



Cabinet

11 February 2014

Report of the Cabinet Member for Finance, Performance and Customer Services

CAPITAL STRATEGY 2014/15 to 2018/19

Summary

1. This report sets out the Capital Strategy for 2014/15 to 2018/19, and in particular sets out new capital schemes.
2. Members are asked to:
 - Consider the proposed new Capital Schemes and their requirement for funding covering the period 2014/15 – 2018/19
 - Recommend to Council the overall capital investment programme.

Background

3. The current 2013/14 –2017/18 capital programme was approved by Council on 28 February 2013. Since then a number of amendments have taken place as reported to the Cabinet up to and including the 2013/14 Capital Monitor 3 report. The changes made as a result of the above reports have resulted in a current approved capital programme for 2013/14 – 2017/18 of £205.482m, financed by £126.135m of external funding and Council controlled resources of £79.347m. Table 1 illustrates the current approved capital programme profile from 2013/14 – 2017/18 as at capital monitor 3 2013/14.

	2013/14	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	60.914	57.738	38.828	27.804	20.198	205.482

Funded by:						
External Funding	36.728	32.572	24.537	17.556	14.742	126.135
Council Controlled Resources	24.186	25.166	14.291	10.248	5.456	79.347
Total Funding	60.914	57.738	38.828	27.804	20.198	205.482

Table 1 – Capital Programme Funding and Receipts Position

Funding Position of approved 2013/14 – 2017/18 programme

- The current economic environment continues to place pressure on the funding of the programme over the 5 year cycle based on current projections. The capital programme continues to place reliance on the achievement of a small number of high value asset disposals which have been affected by the economic downturn.

Options

- This report sets out the capital investment requests for the 5 year period covering 2014/15 to 2018/19. Members can consider the requests to make additions and amendments to the existing capital programme and choose to approve or reject the proposals contained within the report. Members can choose to approve or reject the recommendations made to Council as a result of the amendments contained in this report. It should be noted that it is a statutory requirement for the Council to set a capital budget for the forthcoming year (2014/15) per Local Government Act 2003 (revised).

Summary of Proposed Capital Investment

- The CRAM process invited bids from the departments asking to submit requests for the Councils main capital priorities. Of the requests going forward 26 are asking for direct Council funding, this is comprised of 15 requests for extensions to existing rolling programme schemes and 11 requests for new schemes 2 of which attract match funding.

7. In total, requests that would increase the existing 14/15 – 18/19 Capital Programme by **£38.132m** have been made. The **£38.132m** is comprised as follows:
- General Fund schemes requiring financing through mainly Council borrowing **£17.170m** (**£16.375m** prudential borrowing of which £750k is self financing)
 - General Fund Schemes financed entirely by external funds **£12.003m** (**£12.003m** Government grant)
 - Housing Revenue Account schemes financed by HRA funds **£8.959m** (**£8.959m** HRA funds)
8. Tables 2, 3, 4, 5 and 6 show the proposals that result in a net increase of **£38.132m**. In particular the following key schemes are included in this report :-

Extension of funding for rolling programme/currently approved schemes for additional years (£11.050m) including:

- **Highways R&R (£750k 18/19)** – The continuation of the programme for the resurfacing and reconstruction of the City's roads and footways established to maintain the asset in the best condition possible with the anticipated level of capital available.
- **Information and Communication Technology (IT) Development Fund (£6.170m 14/15 – 18/19)** - The ICT development plan investment will continue to fund the essential technology refresh programme for the replacement of systems, storage and ICT hardware – servers and desktop devices. This will ensure that the Council and its partners will have continued access to their enabling and service supporting systems/information via highly available, agile and robust ICT systems and infrastructure, and will mitigate against high profile reputation damaging system failures similar to the recent RBS/Natwest incident that has been attributed a lack of investment in their technology refresh/replacement programme.

In addition it is critical in the delivery of savings required in future years, and to provide services in the most effective way for customers, major investment will be needed within ICT over the next few years. This will seek to position the authority at the

forefront of ICT lead service provision. It will fund the development and introduction of evolving digital technologies to help personalise the customer experience, support the transformation programme, customer strategy and enable the delivery of the council services into homes and businesses for the convenience of customers.

