

2 FEBRUARY 2011

REPORT OF HEAD OF FINANCIAL SERVICES

CAPITAL PROGRAMME 2011/12

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to approve the Council's Capital Programme for 2011/12 for all funds and the sources from which that funding will be taken as recommended by the Policy, Finance and Administration Committee at its meeting held on 26 January 2011.

2.0 RECOMMENDATIONS

2.1 **It is recommended that funding for capital schemes in respect of General Expenses and the Housing Revenue Account (HRA) and the sources that funding will be taken from, be as recommended by, the Policy Finance and Administration Committee on 26 January 2011. These are as set out in Appendix A.**

3.0 KEY ISSUES

3.1 It is good financial practice to incorporate the financial effects of capital spending plans into revenue budgets prior to the consideration and approval of the revenue budgets. As such the Policy Finance and Administration Committee on 26 January 2011 has considered and made recommendations on the capital programme for 2011/12 and the impact of these recommendations have been incorporated into the revenue budget and prudential indicators set out in this agenda.

3.2 The capital programme approved by Policy Finance and Administration Committee and recommended to the Council for General Expenses and the HRA is set out in Appendix A. This appendix also shows the sources that funding will be taken from. There were no schemes recommended for approval for Special Expenses.

3.3 For members further information a full list of capital programme proposals for the General Fund (General and Special Expenses) which were considered at the Budget Away Day held on 11 January 2011 have been attached at Appendix B. The revised HRA capital programme as shown in Appendix A was approved at a meeting of the Community & Social Affairs Committee held on 25 January 2011.

3.4 Should further external funding opportunities materialise, the Programme Board will consider the Council's priorities with a view to recommending further schemes to fund during the financial year.

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 The resources available to support the capital programme are limited. For the HRA there is of course support from the Major Repairs Allowance (MRA) but support by way of supported borrowing can no longer be predicted with any certainty as a bid system is now in operation for which a bid has been submitted by the Council. Capital receipts from the sale of Council dwellings have continued to decline substantially in the current economic climate. This will impact not only on the HRA but also the General Fund where a sum up to £130k has traditionally been used to fund General Fund housing projects. For General Fund services the Council receives no general supported borrowing from the Government. As such the Council is very much reliant on external funding opportunities such as grants and third party contributions. Opportunities for the sale of surplus land, both General Fund and HRA continue to be explored in order to release capital receipts subject to market conditions. Proceeds from surplus HRA land may continue to be limited if the land is transferred at less than market value to support housing initiatives.

5.2 The impact of the capital programme proposals on the Council's reserves and balances can be seen further in Appendix L to the Revenue Budget report shown elsewhere on this agenda.

## **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 The Council's corporate priorities were approved following consideration of national priorities, local intelligence, partner's priorities, community views, internal requirements and future challenges. These have been taken into account at the Budget Away Day when the allocation of available funding to individual schemes was considered.

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

11.3 The proposed capital programme was made available on the Council's website during January 2011 for the benefit of business ratepayers. No comments have been received to-date but should any be received prior to the meeting the Council will be updated verbally.

11.4 Proposed capital schemes are 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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Contact Officer: D Cowl

Date: 18 January 2011

Appendices: Appendix A – Recommended Capital Programme 2011/12  
Appendix B – Full List of General Fund proposals considered at Budget Away Day

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

Reference: X: Committee, Council & Sub Committees/Council Meetings/2010-11/02-02-11/DG – Capital Programme 2010-11