



COUNCIL: 27 February 2019

Report of: Borough Treasurer

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SUBJECT: MEDIUM TERM GRA CAPITAL PROGRAMME 2019-20

Wards Affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To set the Council's Medium Term Capital Programme.

2.0 RECOMMENDATIONS

2.1 That the Medium Term Capital Programme be approved based on the proposals to be presented at the Council meeting by the Portfolio Holder for Resources and Transformation.

2.2 That delegated authority be given to Heads of Service to take all necessary action to implement the agreed Capital Programme.

3.0 BACKGROUND

3.1 The Capital Programme is a three-year rolling programme that is updated on a regular basis. The current Programme was last reviewed and updated through the Revised Capital Programme report to Council in December 2018. Details of Housing Public Sector capital schemes are discussed elsewhere on this agenda, and changes to these schemes will be incorporated into the Medium Term Capital Programme following their approval.

3.2 Details on future capital receipt funding and spending requirements were reported to Executive Overview and Scrutiny Committee in January. This report now provides Members with an opportunity to realign and reshape the Capital Programme to meet Corporate and Service objectives.

4.0 EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE COMMENTS

4.1 A report setting out a number of options for determining the Medium Term Capital Programme has recently been presented to the Executive Overview and Scrutiny

Committee. The Committee noted the medium term capital programme but did not agree any comments on its detail.

5.0 CURRENT POSITION

- 5.1 Members have previously been advised on the projected capital receipt funding that will be available as well as existing and provisional spending approvals, as summarised in the table below:

Table 1 – Capital Receipts Funding Available	£000
Usable capital receipts held in April 2018	2,747
Estimate of receipts that will be generated between April 2018 and the end of the 2021/2022 financial year	3,850
Existing spending approvals covering period 2018/2019 to 2020/2021	-4,755
Provisional spending approvals for 2021/2022	-424
Funding available before taking into account potential future staff restructuring costs	1,418

- 5.2 This position takes into account Right to Buy Council House Sales, along with anticipated sales from other assets and the development of the Westec House site. This position also takes into account current spending approvals as well as provisional allocations for 2021/2022, which are set out in more detail in Appendix 1.
- 5.3 The estimate of capital receipts that will be available is potentially subject to significant variation as one large asset sale could potentially produce a significant receipt. Changes in demand for Council House Right to Buy Sales could also cause significant volatility. To deal with this uncertainty the estimates in the capital programme will be reviewed and updated periodically to ensure they are accurate and up to date.
- 5.4 The table above shows that there is £1.418m of capital receipt funding available for new capital schemes before taking into account potential staff restructuring costs. At Council in October 2018 it was agreed that any future staff restructuring costs arising from the Sustainable Organisation Review or other processes that deliver efficiency savings should be financed from available capital receipts. It is not possible to forecast the level of restructuring costs that may be required over the next few years, and this position is not expected to become clearer until the results of the Sustainable Organisation Review are reported to Council in July 2019. However due regard needs to be given to this factor when considering approving any new capital schemes at this time.
- 5.5 Appendix 2 provides a summary of the potential new capital schemes that have been identified by Heads of Service. The total value of these schemes over the

next 3 years is £1,380,000, and Members will need to give consideration to which of these schemes should be approved.

6.0 DETERMINING THE CAPITAL PROGRAMME

6.1 The Portfolio Holder for Resources and Transformation has been given delegated authority to submit proposals for consideration at the Council meeting to enable the programme to be set, and it is anticipated that a set of budget papers will be circulated at the Council meeting to enable this to be achieved.

7.0 SUSTAINABILITY IMPLICATIONS

7.1 The proper management of the Council's asset base enhances service delivery. Assets consume a high level of resources both in terms of capital investment and revenue maintenance and having effective controls in this area ensures that the capital base can shape the future direction of the Council. This report has no significant impacts on crime and disorder.

8.0 RISK ASSESSMENT

8.1 The level of capital receipts generated by asset sales is a key risk to the future development of the programme. If receipts exceed the projections contained in this report, it would enable a larger programme to be delivered. However, if receipts are below the projections, it would require reductions to be made.

8.2 Some schemes in the Programme are dependent on external partner funding. To minimise the risk of funding not being available, such schemes will only begin once their funding details have been finalised.

8.3 It is not possible to quantify the potential requirement for staff restructuring costs at this time. This position will only become clearer when the outcome of the Sustainable Organisation Review is reported to Council in July 2019.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The direct impact on members of the public, employees, elected members and / or stakeholders is dependent on the proposals to be put forward at the Council meeting. Therefore no Equality Impact Assessment has been produced at this time. However, an Assessment will be produced and made available at the Council meeting if required.

Appendices

Appendix 1 - Capital Receipt Funding Approvals
Appendix 2 – Potential New Capital Schemes