- **LTP Contribution (£500k 14/15)** - Additional top up LTP funding to deliver schemes to fill key gaps in the cycle network, tackle congestion with technology improvements and ensure the transport opportunities of the Reinvigorate York programme are maximised.
- **Highways Improvements (£2.300m 14/15)** – Significant investment to fund a programme of works for approval at the March Cabinet Member Decision Session for Environment (in public) for footway schemes £1m, Carriageway schemes £1m and replacement traffic loop sensors £300k. These schemes are being determined using the asset management data gathered earlier in 2013, the footway and carriageway schemes will concentrate predominantly on the unclassified network.
- **Museums Trust (£1.500m 14/15)** – Investment to support the York Museum Trust’s ongoing development programme within the St Mary’s Abbey precinct ,as well as the refurbishment of Exhibition Square, focussing on the enhancement of infrastructure and services that increase the financial sustainability of YMT.

Housing Revenue Account Funded schemes (£8.959m) including:

- **Major Repairs Allowance (£5.730m)** – including improvement schemes such as Decent Homes Works
- **Modernisation of Local Authority Homes (£2.461m)** –investment in improvement schemes such as communal area improvements and health and safety works at sheltered schemes.

Externally Funded Schemes (£12.003m) including:

- **Basic Need (£11.624m – 14/15 – 18/19)** – providing additional support to local authorities experiencing pressure on places through the funding of new academies and free schools, as well as

enabling investment to expand good and outstanding schools with high levels of demand.

9. Overall this report proposes increases in the value of capital schemes by **£38.132m**. Details of all schemes can be seen in the accompanying annex that sets out the purpose of each scheme and is summarised on table 9.

Detailed Consideration of Proposed Investment, and Financial Implications

Rolling Programme Schemes – Prudential Borrowing

10. The 2013/14 – 2017/18 capital programme contained a number of rolling programme schemes that require funding on an ongoing basis. This report extends the rolling capital programme to 2018/19 and also requests have been received to increase the level of currently approved rolling programme schemes by adding additional years across a number of financial years, these schemes are set out in the table below:

Scheme Type / Description	Total Value	Financial Year
	£000	
Capital Contingency	300	14/15
LTP Top Up	500	14/15
Disability Support Budget	150	18/19
Telecare Equipment	250	18/19
Highways R&R	750	18/19

City Walls Rolling Repair Programme	90	18/19
Bridge Maintenance	200	18/19
Disabled Facilities Grants	475	18/19
Highways Drainage Works	200	18/19
Carbon Reduction in Street Lighting	400	17/18 & 18/19
Joint Equipment Store	315	16/17, 17/18 & 18/19
Asset Maintenance/Critical H&S Repairs	500	14/15, 15/16, 16/17, 17/18 18/19
IT Development Plan New	6,170	14/15, 15/16, 16/17, 17/18 18/19
IT Development Plan Extension (18/19 only)	750	18/19
Total Rolling Programme Schemes	11,050	
Self Financing: IT 18/19 bid	(750)	18/19
Total Rolling Programme Schemes increasing borrowing	10,300	

Table 2 – Summary of Rolling Programme Bids Requesting Prudential Borrowing Funding

11. Of the £11.050m increase for rolling schemes, £10.300m are schemes that will require revenue growth to fund, the revenue implication are contained in the Financial Strategy 14 – 19 report on this agenda.

12. An overview of each scheme being proposed is set out in the following paragraphs:
13. **Capital Contingency (£300k 14/15)** – The continuation of a prudent single year capital contingency to address any unexpected capital pressures in year.
14. **LTP Contribution (£500k 14/15)** - Additional top up LTP funding to deliver schemes to fill key gaps in the cycle network, tackle congestion with technology improvements and ensure the transport opportunities of the Reinvigorate York programme are maximised.
15. **Disability Support Budget (£150k 18/19)** – To continue to provide discretionary assistance for disabled customers who need financial help. The assistance (loans and grants) given helps disabled people and parents with disabled children to adapt their homes to continue living there and maintain their independence.
16. **Telecare Equipment (£250k 18/19)** – Allowing the continuation of the installation of sensors in vulnerable customers homes to deal with specific assessed risks. The equipment will be purchased by the new CELTAS Community Interest Company but CYC will retain ownership of the assets.
17. **Highways R&R (£750k 18/19)** – The continuation of the programme for the resurfacing and reconstruction of the City's roads and footways established to maintain the asset in the best condition possible with the anticipated level of capital available.
18. **City Walls Rolling Repair Programme (£90k 18/19)** - Ensuring that continuing essential repairs and restoration are undertaken on York City Walls.
19. **Bridge Maintenance (£200k 18/19)** – To allow the continuation of the programme of maintenance to maintain the structures in a serviceable and safe condition.
20. **Disabled Facilities Grant (£475k 18/19)** - To allow payment of mandatory disabled facilities grants (DFGs) in line with statutory requirements (The Housing Grants, Regeneration and Construction

Act 1996). The funding enables older and disabled persons to remain safely in their home and maximises their independence.

