

Committee: Cabinet

Agenda Item

Date: 16 February 2012

13iii

Title: Capital Programme 2012/13 – 2016/17

Portfolio Holder: Councillor Robert Chambers

Item for
decision

Summary

1. This report presents the Capital Programme for 2012/13 to 2016/17.
2. It details planned capital expenditure on the Council's buildings, vehicles and ICT assets, together with capital grants to other organizations and individuals.
3. A significant proportion of the Capital Programme relates to council housing and is consistent with the HRA Business Plan considered earlier on today's agenda.
4. The report was endorsed by Scrutiny Committee on 7 February 2012.

Recommendations

5. The Cabinet is requested to approve, for recommendation to Full Council, the Capital Programme and associated financing as set out in Appendices A and B.

Background Papers

Service Managers Capital Bids for 2012/13 to 2016/17.
Capital Officers Working Group minutes.

Impact

Communication/Consultation	None
Community Safety	None
Equalities	None
Finance	Details are contained within the body of the report.
Health and safety	None
Human Rights	None
Legal implications	None
Ward-specific impacts	None
Workforce /Workplace	None

Summary

1. Appendix A details the proposed Capital Programme for the coming year and the following four financial years, in line with the MTF5 period.
2. This will be an evolving programme and subject to rolling annual approval by Full Council.
3. The Capital Programme (Appendix A) is split into the four service portfolios. In addition schemes which are fully funded from external sources are identified separately to assist the review of available funding and facilitate the prioritisation of schemes.
4. The responsible officers for each project bid have also been asked to identify outputs for each scheme in order to assist value for money assessment and demonstrate the scheme's alignment to the Corporate Plan.
5. The total proposed programme over the period is estimated to be £34.285 million and is split between the General Fund and the HRA as follows:

	2011/12 Forecast	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total General Fund Capital Expenditure	1,092	5,996	622	320	593	522	9,145
Total HRA Capital Expenditure	2,731	4,637	4,682	5,945	3,779	3,366	25,140
TOTAL CAPITAL EXPENDITURE	3,823	10,633	5,304	6,265	4,372	3,888	34,285

6. The above programme will be funded from grants and contributions, capital receipts, revenue contributions, finance lease arrangements (replacement of the refuse vehicle fleet in 2012/13) and internal borrowing.
7. Appendix B1 and B2 identifies the funding for the General Fund and the HRA Capital Programmes. A summary for each Account is provided below:

	2011/12 Forecast	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Capital Programme	1,092	5,996	622	320	593	522	9,145
Financed from:							
Grants and Contributions	(439)	(2,039)	(65)	(65)	(65)	(65)	(2,738)
Revenue Contributions	(95)	(190)	(37)	(15)	(15)	(15)	(367)
Finance Lease	-	(2,348)	-	-	-	-	(2,348)
Internal Borrowing	(558)	(1,419)	(520)	(240)	(513)	(442)	(3,692)
Total Financing	(1,092)	(5,996)	(622)	(320)	(593)	(522)	(9,145)
Net Financing Need (External Borrowing)	0	0	0	0	0	0	0

	2011/12 Forecast	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
HRA Capital Programme	2,731	4,637	4,682	5,945	3,779	3,366	25,140
Financed from:							
Grants and Contributions	(200)	(245)	(600)	(580)	-	-	(1,625)
Capital Receipts	-	(200)	(367)	(120)	(20)	(48)	(755)
Revenue Contributions	(2,531)	(4,192)	(3,715)	(5,245)	(3,759)	(3,318)	(22,760)
Total Financing	(2,731)	(4,637)	(4,682)	(5,945)	(3,779)	(3,366)	(25,140)
Net Financing Need (External Borrowing)	0	0	0	0	0	0	0

8. No external borrowing is required to fund either the General Fund or HRA capital programmes. The General Fund programme includes the cost of replacing the refuse vehicle fleet and workshop in 2012/13 with an assumption that this will be funded by leasing. This is subject to a full financial appraisal in which internal or external borrowing will be evaluated and will be pursued if borrowing emerges as more cost effective than the leasing option.
9. These financial arrangements and the associated impact on the Council Tax levy and the Rent levy are fully detailed in the Treasury Management Strategy which is reported separately on the agenda.

