

## FULL COUNCIL

13 FEBRUARY 2019

### REPORT OF THE DIRECTOR FOR CORPORATE SERVICES

#### CAPITAL PROGRAMME 2019/20

#### 1.0 PURPOSE

- 1.1 The purpose of this report is to approve the Council's Capital Programme for 2019/20 for all funds and the sources from which that funding will be taken as proposed by the Strategic Planning Development Day held on 16 January 2019 and the Corporate committee.

#### 2.0 RECOMMENDATIONS

**It is recommended that:**

- 2.1 **Funding for capital schemes in respect of General Expenses for 2019/20 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 Place committee and set out in Appendix B.**
- 2.3 **Delegated authority is given to the Director of Corporate Services to amend the amount in the capital programme for DFG's once funding confirmation has been received as referred to in para 3.3.**

#### 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 Development Day on 16 January 2019 and the Corporate Committee at its meeting on 30 January 2019 have considered and made recommendations on the projects for General Expenses to be funded in the capital programme for 2019/20 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. Members will note that within the proposed capital programme for 2019/20 that there is a limited number of capital schemes at present with no proposals in respect of Special Expenses Melton Mowbray. However, the Council will be undertaking further prioritisation work and preparing business cases which will come forward during the forthcoming financial year which is also linked to the refreshed Capital Strategy which is presented elsewhere on this agenda.

- 3.3 Members will note as outlined in Appendix A there are some potential Pipeline Projects which will be subject to further detailed business cases to clarify final costs. Depending on the final solutions which could be Cloud based products and accordance with the correct accounting rules the final funding sources could be capital or revenue.
- 3.4 In respect of disabled facilities grants (DFGs) the Lightbulb project went live in October 2017 and the service is now being hosted through Blaby DC. The current amount included in the capital programme for 2019/20 is £237k, but final funding figures have yet to be confirmed. Should there be any minor changes to the capital programme is it requested that delegation be given to the Director for Corporate Services to amend the amount in the capital programme once funding confirmation has been received.
- 3.5 In respect of the Housing Revenue Account this is included as Appendix B as approved by the Place Committee at its meeting on 31 October 2018 which is in line with the latest Housing Asset Management Plan (HAMP). The HAMP is due to be refreshed and updated during the course of 2019/20 and any impacts on the HRA capital programme as result of any changes will be reported back to members during the course of the year.
- 3.6 For members information a full list of the capital programme for 2018/19 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 G.
- 3.7 Alongside this as part of the updated Prudential Code for Capital Finance in Local Authorities which was published in late December 2017 it now includes a requirement to produce a Capital Strategy which links into the Treasury Management Strategy. Officers have been working with our treasury advisors to help develop an updated capital strategy to meet the new requirements of the code which will help shape the future capital programme and is presented elsewhere on this agenda in Appendix G of the Budget Report

#### **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 E 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 business case 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 part of January and February 2019 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 Senior Leadership Schemes and internal project boards 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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Appendices: Appendix A – B Recommended Funded Capital Programme 2019-20  
Appendix C – G Capital Programme 2018-23

Background Papers: Capital Programme 2018-23  
Statement of Revenue & Capital Reserves  
Member Development Planning Development Day Notes

Reference: X: Committee, Council & Sub Committees/Council Meetings/2018-19/13-02-19/DG – Capital Programme 2019-20