

INVESTMENT PROGRAMME 2020-21 TO 2024-25

Executive Summary

The Investment Programme sets out the capital and one off investments required to deliver the Council's key strategies and objectives. The Programme includes projects where the funding and consequent revenue implications have been incorporated into the General Fund and Housing Revenue Account budgets for 2021/22 which appear elsewhere on the agenda. Further detail on these projects is also provided.

The impact of the Investment Programme on revenue, capital and reserves are included in appendices attached to this report. Inclusion in the Investment Programme does not mean a project will proceed, only that the Council plans to undertake it if resources permit.

The Covid pandemic has had a considerable impact on local government finances. Whilst the government has provided support through a series of grant payments, these have not covered all the Council's costs nor does the income compensation scheme fully mitigate income losses. Into 2021/22 there is no guarantee that this government support will continue. Whilst the pandemic may ease, the economic consequences and the financial impact on the Council are likely to take much longer to recover. The Council is particularly affected by loss of commercial rents and the risk of potential further non-payment in the future due to business failure.

In preparing the draft Investment Programme for 2021/22 it has therefore been necessary to temporarily suspend projects which have not yet been committed but which would have revenue consequences through use of the Council's revenue reserves or financing costs of borrowing.

It is hoped that these can be re-instated once the financial position is more stable.

Appendix 8 provides a glossary explaining the technical terms used in this report.

Recommendations

The Executive is requested to:

RECOMMEND TO COUNCIL That

- (i) the Investment Programme 2020/21 to 2024/25 be approved subject to reports on projects where appropriate;**
- (ii) the proposed financing arrangements be approved;**
- (iii) Thameswey Developments Ltd be authorised to take long term annuity funding, up to 50 years, for the Sheerwater project through its £115m facility with loans permitted to transfer to Thameswey Housing Ltd as the project progresses. The total long term loans drawn by the Thameswey Group for the Sheerwater project should not exceed the long term facility of £290m previously agreed (excluding THL revolving facility and TEL facility); and**

- (iv) a capital grant of £300,000 and revenue grant of £150,000 for 2021/22 be approved for Brookwood Cemetery.

Reasons for Decision

Reason: To recommend to the Council that it approves the capital resources for 2020/21 onwards considered necessary to support its service plans and objectives.

The item(s) above will need to be dealt with by way of a recommendation to Council.

Background Papers: None.

Reporting Person: Leigh Clarke, Finance Director
Email: leigh.clarke@woking.gov.uk, Extn: 3277

Contact Person: Mike Stevens, Deputy Financial Services Manager
Email: mike.stevens@woking.gov.uk, Extn: 3622

Portfolio Holder: Councillor Simon Ashall
Email: cllrsimon.ashall@woking.gov.uk

Shadow Portfolio Holder: Councillor Deborah Hughes
Email: cllrdeborah.hughes@woking.gov.uk

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1.0 Introduction

- 1.1 The Investment Programme sets out the capital and one off investment necessary to support the achievement of the Council's strategies and objectives. The Council recognises that its Investment Programme ambitions exceed the resources immediately available to finance all of these ambitions.
- 1.2 Appendix 8 provides a glossary explaining the technical terms used in this report.

2.0 Approach to updating the Investment Programme

- 2.1 The Covid pandemic has had a considerable impact on local government finances. Whilst the government has provided support through a series of grant payments, these have not covered all the Council's costs nor does the income compensation scheme fully mitigate income losses. Into 2021/22 there is no guarantee that this government support will continue. Whilst the pandemic may ease, the economic consequences and the financial impact on the Council are likely to take much longer to recover. The Council is particularly affected by loss of commercial rents and the risk of potential further non-payment in the future due to business failure.
- 2.2 In preparing the Investment Programme for 2021/22 it has therefore been necessary to temporarily suspend projects which have not yet been committed but which would have revenue consequences through use of the Council's revenue reserves or financing costs of borrowing. It is hoped that these can be re-instated once the financial position is more stable.
- 2.3 Since preparing the draft budget in November the government has reduced the margin charged on PWLB borrowing by 1%. This reduces the assumed cost of borrowing for the Council going forward. As set out within this report, it is still recommended that the Council seek access to PWLB borrowing at further reduced rates of interest, to assist in progressing the Council's committed regeneration schemes – Victoria Square, Sheerwater and the town centre HIF.