21. **Highways Drainage Works (£200k 18/19)** – funding the restoration of the Councils drainage infrastructure supporting the findings of the Surface Water Management Plan. This funding reflects the amount of work that can realistically be done using the available resources within the council where there is extensive local knowledge.
22. **Carbon Reduction in Street Lighting (£400k 17/18 & 18/19)** – To continue the investment in street lighting that taken a leading role in the Councils commitment to reduce its carbon footprint by 25% in five years. The funds will enable a reduction in energy and carbon emissions by replacing older less efficient equipment with newer technologies and innovations.
23. **Joint Equipment Loan Store (£315k 16/17, 17/18, 18/19)** - Allows the continuation of the funding for specialist equipment to stock the loans store. The equipment will be purchased by the new CELTAS Community Interest Company but CYC will retain ownership of the assets.
24. **Asset Maintenance (£100k 18/19)** – Extension of the rolling programme scheme of works for £100k per annum to maintain the condition of the Councils properties. The fund is not sufficient to deal with the entire repairs backlog but is intended to be directed to specific buildings that warrant investment on a business case consideration basis and that the Council will look to retain in the long term.
25. **Critical Health and Safety Repairs (£400k 14/15, 15/16, 16/17 & 17/18)** – An allocation of funds to enhance a number of properties which have been identified as being retained for service delivery and/or delivering Council objectives, either directly or indirectly, through the Asset Management Strategy and also individual service reviews. A significant number of these properties have urgent health and safety repairs which will need to be carried out in the coming years to make them sustainable for future service delivery. These funds will be combined with the scheme above to facilitate a more strategic asset management approach.

26. **IT Development Plan new (£6.170m 14/15 – 18/19)** - Within the rolling programme requests, the IT development plan is bidding for £6.170m of new capital funding. The bid has been made reflecting the recognised need to establish a strong and coordinated approach to its change programme and the fundamental review and redesign of processes and systems to ensure that its services meet the needs of its customers. It also indentified that although the Council's ambitions are achievable, the current capacity within CYC is stretched and that the transformation programme will stretch it considerably further.
27. The review also recognised and supported the view that ICT has a significant and key enabling role within its service provision to the Council and its Partners, and to the required Transformation Programme and Customer Strategy and the associated commitments to help ensure the wider delivery of agile and cost effective services. In addition to the essential technology refresh programme for the replacement of systems, storage and ICT hardware – servers and desktop devices, the fund will also fund the development and introduction of evolving digital technologies to help personalise the customer experience, support the transformation programme, customer strategy and enable the delivery of the council services into homes and businesses for the convenience of customers by:
- Creating my account services – provide customers with timely, personalised, channel-appropriate communications
 - Providing access to information and services from anywhere, at anytime and from any device – interactive infographics
 - Developing 'social business' tools that help to collaborate and communicate across boundaries securely and at a relatively low cost.
 - Developing predictive analytics - the ability to collate and analyse different data sets and information in real time to support service design/decision-making.
 - Exploiting the increasing value and complexity of information – intelligent use of data sets so-called 'big data', helping York to make the change from being a containment City to become an early intervention/preventative City.

- Supporting and sustaining the move towards digital/mobile by default as part wider shift in service provision/access agenda.
 - Recognising the potential for localised digital divide and help mitigate against York’s residents and businesses being disadvantaged by the lack of access to super or ultra fast broadband.
28. The Director of CBSS is responsible for the overall management and investment of the ICT capital plan, however monitoring reports will be brought to cabinet in the future given the importance of the plan in transforming service delivery of the Council in coming years.
29. **IT Development Plan Extension (£750k 18/19)** – Extension of the existing IT development plan currently in the capital programme to 2018/19 to be funded form within existing revenue budgets.

