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Capital Investment Programme (CIP) narrative by directorate

Overview

Capital Investment Programme 2023/24 to 2027/28						Total 2023 to 2028
General Fund	Planned Programme 2023/24	Planned Programme 2024/25	Planned Programme 2025/26	Planned Programme 2026/27	Planned Programme 2027/28	£'000
	£'000	£'000	£'000	£'000	£'000	
Adult Social Care (Integrated Community Equipment)	2,206	2,172	2,180	2,196	2,214	10,966
Children's Services	845	775	375	325	-	2,320
Transport & Engineering - Highways (inc indicative Pothole Grant and Local Transport Plan Grant)	12,813	8,788	8,788	8,788	8,788	47,965
Transport & Engineering - Transforming Cities Fund	34,821	-	-	-	-	34,821
Transport & Engineering - coastal protection	16,255	7,329	7,347	1,862	-	32,792
Economic Regeneration	1,869	-	-	-	-	1,869
Major Development Projects	27,341	9,636	35	-	-	37,013
Destination & Culture (inc seafront development)	29,781	12,160	-	-	-	41,941
Housing & Communities (inc major housing development)	38,010	35,149	19,673	1,424	1,424	95,679
Hard Facilities Management (corporate estates)	674	518	518	518	518	2,746
Environment (waste, fleet, parks & open spaces)	11,918	6,873	410	410	410	20,021
Resources (ICT investment including Organisational Design)	3,660	905	-	-	-	4,565
Capital Investment Planned	180,193	84,304	39,325	15,522	13,353	332,697

Adults Social Care – £2.2 million 2023/24 (£11.0 million 5-year plan)

Planned investment represents £2.1 million per annum in integrated community care equipment and occupational therapist support costs to further promote and support independent living at home. This annual commitment is funded from government grant.

The council is progressing its plans for both extra care housing and more specialist homes for those less independent. A planning application on the old Adult Education Centre land at Oakdale will lead this programme through 2023 and 10 other BCP council sites are being explored for their suitability for these types of housing needs. The financial implications of this are being brought under separate papers to Cabinet at the appropriate time. The further development of extra-care housing in BCP 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 specialist housing provision can take- from the Extra Care enabling model to a more intensive support environment and BCP Council needs to ensure that it has a good range and span of schemes and options.

Children's Services £0.8 million 2023/24 (£2.3 million 5-year plan)

Development of the Capital Programme: The Service continues to work in partnership with BCP corporate property and estates teams and a construction partner to embed new systems, processes, and governance arrangements necessary for the robust management of schemes. Following LGR, the existing arrangements for the delivery of projects has changed and arrangements for managing the school estate are under review. The construction partner brings additional expertise and capacity in the development of the Children's Services Capital Programme and is essential for delivering a planned programme of repairs and maintenance and additional places as part of the SEND Programme of Expansion.

SEND Programme of Expansion: The SEND Programme of Expansion forms part of the Council's strategy to address growth and associated financial pressure in the High Needs Block. Schemes continue to be developed and delivered across 4 Tranches with Tranche 1 schemes implemented in September 2022/23. Tranche 2 and 3 schemes are in the development stages and Tranche 2 schemes are expected to deliver places during the academic year 2023/24.

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New Free School Bids: The outcome of the Council's bid submission for two new special schools is anticipated 'early 2023'. A favourable outcome will significantly increase the number of places across BCP's state-maintained specialist school provision.

Schools Rebuilding Programme Approvals: The Council is pleased to report that the Council's nominations for capital investment under the Schools Rebuilding Programme were successful. This means investment in 2 Local Authority Maintained Schools including Somerford Primary School and Winchelsea Special School. Separate nominations were submitted by Academy Trusts as the responsible body for academy schools and a further 4 nominations were successful.

High Needs Provision Capital: The outcome of the LA maintained submissions means that the use and allocation of the Council's High Needs Provision Capital grant of £11.8m 2022-2024 will be re-appraised. Subject to DfE approval, it is proposed to allocate capital funding to support the Council's delivery of activities across 4 workstreams outlined in the Council's bid for revenue [transformation] funding to the DfE under the Delivering Better Value (DVB) programme. The Council is one of 55 local authorities participating in the programme which provides dedicated support and funding to help local authorities with substantial deficit issues to reform their high needs systems. The bid will be submitted towards the end of February 2023 and the outcome is anticipated in March 2023.

Schemes with Prior Approval 21/22: The progress of schemes with prior approval in the capital programme are as follows:

Hillbourne School: The school is open and operational. The final account is expected to be agreed by July 2024. scheduled to complete July 2024.

