

Capital Finance Report Quarter 2 2021/22

The five year capital budget 2021-2026 is currently forecasted at £647.591 as at 30 September 2021. The capital budget has been adjusted to take into account the new approvals or changes to the capital programme and to adjust the future funding assumptions shown in table 1.

Current Capital Resources

Table 1 The Capital budget consists of the following elements:

Description	£m
Approved Capital Programme 2021-2026	344.716
Future Funding Assumptions *	302.875
Total Revised Capital Budget for Approval (2021-2026)	647.591

* Estimate of funding to be received to finance future capital projects (funding see Table 2c)

The approved capital budget (representing forecast resources) is made up of two elements. One is the Capital Programme representing projects that have been approved and the other is future funding assumptions which are estimates of capital funding the Council is likely to receive in the future.

Capital Programme

Project officers prepare detailed business cases, which are reviewed by finance officers and then are agreed by CCIB member before going to the Leader to sign the executive decision. Once the Leader (or Section 151 Officer for projects under £200k) has approved the project it is added to the Capital Programme for delivery.

Future Funding Assumptions

The current estimate of future capital funding for the next five years 2021-2026 is £302.875 (see table 2c).

The Future Funding Assumptions are made up of external funding including both ring-fenced and un-ringfenced grants, S106 and other external contributions. The capital programme is funded by 37% of external funding and there is a further £227.801m of future external funding to be added to the capital programme over the next five years;

Bidding for further external capital funding is strongly encouraged during the preparation of business cases for new projects.

Tables 2a and 3 below shows the revised capital programme for the period 2021-2026, as at 30 September 2021.

Additions to the capital programme during the quarter

During the quarter the new approvals are as follows:

Project	£
Fredrick Street	65,000
Langage Development South Phase 2	40,000
Plymouth International Medical & Technology Park	240,000
Oceansgate Phase 2 Direct Development	27,655
Tree Planting 2021/22	63,300
TCF T2 Mobility Hubs	95,674
Millbay Boulevard	109,088
Minor Traffic Signals	2,000
Disabled Facilities (incl Care & Repair works)	2,813,781
Plymouth Care Limited	30,000
Disabled Facilities (external contribution)	131,857
Total	3,618,355

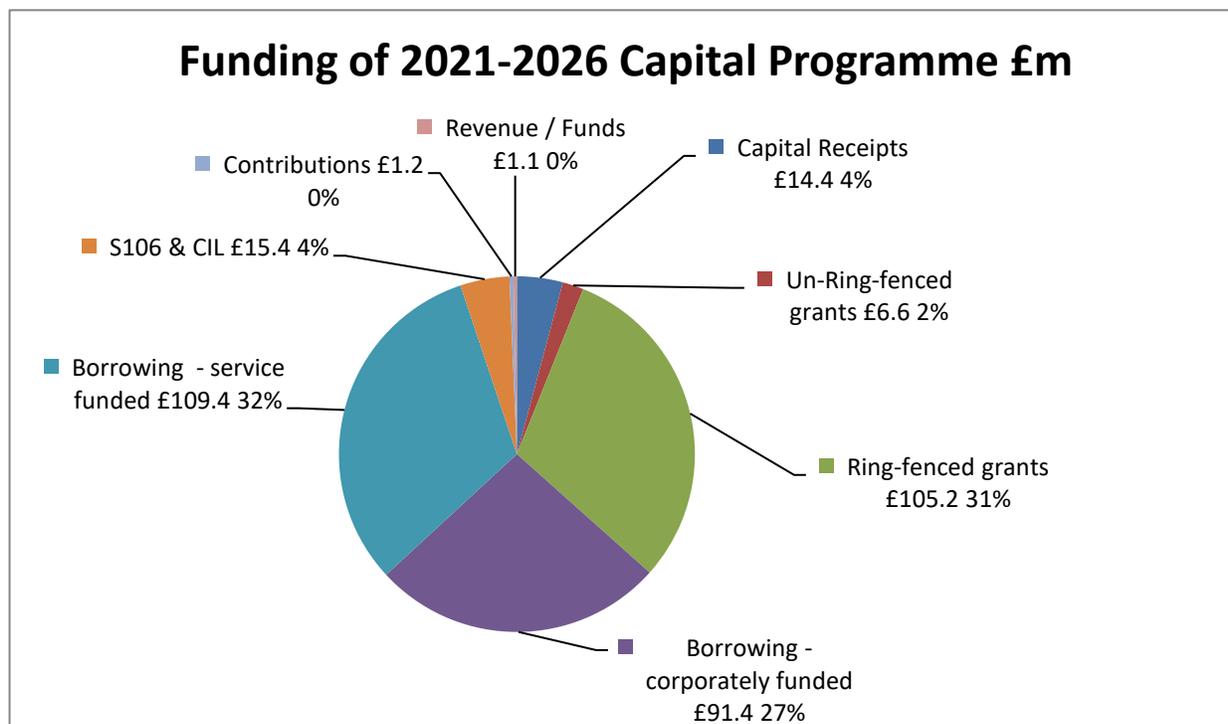
The capital programme is delivering some major projects across the city and it has won large grant funding bids for these projects. Some of the notable projects:

- Future High Streets Fund grant - £12.047m
- National Marine Park - National Heritage Lottery Fund award £9.6m
- The Eclipse project - £1.887m
- Forder Valley Link Road – £41.191m
- Forder Valley Interchange - £7.336m
- Transforming Cities Fund – £51.244m
- Brunel Plaza redevelopment of Plymouth Train Station – £26.224m
- Highway maintenance and essential engineering – £19.198m
- Plymouth Crematorium - £13.001m

Revised Capital Programme

Table 2a Capital Programme by Directorate

Directorate	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
People	9.612	10.895	3.716	0.132	0.132	24.487
Place - Economic Development	41.417	58.998	20.372	0.115	0.080	120.982
Place – Strategic Planning and Infrastructure	61.811	68.788	4.910	0.527	0	136.036
Place – Street Services	25.082	11.329	3.963	2.017	0	42.391
Customer & Corporate Services	6.648	1.802	0	0	0	8.450
Public Health	12.370	0	0	0	0	12.370
Total	156.940	151.812	32.961	2.791	0.212	344.716
Financed by:						
Capital Receipts	1.918	5.637	6.128	0.619	0.080	14.383
Grant funding	52.614	56.680	2.226	0.132	0.132	111.784
Corporate funded borrowing	48.746	32.627	8.028	2.040	0	91.441
Service dept. supported borrowing	44.933	49.236	15.219	0	0	109.388
SI06 & CIL	6.428	7.629	1.360	0	0	15.417
Other contributions	2.301	0.003	0	0	0	2.303
Total Financing	156.940	151.812	32.961	2.791	0.212	344.716

Table 2b Funding of the 2021-26 Capital Programme**Table 2c Future Funding Assumptions**

Future Funding Estimates	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
Service borrowing & external loans	26.250	30.850	2.120	5.000	5.000	69.220
Grants	11.794	28.302	24.221	30.416	105.094	199.827
S106 and CIL	4.275	3.831	4.121	4.064	3.922	20.212
Other sources	2.881	6.851	1.278	1.325	1.280	13.616
Total	45.199	69.835	31.740	40.806	115.296	302.875

Covid 19

The effect from Covid 19 has slowed the capital programme delivery. Since April 2021, the restrictions have been slowly lifting and capital projects have been getting back to work even with the additional safety requirements of social distancing.

The economy has been getting back to work but we have seen an increase in the cost of raw materials and labour which may affect some of the capital projects.

Table 3: Capital Programme by Delivery Outcome

Primary Outcome of Projects	£m
Securing Growth in the City Centre/Waterfront	17.137
Securing Growth in Derriford and the Northern Corridor	42.040
Securing Growth in the Eastern Corridor	3.687
Delivering More/Better Housing	27.342
Ensuring Essential City Infrastructure	85.782
Improving Neighbourhoods and Community Infrastructure	5.424
Ensuring Good Quality School Places	0.868
Growing the Economy	56.019
Delivering Oceansgate	4.202
Connecting the City	32.491
Celebrating Mayflower	1.150
Delivering The Box	0.936
Transforming Services	67.638
Total	344.716