New Schemes – Prudential Borrowing

30. As part of this years capital budget process a number of bids have been received that require discretionary prudential borrowing to be added. Some of this funding is used to help attract external sources of finances as is shown in table 3:

Scheme Type / Description	Total Scheme Value	CYC Funded Value	Financial Year
	£000	£000	
Highways Improvements	2,300	2,300	14/15
Museums Trust	1,500	1,500	14/15
Replacement of Unsound Lighting Columns	270	270	14/15

Watercourse Restoration	200	200	14/15 & 15/16
Alley Gating	50	50	14/15
Huntington Secondary school - New Block	900	200	14/15
Litter Bin Upgrade	100	100	14/15
War Memorial Renovation	40	40	14/15
Theatre Royal Contribution	115	115	14/15
Smarter York - better play area	295	200	14/15 & 15/16
York Art Gallery Gardens	350	350	15/16
Total New Schemes	6,120	5,325	

Table 3 – Summary of New Bids Requesting Prudential Borrowing Funding

31. An overview of each new scheme being proposed is set out in the following paragraphs:
32. **Highways Improvements (£2.300m 14/15)** –Significant investment to fund a programme of works for approval at a future public Cabinet Member Decision Session for Environmental Services for footway schemes £1m, Carriageway schemes £1m and replacement traffic loop sensors £300k approval.
33. **Museums Trust (£1.500m 14/15)** – Investment to support the York Museum Trust’s ongoing development programme within the St Mary’s

Abbey precinct ,as well as the refurbishment of Exhibition Square, focussing on the enhancement of infrastructure and services that increase the financial sustainability of YMT.

34. **Replacement of Unsound Lighting Columns (£270k 14/15)** – In line with the planned 2014/15 the three year retest period columns will require structural testing again. It is anticipated that of the 2700 columns to be tested, there will be a ten percent failure rate i.e. condemned and one year retests. This will equate to approximately 270 column replacements at a cost of £270k.
35. **Water Course Restoration (£200k 14/15 &15/16)** – Capital funding required to initially restore the watercourses to a satisfactory condition to manage flood risk, and revenue funding to subsequently maintain them on an annual basis.
36. **Alley Gating (£50k)** – Additional capital funding to allow the installation of gates on alley ways to help reduce the nuisance and other anti social related issues experienced in identified areas.
37. **Huntington Secondary school - new 7 classroom block (£900k total, CYC £200k 14/15)** - £200k Council contribution to deliver a brand new 7 classroom self enclosed block with associated facilities at Huntington Secondary school. The block will be modular by design and will meet or exceed all existing building regulations, including sustainability, accessibility and environmental impact design aspects. The block will replace 2x failed life expired temporary classrooms in addition to the existing biology block, which is beyond economic repair due to current condition.
38. **Litter Bin Upgrade (£100k 14/15)** – The Council has approx 900 litter bins across the outer areas of the city of which many are in need of replacement. This capital fund will enable the purchase of 34 new solar compactor bins to replace older bins across the city.
39. **War Memorial Renovation (£40k 14/15)** – To mark the 100 year anniversary of the beginning of World War 1 it is proposed to make an investment to repair the Grade 2 Listed War Memorial at Memorial Gardens Leeman Road. The work will involve resurfacing of footpaths, and building gullies. In addition the paving in Triangle Gardens will be re-laid; this will compliment the new trees planted last year.

40. **Theatre Royal Contribution (£115k 14/15) - To** support the purchase of a temporary structure to assist the Theatre to carry on productions during the extensive renovation works in 2015/16.
41. **Smarter York - better play areas (£295k total, CYC 200k 14/15 & 15/16) –** A capital fund to improve the quality of York playgrounds and youth facilities e.g. skate parks. The fund will be used as a challenge fund which the community would bid for to support the redevelopment or enhancement of the City play and teenager facilities. A condition of the fund would be the expectation that the community will raise some of the funds themselves e.g. from Yorventure. The investment in skate parks will include improvements at both Rowntree Park and Rawcliffe Country Park.
42. **York Art Gallery Gardens (£500k total, CYC £350k 15/16) -** York Art Gallery is due to reopen in Spring 2015 following a major redevelopment costing £8 million (incl. a £500k contribution from the Council). It will result in the city having an Art Gallery appropriate to its status as a leading European visitor destination, with new and expanded displays of its collections, an exciting exhibition programme, and a new Centre of Ceramic Art to celebrate York's world-class collection of British studio ceramics.
43. The creation of new gardens on the land behind the gallery will create a high-quality green public space, so extending one of York's most popular attractions - the historic Museum Gardens. This area will contain modern horticultural planting and a new Artists Garden which will celebrate all aspects of the arts. It will have its own artistic and event programme organised and funded by YMT, in partnership with other bodies such as Illuminating York.