Avonbourne School: In partnership with United Learning Trust, the Council has delivered a project to provide a total of 150 places over three years achieved through extensive remodelling of existing school accommodation. Following a spatial assessment by an external consultant, the scheme will provide sufficient general and specialist teaching spaces and student and staff WCs. Three bulge classes were planned for by September 2022 and a further two are planned for September 2023. The project was completed on 20 January 2023.

Highways - £12.8 million 2023/24 (£48 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 2023. A detailed report on planned utilisation of LTP and pothole grant funding for 2023/24 will be considered separately by council in March 2023 including allocations to Neighbourhood Services for routine highways maintenance across the conurbation.

The Government announced plans to allocate an 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, with long-term allocations to be agreed on a later date.

In November last year the council heard that it had successfully secured funding from the DfT to deliver its Bus Service Improvement Plan. A total of £8.9m (split between capital

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and revenue) was awarded. A formal grant letter is to follow on completion of certain milestones at which point the capital element of £6.1m will be incorporated into the CIP.

Transforming Cities Fund (TCF) - £34.8 million 2023/24 (£34.8 million 5-year plan)

The TCF Programme benefits from £79.3 million of Department for Transport (DfT) grant funding in addition to BCP and third-party local contribution. The council liaises closely with the DfT on the 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. This is currently being discussed between the DfT and BCP. Accordingly planned spend of £34.8 million has been reprofiled into 2023/24 but there may be some flexibility available from the DfT to reprofile into 2024/25 to ensure the delivery of the infrastructure does not have a significant impact on the local road network.

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, investments in new routes, and marketing and communications support to promote the TCF programme. Discussions are ongoing with bus operators to confirm the availability and timing of this funding commitment. 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.

Coast Protection - £16.3 million 2023/24 (£32.8 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 currently 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/Major Development - £29.2 million 2023/24 (£38.9 million 5-year plan)

This includes investment in the Carter's Quay site supporting the council's wider ambitions to regenerate Poole and the remaining planned spend across 2023-2025 is £23.9 million (£45.6 million total investment). 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 is fully funded by prudential borrowing.

The Smart Places Gigabit Fibre Scheme (total approved £5.9 million) is profiled to spend £5.7 million across 2023-2025. This is being funded through the council's Futures Fund.

There is £1.5m to fund refurbishment of the Bournemouth International Centre (BIC) funded by prudential borrowing.

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The Wessex Fields Highways infrastructure project, following Council approval in November to increase the budget, is now profiled to spend a total of £4 million in future years. The £2.4 million increase is being funded through the Futures Fund.

Council has approved a £2.6 million allocation from the Futures Fund for investment in Pokesdown Railway Station – a joint project with Network Rail/South Western Railway who are currently working on design. The main construction works are profiled for 2024/25.

Other major projects currently being developed include Towns Fund schemes supporting the regeneration of Boscombe, plus regeneration of both the Poole Civic Centre and Christchurch Civic Offices. The latter two are being progressed by BCP FuturePlaces 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.

Destination & culture - £29.8 million 2023/24 (£41.9 million 5-year plan)

Southbourne redevelopment (previously known as Bistro on the Beach): The forecast Final Cost Plan (Oct 2022) for Southbourne seafront redevelopment was £10.8m which is £4m higher than original budget £6.8m (June 2020). Actual construction cost increase accounts for £1.13m of the uplift reflecting changes required to secure planning consent and additional costs associated with infrastructure upgrades and MEP services requirements within the redesigned building. Rising costs of materials and labour due to inflation within the construction sector, together with forward inflation to target start on site date have contributed the balance of cost increase. Design and business case being kept under review with recommendation to pause delivery until construction inflation pressures ease. Reviewing procurement options to extend meanwhile 'pop up' catering offer on the site.

Durley Chine Environmental Hub (fully funded through Coastal Communities Fund grant): Construction completed with fit out of public facilities (toilets, kiosk) underway in advance of soft opening February half term. Next phase will see development of on-site interpretation promoting education around local coastal processes and waste management. Longer term, opening up of the main building to deliver the Council's Turning the Tide project, establishing a learning space to connect people's actions to the oceans and builds environmental guardianship; a venue that models environmentally positive behaviour and systems; a showcase for BCP's development as a low impact destination, where refill and reuse replaces single use; and an education resource for schools and families.

