

## Appendix C1

### Capital investment programme (CIP) – 2021/22 narrative by directorate

1. **Adults Social Care £2.0 million** - BCP plans to invest £2.0 million this year in integrated community care equipment to further promote independent living at home. This is an annual commitment funded from government grant.
2. **Children's Services £8.3 million** - Hillbourne School had a planned budget spend of £5.2 million in the current year and of that actual spend of £4.7 million was incurred on new school buildings and immediate external environments. A new building for Hillbourne Primary School was completed and handed over in November 2021 with some elements of the site still to be handed over. There have been delays in handover due to some demolition works still outstanding in the current year and now planned to take place in 22/23. Additionally, there is some risk around the timing of the transfer of surplus playing fields land to the HRA, as detailed in the main Budget 2022/23 report (to be considered separately at this meeting).

Avonbourne School - £0.98 million initial planned budget spend was reduced in the current year by £500k. Reduction of spend was approved by Cabinet in December 2021 as the scope of the project changed. The funding was to facilitate the provision of bulge classes at the Avonbourne School. The original expectation was to provide 300 temporary places. This has been revised to 150 temporary places.

Bournemouth Learning Centre (BLC) £1.1 million residual planned works are progressing at pace, with the Academy responsible for project delivery. A formal funding agreement is in the process of being finalised to support the works and extent of BCP investment. High Needs government capital grant funding of £2.4 million has been received this year and is earmarked as funding for the BLC works.

3. **Highways £13.4 million** - This includes £11.6 million routine and structural capital maintenance funded, challenge fund interventions and active travel highway improvements. This spend is funded predominantly from DfT capital grant (Local Transport Plan, Pothole Grant, Challenge Fund and Active Travel Fund). £0.7 million of LTP / Pothole Grant funding is allocated to Neighbourhood Services operations, for highways improvements undertaken across the conurbation. A further £1.8 million spend is planned to complete transportation projects that have benefited from Dorset Local Enterprise Partnership (DLEP) pipeline grant funding. The council has now claimed all DLEP grant funding earmarked for the schemes highways and is progressing the BCP LTP and NPIF funded phase of works for these schemes. Investment this year is focused primarily on delivery of the Ferndown-Wallisdown-Poole corridor. Approval for use of additional funding (from current TCF or LTP allocations) will be sought to complete this phase of the scheme.
4. **Highways TCF £14.6 million** – The Transforming Cities Fund (TCF) Programme benefits from £79.3 million of Department for Transport (DfT) TCF grant funding. The council liaises closely with DfT on programme delivery and the profile of planned spend. In 2020/21 £6.4 million of TCF grant was utilised, with a further £14.6 million of TCF grant planned to be spent in 2021/22 together with LTP and S106 contributions. The residual TCF remains available through which to deliver the remainder of the programme in 2022/23 and potentially 2023/24.

To date full business cases have been approved (in line with TCF Programme Board governance framework) for interventions at S5 – 15 Leigh Road, S6 – 3 Whitelegg Way, C2 – 1 Upper Gardens, C1 – 2 King's Park, S6 – 1 Magna Road and C3 – 1 Rigler Road. Due to construction programme challenges and additional meetings/design revisions following engagement meetings the number of final

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business cases planned to be brought forward for TCF Programme Board approval during the remainder of the financial year is 5.

Key risks remain in relation to the ongoing impact of current market conditions on programme deliverability due to costs, network management challenges plus addressing the acceptability on elements of schemes following consultation and affordability. This however has been mitigated by the procurement strategy, early Contractor involvement and risk allowance included in the programme and close monitoring by the Programme Management Board. The continued market conditions on the cost of materials are becoming a national issue and the Programme Management Board now have regular dialogue with the Department for Transport to manage this risk.

There also remains risk 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 continue and the council has been considering what alternative local contributions could be attributed to the TCF Programme to mitigate the potential impact. These options will be set out in a Change Control document (including programme challenges, costs, third party contributions and alternative options) which is due to be presented to the TCF Councils Governance Board during quarter four of 2021/22 followed by submission to the DfT. The DfT have been kept up to date on this through regular progress meetings and are expecting the Change Control document for their consideration. They have indicated it would not impact the overall grant award.

**Coastal protection £2.7 million** – Delivered in partnership with the Environment Agency this year’s forecasted expenditure includes £1.5 million investment for continued work on the Poole Bay beach management programme and £0.5 million to progress Poole Bridge to Hunger Hill (PB2HH).

- 5. Regeneration £5.9 million** – Includes £3.9 million budget for completion of phases one and two of the Lansdowne Business District public realm programme. This is funded by £2.9 million BCP funding (predominantly unapplied S106 contributions) and £1.0 million Dorset Local Enterprise Partnership (DLEP) grant successfully claimed earlier this year. No further funding has been approved for completion of phases 3 and 4 of the Lansdowne programme.