General Fund Programme

10. The General Fund Programme can be split into the following portfolio areas:

- Housing General Fund
- Community Partnership and Engagement
- Environmental Services
- Finance and Administration

	2011/12 Forecast	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing General Fund	508	930	175	175	180	180	2,148
Community Partnerships & Engagement	149	1,441	70	70	70	70	1,870
Environmental Services	253	2,759	282	55	203	252	3,804
Finance & Administration	182	866	95	20	140	20	1,323
TOTAL GENERAL FUND CAPITAL EXPENDITURE	1,092	5,996	622	320	593	522	9,145

11. General Fund Housing

11.1 The provision for ongoing private sector housing improvement grant is £1.090 million over the term of the capital programme and should result in providing assistance to around 170 properties over the period of the forecast.

11.2 The portfolio now includes the funding of Social Housing (£1.058 million in total) through the application of Stansted Area Housing Partnership funding. The first tranche of funding was released in 2011/12 to Braintree District Council and the next tranche for Harlow is planned for 2012/13.

12. Community Partnerships and Engagement

12.1 Community Projects Grant – 29 external organisations are expected to be assisted in 2011/12 through this capital budget.

12.2 A revised scheme has now been worked up for the Museum's storage facility totaling £127,000 and being partially financed from contributions totalling £82,000.

12.3 External funding of approximately £1.1 million has been allocated from Section 106 Contributions to provide community facilities in Stansted and sports facilities in Saffron Walden.

12.4 Implementation of CCTV facilities throughout the District has been facilitated with Council funding totaling £155,000.

13. Environmental Services

- 13.1 The capital investment for the Waste Strategy proposals is included in the programme costing £2.588 million. The proposals are partially funded from revenue contributions (£295,500) and include the cost of the new refuse fleet and Depot.
- 13.2 A recent structural survey of Elizabeth Way Culvert has resulted in a revised option which reduces the initial scheme cost from £300,000 to an estimated £110,000.

14. Finance and Administration

- 14.1 A recent review of the Council's property portfolio has identified £285,500 of works being proposed primarily for the London Road offices. A condition survey of all Council non housing property is currently being undertaken which will assist and formalise further future investment in the Council's property portfolio.
- 14.2 The investment (£250,000) in the Revenues and Benefits Partnership will generate efficiencies within the staffing structure and realise economies of scale as a result of one IT system and streamlined processes.
- 14.3 The ICT infrastructure now requires investment to provide the following enhancements:
- To facilitate new applications which require higher levels of IT capacity.
 - To replace a significant number of computers which are older than 6 years. The new computers with Windows 7 capabilities give significant improvements in speed and performance, thus enhancing working practices.
 - There are a number of small servers which need to be migrated to new and faster servers.
 - Investment in ICT will also facilitate home working.
 - Investment in 'Cloud Computing' will change how systems are used and how data is backed up. This change will also support the option of moving to data warehousing in the future.
 - Budget provision has been made for the investment in Members ICT post the next local election.
 - The current microphone system in the Council Chamber is now coming to the end of its life and requires replacement to effectively support public meetings.(£40,000)
 - Investment in communications through video conferencing will reduce the need to travel to meetings.

Housing Revenue Account

15 The Housing Revenue Account capital programme is summarised below:

	2011/12 Forecast £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	TOTAL £'000
HRA Capital Programme							
Capital Repairs	2,475	2,919	2,942	2,805	2,759	2,446	16,346
Cash Incentive Scheme Grants	20	20	20	20	20	20	120
Light Van Replacement	22	-	-	-	-	-	22
New Housing Allocations System	14	-	-	-	-	-	14
Stansted Housing Partnership Funding - Holloway Crescent Phase 2	200	678					878
New schemes HRA Business Plan	-	1,020	1,720	3,120	1,000	900	7,760
Total	2,731	4,637	4,682	5,945	3,779	3,366	25,140

15.1 Changes to legislation have provided the HRA capital programme with additional funding over the forecast period.

15.2 This resulted in a number of new projects being proposed including affordable housing schemes (£5.6 million over the forecast period).

15.3 Investment in HRA assets has been carefully balanced with both the financial impact for the HRA 30 year Business Plan and the social impact for tenants and leaseholders.

15.4 Fuller details of the investment and associated financial implications are contained within the HRA 30 year Business Plan.

