

## FORECAST CAPITAL PROGRAMME – 2018/19 TO 2021/22

1. As part of the 2018/19 budget decision, Members are being recommended to approve a capital programme of £9.8m for 2018/19, with details of these schemes set out in the report. There will be further capital spending proposals that are not yet included in the capital programme but which will be submitted for Members approval when the details become available. Future proposals will include major building works at Chester and at Crewe.
2. Whilst details of these future schemes are still being formulated, the potential costs need to be included in the medium term forecast to ensure that proper consideration is given to the funding of such schemes and to plan for this funding to be available. For the purpose of this forecast, it has been assumed that the bulk of spending on Chester and Crewe will only begin to take place in 2019/20, although there is the potential for these schemes to be brought forward.
3. The forecast level of capital expenditure is approximately £37m from 2018-22.

	Proposed 2018/19 £000	Forecast 2019/20 £000	Forecast 2020/21 £000	Forecast 2021/22 £000
Approved Schemes:				
Vehicles & Appliances	1,071			
ICT	100			
OPA	28			
Land & Buildings	8,550			
Contingency	56			
Further Proposed Schemes		14,070	7,404	5,377
<b>TOTAL FORECAST SPEND</b>	<b>9,805</b>	<b>14,070</b>	<b>7,404</b>	<b>5,377</b>

4. As part of a medium term forecast, assumptions will need to be made as to how this forecast level of capital spending will be financed. The proposed 2018/19 expenditure of £9.8m involves the use of borrowing amounting to £9m.
5. In the medium term, for years beyond 2018/19 the proposed strategy is to avoid adding to revenue costs and therefore to seek to use reserves rather than undertake further borrowing. The Reserves Strategy (which is also appended to the budget report) assumes that contributions will be made to meet future capital spending. At the present time the level of available funding falls short of the forecast level of spending in 2019/20 onwards, but this will be refined once more is known about the level and timing of future spending proposals.
6. The proposed funding for the above spend is shown in the following table and demonstrates that there is a funding shortfall. This shortfall will either require the

re-direction of the remaining reserves where possible and/or the use of additional borrowing.

	Proposed 2018/19 £000	Forecast 2019/20 £000	Forecast 2020/21 £000	Forecast 2021/22 £000
Capital Reserve	632	6,247	1,528	1,501
Capital Receipts	55	55	56	56
Other Reserves	78	4,715	500	500
Revenue Contribution	40	40	20	20
Borrowing	9,000	-	-	-
<b>Total Financing</b>	<b>9,805</b>	<b>11,057</b>	<b>2,104</b>	<b>2,077</b>
<b>Funding Gap</b>	<b>0</b>	<b>3,013</b>	<b>5,300</b>	<b>3,300</b>