£1.4 million capital budget is approved as at 31 December 2021 for the relocation of the Skills & Learning Service from Oakdale to the Dolphin Centre. £0.8 million of this is currently profiled to be spent in this year.

£0.3 million remains allocated at this time within the 2021/22 CIP for the BIC Medium Term Refurbishment Plan (funded from prudential borrowing) with a further £1.5m allocated in 2022/23.

- 6. Major Development £13.7 million** – This includes £9.7 million spend this year for Carter’s Quay which is a Build to Rent (BTR) residential scheme by the Council earmarked to provide 161 new homes and ancillary ground floor residential amenity and commercial space. The purchase is being fully funded by prudential borrowing.

£2.7 million is forecasted spend this year for the Towns Fund programme

Other major development projects underway include Heart of Poole, Turlin Moor Housing and Holes Bay development. These are being progressed by BCP Future Places the wholly owned council company set up to drive placemaking regeneration and property market transformation in support of the aspirations set out in the Council’s Big Plan.

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7. **Destination & culture £6.3 million** – The CIP includes seafront development programmes that are already approved and underway and detailed below.

Bistro on the Beach - £6.8 million capital budget approved for delivery of the redevelopment project for 2021-2026. There have been delays in securing a build contractor to carry out the works and the service will be going back to the market to invite new tenders in spring 2022. The costs of delivering the project have since been revised upwards to £9m (from the original approved £6.8m). The service is in the process of developing a business case to present to Cabinet in due course, requesting for additional funding to deliver the full project scope. £1.3 million is currently included as forecasted spend for 2021/22.

Durley Chine Environment Hub - £1.8 million capital budget approved for 2022-26. Project is fully funded through Coastal Communities Fund grant. The service is confident that the project is on course to complete by Easter 2022, although there currently is a funding gap of £0.3 million. The service will be going to Cabinet in due course to request additional funding. £1.3 million is currently profiled as spend for 2021/22.

The 2021/22 cultural programme includes £0.8 million allocated to Heritage fund schemes - Upton Country Park (UCP), Highcliffe Castle and Poole Museum projects. UCP and Poole Museum schemes are programmed to complete delivery in future years. Another significant project within the cultural programme is the decarbonisation works at the Poole Museum funded by £1.1 million Salix grant of which £0.4 million is profiled to be spent this year. Salix grant is time limited and a separate paper outlining funding risks associated with the Salix grant funding is being prepared for Corporate Management Board (CMB) review.

**Housing £8.1 million** – The council approved its Council Newbuild Housing & Acquisition Strategy (CNHAS) in November 2021. For 2021/22 £4.3 million investment in housing is planned under CNHAS. The St Stephen's (Treetops) development of 64 new units was completed at the start of this financial year, with properties leased to Seascope Homes & Properties Limited. Work will begin at pace on the construction of a new hostel and private rented sector accommodation at Princess Road in quarter four / early 2022/23. A further £0.5 million investment in the Bourne Community Hub was undertaken in 2021/22.

Government grant allocations for the council's ongoing Disabled Facilities Grant (DFG) programme are indicative and assumed on prior annual allocations of £3.5 million of which £1.5 million is allocated out each year to support the purchase of integrated community care equipment. Forecasted spend for the DFG programme this year has been adjusted to £1.2 million based on latest profile estimate.
8. **Estates £1.8 million** – this represents profiled spend on hard facilities management across the authority and includes investment in the maintenance of BH Live assets funded from council reserves and delivery of a Salix grant funded decarbonisation programme across BCP estate. Salix grant is time limited and a separate paper outlining funding risks associated with the Salix grant funding is being prepared for Corporate Management Board (CMB) review.
9. **Environment £13.6 million** – this includes £10 million planned spend on fleet operations and management for the period 2021/22 in line with the Sustainable Fleet Management Strategy approved by Council in September 2021. This programme is fully funded by prudential borrowing. Of the £10 million budget, £5 million has been spent to date in the year with the remaining balance currently expected to be utilised in year.

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In addition, Council approved in November 2021 spend of £0.7 million on acquiring Cleaner Greener Safer equipment of which £0.5 million is profiled in this year. This is to support the Council's 2030 carbon neutral declaration and is in line with the Council's Sustainable Fleet Management Strategy and Fleet Replacement Programme.

Around £2.4 million is profiled to be spent in 2021/22 on Parks and Open Spaces and, of that £1.2 million has currently been spent.

10. **Resources £6.8 million** – work progresses on the council's accommodation strategy to facilitate the move to the new civic office accommodation in Bournemouth - £4 million is currently scheduled this year (together with a further £3 million spend profiled in 22/23 to complete these works.)

As part of the transformation programme £2 million is due to be spent this year to maintain and improve agile working arrangements and to continue investment in backup and security, and data management. This is in addition to the £0.8 million planned investment in the annual ICT investment plan.