Additional Schemes - Externally Funded + HRA Funded

44. In addition to those schemes set out in tables 2 and 3, schemes that are fully externally funded are proposed as part of this budget process. Table 4 shows the level of external funding that is increasing existing schemes and which year the change takes effect in:

Scheme Type / Description	External Funding Value	Financial Year
	£000	£000
<u>Existing General Fund Schemes New External Funding</u>		
Basic Need	11,624	11,624
Universal Infant Free School Meals	379	379
<u>Total Existing General Fund Schemes New External Funding</u>	12,003	12,003

Table 4 – Summary of New External Funding

45. An overview of the new schemes being proposed is set out in the following paragraphs:
46. **Basic Need (£11.624m)** – On 18th December 2013 the Secretary of State for Education announced local authority allocations of Basic Need capital grant for the three years 2014/15 to 2016/17. The 2014/15 allocation confirms the amount announced in early 2013. The allocations for 2015/16 and 2016/17 are new and for York represent a significant increase on the assumptions currently in the capital programme. This funding is allocated on the basis of a comparison of forecast pupil numbers against school capacity, with shortfalls in capacity attracting funding. These allocations are a recognition of the need for additional school places within the local authority area.
47. **Universal Infant Free School Meals (£379k)** - From September 2014 all children in reception, Year 1 and Year 2 in state-funded schools in England will be eligible for free school meals. The DfE has made available £150m of capital funding to build or upgrade new kitchens and to increase dining capacity where required. Allocations are calculated based on the numbers of pupils in Reception and Years 1 and 2 at 31st August 2012 in all maintained schools, free schools and

academies, and then allocated to local authorities and the Academies capital maintenance fund in proportion to these numbers. York has been allocated £379k, to be paid in 2014/15, and is already beginning to work with schools to identify the most effective use of this funding in supporting them to deliver their new responsibilities.

48. The approved Housing Revenue Account Business plan 2013 to 2043 report contains an overview of the Housing Revenue Account (HRA) Business plan for the next 30 years and provides detail of the key priorities for the next five years, including the creation of an investment fund to support the delivery of more affordable new homes. As part of the report capital investment plans of the HRA are set out over the forthcoming years. Table 5 updates the capital investment strategy and shows the overall movement (growth) against the existing approved expenditure plans.

Scheme Type / Description	Total Scheme Value	HRA/ Reserve Funding Value	Financial Year
	£000	£000	
<u>New Investment for the HRA</u>			
Major Repairs Allowance Schemes	5,730	5,730	14/15 – 18/19
Modernisation of Local Authority Homes	2,461	2,461	14/15 – 18/19
Assistance to Older & Disabled People	524	524	15/16 - 18/19
Building Insulation Programme	228	228	15/16 - 18/19
IT Infrastructure & Water Mains Upgrade minor amendments	16	16	14/15 - 18/19
<u>New Investment for the HRA Total</u>	8,959	8,959	

Table 5 – Summary of HRA investment

49. The key investment areas are shown in table 5 and shows new investment of over £8.959m that will see key schemes delivered including:
- **Major Repairs Allowance (£5.730m)** – This continued investment in improvement schemes such as Decent Homes Works will ensure the housing stock continues to meet modern facilities and standards including legislative requirements that provide homes that exceed customer expectations.
 - **Modernisation of Local Authority Homes (£2.461m)** – This will see investment in improvement schemes such as communal area improvements and health and safety works at sheltered schemes that will ensure the housing stock continues to meet modern facilities and standards including legislative requirements that provide homes that exceed customer expectations.
 - **Assistance to Older and Disabled People (£524k)** - There is an ongoing need to relocate existing adaptations, renew existing installations and to provide additional installations to meet arising need. This will allow tenants to remain in their homes supporting independent living.
 - **Building Insulation Programme (£228k)** – This increased investment in upgrading windows to PVCU will improve the insulation to more council homes as part of ensuring the housing stock meets modern standards.
50. None of the schemes in table 5 have an impact on prudential borrowing.

