

Report of	Meeting	Date
Chief Executive (Introduced by the Executive Member for Resources, Policy and Performance)	Executive Cabinet	17 January 2013

CAPITAL PROGRAMME MONITORING 2012/13 & 2013/14 – 2015/16 PROGRAMME

PURPOSE OF REPORT

1. To update the Capital Programme for 2012/13 to take account of proposed budget changes and the rephasing of expenditure between years.
2. To update capital budgets for 2013/14 and 2014/15; and to add estimated budgets for 2015/16.

RECOMMENDATION(S)

3. That the Council be recommended to approve the proposed amendments to the Capital Programme for 2012/13, as presented in columns (2) and (3) of Appendix 1.
4. That the Council be recommended to approve the proposed amendments to the Capital Programmes for 2013/14 to 2015/16, as presented in columns (2), (3), (6), (7), (10) and (11) of Appendix 2.

EXECUTIVE SUMMARY OF REPORT

5. Executive Cabinet of 22nd November 2012 recommended that the 2012/13 to 2014/15 Capital Programme should be increased from £14,322,860 to £14,394,890. The £72,030 increase was in respect of £78,000 for additional refuse and recycling bins; £3,170 for Housing renewal, funded by a repaid grant; and £9,140 minor improvements were transferred to the revenue budget.
6. It is now recommended that the 2012/13 Capital Programme should be reduced by £572,420 to £4,612,170. The net reduction consists of £224,460 additional expenditure less £68,470 transferred to the revenue budget and £728,410 rephased to later years.
7. The 2013/14 Capital Programme should be increased to £8,733,360 to take account of the net rephasing of expenditure, and grossing up the Disabled Facilities Grants (DFGs) budget by £68,670 to include costs funded by housing associations. The 2014/15 Capital Programme should be increased to £1,215,860 as a result of rephasing budgets and resources, and grossing up the DFGs budget by £68,670.
8. The 2015/16 Capital Programme should consist of the regular commitments. These would be Asset Improvements (£200,000), DFGs (£630,410 – including rephasing and grossing up), Leisure Centre Improvements (£283,780), and Refuse and Recycling Bins (£115,000), making a total of £1,229,190.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

9. The 2012/13 Capital Programme should be increased to include the demolition of the Clayton Brook public house and landscaping of the site, at an estimated cost of £82,500. This would be financed with funds receivable on termination of the lease.
10. An additional allocation of £95,230 Government funding for Disabled Facilities grants has been awarded in 2012/13. In addition, the DFG budgets for 2012/13 to 2015/16 should be grossed up to include the estimated costs expected to be funded by housing associations.
11. The budget for the access road improvements at Duxbury Golf Course should be grossed up to £101,850 to include expenditure to be funded with an external contribution. A Play and Recreation Fund scheme at Longfield Avenue Coppull should also be increased by £11,000 to include external funding.
12. The Asset Improvements budget should be reduced by £68,470 to cover minor office improvements and furniture purchases charged to the revenue budget.
13. Other budgets in 2012/13 should be reduced by a net total of £728,410 due to rephasing of expenditure, as presented in column (2) of Appendix 1.
14. The Capital Programmes for 2013/14 to 2015/16 should be updated to take account of the rephasing of expenditure, and grossing up DFG budgets by £68,670 each year. In addition, the financing of the provisional budgets for 2015/16 should be considered. Apart from grants for housing expenditure receivable in 2015/16 or rephased from 2012/13, the only source of funding assumed at present is prudential borrowing.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

15. None

CORPORATE PRIORITIES

16. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	✓	A strong local economy	✓
Clean, safe and healthy communities	✓	An ambitious council that does more to meet the needs of residents and the local area	✓

BACKGROUND

17. The revised Capital Programme for 2012/13 to 2014/15 totalling £14,394,890 was presented to the Executive Cabinet meeting of 22nd November 2012. The increase of £72,030 reflected the need to purchase £78,000 additional refuse and recycling bins; to increase the housing renewal programme using a £3,170 repaid grant; and the transfer of £9,140 budget provision to the revenue account to cover minor improvements and repairs not capitalised.
18. It is now necessary to consider the capital budgets required in 2015/16 and the resources available to finance expenditure.
19. The 2013/14 to 2015/16 capital budgets should be updated to take account of estimated rephasing of expenditure from 2012/13, and grossing up of DFG budgets to include costs due to be funded by housing associations.

