

Committee: Scrutiny

Agenda Item

Date: 6 February 2014

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Title: Capital Programme 2014/15 – 2018/19

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Item for decision

Summary

1. The Capital programme is for the next 5 years, 2014/15 to 2018/19.
2. Capital Expenditure relates to spending on schemes and assets that have a long term value and exceeds cost of £10,000.
3. The programme details planned Capital Expenditure on the Council's buildings, vehicles and ICT assets.
4. The programme includes Capital Grants to other organisations and individuals.
5. The programme is for both General Fund and Housing Revenue Account assets and schemes.
6. There is an opportunity for the Scrutiny Committee to review the report and provide comments in support of the recommendations, or to propose alternatives. Examples of the questions Scrutiny may wish to consider are:
 - Do the proposed items in the Programme provide tangible outcomes and value for money?
 - How do we ensure that capital grants given to outside bodies and individuals achieve the intended outcomes?
 - Are the financing methods appropriate, and built into the revenue budgets?

Recommendations

7. The Scrutiny Committee is requested to endorse the following recommendations to Cabinet, or suggest alternatives.
8. The Cabinet is requested to approve, for recommendation to Full Council, the Capital Programme and associated financing of the programme as set out in this report.

Financial Implications

9. The revenue costs of financing the Capital Programme have been built into the HRA and General Fund budgets detailed elsewhere on the agenda.

Background Papers

10. None

Impact

11.

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Capital Programme 2014/15 – 2018/19

12. Appendix A details all the capital programmes by Portfolio and gives details of the type of expenditure and the scheduled programme of works for each year.

13. The Capital Programme is an evolving and rolling programme year on year.

14. Schemes fully financed by external sources are detailed later in the report.

15. A summary of the 5 year Capital Programme is tabled below:

	2014/15 Forecast Budget £ '000	2015/16 Forecast Budget £ '000	2016/17 Forecast Budget £ '000	2017/18 Forecast Budget £ '000	2018/19 Forecast Budget £ '000
Community Partnerships & Engagement	610	310	110	110	110
Community Safety	35	0	0	0	0
Environmental Services	192	230	270	660	190
Finance & Administration	100	120	80	80	80
General Fund Housing	315	220	220	220	130
Total General Fund Capital	1,252	880	680	1,070	510
HRA Capital Fund	4,233	3,603	3,653	3,690	3,699
HRA Business Plan Items	4,077	3,040	2,900	2,100	2,100
Total HRA Capital	8,310	6,643	6,553	5,790	5,799
Total Capital Programme	9,562	7,523	7,233	6,860	6,309

16. Appendix B details the financing of the Capital Programme

17. The schemes of works detailed in the programme are proposed to be funded by the following means:

- Grants
- S106 contributions
- Revenue contributions
- Capital receipts and internal borrowing
- The HRA will also use the 'Financial Headroom' available

18. No external borrowing is required to finance the 5 year Capital Programme detailed in this report.

19. The HRA capital financing includes a contribution from the Major Repairs Reserve which is the equivalent to the annual depreciation charge on council dwellings. This funding is used to support the annualised capitalised repairs budget.

20. A regular update on the capital programme and associated financing is included in the Budget Monitoring reports presented to Cabinet throughout the year.

21. The robustness of the capital programme and a review of each scheme have been undertaken by the officers of the Capital Programme Working Group at regular intervals.

Capital Programme – Key points

22. General Fund

- Museum Storage Facility – 75% contribution funding by the Museum Society for the build and once asset is operational the Museum Society will take ownership of the facility and lease this back to UDC at a peppercorn rent.
- Castle renovation – the programme of works are being carried out to comply with English Heritage requirements and the English Heritage are providing 50% of the funding for the renovations.
- Disabled Facilities Grant – £100k increase for 14-15 this is due to a clearing of backlog from the new Occupational Therapists being appointed and an increase in demand of grants.
- CCTV is to be installed in Thaxted and this has been planned into the capital programme for 14-15.

- A conditions survey is to be carried out on the Council Offices and associated buildings. The outcome and findings of the survey could impact on the capital programme and the associated financing costs affecting the revenue budgets.

23.HRA

- Mead Court – expectation is to complete in 2014/15, increase in capital funding approved at Cabinet 24th November 2013.
- New programme of works for the redevelopment of sheltered housing schemes.
- Ongoing development of new build sites (including garden and garage land to be used) this scheme has a direct correlation to the Right to buy scheme and our obligation to replace sold properties on a 1 for 1 basis.

24. Stansted Housing Partnership Fund – Although this does not fall within the Councils’ capital programme, for members’ information the fund will be fully spent in 2014/15. The detail of the allocation of funding is shown below.

Project for Funding	2012/13 £ '000	2013/14 £ '000	2014/15 £ '000	2015/16 £ '000	Total £ '000
Funding to East Herts & Harlow for Social Housing	0	717	0	0	717
Holloway Crescent	369	0	0	0	369
Mead Court Garage Site	78	0	1,180	0	1,258
Total	447	717	1,180	0	2,344

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Failure to identify capital budget pressures and/or funding not realised	2	2	Ongoing review of the spend via budget monitoring and capital officers working group

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.