Funding Position – CYC Prudential Borrowing

51. The budget proposals in terms of CYC prudential borrowing adds to existing rolling programme schemes totalling £11.050m (of which £10.300m impacts Council Tax) and adds new schemes totalling

£5.325m (of which £5.325m impacts on Council Tax). Table 6 shows the financial impact on a year by year basis and over the 5 year period.

	14/15 £m	15/16 £m	16/17 £m	17/18 £m	18/19 £m	Total £m
Rolling Programme	2.010	1.220	1.375	1.900	4.545	11.050
New Schemes	3.225	2.100	0.000	0.000	0.000	5.325
Gross Total Increase – PB only	5.235	3.320	1.375	1.900	4.545	16.375

Table 6 – Net Funding Position of Prudential Borrowing Schemes

52. The impact of the general capital budget proposals in respect of Prudential Borrowing schemes is an increase in the level of debt (the underlying need to borrow for capital investment purpose only) of £16.375m over the 5 year programme, with schemes to the value of £15.625m impacting on Council Tax.

Summary of Analysis

53. Table 7 summarises the additions and amendments made as part of this report (outside of re-profiling) split by rolling programme schemes and new schemes (by funding type) showing an overall increase in the capital programme of £38.132m.

	14/15 £m	15/16 £m	16/17 £m	17/18 £m	18/19 £m	Total £m
1) Rolling Programme (table 2)	2.010	1.220	1.375	1.900	4.545	11.050
Funded by:						
CYC Pru Brrw	2.010	1.220	1.375	1.900	4.545	11.050
2) New CYC Schemes (table 3)	3.945	2.175	0.000	0.000	0.000	6.120

Funded by:						
CYC Pru Brrw	3.225	2.100	0.000	0.000	0.000	5.325
External Funding	0.720	0.075	0.000	0.000	0.000	0.795
3) Existing Schemes Externally Funded (table 4)	0.379	4.518	4.856	0.000	2.250	12.003
Funded by:						
External Grant	0.379	4.518	4.856	0.000	2.250	12.003
Other						
4) HRA Schemes (table 5)	0.042	0.043	0.045	0.282	8.546	8.959
Funded by:						
HRA	0.042	0.043	0.045	0.282	8.546	8.959
Total Proposed Expenditure Increase	6.376	7.956	6.276	2.182	15.341	38.132

**Table 7 – Summary of Expenditure and Funding Movements 14/15
– 18/19**

54. The overall funding position will need to continue being reviewed on an annual basis and the capital receipts will need to continue to be tightly monitored to update the latest position to ensure the programme remains affordable. The proposal to use prudential borrowing to fund the new schemes is made on the assumption that over the medium term the current level of required receipts are achieved. Clearly if the projected level of receipts is not achieved action will be required to overcome the resulting funding shortfall. This action could take the form of either increasing revenue contributions or increasing the level of prudential borrowing whilst ensuring affordability to meet any capital receipts shortfall, or reducing the capital programme schemes funded by capital receipts. The ability to contribute revenue funds to support prudential borrowing over and above the level currently being proposed as part of this report would have a significant impact on revenue budgets and would potentially place pressure on other Council service areas.

55. Although not anticipated, any short term shortfall in funding will be met from prudential borrowing. The revenue implications of any in year shortfall due to timing differences will be borne by the treasury management budget.
56. The outcome of the proposals outlined above if accepted are illustrated in Table 8 which sets out the proposed capital budget for each directorate over the next 5 years and in detail in Annex A.

Gross Capital Programme	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	£m	£m	£m	£m	£m	£m
Children's, Education, Skills	10.241	9.643	9.981	5.125	2.250	37.240
Adult Services	0.787	0.525	0.505	0.505	0.505	2.827
Communities, Culture, Public Realm	3.439	2.075	0.000	0.000	0.000	5.514
Highways and Waste	6.407	3.497	2.934	2.839	1.350	17.027
Housing and Community Safety	15.821	11.562	10.026	8.753	9.023	55.185
Transport	6.509	2.713	2.713	2.713	0.090	14.738
Community Stadium	9.240	7.679	0.000	0.000	0.000	16.919
Asset Management	1.928	0.420	0.200	0.200	0.100	2.848
IT development plan	1.860	1.870	1.920	2.245	2.025	9.920
Capital Contingency	0.300	0.000	0.000	0.000	0.000	0.300
Economic Infrastructure Fund	7.852	6.800	5.800	0.000	0.000	20.182
Total Capital Programme	64.114	46.784	34.079	22.380	15.343	182.700

Table 8 – Proposed Capital Programme 2014 – 2019

Council Plan

57. The CRAM process ensures that all bids received for capital funding address the aspirations of the Council Plan with each proposal addressing at least one corporate priority. The capital schemes put forward for consideration are derived from the service and area asset management plans which look at the capital needs and requirements of the service. All schemes that have progressed through for further consideration in this report have demonstrated through the CRAM process that they directly contribute toward the achievement of the Corporate Strategy.