3.0 Overview of the Investment Programme

- 3.1 The Investment Programme lists all the Council's projects, the estimated costs of which are shown in total in Appendix 1 and in more detail in Appendices 5 and 6.
- 3.2 For each project a proposed source of funding is identified (for example capital receipts, grant, development contributions, borrowing or use of revenue reserves). Actual funding decisions will be taken at the end of the year to optimise use of resources. The Investment Programme in itself is not a source of funding; it is the list of projects together with a summary of the implications on the resources available.
- 3.3 The following appendices are attached to this report

Appendix	Title	Description
1	IP Summary	Sets out the total funded projects in the Investment Programme.
2	Financing summary	A summary of how the General Fund and Housing Investment Programme projects will be financed.
3	Reserves	A summary of the forecast reserves position.
4	Investment Strategy Reserve	A schedule of the movements on the Council's Investment Strategy Reserve. This is the Council's main 'usable' revenue reserve.
5	Housing Investment	A breakdown of the projects included in the Housing Investment Programme (HIP) where allowance will be

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	Programme	made in the General Fund or HRA revenue budgets.
6	General Fund Projects	A list of projects included in the Investment Programme (allowance made in the General Fund budget).
6a	Asset Management Plan Wolsey Place/ Export House	A breakdown of the projects within the Wolsey Place/ Export House Asset Management Plan included in summary in Appendix 6.
6b	IT Programme	A breakdown of the IT programme line in Appendix 6.
7	Projects Temporarily Suspended	A list of projects which have been temporarily removed from the funded Investment Programme to protect the Council's revenue reserves due to the impact of the Covid-19 pandemic
8	Glossary	An explanation of the technical terms used in the IP.
9	PWLB Categories	Details of which category each project has been assigned to under the new PWLB borrowing rules.

4.0 General Fund Investment Programme

- 4.1 The current and committed project details are set out in Appendix 6.
- 4.2 Where external funding is expected towards the cost of a project this is indicated against each project in the programme. If the external funding is specific to a project or type of project those external resources cannot be made available to fund other Investment Programme projects.
- 4.3 Where the project is to be funded by revenue, this is indicated as this expenditure must be taken directly from revenue reserves in the year in which it is incurred. A forecast of the Investment Strategy Reserve balance is set out in Appendix 4.

5.0 Housing Investment Programme

- 5.1 Works on the Council's housing stock are managed by New Vision Homes (NVH). The breakdown of the Woking Borough Council Homes Section of the Housing Investment Programme (Appendix 3) is illustrative and priorities will be agreed between WBC Officers and NVH. The NVH Asset Management Plan is based on stock condition surveys and NVH will review and develop the Asset Management Strategy through the financial year.
- 5.2 Elsewhere on the agenda is a report regarding bringing the Housing Management and Asset Management services back in house. The estimates have been prepared on the basis that this will take effect from the 1st April 2022 at the earliest and no impact of the insourcing has been assumed in the 2021/22 budget. The Investment Programme assumes the total AMP budget will remain the same under the new management arrangements.
- 5.3 The total Asset Management Plan budget is £3,700,000 for 2021/22. This is funded by a contribution to the Major Repairs Reserve which is the value of depreciation charged on Council Dwellings.
- 5.4 The Mandatory Disabled Facilities Grants (DFG) item on the Housing Investment Programme is funded by a £1,093,000 grant provided as part of the Department of Health's Better Care Fund.

Provision of New Housing

- 5.5 Local Authorities can retain an element of Right to Buy receipts locally to be used on one for one replacement housing. Currently these receipts can be used to fund up to 30% of the

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cost of the replacement housing and must be used within 3 years or passed to the Government.