REVISED ESTIMATE 2012/13

20. The Capital Programme for 2012/13 should be reduced from £5,184,590 to £4,612,170. The changes to individual budgets are presented in columns (2) and (3) of Appendix 1.
21. As previously indicated, some minor improvements and repairs to Council premises cannot be capitalised. It is recommended that the Asset Improvements capital budget should be reduced by £68,470 and that the budget for revenue financing of capital expenditure should be used to cover the costs charged to the revenue budget. In addition, it is estimated that £80,000 of the capital budget should be rephased to 2013/14.
22. The demolition of the Clayton Brook public house and landscaping of the site should be added to the 2012/13 Capital Programme. The estimated cost of £82,500 would be financed with a payment receivable on termination of the lease.
23. The Council has been awarded £95,230 additional Government funding for Disabled Facilities Grants. In addition, it is estimated that £14,500 of this year's expenditure would be funded by housing associations making contributions in respect of adaptations to their properties. It is estimated that £273,510 of the DFG budget should be rephased to 2013/14 to 2015/16, as reflected in Appendix 2.
24. The current estimate (£80,620) for improving the access road to Duxbury Park Golf Course is just the Council's share of the total cost. The budget should be increased to £101,850 to include expenditure to be funded with an external contribution. The Council's contribution should be reduced by £4,170 and the resource be used to finance previous road patching costs charged to the revenue budget.

25. The Leisure Centres Improvements budget for 2012/13 should be reduced by £120,000, which would be rephased to 2013/14. The main Eaves Green play facilities scheme would be rephased to 2013/14, leaving a smaller scheme in 2012/13 at a cost of £18,000. A Play and Recreation Fund project costing £20,000 should be brought forward from 2013/14, having been rephased earlier in the year. This scheme at Longfield Avenue Coppull should also have its budget increased by £11,000 to reflect external funding now secured. The Adlington play facilities scheme, which would be financed with the Grove Farm S106 contribution, should also be rephased to 2013/14.

CAPITAL PROGRAMME 2013/14

26. The revised Capital Programme for 2013/14 would be £8,743,360 after rephasing Asset Improvements (£80,000); Disabled Facilities Grants (£67,470); Leisure Centre Improvements (£120,000); and play facilities schemes (£151,480 net); and grossing up the DFGs budget by £68,670.

CAPITAL PROGRAMME 2014/15

27. The revised Capital Programme for 2014/15 would be £1,215,860 after rephasing £79,210 for Disabled Facilities Grants, and grossing up that budget by £68,670.

CAPITAL PROGRAMME 2015/16

29. The regular capital commitments should be added to the Capital Programme for 2015/16 at a total cost of £1,102,360. In addition, £126,830 for Disabled Facilities Grants should be rephased from 2012/13.
30. At present, Government funding for Disabled Facilities Grants for 2013/14 to 2015/16 is only an estimate. The base figure of £269,000 per year has been used, but funding allocated in 2011/12 and 2012/13 was £321,273 and £364,230 respectively, after the award of additional funding during the year. Financing of the budget would be updated as soon as specific grant allocations were notified. Though it should be possible to rephase some housing capital grant (£126,830) to 2015/16 to finance part of the budget, the balance of the financing (£165,910) is assumed to be prudential borrowing. Should Government funding exceed the current estimate, it should be possible to reduce the level of borrowing assumed to be required at present.
31. All other capital budgets in 2015/16 would be financed with prudential borrowing. These are Asset Improvements (£200,000); Leisure Centre Improvements (£283,780); and Refuse and Recycling Bins (£115,000).

IMPLICATIONS OF REPORT

32. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this		Policy and Communications	

area			
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COMMENTS OF THE STATUTORY FINANCE OFFICER

33. Financial implications are set out in the body of the report.

COMMENTS OF THE MONITORING OFFICER

34. The Monitoring Officer has no comments.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Michael Jackson	5490	14 th December 2012	Capital Programme Monitoring 2012-13 & 2013-14-2015-16 Programme.doc