Canford Cliffs: Project comprises conversion of cliff stability work, utility infrastructure upgrades, conversion of Canford Pavilion into café, community shelter for sea swim and water sport changing and construction of additional beach huts over two levels across 11 existing beach hut blocks. Most recently approved budget £6.7m, comprising £3.9m capital allocation and £2.8m PRU (June 2020). This historic budget allocation requires updating in the light of increasing market prices, change in original project scope resulting from cliff slip and the wider prioritisations in the adopted BCP Seafront Strategy (April 2022). Capital has been re-allocated by the Council, requiring revised business case to be fully funded from PRU borrowing. Project delivery on pause whilst abnormal inflationary and borrowing cost pressures stabilise. A revised budget to be brought forward as conditions ease.

The council has been successful in a bid to the government's Levelling Up Fund (Round 2). It has been awarded £18.16 million in grant for investment in a transformation programme that will revitalise the Bournemouth and Poole seafront focusing on repairs to Bournemouth pier, stabilisation of the East Cliff and the creation of a new lifeguard training and education centre.

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The CIP also includes £6.5million investment in culture & arts. This includes £4.5 million investment in the Poole Museum “Our Museum” project for which the council was awarded £2.3 million grant from the Heritage Fund. This ambitious project will transform and update Poole Museum including 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. Also, within the Museum Estate is £1.1 million programmed spend at Scaplen’s Court. This project benefits from Historic England Grant and will bring significantly improved facilities and increased revenue generation.

Other planned spend within culture & arts includes completion of the Upton Country Park Discovery project, and the Russell Cotes Museum Estates and Development (MEND) project.

The recreational programme includes £1 million planned spend for a new artificial pitch at Rossmore Leisure Centre. This is being part funded by a grant from the Football Foundation.

Seafront Infrastructure: Further to the Provision of Beach Huts paper presented to Cabinet 14 December 2022, the service has ongoing revenue funding to support major capital investment in seafront infrastructure including beach huts of £5m every 25 years funded by prudential borrowing

Housing - £38 million 2023/24 (£95.7 million 5-year plan)

CNHAS HRA housing schemes include the start of affordable rented and shared ownership apartments at Princess Road moving to Q4 and the completion of 4 schemes - affordable rented and shared ownership homes at Cynthia House (now Alice Gardens), move-on accommodation at Hebert Ave and new apartments and houses at Wilkinson Drive - and affordable flats at Cabbage Patch. The retendering of 27 homes at Templeman House and commencement of 24 homes at Craven Court represent early 2023 activity with the 110 homes at Hillbourne school site, planned to also start this year.

Planning applications for various small Poole projects will be followed by specific Cabinet approvals for them through the usual CNHAS programmed approach process. The council is also progressing its plans for both extra care housing and more specialist homes for those less independent. 10 BCP council sites/assets are being explored for their feasibility, suitability & viability for this type of housing needs - 7 of which are in the HRA. Again, Cabinet papers for those schemes deemed appropriate, will be presented in 2023/24.

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. From this the sum of £2.1 million per annum is allocated to Adult Social Care for integrated community care equipment and occupational therapist support costs to further promote and support independent living at home. This leaves £1.4 million per annum within Housing to support the provision of disabled facilities grants to the community.

Estates - £0.7 million 2023/24 (£2.7 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 2023/24 programme also includes £0.2 million spend to complete the Fisherman’s Walk Cliff Lift project.

Environment - £11.9 million 2023/24 (£20 million 5-year plan)

This includes planned spend of £9.4 million (2023/24) and £6.5million (2024/25) 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

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vehicles ordered as well as potential costs of fleet branding. The position continues to be monitored. £0.4 million is approved planned spend on Cleaner, Greener, Safer Equipment also funded by borrowing.

Investment in the council's waste bin replacement strategy is represented by £0.41 million p.a. across the MTFP funded by borrowing.

The council continues to deliver a programme of enhancements and improvements to its parks and open spaces including play areas. 2023/24 includes £1.1 million profiled spend for the Sluice Channel Infrastructure Improvements (Poole park to Poole harbour) and £0.6 million for the Throop Nature Park (Hicks SANG).

Resources - £3.6 million 2023/24 (£4.5 million 5-year plan)

£1.8 million investment is planned to complete the council's Accommodation Strategy. This includes the following: Extension Zero and Kinson Hub, the Coroners Service (Vertical Slice), and the Remodelling of BCP Civic space – West Wing.

£2.2 million budget remains for the capital costs of the council's Transformation Programme (ICT investment) profiled over 23/24 and 24/25.

£0.3 million has been identified as the 2023/24 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. A detailed breakdown can be found at Appendix 7c.