Stansted Area Housing Partnership Funding

16 As at 1.04.2011 the Council held £2.684 million in relation to Stansted Housing Partnership Funding.

17 The capital programme includes the following commitments in relation to the application of the funding:

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	TOTAL £'000
Stansted Area Housing Partnership Funding						
Social Housing Braintree	358	-	-	-	-	358
East Herts Harlow	-	700	-	-	-	700
Holloway Crescent Phase 2	200	245	-	-	-	445
Mead Court	-	-	600	580	-	1,180
Total	558	945	600	580	0	2,683

Robustness of Capital Programme Estimates and Value for Money

- 18 Both the robustness of the capital programme and a review of each schemes value for money attributes has been undertaken by officers of the Capital Programme Working Group. SMB considered the impact of the proposed programme in early December 2011.
- 19 A regular financial update on the capital programme is reported to Cabinet throughout the year.
- 20 The performance of the associated investments is considered through regular reports on service performance to Performance and Audit Committee and through the reporting arrangements for the Asset Management Plan.

Risk Analysis			
Risk	Likelihood	Impact	Mitigating actions
Failure to identify capital spending pressures and costs accurately	Low	Medium	Continual review of the capital programme.

CAPITAL PROGRAMME 2012/13 TO 2016/17 SUMMARY

APPENDIX A (1)

HOUSING

	2011-12 Revised Budget £	2012-13 Budget £	2013-14 Forecast £	2014-15 Forecast £	2015-16 Forecast £	2016-17 Forecast £	Total £	Programme Outputs	Lead Officer
General Fund Capital Schemes									
1. Disabled Facilities Grants	120,000	120,000	125,000	125,000	130,000	130,000	750,000	23 Households per year based on 10/11 figures	RM/GS
2. Empty Dwellings	0	70,000	20,000	20,000	20,000	20,000	150,000	5/6 Empty Properties brought back into use. Up to 10 properties per year improved reducing LA burden	RM/GS
3. Private Sector Renewal Grants	30,000	40,000	30,000	30,000	30,000	30,000	190,000		RM/GS
New Schemes									
Externally Funded schemes									
4. Stansted Housing Partnership - Social Housing Properties	358,000	700,000	0	0	0	0	1,058,000	17 Social Housing Properties 2011-12	AT/RH
GF Housing Total	508,000	930,000	175,000	175,000	180,000	180,000	2,148,000		
HRA Fund									
1. HRA Capital Repairs	2,235,000	2,669,400	2,692,400	2,554,400	2,508,400	2,196,000	14,855,600	Maintaining housing stock	RM
2. HRA Capitalised Salaries	240,000	250,000	250,000	250,000	250,000	250,000	1,490,000		RM
3. Cash Incentive Scheme Grants	20,000	20,000	20,000	20,000	20,000	20,000	120,000		RM
4. Light Vans Replacement programme	22,000	0	0	0	0	0	22,000		RP
5. New Housing Allocations Systems	14,000	0	0	0	0	0	14,000		AW
6. Stansted Housing Partnership - Holloway Crescent - Phase 2	200,000	678,000	0	0	0	0	878,000	17 Nomination rights for Stansted Partnership members.	RH
7. New Schemes - HRA Business Plan	0	1,020,000	1,720,000	3,120,000	1,000,000	900,000	7,760,000	Investment in Social Housing	RM
HRA Housing Total	2,731,000	4,637,400	4,682,400	5,944,400	3,778,400	3,366,000	25,139,600		
Total Housing	3,239,000	5,567,400	4,857,400	6,119,400	3,958,400	3,546,000	27,287,600		

APPENDIX A (2)									
COMMUNITY PARTNERSHIPS AND ENGAGEMENT									
	2011-12 Revised Budget £	2012-13 Budget £	2013-14 Forecast £	2014-15 Forecast £	2015-16 Forecast £	2016-17 Forecast £	Total £	Programme Outputs	Lead Officer
General Fund Capital Schemes									
1. Museum Grounds Boundary Wall	17,000	0	0	0	0	0	17,000		
2. Community Projects Grants	70,000	70,000	70,000	70,000	70,000	70,000	420,000	29+ organisations assisted in 2011/12	SH
3. CCTV Dunmow	40,000	0	0	0	0	0	40,000		GB
4. CCTV Saffron Walden	0	60,000	0	0	0	0	60,000		GB
5. CCTV Stansted	0	42,000	0	0	0	0	42,000		GB
6. CCTV Felsted	13,000	0	0	0	0	0	13,000		GB
7. Museum Storage Facility	0	127,000	0	0	0	0	127,000	Improved storage facilities	AW/RA
Externally Funded Schemes									
9. Leisure Centre Initiatives	9,000	0	0	0	0	0	9,000		GB
10. Rochford Nurseries Community Fund	0	826,310	0	0	0	0	826,310	Supporting community facilities	AT
11. Sports Facilities - S106 Bell College	0	315,840	0	0	0	0	315,840	Provision of new/updated sports facilities	AT
Total Community Partnerships and Engagement	149,000	1,441,150	70,000	70,000	70,000	70,000	1,870,150		

