

Appendix 7 – New Capital Schemes & Future Years' Variations

New schemes to be added to the Capital Programme for 2018/19 to be approved

New Capital Project Approval Request	
Unit:	Property Services
Project title:	Housedean Grain Store
Total Project Cost (All Years):	£55,000

Purpose, benefits and risks:
<p>Due to resource limitations, the council has not been able to maintain or invest sufficiently in its agricultural estates. Many of the buildings were built immediately post WW2 and have now reached the end of their useable life. Due to resource constraints and competing priorities, the council does not have capital funds available to fully fund new buildings. A proposal has therefore been agreed with the tenant of Housedean Farm whereby both parties can share the cost of a new building. In addition to the financial support being provided by the council, the investment also supports the council's aim for longer term diversification opportunities which can help to mitigate a wide range of supply risks, for example, potentially arising from EU withdrawal.</p>

Capital expenditure profile (£'000):				
Year	This Year	Next Year	Year After	TOTAL
Unsupported Borrowing	55			55
Total estimated costs and fees	55			55

Financial implications:
<p>The works will be undertaken through borrowing with repayment made over 20 years funded through additional rental payments over and above the market rent level and represents an additional payment in return for the council's investment. The investment is low risk as the tenant has been the council's direct tenant for nearly 30 years and holds a secure Agricultural Holdings Act Tenancy.</p>

Appendix 7 – New Capital Schemes & Future Years' Variations

New Capital Project Approval Request	
Unit:	Property Services
Project title:	Brighton and Hove Estates Conservation Trust Loan (Stanmer)
Total Project Cost (All Years):	£160,000

Purpose, benefits and risks:

The Brighton & Hove Estates Conservation Trust were granted a lease of 10 residential properties in Stanmer in 2005, which they sublet. A share of the rent received by the Trust is paid to the council. There is a requirement for the Trust to undertake repairs and refurbishment to one of the properties which is currently empty following the termination of a long standing tenancy. The proposal is to provide the Trust with a loan to refurbish the property which will enable it to be re-let and to produce income to finance the loan. In conjunction with the granting of the loan, the council will also grant the Trust a new lease, for which terms have been agreed. These include an amendment to the Trust's existing demise to provide the council with vacant possession of a plot which could accommodate the development of a new residential property, the capital value of which will be used to support the refurbishment of the Stanmer Traditional Agricultural Buildings, as an 'enabling' development.

Capital expenditure profile (£'000):

Year	This Year	Next Year	Year After	TOTAL
Unsupported Borrowing	160			160
Total estimated costs and fees	160			160

Financial implications:

A loan will be provided to the B&HECT through council borrowing with revised Heads of Terms on the lease agreed between the council and B&HECT. A loan agreement will be put in place with the B&HECT, based on a commercial interest rate, with repayment over a 12 to 15 year period through annual repayments met from rental income. The loan will be secured through the revised lease agreement.

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New Capital Project Approval Request				
Unit:	City Development & Regeneration			
Project title:	Surface water adaptive measures for Norton Road and Carden Avenue SCAPE (Shaping Climate change Adaptive Places) – INTERREG 2 Seas			
Total Project Cost (All Years):	£733,000			
Purpose, benefits and risks:				
<p>To provide 2 pilot schemes (in Norton Road and Carden Avenue) aimed at reducing flooding to properties from occasional extreme surface water run-off incidents.</p> <p>The council is already a partner on this INTERREG 2 Seas project. The BHCC budget for this project is €488,000, estimated at £432,000 in total. The budget is based on a 40:60 funding split with approximately £260,000 from INTERREG and £172,000 match funding from the council. The grant is allocated in Euros and is subject to currency fluctuations. The council's 40% match funding contribution will be delivered through officer support and resources from existing budgets.</p> <p>£300,000 additional funding outside the project has previously been secured towards the implementation of flood protection measures in Carden Avenue and it is intended to combine this with the SCAPE funding.</p> <p>The combined overall spend by all partners on the SCAPE project has not been meeting its projected targets and there is a known risk that one or more of the other partners may be unable to meet key outputs and spend targets in the coming year. This may present an opportunity in the spring for some funds within the overall project to be reallocated to other partners (subject to agreement by relevant parties within and governing the project) in cases where the benefiting partner(s) can provide the necessary match funding and are likely to deliver on their outputs.</p> <p>If the opportunity to reallocate funds from other SCAPE partners is not agreed, it will be necessary to scale back the preferred specifications for the two pilot schemes in the city.</p>				
Capital expenditure profile (£'000):				
Year	This Year	Next Year	Year After	TOTAL
Grant – Environment Agency	17			17
Grant – Interreg Seas 2 SCAPE (secured and new)	53	363		416
Capital Reserves – Flood Defence		300		300
Total estimated costs and fees	70	663		733

Financial implications:

Environment Agency grant of £17,000 has been secured to support the delivery of the project. Up to €293,000 (estimated £260,000) funding through the SCAPE Interreg 2 Seas Project is also secured to deliver these two projects and will require a 40% match funding contribution by the council to be delivered through officer support and resources toward the delivery of these projects,. This match funding will be met from within current budgets. Brighton & Hove also has up to £300,000 that it can offer up as match funding from the existing flood defence reserve. This enables additional funds to be drawn in to assist with the implementation of its proposals for Norton Road and Carden Avenue, where (based on recent costings from the project's design team) there is a shortfall of between £92,000 and £156,000 to deliver both of these schemes to the desired specifications. Any additional net funding from INTERREG secured through budget reallocations within the overall project would be at zero overall additional cost to the council, as the £300,000 for Carden Avenue has already been secured and identified for this work.

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New Capital Project Approval Request				
Unit:	Property Services			
Project title:	Premises Team Van			
Total Project Cost (All Years):	£18,300			
Purpose, benefits and risks:				
Replacement of the Premises Services Team delivery van which is now at the end of its useable life.				
Capital expenditure profile (£'000):				
Year	This Year	Next Year	Year After	TOTAL
Borrowing	18			18
Total estimated costs and fees	18			18
Financial implications:				
The purchase of the new van will be made through borrowing with the repayment made over 5 years through existing vehicle revenue budgets within the Property Services budget.				

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New Capital Project Approval Request

Unit:	Families Children and Learning - Health, SEN and Disability
Project title:	Beach House Renovation Project
Total Project Cost (All Years):	£43,303

Purpose, benefits and risks:

This scheme will deliver shared care accommodation and support provision at Beach House - the council's in-house respite service for adults with learning disabilities. Currently, there is no in-house provision of this type for young people with complex needs in the city. There are 2 families who have requested shared care accommodation to meet the needs of their family member and to support the family to continue to care for them at home for part of the week. Both individuals currently receive respite from the in-house children's respite service, Tudor House, however both will turn 18 years of age in the next few months. The risk of not continuing to support this respite arrangement is the breakdown of family support and a full time residential placement being required. The object of this scheme is to re-develop an area of Beach House to create 2 bedrooms and an adapted shower room.

Capital expenditure profile (£'000):

Year	This Year	Next Year	Year After	TOTAL
Modernisation Fund (Capital Receipts)	43			
Total estimated costs and fees	43			

Financial implications:

The business case presented to and approved by the Corporate Modernisation Delivery Board demonstrated cost avoidance savings amounting to an estimated £131,000 over a 3-year period. The level of savings set against the community care budget in the 2019/20 ISFP is £660,000 and the completion of the adaptations at Beach House to deliver shared care accommodation will help facilitate these savings and ensure cost pressures are contained within available funding. The project will be funded through the corporate Modernisation Fund in 2018/19.