



Dorset Waste Partnership Joint Committee

Date of Meeting	6 November 2017
Officers	Treasurer to the Dorset Waste Partnership and Finance and Commercial Manager, Dorset Waste Partnership
Subject of Report	Capital Programme to 2022/23
Executive Summary	<p>This report contains an update on the proposed capital programme for the period of the Medium Term Financial Plan (MTFP) i.e. up to and including 2022/23.</p> <p>Estimates of capital expenditure have been updated based on current knowledge and progress of the capital programme to date.</p> <p>The DWP is unable to incur capital expenditure in its own right, and therefore needs Dorset County Council, as host authority, to reflect the DWP expectations of capital expenditure within its own capital programme. The Joint Committee are therefore asked to instruct the Treasurer to take the capital programme back to the County Council for inclusion in their capital programme.</p>
Impact Assessment:	<p>Equalities Impact Assessment:</p> <p>Not applicable.</p>
	<p>Use of Evidence: This report is based on data from the County Council's financial system together with information from service managers.</p>
	<p>Budget: The total capital programme outlined 2017/18 – 2022/23 is £28.1million.</p>

Capital Programme to 2022/23

	<p>Implications for the budget are contained within the report.</p> <hr/> <p>Risk Assessment:</p> <p>Having considered the risks associated with this information using the County Council's approved risk management methodology, the level of risk has been identified as:</p> <p>Current Risk: MEDIUM Residual Risk: MEDIUM</p> <hr/> <p>Other Implications:</p> <p>No other implications have been identified.</p>
<p>Recommendations</p>	<p>The DWP Joint Committee is asked to consider the information in this report and:</p> <ul style="list-style-type: none"> i) Comment on the updated capital programme. ii) Instruct the Treasurer to take the latest capital estimates through the County Council's capital programme approval arrangements.
<p>Reason for Recommendations</p>	<p>The Capital Programme does not require the formal approval of partner councils, but they are invited to comment on the programme.</p> <p>The County Council, as host authority, must incur capital expenditure on the Partnership's behalf by including the expenditure in the County Council's capital programme.</p>
<p>Appendices</p>	<p>Appendix 1 – Capital programme to 2022/23</p>
<p>Background Papers</p>	<p>None</p>
<p>Report Originator and Contact</p>	<p>Name: Andy Smith, Treasurer to the Dorset Waste Partnership, Tel: 01305 224031 Email: a.g.smith@dorsetcc.gov.uk</p> <p>Name: Paul Ackrill, Finance and Commercial Manager, Dorset Waste Partnership, Tel: 01305 224121 Email: Paul.Ackrill@dorsetwastepartnership.gov.uk</p>

1. Capital Programme

- 1.1 Details of the refreshed capital programme are attached at Appendix 1. The main points are as follows:
- 1.2 **New waste facility at Blandford.** The programme reflects the latest estimate of spend and profiling for the proposed new facilities at Blandford. The Joint Committee receive separate updates on this project. The DWP has recently submitted a revised bid to the DCLG, together with Bournemouth BC, to spend some of the remaining 12.9m on developing local infrastructure sites for Dorset residents. Part of this revised bid includes extra funding to support the Blandford Scheme.
- 1.3 **Containers.** The capital programme contains an annual sum estimated to be the 'business as usual' capital requirement for bins and boxes i.e. for replacements and for dealing with new service requirements such as new dwellings, at just over £500k per annum.
- 1.4 **Vehicle replacement programme.** DWP policy for vehicle replacement is based on a seven-year asset life. Every year contains a sum for the purchase of new vehicles as deemed necessary. The details are consistent with the September 2017 Joint Committee report which detailed vehicle replacement requirements. The vehicle replacement programme previously included a 'spike' in expenditure for the replacement of tri-stream and dual-stream vehicles at the end of their lives in the east and north of the county (R4D Phase 1 roll out), around 2020/21. The assumption included in this revised programme is that the model used in south and west Dorset (R4D Phase 2 roll out) is used on a phased basis, i.e. standard RCVs and separate food waste collection vehicle are introduced over a period of time. Although these costs are included here provisionally, the final vehicle specifications will be subject to the outcomes of the formal project for revisiting the collection arrangements in the east and north of the county.
- 1.5 **ICT system.** The capital programme includes an assumption regarding a replacement ICT system, for which approval was given at June 2017 Joint Committee. At the time of writing this report, a procurement exercise is underway.

2. Capital cost sharing mechanism

- 2.1 All capital spend is cost shared as and when it affects the revenue budget (in the form of 'capital charges' (essentially a depreciation charge plus interest paid for borrowing of capital funding)) as per the agreed cost sharing percentages.

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Treasurer to the Dorset Waste Partnership

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October 2017