ENVIRONMENTAL SERVICES									
	2011-12 Revised Budget £	2012-13 Budget £	2013-14 Forecast £	2014-15 Forecast £	2015-16 Forecast £	2016-17 Forecast £	Total £	Programme Outputs	Lead Officer
<u>General Fund Capital Schemes</u>									
1. Fencing Shire Hill Depot	40,000	0	0	0	0	0	40,000	Securing depot from potential theft Flood prevention. Meeting waste strategy targets Meeting waste strategy targets Meeting waste strategy targets	RP
2. Elizabeth Way Culvert	10,000	100,000	0	0	0	0	110,000		AT
3. Household Bins Replacement	50,000	10,000	10,000	10,000	10,000	10,000	100,000		RP
4. Household Bins New	0	20,000	20,000	20,000	20,000	20,000	100,000		RP
5. Trade Waste Bin Replacement	10,000	10,000	10,000	10,000	10,000	10,000	60,000		RP
6. Faircroft Car Park Repairs	0	50,000	0	0	0	0	50,000		RH
7. White Street Car Park Repairs	77,000	0	0	0	0	0	77,000		RH
8. Takeley Air Quality	18,000	0	0	0	0	0	18,000		
<u>New Schemes</u>									
9. Wood Chipper	18,000	0	0	0	0	0	18,000	Improved Efficiency and savings recycling chippings	RP
10. Garden Waste Bins	30,000	20,000	15,000	10,000	10,000	10,000	95,000	Improved waste recycling service	RP
11. Kitchen Caddies and Slave Bins	0	120,000	10,000	5,000	5,000	5,000	145,000	Improved waste recycling service	RP
12. Vehicle Replacement Programme	0	31,050	204,750	0	148,530	196,540	580,870		RP
13. Vehicle Workshop	0	353,150	0	0	0	0	353,150	New waste strategy targets	RP
14. New Fleet - Refuse Vehicles	0	1,995,000	0	0	0	0	1,995,000	New waste strategy targets	RP
15. In-Cab technology	0	50,000	12,000	0	0	0	62,000	Improved Efficiency	RP
Total Environmental Services	253,000	2,759,200	281,750	55,000	203,530	251,540	3,804,020		

FINANCE AND ADMINISTRATION									
	2011-12 Revised Budget £	2012-13 Budget £	2013-14 Forecast £	2014-15 Forecast £	2015-16 Forecast £	2016-17 Forecast £	Total £	Programme Outputs	Lead Officer
1. Home Working	7,000	20,000	20,000	0	0	0	47,000		AW
2. Members IT Equipment	20,000	0	0	0	20,000	0	40,000	Equipment for new members	AW
3. Minor Items IT	20,000	20,000	20,000	20,000	20,000	20,000	120,000	Business Continuity	AW
4. Network Replacement	30,000	130,000	0	0	0	0	160,000	Business Continuity	AW
5. E-Gov	20,000	0	0	0	0	0	20,000		AW
6. EDRM	40,000	0	0	0	0	0	40,000		AW
7. Revs and Bens	0	250,000	0	0	0	0	250,000		AW
8. Website Upgrades	10,000	0	0	0	0	0	10,000		AW/RA
<u>New Schemes</u>									
9. Council Offices Cyclical Improvements	15,000	165,000					180,000	Improvements of asset - London Road offices	AW
10. Customer Services Remodelling	0	50,000	0	0	0	0	50,000	Customer satisfaction - more privacy for customers	AW
11. Upgrade to Microphone System	0	40,000	0	0	0	0	40,000	Business Continuity	AW
12. Backup System refresh	0	0	0	0	100,000	0	100,000	Service delivery continuity	AW
13. Exchange Upgrade	0	35,000	0	0	0	0	35,000	Business Continuity	AW
14. Replacement of 32 Bit Servers	0	25,000	0	0	0	0	25,000	Business Continuity	AW
15. Windows 7 Upgrade	0	30,000	0	0	0	0	30,000	Approved efficiency in Work	AW
16. Replacement projector	0	15,000	0	0	0	0	15,000	Business Continuity	AW
17. Video Conferencing	0	0	25,000	0	0	0	25,000	Enhanced flexible working	AW
18. Energy efficiency	20,000	52,500	0	0	0	0	72,500		RH
19. Day Centres - Cyclical Improvement Programme	0	19,000	0	0	0	0	19,000	Improvement of Asset	RM
20. Cyclical Improvements -Guildhall Thaxted	0	14,000	0	0	0	0	14,000	Improvement of Asset	RM
21. Self Financing Schemes									
22. Cloud' computing	0	0	30,000	0	0	0	30,000	Improved Efficiency	AW
Total Finance Administration	182,000	865,500	95,000	20,000	140,000	20,000	1,322,500		

