



COUNCIL: 22 February 2017

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**Report of: Borough Treasurer**

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**SUBJECT: MEDIUM TERM GRA CAPITAL PROGRAMME**

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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 Finance.

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

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## **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 2016/2017 Revised Capital Programme report to Council in December 2016. 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 Cabinet and 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 CABINET AND 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 Cabinet and Executive Overview and Scrutiny Committee. Cabinet considered how a balanced Capital Programme could be achieved, noted the medium term financial position, and approved delegated authority for the Portfolio Holder for Finance to submit firm proposals to Council to enable the Programme to be set. The Executive Overview and Scrutiny 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 likelihood of there being funding of £482,000 available to fund new capital schemes, as summarised in the table below:

<b>Table 1 – Capital Receipts Funding Available</b>	<b>£000</b>
Usable capital receipts held in April 2016	2,238
Estimate of receipts that will be generated between April 2016 and the end of the 2019/2020 financial year	3,233
Existing spending approvals covering period 2016/2017 to 2018/2019	-4,187
Provisional spending approvals for 2019/2020	-802
<b>Funding Available</b>	<b>482</b>

- 5.2 This position takes into account Right to Buy Council House Sales, along with other anticipated sales from the Strategic Asset Management Plan (SAMP) process. This position also takes into account current spending approvals and provisional allocations for 2019/20, 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 on a regular basis to ensure they are accurate and up to date.
- 5.4 Recent work that has been undertaken as part of Third Quarter monitoring has identified that the capital receipt funding requirement for the Disabled Facilities Grant (DFG) scheme has reduced as a result of a higher than expected level of external funding being received. This has increased the amount of funding available for new schemes by £89,000. Taken together this means that there is now funding of £571,000 available for the development of new schemes

(£482,000 original position as shown in table 1 plus £89,000 no longer required for the DFG scheme).

- 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 £737,000, which is £166,000 more than the funding that is available of £571,000.

## **6.0 DETERMINING THE CAPITAL PROGRAMME**

- 6.1 The Portfolio Holder for Finance 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 AND COMMUNITY STRATEGY LINKS**

- 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 a proper strategy in this area ensures that the capital base can shape the future direction of the Council.

## **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.

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### **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**

This report may have a direct impact on members of the public, employees, elected members and / or stakeholders. Therefore an Equality Impact Assessment is required, and a formal assessment is attached at Appendix 3, the results of which should be taken into account when considering the matters contained in this report.

### **Appendices**

Appendix 1 - Capital Receipt Funding Approvals

Appendix 2 – Potential New Capital Schemes

Appendix 3 – Equality Impact Assessment