- 5.6 Officers have reviewed the land assets held by the authority, and other potential development sites around the Borough, to identify suitable new build affordable housing developments. The Housing Investment Programme lists these schemes which are mostly funded by 30% retained receipts and 70% HRA\General Fund Borrowing. The developments detailed in the Housing Investment Programme will utilise all of the existing retained one for one receipts balance and there is a risk the HRA will not be able to build up enough receipts to fully finance 30% of the scheduled developments at the time of construction. If there is a short fall in retained receipts the HRA will have to borrow to fund 100% of the development until sufficient receipts have been received.
- 5.7 The Council has recently secured Homes England Investment Partner Status. Officers will continue to work with Homes England to access grant for other affordable housing schemes to deliver this programme.
- 5.8 The HRA new build developments include Hale End Court (the Old Woking Independent Living Scheme, OWILS), Monument Way, Bonsey Lane, and Corner of Rydens Way\Sundridge Road sites. The OWILS, Bonsey Lane and Rydens Way\Sundridge Road projects are expected to complete in 2021/22.
- 5.9 A bid for Homes England funding for the OWILS Scheme has been successful with a contribution of almost £2m towards the scheme. This funding cannot be used in conjunction with retained Right to Buy receipts. For financing purposes the development will therefore be split into two elements; one to be funded by HRA borrowing\retained receipts and the other by HRA Borrowing\Homes England grant.
- 5.10 A bid for funding has also been successful for the purchase of 121 Chertsey Road providing additional temporary accommodation in the Borough.

Sheerwater Regeneration

- 5.11 In February 2020 the Council approved the updated Sheerwater Regeneration project and financing arrangements. It was clear that close monitoring and further work would be required to seek to improve the financial position of the project. The Council on 30 July 2020 authorised the use of Compulsory Purchase Order (CPO) powers for the scheme.
- 5.12 Following an update of the Sheerwater position presented by Thameswey, the Council has approved proceeding with the Red, Yellow and Copper phases of the regeneration. The next phase includes a £3m provision for the redevelopment of the St Michaels Church site as part of the community facilities within Sheerwater.
- 5.13 The project has not yet been updated to reflect a reduction in forecast interest rates following the removal of the additional 1% margin charged on PWLB borrowing by the government. It is expected that once the financial modelling is updated financial risks will remain in the current climate, however there may be more scope to bring forward the repayment of some costs incurred by WBC. It is therefore recommended that a reduction in PWLB financing costs is sought to facilitate this major housing regeneration project.
- 5.14 The Sheerwater loan facilities approved by Council in February 2020 are shown in the table below. During the construction period Thameswey Developments Ltd (TDL) has a facility for maturity loans of up to 5 years. On sale of any properties to rent, from TDL to Thameswey Housing Ltd (THL), THL can take long term funding (50 years) for the operational period.

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	Facility £m	Term	Type	Rate	Arrangement fee
Thamesway Developments Ltd (during construction)	115	Up to 5 years	Maturity	relevant PWLB rate	No
Thamesway Housing Ltd (until construction complete)	290	Up to 5 years	Maturity	relevant PWLB rate	No
Thamesway Housing Ltd Operational	290	50 years	Annuity	relevant PWLB rate	No
Thamesway Housing Ltd Revolving Loan facility	116	Up to 30 years	Maturity	relevant PWLB rate	No
Thamesway Energy Ltd	5.25	20 years	Annuity	relevant PWLB rate	No

- 5.15 Given the very low long term borrowing rates currently available, it is recommended that TDL be authorised to take long term annuity funding, up to 50 years, through its £115m facility with those loans transferring to THL as the project progresses. The total long term loans drawn by the Thamesway Group for the Sheerwater project should not exceed the long term facility of £290m previously agreed (excluding THL revolving facility and TEL facility).
- 5.16 The allowance for Sheerwater Social Support remains in the funded Investment Programme, recognising the critical need to support the community through this project.

