there is potential, following the feasibility work, for business cases for new capital expenditure such as building improvements to come forward for approval in the future.

#### Resources - £6.2 million 2022/23 (£6.2 million 5-year plan)

Work continues on the new civic office accommodation in Bournemouth Town Hall - £3.0 million spend is currently profiled in 2022/23 to complete these works. Capital budget allocated to new civic accommodation has evolved since the original approval and now includes relocation of the coroner's service to the former Poole Civic Centre, additional capital improvements to the 'West Wing' of Bournemouth Town Hall and further approved spend in response to material price increases.

£2.5 million capital budget remains in 2022/23 for the capital costs of the council's Transformation Programme (predominantly ICT investment). As with other ICT related spend, this expenditure is funded from prudential borrowing. The CIP also includes £0.6 million investment in BCP crematoria, part funded from Salix decarbonisation grant.

£0.1 million has been identified as the 2022/23 new investment requirement for the 'business as usual' ICT replacement programme, proposed as funded by additional prudential borrowing. It represents capital investment required to maintain, improve, or replace existing ICT infrastructure to ensure business as usual service delivery across the council. It relates to short or medium-term requirements on existing ICT components and sits outside of the capital investment approved as part of the council's technological transformation plan.