

## POLICY, FINANCE & ADMINISTRATION COMMITTEE

26 JANUARY 2011

### REPORT OF THE HEAD OF CENTRAL SERVICES

#### CAPITAL PROGRAMME 2010-2015

#### 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 2011/12. 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 2010/11, 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 and the Housing Revenue Account (HRA) and the sources that funding will be taken from for 2011/12 as set out in Appendix B (para. 3.2.1 refers). Members should note that no funding is being recommended in respect of Special Expenses schemes.**

#### 3.0 KEY ISSUES

##### 3.1 2010/11 CAPITAL PROGRAMME

3.1.1 A revised capital programme has been considered by each of the policy committees and the funded programme for 2010/11 and source of that funding is attached at Appendix A. It is recommended that these amounts should be confirmed as the authorised spending for 2010/11. A 5 year capital programme covering the period 2010-2015 is available on request from Finance and will form part of the Budget Book for 2011/12.

##### 3.2 AVAILABLE RESOURCES & PROPOSED CAPITAL PROGRAMME 2011/12

3.2.1 Members considered the allocation of funding to General Expenses and Special Expenses at the Budget Away Day held on 11 January 2011. The proposed programme for General Expense's schemes is set out in Appendix B for Members to approve for submission to Full Council. The Community & Social Affairs Committee in a meeting held on 25 January 2011 approved a revised programme for the HRA. The following issues should be noted:

- a) The HRA Capital Programme has been prepared in accordance with the Housing Business Plan, which incorporates the results of a stock condition survey. Of the £1,244k available the Community & Social Affairs Committee has allocated £1,217k to the capital programme as set out in Appendix B. In addition to this, an amount of £75k has been set aside to repay a loan of £448k in four years time from the Major Repairs reserve as approved by this committee as additional borrowing in September 2009.

This is in addition to the annual MRP (Minimum Revenue Provision) charge of £14k which is charged to the HRA revenue budget. This leaves £27k unallocated within the Major Repairs Reserve to be available for capital spending in the future.

- b) Whilst no funding has been allocated to Special Expenses schemes Members did suggest utilising the available Section 106 monies of £39k for a revised scheme for Scalford Brook play area improvements. This money is specifically earmarked for this purpose and officers will be considering a revised scheme and submitting a report to members in due course.
- c) Further reports will be submitted during the financial year should external funding be made available in order to allocate these to appropriate projects.

3.2.2 The following assumptions have been made regarding available resources:

- a) No supported borrowing on the HRA is assumed for future years. The likelihood for receipt is now much more uncertain following the change to a bid system of allocation. Previously an annual sum of £300k was allocated as part of the HRA subsidy determination; the likelihood of receipt was then much more certain.
- 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) Estimated capital receipts of £71k (a maximum of £130k is permitted) from the sale of council houses has been allocated to housing general fund services to support expenditure on private sector disabled facilities grants and the decent homes grant schemes. This is in line with the Medium Term Financial Strategy (MTFS) previously approved by this Committee and the Housing Business Plan.
- d) The capital grant for expenditure on disabled facilities grants is subject to confirmation. The amount bid for this year is in excess of the £95k shown.

#### **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.

#### **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 an article has been included on the Council's web site for business ratepayers.

11.2 A wider public consultation exercise has been held this year to help the Council decide where to make required budget cuts. The public's views have been sought on the areas that are important to them via a questionnaire. One of the questions raised was in relation to the disposal of assets i.e. should the Council be selling properties such as unused land and vacant buildings in the current economic climate to generate capital for Council priorities. 74% of the responses received indicated yes to this question.

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

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

## 12.0 **WARDS AFFECTED**

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

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Date: 11 January 2011

Appendices: Appendix A – Capital Programme 2010/11  
Appendix B – Capital Programme 2011/12

Background Papers: Capital Programme 2010-15  
Statement of Revenue & Capital Reserves

Reference: X: Committees/PFA/2010-11/260111/DG – Capital Programme 2010-15