Implications

Financial Implications

58. The financial implications are considered in the main body of the report.

Human Resources Implications

59. There are no HR implications as a result of this report.

Equalities Implications

60. A communities impact assessment (CIA) has been completed on the overall impact of the budget proposals and this is available as an annex to the Financial Strategy report elsewhere on this agenda. This assessment has been developed as a result of individual impact assessments for services which are undergoing changes. The impact assessment examines the benefits of recommended growth and capital investment alongside the risks associated with any savings proposals to ensure any negative impact for a particular group, sector or community is eliminated or counterbalanced. Where negative impacts have been identified, possible remedial actions have been shared with the relevant Cabinet member prior to the budget recommendations being finalised. Where a screening of the potential implications has identified it appropriate, a full CIA will be completed for individual proposals. In addition, all capital schemes have

considered any potential equalities implications prior to being included in this report.

Legal Implications

61. The Council is legally required to set a balanced 3 year capital programme but to assist with Medium Term Financial Planning sets a 5 year programme.

Crime and Disorder

62. There are no crime and disorder implications as a result of this report.

Information Technology

63. There are no information technology implications as a result of this report.

Property

64. The property implications of this paper are included in the main body of the report which covers the funding of the capital programme from the disposal of Council assets.

Risk Management

65. The risks associated with both the existing and proposed capital programme has been discussed extensively throughout this report.
66. This report highlights the challenge presented by the proposed capital programme, which includes a significant level of Council driven schemes. Despite the proposed schemes being funded from revenue contributions the existing approved capital programme still places significant reliance on a small number of high value capital receipts. In addition the recent increase in the size of the programme has meant the Council has to ensure that the key skills are in place to allow the programme to be successfully delivered.
67. To mitigate the risks the capital programme is regularly monitored as part of the corporate monitoring process. In addition to this the Capital Asset Board (CAB – the Chief Executive, Director of CBSS, Service Directors and Assistant Directors) meet monthly to plan, monitor and review major capital schemes to ensure that all capital risks to the Council are monitored and where possible minimised. The development of the revised CRAM process and capital strategy has

put in place gate keeping controls to ensure that only projects that can be delivered are put forward for approval by the Council.

Recommendations

68. The Cabinet is requested to recommend that Council:
- Agree to the revised capital programme of **£182.700m** that reflects a net overall increase of **£38.132m** (as set out in paragraph 53 table 7 and in Annex B). Key elements of this include:
 - Extension of prudential borrowing funded Rolling Programme schemes totalling £11.050m as set out in table 2 and summarised in table 7;
 - New schemes totalling £6.120m including an increase in prudential borrowing of £5.325m as set out in table 3 and summarised in table 7;
 - New externally funded schemes totalling £12.003m as set out in table 4 and summarised in table 7;
 - An increase in HRA funded schemes totalling £8.959m funded from HRA balances of £8.959m as set out in table 5 and summarised in table 7.
 - Approve the full restated programme as summarised in Annex A totalling **£182.700m** cover financial years 2014/15 to 2018/19 as set out in table 8 and Annex A
69. Reason: To set a balanced capital programme as required by the Local Government Act 2003.

Authors:	Cabinet Member & Chief Officer Responsible for the report:		
Ross Brown Principal Accountant Corporate Finance Ext 1207	Ian Floyd Director of Customer & Business Support Services		
Debbie Mitchell Finance Manager Corporate Finance	Report Approved	√	Date 17/01/14
Wards Affected: All			
For further information please contact the authors of the report			

Specialist Implications:
Legal – Not Applicable
Property – Tracey Carter – Asst Director Finance Asset Management and Procurement
Information Technology – Roy Grant – Head of ICT

Wards Affected:

All X

For further information please contact the author of the report

Background Papers:

Capital Budget Control 2013/14 – 18/19

Annexes

Annex A – Capital Programme 2014/15 - 2018/19

Annex B – Growth Summary 2014/15 – 2018/19