6.0 Reserves Forecast and Resources Statements (Appendices 2-4)

- 6.1 The Council has a number of reserves which represent funds set aside to manage the Council through its Medium Term Financial Strategy, including the town centre regeneration. It is possible that a significant proportion of these accumulated reserves could be needed to cover revenue losses as a result of the Covid pandemic, national lockdown and ongoing social distancing requirements during 2020/21 and 2021/22. This would leave the Council without the 'buffer' it needed to manage the launch of these major projects, and with minimal scope to cope with continued losses beyond 2021/22.
- 6.2 The Reserves section of the Investment Programme shows the effect of the spending on HIP and GF Committed projects on the Council's reserves. At the current time it is critical that reserves are maintained to meet the temporary, and potentially ongoing, reductions in income as a result of the Covid pandemic.
- 6.3 Forecast use of reserves is shown without allocation from existing earmarked reserve. The Medium Term Financial Strategy (MTFS) will consider which reserves should be used for this purpose, or where capital receipts can be reallocated if allowed by the government.
- 6.4 The Investment Programme contains some projects which are of a revenue nature. In accounting terms these projects do not produce an asset and so they cannot be funded from capital sources such as capital receipts or borrowing. The cost of these projects fall on revenue sources and are included in the Investment Strategy Reserve (General Fund) and HIP Reserve (Housing Revenue Account). Details of the General Fund and HRA impacts are included in other reports on the agenda. These impacts have been minimised through the temporary suspension of revenue projects where possible.
- 6.5 All of the costs relating to the Investment Programme are built into the General Fund and Housing Revenue Account estimates. However, given the ongoing pressures on revenue reserves and economic uncertainty, the Council's financial position will be considered before projects commence, and delaying starting projects remains an option.

7.0 Priorities

- 7.1 The projects are included within the Investment Programme using the priorities established by the Capital Strategy. The use of capital resources are prioritised in the Capital Strategy as follows:

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- schemes that are essential to comply with Health and Safety or security obligations;
- schemes that are essential to enable the Council to carry on its business with economy, efficiency and effectiveness, including electronic service delivery;
- schemes that are for essential maintenance of assets;
- schemes that enable the Council to further the objectives of the Community Strategy;
- schemes that secure or enhance the income base; and
- schemes that secure reductions in the cost base.

7.2 Prioritisation of the use of capital resources has regard to the Council's service priorities, as determined at least annually as part of the budget process.

8.0 Reporting of Project Progress

8.1 The Executive receives a quarterly report of progress on projects. The report focuses on active projects and shows the project progress and assesses overall project risk as well as the total cost of projects (including costs incurred in previous years).

8.2 When a project is planned, a project mandate is prepared and these mandates are used to update the Investment Programme. Spending should only commence on a project once it has been through an authorisation process and the budget released.

8.3 Further detail on active projects is reported to the Executive through the project monitoring process. Please see the 'Monitoring Reports – Projects' Report elsewhere on the agenda for further details.

9.0 New schemes included within the Financed Investment Programme

9.1 The Investment Programme includes the following new schemes which have been added since the Investment Programme was approved in February 2020. The items added to the programme are indicated below and further details can be found in Appendices 5 and 6.

- Green Homes Grant Local Authority Delivery scheme
- Victoria Square Financial Modelling
- Transit Site Project
- Goldsworth Park Shopping Centre
- Economic Regeneration
- 36 to 42 Commercial Way Purchase
- Loan Re Wolsey Place
- SEN School at Brookwood Farm
- Maybury Centre Café
- 121 Chertsey Road

Woking Integrated Transport Plan (WITP)

9.2 The Investment Programme includes the estimated level of spend on the WITP to be financed by the Council. Expenditure under the project is also to be charged to Victoria Square Woking Ltd, Thamesway Energy, and other third parties. These costs are not shown on the Investment Programme.

9.3 The WITP is to be financed by section 106 and Community Infrastructure Levy (CIL) contributions. Shortfalls in CIL income due to delays in developments coming online will

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restrict the resources available to finance Council projects. This may mean the WITP project may have to be financed from borrowing until future CIL contributions are received. Currently there is no borrowing assumed in the Investment Programme for this project.

- 9.4 Officers will report the Final Account of the project to the Executive during 2021/22.

Housing Infrastructure Fund (HIF)

- 9.5 In July 2019 the Council was awarded a £95 million grant from the Ministry of Housing, Communities and Local Government Housing Infrastructure Fund. The investment will be used to address inadequacies of the A320 Guildford Road and Victoria Arch, to improve pedestrian and cycle routes and replace the railway bridge.
- 9.6 The terms of the funding were agreed in early 2020 and the Council has received £21,423,771 to date.
- 9.7 As with the WITP above, the Council's contribution towards this project depends on developers contributions from the sites which will benefit from the infrastructure improvements.
- 9.8 The government funding towards this key infrastructure has been allocated based on delivery of increased housing numbers in the town centre. Any delay or reduction in forecast developments, will require the Council to borrow to finance these costs, with the interest costs putting additional pressure on the Council's future revenue budget.
- 9.9 Assumed development may be delayed as a result of the economic consequences of the pandemic. Given this risk, it is recommended that the Council seek a reduction in the PWLB rate for any borrowing associated with this project.

