

Capital Programme 2016/19

Scheme Bid Document - Scheme: Property Investment Strategy

Description: A sum of £10m be set aside for the purposes of building a diversified and balanced portfolio of investment assets (Council agreed 21/07/15).

Service : Finance

Portfolio Holder/Chief Officer : Cllr Searles/Adrian Rowbotham

Financials :

CAPITAL COSTS	TOTAL	2016/17	2017/18	2018/19
	£000	£000	£000	£000
Gross scheme cost	10,000	10,000	-	-
External Contributions (list)				
Net scheme cost	10,000	10,000	-	-
ONGOING REVENUE IMPLICATIONS (excluding loss of interest)				
Running costs				
Income streams (see note below)				
Net cost			-	-

Funding Source : Council agreed that this can be funded from borrowing. However, it is likely that further capital receipts will be received from the sale of assets and when this arises, the options for their use will be analysed to ensure they are used in the most beneficial way.

Income Streams: These were outlined on Gold Pages at Council on 22 July 2014 (and previously at Cabinet (10 April 2014) and FRAC (26 March 2014)). Details are withheld as Exempt Information by virtue of Para. 3 of Part 1 of Schedule 12A LGA 1972.

Other Resource Implications :	
Staffing	<p>Resource would be required from the Legal Section (or possible external legal advisors) to undertake legal pre purchase due diligence. There is also likely to be an increase in the level of Landlord and Tenant related legal work.</p> <p>The Property Investment Strategy requires an element of financial management, which will include billing rents, service charge and insurance.</p>

Asset Values	n/a
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Justification: Additional Savings

This Property Investment Strategy is a major part of the overall strategy to contribute to the Council becoming financially self-sufficient.

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Scheme Bid Document - Scheme: Development of Sennocke and Bradbourne Car Parks

Description: Provision of a hotel on the Sennocke car park site and a new decked car park to provide additional capacity at the nearby Bradbourne car park.

Service : Property

Portfolio Holder/Chief Officer : Peter Fleming/Lesley Bowles/Richard Wilson

Financials :

CAPITAL COSTS	TOTAL £000	2016/17 £000	2017/18 £000	2018/19 £000
Gross scheme cost				
Hotel	9,200	1,500	7,700	-
Car Park	5,300	5,300		
Net scheme cost	14,500	6,800	7,700	-
ONGOING REVENUE IMPLICATIONS * (excluding loss of interest)				
Running costs				
Income streams				
Net cost		x	x	x

Funding Source :

Hotel to be funded from Financial Plan Reserve and Capital Receipts (as Option C Cabinet 15 October 2015)

Car Park works funded from Internal Borrowing (as Option B Cabinet 15 October 2015)

*Details of the income streams from these schemes is excluded here by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, however the funding method for the Hotel should result in an income yield in excess of 6% as required in the Property Investment Strategy. Details of the anticipated income streams were provided as a confidential appendix to Cabinet on 15th October 2015.

Other Resource Implications :	
Staffing	There is likely to be significant staff time involvement in setting up a Development Management Agreement and Agreement for Lease with the preferred Development Management Consultant and preferred

	Hotel Operator
Asset Values	n/a

Justification:

The proposed development has the potential to deliver economic benefits to the District through the provision of a much needed Hotel and additional car parking at Sevenoaks Station. The Investment will also provide an income stream that could contribute significantly towards the Council's aim of Financial Self Sufficiency.

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Scheme Bid Document - Scheme: Building works - Dunbrik Depot Vehicle Workshop

Description: Funds necessary to achieve completion of workshop roof line alterations and associated works substantially progressed during 2015/16. These works are necessary to permit all current refuse freighter and other large commercial vehicles to gain entry to the workshop for essential maintenance.

Service : Environmental and Operational Services

Portfolio Holder/Chief Officer : Councillor Matthew Dickins/Richard Wilson

Financials :

CAPITAL COSTS	TOTAL £000	2016/17 £000	2017/18 £000	2018/19 £000
Gross scheme cost	20	20	0	0
External Contributions (list)				

Net scheme cost	20	20	0	0
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ONGOING REVENUE IMPLICATIONS
(excluding loss of interest)

Running costs

Income streams

Net cost	0	0	0
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Funding Source: From reserves.

Other Resource Implications :	Short term closure of workshop and MOT Test station during construction works.
Staffing	Managed by existing employees
Asset Values	Approximately £498k

Justification: (Statutory Duty / Community Plan Aims / Key Infrastructure / Additional Savings / Other)

- 1) To have effective infrastructure to maintain vehicles essential to providing mainly statutory services.
- 2) Supports the Council's priorities.
- 3) Replacement vehicle purchases dictated by workshop height limitations and may not offer best overall value.

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Scheme Bid Document - Scheme: Improvement Grants

Description: Statutory Disabled Facility Grants (DFGs) including large scale voluntary transfer (LSVT) registered social landlords (RSL) aids and adaptations and cost of processing applications

Service : Housing Standards

Portfolio Holder/Chief Officer : Cllr Michele Lowe and Pat Smith

Financials :

CAPITAL COSTS	TOTAL	2016/17	2017/18	2018/19
	£000	£000	£000	£000
Gross scheme cost	1,602	534	534	534
External Contributions (list)	(1,431)	(477)	(477)	(477)
Net scheme cost	171	57	57	57

ONGOING REVENUE IMPLICATIONS

(excluding loss of interest)

Running costs

Income streams

Net cost	0	0	0
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Funding Source : Government Grant (DCLG) and Council budgets

* : Revenue implications dependent on individual projects.

Other Resource Implications :	
Staffing	Staff costs have been removed over a 5 year period and costs now met from existing revenue budgets.
Asset Values	Assets not in Council ownership

Justification: (Statutory Duty / Community Plan Aims / Key Infrastructure / Additional Savings / Other)

It is a statutory duty to provide DFG's to older and or disabled residents. £250,000 is ring fenced for aids and adaptations for West Kent Housing Association (WKHA) tenants and both this and the Council's DFG service are eligible for DCLG funding.

The Council was running the DFG process in house as a pilot and it was reviewed after 18 months and as it has been performing very well it will remain in house. The HIA still manages the larger DFGs and we are looking at a possible Handyman service.

From 2015 the DCLG total budget for Kent has been administered by KCC (ring fenced for each Council so should not be an issue). Currently it is assumed the funding will continue to be not less than last year's allocation.

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Scheme Bid Document - Scheme: Vehicle Replacement Programme

Description: Purchase of replacement commercial fleet vehicles that have reached the end of their fully depreciated operational life.

Service: Environmental and Operational Services

Portfolio Holder/Chief Officer : Councillor Matthew Dickins/Richard Wilson

Financials :

CAPITAL COSTS	TOTAL	2016/17	2017/18	2018/19
	£000	£000	£000	£000
Gross scheme cost	1434	514	451	469
External Contributions (list)				

Net scheme cost	1434	514	451	469
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ONGOING REVENUE IMPLICATIONS
(excluding loss of interest)

Running costs

Income streams

Net cost	0	0	0
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Funding Source: Funding is via the vehicle replacement fund which is financed by depreciation charges for all fleet vehicles and from the sale of any old vehicles. Depreciation charges are made on all vehicles over predetermined periods and met from fixed transport charges to the relevant trading account or relevant service budget.

Other Resource Implications :	
Staffing	Managed by fleet management overhead account by existing employees.
Asset Values	Approximately £3 M

Justification: (Statutory Duty / Community Plan Aims / Key Infrastructure / Additional Savings / Other)

To maintain services, mainly statutory. Supports all the Council's priorities