

**POLICY, FINANCE & ADMINISTRATION COMMITTEE**

**25 JANUARY 2012**

**REPORT OF THE HEAD OF CENTRAL SERVICES**

**CAPITAL PROGRAMME 2011-2016**

**1.0 PURPOSE**

1.1 The purpose of this report is to consolidate the Capital Programme across all committees, to revise authorised spending as appropriate and to consider the overall funding position for 2011/12 and make recommendations to Full Council on the Capital Programme for all funds for 2012/13. In determining the appropriate funding the provisions contained within the Local Government & Housing Act 1989 have been considered, in particular, the strict controls applied to the amounts available from capital receipts.

**2.0 RECOMMENDATIONS**

**2.1 It is recommended that:**

- a) the revised capital programme and funding for 2011/12, as shown at Appendix A, be approved (para. 3.1.1 refers) and;
- b) Full Council approve funding for the capital schemes in respect of General Expenses, Special Expenses and the Housing Revenue Account (HRA) and the sources that funding will be taken from for 2012/13 as set out in Appendices B to D.

**3.0 KEY ISSUES**

**3.1 2011/12 CAPITAL PROGRAMME**

3.1.1 A revised capital programme has been considered by each of the policy committees and the funded programme for 2011/12 and source of that funding is attached at Appendix A. This is based on the recommendations contained in the Items for Approval Under Financial Procedure Rules report contained earlier on the agenda. It is recommended that these amounts should be confirmed as the authorised spending for 2011/12. A 5 year capital programme covering the period 2011-2016 is available on request from Finance and will form part of the Budget Book for 2012/13.

**3.2 AVAILABLE RESOURCES & PROPOSED CAPITAL PROGRAMME 2012/13**

**General expenses**

3.2.1 Members considered the allocation of funding to General Expenses and Special Expenses at the Budget Away Day held on 9 January 2012. The schemes proposed for funding and the source of that funding for General Expense's is set out in Appendix B for Members to approve for submission to Full Council.

3.2.2 Whilst no funding is proposed for allocation to the two community facilities schemes contained in the full capital programme members have proposed that schemes be brought forward in the year for consideration for funding as applications are made. At that time the availability of funding to support the projects would be considered.

3.2.3 No funding is proposed in respect of the Wilton Road Bus Park Resurfacing scheme contained within the full capital programme however members considered that consultation should be undertaken with users following previous debates at the Rural Economic and Environmental Affairs Committee regarding the charging for regular

timetabled buses that use the area for dropping off and collecting passengers. This could consider the best use of the space and any works required.

- 3.2.4 Funding has been proposed in respect of electronic working for members however members are proposing that the detail for the scheme be considered further at this committee meeting prior to any formal allocation of funding at Full Council as part of the budget setting decision.

#### **Special Expenses Melton Mowbray**

- 3.2.5 The proposed programme for Special Expense's schemes is set out in Appendix C for Members to approve for submission to Full Council.
- 3.2.6 Members of the Town Area Working Group had previously prioritised the schemes and in light of the level of special expense reserves had proposed two additional schemes be considered for funding these being the investigation of a crematoria for the borough and also the refurbishment of the Melton country park pavilion. There has not to date been sufficient time to investigate the likely cost of these schemes and therefore it was proposed at the budget away day that mandates for these be prepared and submitted to the relevant committee where the availability for funding could also be considered based on more detail surrounding the schemes.
- 3.2.7 In line with their proposal on general expenses whilst no funding is proposed for allocation to the community facilities special expense scheme contained within the full capital programme members have proposed that any schemes be brought forward in the year for consideration for funding as applications are made. At that time the availability of funding to support the projects would be considered.

#### **Housing Revenue Account (HRA)**

- 3.2.8 The proposed capital programme in respect of the HRA is contained in Appendix D. This programme is based on the three year programme approved by the Community & Social Affairs (CSA) Committee at a meeting held on 25 January 2011. This programme will be reconsidered following the finalisation of the HRA business plan and an analysis of the underlying asset management data and any changes presented to the CSA committee for approval at its meeting in March 2012.