Victoria Square Woking Ltd (VSWL)

- 9.10 Delays due to Covid have led to cost overruns on the Victoria Square project. The reduction in PWLB interest rates will mitigate some of this impact. Any further reduction secured would improve the position, reducing the time taken for income to meet costs. Officers are reporting the updated overall position of the project to Council on 11 February. The Investment Programme includes the forecast loan requirement over 2020/21 and 2021/22.

Brookwood Cemetery

- 9.11 The Investment Programme includes capital and revenue grants to Brookwood Cemetery to fund backlog maintenance as well as capital improvements. The assumed level of these grants has been reduced in this Investment Programme, as both are ultimately funded from the Council's revenue reserves, to £150k for the capital grant and £150k revenue grant in 2021/22.
- 9.12 On 22 January the Cemetery Board considered the resources required to maintain the service and complete essential capital works. An additional £150k capital grant has been requested in 2021 which reflects slippage of ongoing capital projects from 2020.

We Are Woking

- 9.13 In recent years the We Are Woking campaign has sought to promote the town as 'open for business' during disruptive development works as well as attracting new commercial, visitor and local interest to the Borough.
- 9.14 Allowance for this campaign is still included in the Investment Programme in 2020/21. The budget has also been used to support residents and promote the work of local community

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groups during the first lockdown, as well as the safe accessibility to Borough businesses which have been open over (or open some of) the last six months.

- 9.15 Whilst this work is currently moved onto the temporarily suspended list of projects, it is clear that further spend will be necessary in 2021/22 and beyond to support the Council's commercial interests in the town centre. Promotion will be required to encourage residents and visitors to return to the town centre through the launch of Victoria Square and beyond. It is also likely that funding will be required to attract new tenants to vacant retail and hospitality spaces. The budget requirement for 2021/22 town centre recovery post Covid will be further considered in the March MTFS.

Opportunity Purchases

- 9.16 The Investment Programme includes a budget allowance for Opportunity Purchases. This is for property which becomes available and which would assist in progressing the Council's long term objectives.
- 9.17 It is assumed that all Opportunity Purchases will be neutral to the revenue budget, either providing an income stream to meet financing costs, or being part of a development site where financing costs can be capitalised until the asset is complete. It is important that future Opportunity Purchases do not result in increased revenue costs for the Council.

Transit Site

- 9.18 The project to develop a transit site for Surrey has long been a shared ambition of all Surrey authorities. A transit site in the County would enable Surrey Police to use Section 62a of the Criminal Justice and Public Order Act 1994 to direct travellers from Unauthorised Encampments (UEs) and to prohibit them from returning to any UE within the Borough for a period of 3 months. In addition the existence of a Transit Site will help minimise the conflict between travelling and settled communities and address the welfare needs of the travelling community.
- 9.19 A site has been identified in the East of the County which, subject to Planning Consent, could be developed into a 10-pitch transit site. Surrey County Council own the site and is willing to make it available and remove contamination from the site.
- 9.20 Borough and District Councils, other than the host Borough, have been requested to make a financial contribution in 2021/22 of:-
- a one off contribution of up to £127,000 in capital funding for the construction of the site; and
 - an annual contribution of £7,500 revenue funding for the maintenance of the site.

Medium Term Financial Strategy (MTFS) Requirement

- 9.21 In November 2020 HM Treasury announced revised lending terms for the PWLB. The PWLB will no longer lend to any Local Authority which plans to buy investment assets primarily for yield (regardless of whether this purchase would be funded by PWLB borrowing or through other resources).
- 9.22 The main source of borrowing for Woking is the PWLB and the Council cannot risk loss of access to borrowing which is required to complete ongoing developments. Any property purchased would need to comply with the stricter definitions set by the new guidance and ensure there is no scope for the government to challenge the purpose of the acquisition.

