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MEETING	Executive
DATE	16 January 2007
PRESENT	Councillors Steve Galloway (Chair), Sue Galloway, Macdonald, Orrell, Reid, Runciman and Waller
APOLOGIES	Councillors Jamieson-Ball and Sunderland

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## **PART B - MATTERS REFERRED TO COUNCIL**

### **141. Capital Programme Budget 2007/08 to 2010/11**

Members considered a report which set out the Council's proposed capital budget for the period 2007/08 to 2010/11, highlighted capital bids from departments that had been through the revised Capital Resource Allocation Model (CRAM) process and provided options to achieve a balanced four year capital programme. Details of the current programme, the externally funded CRAM bids for 2007/08, the rolling programme CRAM bids and rolling programme scheme changes were set out in Annexes 1-5 to the report. The capital receipts forecast was set out in (exempt) Annex 6 and the proposed programme for 2007/08-2010/11 in Annex 7.

The current approved capital programme ran from 2006/07 to 2008/09. It was proposed that the 2007/08 budget process would set a programme that would run over 4 years, reflecting best practice and bringing it in line with the Council's political cycle. The proposals in the report therefore represented a 2 year extension of the current programme. If approved, they would result in a capital programme for 2007/08 to 2010/11 of £139.123m and an underlying funding shortfall of £1.6m. Paragraph 5 summarised the main areas of spend in each department, comprising:

- Children's Services - £26.m, including £12.5m investment in the new York High School;
- City Strategy - £31m, including £10.8m on carriageway resurfacing and bridge maintenance;
- Housing - £27.1m, including £19.3m on Major Replaces Allowance schemes, making improvements to 2,350 Council homes across York;
- Leisure and Culture - £12m, including £5.2m on a new 25 metre public pool on the York High School site, subject to final approval;
- Resources - £34.7m, including £33.9m on the Council's Administrative Accommodation project, centred around the Hungate site.

Proposals to close the £1.6m funding gap were presented in paragraphs 22 and 23, as follows:

Proposal 1 (para. 22) – reduce the property investment budget by £50k per annum, subject to review in the light of the outcome of the Administrative Accommodation project. This would reduce the deficit by £150k.

Proposal 2 (para. 23) – use prudential borrowing in 2010/11 to fund the residual gap left after implementing proposal 1.

RECOMMENDED: That the four year capital programme proposals presented in the report be approved, in particular:

- a) The inclusion in the capital programme of all existing approved schemes, as detailed in Annex 1 and paragraph 8;
- b) The inclusion in the capital programme of all fully funded schemes, as detailed in Annex 3 and discussed at paragraph 18;
- c) The continuation of the York Pools Scheme and Museums Lottery Scheme, as detailed in paragraph 20;
- d) The extension of existing rolling programme schemes, as illustrated in Table 2, *except* for:
  - The Ward Committees Scheme, which will be reduced by £70k per annum from 2008/09, as outlined in paragraph 16 (with a compensatory increase in revenue funding)
  - The Property Investment Scheme, which will be reduced by £50k per annum from 2008/09, as outlined in paragraph 23;
- e) The use of £250k of prudential borrowing in 2010/11, as per paragraph 23;
- f) The asset sales shown in (exempt) Annex 6, subject to the deletion of one of the items listed under “Usable Capital Receipts Previously Approved for Sale” (the 21<sup>st</sup> item on that list).

REASON:

To achieve a balanced four year capital programme which will ensure the continuation of existing approved schemes.

S F Galloway, Chair

[The meeting started at 2.00 pm and finished at 3.05 pm].