#### **Available Resources**

- 3.2.9 No account has been taken to date for the receipt from the sale of land at Nottingham Road. Members wished to consider this further along with both unfunded projects currently in the programme and any other projects that may arise. Against this background members discussed likely projects arising from the IT strategy review, the introduction of high speed Broadband in the rural areas, affordable housing, Grantham Canal and the current examination of a Local Authority Mortgage Scheme by officers. Should the receipt become available it was proposed that any schemes suggested for funding from the Corporate Priorities Reserve be amended and funded from capital receipts in order to preserve the spending power of this reserve which is more flexible in terms of its application.
- 3.2.10 The following assumptions have been made regarding available resources:
- a) As part of the self financing settlement a borrowing cap is being imposed on council's HRA borrowing. The headroom available to the council for further borrowing up to the cap is £1.6m. There is no proposal to utilise this headroom in 2012/13. DCLG are also currently consulting on Right To Buy (RTB) receipt distribution in excess of those already allowed for in self financing settlement and the significant increase in the current cap to encourage more sales. The outcome and full implications to the council are as yet unclear but any new scheme is expected to come into force from 1<sup>st</sup> April 2012.
  - b) No schemes have been considered suitable for unsupported borrowing in terms of generating future revenue savings or generating income to offset the repayment of borrowing costs.

- c) The capital grant for expenditure on disabled facilities grants is subject to confirmation.

#### **4.0 POLICY & CORPORATE IMPLICATIONS**

4.1 Policy and corporate implications are considered for each proposed new scheme as part of the Council's priority assessment process. The results of this are reported to members as part of the budget setting process prior to finalising the capital programme.

4.2 A capital receipt can only be utilised for the repayment of debt or to fund capital expenditure. As such when members consider the use of these funds they should consider maximising the flexibility provided by revenue reserves such as the Corporate Priorities Reserve by funding capital expenditure from capital receipts in the first instance. This is in line with the proposal to amend the funding of any schemes proposed for funding from the Corporate Priorities Reserve to capital receipts should these become available.

#### **5.0 FINANCIAL & OTHER RESOURCE IMPLICATIONS**

5.1 There are no further financial and resource implications arising from this report.

#### **6.0 LEGAL IMPLICATIONS/POWERS**

6.1 Any legal implications arising from new schemes will have been addressed at the Project Mandate stage.

#### **7.0 COMMUNITY SAFETY**

7.1 Individual schemes could have links to community safety issues. These are covered in any associated reports and forms linked to these schemes as they progress through the decision making process. As community safety is a corporate priority this is considered as part of the priority assessment and budget setting process when considering individual schemes.

#### **8.0 EQUALITIES**

8.1 The equality issues of each individual scheme are considered as they progress through the approval process.

#### **9.0 RISKS**

9.1 There will be risks associated with each of the individual projects and these are considered as part of the consideration of these individual schemes through the decision making process.

#### **10.0 CLIMATE CHANGE**

10.1 Individual schemes could have climate change issues but these are considered individually as they progress through the approval process.

#### **11.0 CONSULTATION**

11.1 Public consultation has been limited to certain specific schemes i.e. the new Council Offices and Waterfield Leisure Pools. In addition an article has been included on the Council's web site for business ratepayers. As schemes progress it may be deemed appropriate for specific consultation to be undertaken on individual projects.

11.2 There has been extensive consultation with tenants over the HRA proposals through the formulation of the Housing Business Plan.

11.3 Proposed capital schemes are usually considered by the Programme Board and by other internal groups as appropriate prior to submission to policy committees.

11.4` As set out in para 3.2.3 above consultation is being proposed on the Wilton Road Bus Park Resurfacing Scheme prior to any funding being considered in the future.

## 12.0 **WARDS AFFECTED**

12.1 To varying degrees, all wards are affected by the Council's Capital Programme.

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Appendices: Appendix A – Capital Programme 2011/12  
Appendix B – General Expenses Capital Programme proposals 2012/13  
Appendix C – Special Expenses M M capital proposals 2012/13  
Appendix D – HRA capital proposals 2012/13

Background Papers: Capital Programme 2011-16  
Statement of Revenue & Capital Reserves

Reference: X:\Cttee, Council & Sub Cttees/PFA/2011-12/250112/DG – Capital Programme 2011-16