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- 9.23 The Investment Programme still includes provision for Opportunity Purchases in 2021/22 as these are made for operational/regeneration purposes and not primarily for yield. These purchases will be need to be considered on an individual basis.
- 9.24 Certain outstanding purchases approved under the MTFS Investment Strategy remain in the Investment Programme as 'Strategic Regeneration Site Acquisition'. Although they were approved under this strategy their primary purpose is regeneration and therefore complies with the new PWLB rules.
- 9.25 Appendix 9 details which category the projects on the Investment Programme are classified as under the new PWLB lending rules.

SCC Long Term Empty Properties funding

- 9.26 As set out in the General Fund budget also on this agenda, Surrey County Council (SCC) have proposed that any additional Council Tax generated through implementation of additional charges for Long Term Empty Properties may be used by the Districts for priority projects.
- 9.27 SCC would like the reallocated funding to directly support a County initiative or specific project. Examples include work that supports homelessness reduction, addresses climate change commitments and rethinking local transport delivery.
- 9.28 Officers are exploring climate change initiatives, which would otherwise not be able to proceed, to utilise this funding forecast as £135,000 to date.

10.0 Schemes in excess of £1m

- 10.1 In accordance with the Notice of Motion agreed by Council on 12 July 2007 the following schemes have costs exceeding £1m, not all of which have been contractually committed:

- 36 to 42 Commercial Way Property Purchase
- Acquisition of Car Parks from Victoria Square Woking Ltd (TMP12)
- All Weather Pitch – Woking Football Club/Woking College (20052)
- Brookwood Cemetery – Grant for Capital Works (20041)
- Capitalised Salary Costs for Projects (TMP23)
- Car Park Management System (TMP13)
- CCTV Infrastructure Upgrade and Formation of Town Centre Control Room (20122)
- Dukes Court Plaza (20209)
- Economic Regeneration
- Goldsworth Park Shopping Centre Purchase
- Green Homes Grant Local Authority Delivery scheme
- Housing Infrastructure Fund (HIF) Land Acquisition Strategy (20226)
- HRA Housing Developments (20191)
- HRA Property Purchases
- Loan re Greenfield School
- Loan re Wolsey Place

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- Loans to Thamesway Central Milton Keynes
- Mandatory Grants
- New Hostel Provision (TMP51)
- Opportunity Purchases for Regeneration
- Playing Pitch and Outdoor Facility Strategy Action Plan (20081)
- Poole Road Energy Centre – Loan to Thamesway Energy Ltd
- Provision of New Homes
- SEN School at Brookwood Farm (funded from Grant)
- Sheerwater Dentist Surgery – Provision of new surgery building (20143)
- Sheerwater Regeneration - Loan to TDL
- Strategic Regeneration Site Acquisition
- Syrian Refugee Resettlement Programme (TMP15)
- Sythwood Residential Units (TMP52)
- Victoria Arch and Integrated South Side Works including Network Rail (20226)
- Victoria Square Phase 2 – Loan to Victoria Square Woking Ltd
- Wolsey Place Refurbishment and Reconfiguration
- Woking Borough Council Homes (10429)
- Woking Cinemas (TMP7)
- Woking Integrated Transport Package (20124)
- Woking Shopping Food Court & Vertical Circulation
- Woking Sustainable Transport Package (TMP8)

10.2 Other items in excess of £1 million include the Asset Management Plan, ICT Programme and Housing Repairs and Improvements programme which are each made up of a number of projects which vary in size.

10.3 Reports seeking approval to schemes will be made to the Executive as appropriate.

10.4 Approved loans to group companies in total exceed £1 million and are released on request, providing they are within the sums agreed in the Group Business Plans.

11.0 Schemes not yet taken account of

11.1 There are a number of initiatives that have not been included in the Investment Programme as they are not yet ready for formal consideration. These are noted below:-

11.2 Monument Way West – this proposal has three elements. A housing scheme, included in the Housing Investment Programme, subject to an active Planning Application that includes the provision of a new road junction with Monument Road. The redevelopment of the former 4GS site to provide a replacement warehouse, to facilitate the new road junction by the relocation of the occupier of the warehouse adjoin the housing site and enable the creation two industrial units to let, one new one and the warehouse adjoin the residential site.. The redevelopment of the former Gas Holder site to provide a permanent depot for Woking Community Transport.

