

8 FEBRUARY 2017

REPORT OF HEAD OF CENTRAL SERVICES**CAPITAL PROGRAMME 2017/18****1.0 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to approve the Council's Capital Programme for 2017/18 for all funds and the sources from which that funding will be taken as proposed by the Strategic Planning Away Day held on 11 January 2017 and Policy Finance and Administration committee.

2.0 RECOMMENDATIONS

It is recommended that:

- 2.1 **Funding for capital schemes in respect of General Expenses and the sources that funding will be taken from, be as set out in Appendix A, and;**
- 2.2 **Funding for capital schemes in respect of the Housing Revenue Account (HRA) and the sources that funding will be taken from be as approved by the Community and Social Affairs committee and set out in Appendix B.**

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 Members at the Strategic Planning Away Day on 11 January 2017 and the Policy Finance and Administration Committee at its meeting on 25th January 2017 have considered and made recommendations on the projects for General Expenses to be funded in the capital programme for 2017/18 in addition to those which have already had funding approved. The impact of these recommendations has been incorporated into the revenue budget and prudential indicators being separately considered on this Council agenda.
- 3.2 The projects recommended for funding in addition to those which have already had funding approved are set out in Appendix A along with the sources that funding is recommended to be taken from. This results in one project remaining in the capital programme unfunded in relation to the Scalford Road Car Park. This is due to the pressure on financial resources and a patch and repair approach is proposed to continue for the foreseeable future whilst other options are considered. It should also be noted that following the meeting of the Community and Social affairs committee on 24 January 2017, in light of the future financial uncertainties surround the viability of the Housing Foyer scheme, members reluctantly agreed for this project to be removed from the Capital Programme. Officers will now be undertake an options appraisal of the site and present a report back to members on potential disposal, use or development of the land.
- 3.3 In respect of disabled facilities grants (DFGs) historically the Government allocation for mandatory DFGs came directly from the Department of Communities and Local Government. Since 2015-16 they passed the funding to County Council as part of the Better Care Fund (BCF) Package. Melton Borough Council has provisionally been allocated £241k from this fund for mandatory disabled adaptations. The current amount included in the capital programme for 2017/18 is £237k, therefore it is recommended that the Head of Central Services is given delegated authority to amend the amount in the capital programme once funding confirmation has been received. Historically Melton Borough Council has contributed to the budget for DFGs and in recent years the contribution has

been £50k. With the council's limited capital funding available this is now unaffordable and it is anticipated that this contribution will not be necessary as the Better Care Funding should be adequate to fulfil our requirements. The BCF has not been fully allocated and Melton Borough Council may be able to bid for additional funds if appropriate to do so not just for DFGs but also for complimentary projects that reduce the need for DFG funding

3.4 In respect of the Housing Revenue Account this is included as Appendix B which includes one amendment from that approved by the Community and Social Affairs Committee at its meeting on 16th November 2016 relating to Health and Safety works which has been funded from underspends elsewhere within the programme for 2016-17. The 2017-18 programme remains unaltered.

3.5 For members information a full list of the capital programme for 2016/17 and later years by committee including those schemes previously funded, those proposed for funding and those where funding will be determined following further consideration by members is set out in Appendices C to F.

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. The recommended funding for the capital programme follows this guidance.

5.0 FINANCIAL & OTHER RESOURCE IMPLICATIONS

5.1 The impact of the capital programme proposals on the Council's reserves and balances can be seen further in Appendix G 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 proposed capital programme was made available on the Council's website during January 2017 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.

11.2 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.

Contact Officer:	Natasha Bailey
Date:	23 January 2017
Appendices:	Appendix A – B Recommended Funded Capital Programme 2017-18 Appendix C – F Capital Programme 2016-21
Background Papers:	Capital Programme 2016-21 Statement of Revenue & Capital Reserves Strategic Planning Away Day Notes
Reference:	X: Committee, Council & Sub Committees/Council Meetings/2016-17/08-02-17/DG – Capital Programme 2017-18