Total Capital Programme

3,823,000 10,633,250 5,304,150 6,264,400 4,371,930 3,887,540 34,284,270

Capital Programme - Financing 2011/12 - 2016/17

APPENDIX B (1)

General Fund Capital Schemes	2011/12 Revised £	2012/13 Original £	2013/14 Forecast £	2014/15 Forecast £	2015/16 Forecast £	2016/17 Forecast £
Housing GF	508,000	930,000	175,000	175,000	180,000	180,000
Community Partnerships & Engagement	149,000	1,441,150	70,000	70,000	70,000	70,000
Environmental Services	253,000	2,759,200	281,750	55,000	203,530	251,540
Finance & Administration	182,000	865,500	95,000	20,000	140,000	20,000
Total Programme	1,092,000	5,995,850	621,750	320,000	593,530	521,540
Financing - General Fund						
Disabled Facilities Grant	(85,700)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)
Museum Storage Funding		(82,000)	0	0	0	0
Swimming Grant	(12,430)	0	0	0	0	0
S106 - Housing Partnership Funding - Housing G Fund	(358,000)	(700,000)	0	0	0	0
S106 Rochford Nurseries	0	(826,310)	0	0	0	0
S106 - Bell College	0	(315,840)	0	0	0	0
Contribution from ECC to London Road Office	0	(50,000)	0	0	0	0
Revenue Contributions to Capital	(35,000)	(50,000)	(12,000)			
Revenue Contributions to Capital - Waste Strategy	(30,000)	(140,000)	(25,000)	(15,000)	(15,000)	(15,000)
New Homes Bonus	(13,000)	0	0	0	0	0
Finance Lease	0	(2,348,150)	0	0	0	0
Internal Borrowing	(557,870)	(1,418,550)	(519,750)	(240,000)	(513,530)	(441,540)
Total Financing	(1,092,000)	(5,995,850)	(621,750)	(320,000)	(593,530)	(521,540)
Net Financing Need (External Borrowing)	0	0	0	0	0	0

The General Fund programme includes the cost of replacing the refuse vehicle fleet and workshop in 2012/13 with an assumption that this will be funded by leasing. This is subject to a full financial appraisal in which internal or external borrowing will be evaluated and will be pursued if borrowing emerges as more cost effective than the leasing option.

Full Council 23/02/12
Item 13iii, Capital Programme

APPENDIX B (2)

Housing Revenue Account Capital Schemes	2011/12 Revised £	2012/13 Original £	2013/14 Forecast £	2014/15 Forecast £	2015/16 Forecast £	2016/17 Forecast £
Capital Schemes	2,731,000	4,637,400	4,682,400	5,944,400	3,778,400	3,366,000
Financing - Housing Revenue Account						
Major Repairs Reserve Contribution	(2,475,000)	(2,919,400)	(2,942,400)	(2,804,400)	(2,758,400)	(2,446,000)
Revenue contribution - HRA	(56,000)	(1,273,000)	(772,500)	(2,440,000)	(1,000,000)	(872,250)
S106 - Housing Partnership Funding - HRA	(200,000)	(245,000)	(600,000)	(580,000)	0	0
Capital Receipts - RTB	0	(200,000)	(367,500)	(120,000)	(20,000)	(47,750)
Total Financing	(2,731,000)	(4,637,400)	(4,682,400)	(5,944,400)	(3,778,400)	(3,366,000)
Net Financing Need (External Borrowing)	0	0	0	0	0	0