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- 11.3 Former Robin Hood pub site – proposals for residential development have been prepared and following consultation with Ward Members (three wards as the site adjoins St Johns, Knaphill and Goldsworth Park). A proposal will be submitted to the Executive.
- 11.4 Former Anchor Pub site, Knaphill – Planning Consent has been obtained for residential and the Director of Housing has been consulted concerning the use of the site for temporary accommodation. A proposal will be submitted to the Executive.
- 11.5 Woking College is seeking the long term use of part of the Old Woking Community Centre; Trustees of the Community Centre have supported exploring the proposal. The Council owns the site and leases it to the Community Centre. The proposal will require investment in alterations to the building to meet the both the requirements of Woking College and the Community Centre. A proposal will be submitted to the Executive.
- 11.6 The Housing Infrastructure Fund project to widen Victoria Arch will require a number of agreements between the Council and landowners to secure the delivery of additional homes in accordance with the approved contract with Homes England. Proposals will be submitted to the Executive in respect of each landowner or developer.
- 11.7 Woking Football Club project has been removed from the funded Investment Programme at this stage as planning permission for the scheme has not yet been achieved. The Council is committed to providing a loan financing facility should the project proceed following a successful appeal. The project would need to be reinstated to the funded Investment Programme, but as a margin is generated on the loan it will have a positive impact on the Council's financial position.
- 11.8 The Gymnastics Club project is included on the 'Temporarily Suspended' projects list, as this is associated with the Football Club development which does not currently have the planning permission to progress. Should the project proceed, this Gymnastics Club relocation would also be reinstated in the funded Investment Programme as a Council commitment through the development agreement.

12.0 Release of funding

- 12.1 The Council's Capital Strategy sets out the arrangements for managing the initiation and approval of projects and includes a delegated arrangement for the Executive to agree new schemes which fall within the following parameters:
- 12.2 "Where the scheme is a new scheme the proposal will be scheduled for consideration by the Executive. The Executive will be granted delegated authority to agree schemes which can be contained within the following parameters set by the Council:
- the capital cost of each individual project does not exceed £5m;
 - the aggregate capital cost of schemes approved by the Executive under this delegation does not exceed £10 million in any one financial year; and
 - the cost can be contained within the authorised borrowing limits.

The setting of the Authorised and Operational borrowing limits is reserved to the Council. Where the scheme is expected to be outside of the above parameters the scheme will need the approval of the Council."

- 12.3 The use of this delegated authority is reported in the Green Book.

13.0 Thamesway

13.1 Due to the Covid pandemic the Thamesway group has not produced revised Business Plans, instead continuing to progress the existing plans where possible until any consequences of the pandemic are clearer and a plan for the future can be assessed. Existing loan facilities are sufficient to progress the majority of the Thamesway group plans.

14.0 Implications

Financial

14.1 The financial implications of the Investment Programmes have been incorporated in the draft General Fund and Housing Revenue Account estimates. The Prudential Borrowing implications have been built into the Treasury Management Estimates.

14.2 Later phases of the General Fund programme, and the progression of the temporarily suspended projects, rely on the affordability of financing borrowing costs or the identification and receipt of other new resources to enable projects to proceed.

Human Resource/Training and Development

14.3 The Council has core resources to manage the Investment Programme but relies upon third party consultants to implement a number of its major projects. This is considered the most cost effective way of managing a varied programme.

Community Safety

14.4 This report has no specific community safety implications.

Risk Management

14.5 The project management arrangements provide for risk analysis as part of the improved control of Investment Programme projects; this seeks to minimise and manage risk. In corporate terms the main risk for the Council is in overstretching its capacity, this is recognised by Officers and from time to time it will be necessary to re-prioritise the programme to reflect the capacity of the Council.

Sustainability

14.6 Projects in the Investment Programme are progressed in accordance with the Procurement Strategy, Crime and Disorder Strategy, and the Climate Change Strategy.

Equalities

14.7 This report has no specific equalities implications.

Safeguarding

14.8 This report has no specific safeguarding implications.

15.0 Consultations

15.1 No general public consultations have been undertaken in connection with this report. The Investment Programme has been reviewed by Managers, Corporate Management Group, Portfolio Holders and Finance Task Group.

REPORT ENDS