

Subject: Capital Programme

Status: For Publication

Report to: Council

Date: 28th February 2007

Report of: Head of Financial Services

Portfolio

Holder: Finance & Risk Management

Key Decision:

YES

NO/YES (Please delete)

Forward Plan
Relevant Box

General Exception

Special Urgency

"X" In

1. PURPOSE OF REPORT

- 1.1 The purpose of the report and advise Members of Cabinet recommendations to Council on:
- Capital expenditure estimates and resources for 2007/08
 - Capital expenditure estimates and resources for the medium term 2008/09 & 2009/10.

2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report are linked to and support the following corporate priorities:
- Financial Management: *embedding financial management throughout the organisation.*

3. RISK ASSESSMENT IMPLICATIONS

- 3.1 The Council needs to ensure that it is able to generate adequate sources of capital funding to support its capital commitments over the medium term and that it does not over stretch itself in terms of borrowing exposure.
- 3.2 The Council can do this by prioritising its capital assets over the medium term. This requires focus not just on the immediate issue but on those issues emerging over the medium term.

4. BACKGROUND AND OPTIONS

4.1 Estimated Capital Expenditure and available Resources

4.1.1 Appendix 1 details the capital programme and funding resources forecast and estimates over 2006/07 to and 2009/10.

4.2 Capital Receipts

4.2.1 Assumptions for capital funding receipts over the next three years are as follows:

- As last year a prudent view of £100k per annum has been taken of the Council's ability to raise capital receipts from land sales due to the immediate impact of the Lancashire Structure Plan, though it could reasonably be expected to improve over the medium term.
- Forecast resources continue to also include proceeds from the disposal of the Council's Rawtenstall Town Hall site prior to redevelopment. *NB – A purely speculative figure has been assumed as no firm information is yet available – the Council has recently appointed property experts to advise the Council specifically on the value of its Valley Centre assets.* This was part of the accommodation strategy estimated receipts alongside estimates for the disposal of other vacated buildings, also included in this forecast
- Housing stock right to buy changed in 2006/07 following the LSVT and was replaced by the 5 year negotiated settlement with Greenvale homes of £900k pa.
- Resources also arise from the Council's ongoing partnership agreements with Green Vale Homes in particular the Council's VAT share entitlement and contributions to affordable housing. The details as to the use of these resources were reported to Members June 2006.
- The council has been notified of its Housing capital grant allocation of £668k plus £213k Disable Facilities Grant. The assumption is that this level will be available for 2008/09 and 2009/10 and will be used primarily to support the Private Sector Housing capital programme.
- Grants for 07/08 which have been previously notified and other estimates made for following years as follows:

	Total Capital Costs £000	2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £001
NWDA/ERDF	7,813	1,813	2,000	2,000	2,000
Office of Deputy Prime Minister	3,657	963	898	898	898
Miscellaneous	108	60	48	-	-
Commercial Lenders for decent homes	900	-	300	300	300
TOTAL	12,478	2,836	3,246	3,198	3,198

4.2.2 Grants associated with the Brownfields programme are currently under review and have not been forecast into future years.

4.3 Capital Expenditure

4.3.1 Appendix 1 also outlines in detail individual capital projects recommended for approval, together with the existing approved programme and the funding sources. This programme builds on that established last year, concentrating on key risk issues identified through the ongoing business planning and service review process. New projects are as follows:

4.3.2 *Pathways (Parks & Cemeteries) - £30k pa 5 year programme:* The purpose of the bid is for a suitable contractor to undertake the work required in endeavour to avoid insurance claims and improve customer service.

4.3.3 *Land Drainage - £60k 2007/08:* A number of projects have been identified in order to address environmental health matters

4.3.4 *Planning Systems £85k 2007/08:* The proposal is to invest c. £85k for the purchase Planning, Development and Building Control Software. Amongst other things the software performs a database and workflow administration function for the accurate control of planning applications. In addition the package includes a web based monitoring facility in order to track progress of planning applications

4.3.5 *Provision of Wheeled Bins - £45k pa 5 year programme:* provision for 15,000 blue & grey bins over the next 5 years, with an on going replacement for damaged, lost, stolen bins and new properties of 1,000 per annum.

4.3.6 *Environmental Projects - £80k 2007/08:* Street Scene & Liveability have identified a number of environmental projects requiring capital investment either as a one off capital injection or as part of an ongoing capital programme. Amongst other things, projects which have been identified are: Litters bins, Floral displays, Bin Store, Alley gates, Parish Notice Boards

4.3.7 *Sports & Playing Fields - £45k pa 5 year programme:*. The level of investment in Rossendale's municipal sports fields has not matched wear for the last 15 years, this means that the overall condition of these facilities do not match expectation, with a high number of match cancellations. The proposal is to undertake a 5 year investment program that will hopefully be matched with external funding to allow the upgrading of facilities to an appropriate standard

4.3.8 *Building Condition Survey Maintenance - £200k increase to capital programme £100k pa for 2 years:* The Council has recently commissioned a report on the condition of its operational properties. This has identified the need for additional resources over and above the £200,000 pa five year programme agreed as part of the 2006/07 budget

4.3.9 *Private Sector Renewal (PSR):* The total Capital Housing programme totals £4,025k of which £3698k is funded from outside resources, £190k from under spend in 06/07 and additional RBC recourses in 07/08 of £137k

4.4 Net position

4.4.1 Based on the above assumptions of capital expenditure requirement and available capital receipts over the years 2007/08 to 2009/10 there is a

cumulative surplus in capital resources of **£1.5m** by March 2008 and **£2.6m** by March 2010.

5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES

5.1 Financial Matters are dealt within the report.

6. COMMENTS OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES

6.1 Unless specifically commented upon within the report, there are no implications for Legal and Democratic service matters.

7. COMMENTS OF THE HEAD OF HUMAN RESOURCES

7.1 Unless specifically commented upon within the report, there are no implications for Human Resource matters.

8. CONCLUSION

8.1 Resources are available to support the capital programme.

9. RECOMMENDATION(S)

9.1 That the Cabinet recommend that the Full Council approve the 2007/08 Capital Programme as follows:

Detail	£000's
Pathways (5 year programme pa)	30
Land Drainage	60
Planning System	85
Wheeled Bins (5 year programme pa)	45
Environmental Projects	80
Sports & Playing Fields (5 year programme pa)	45
Condition Survey Maintenance (additional funding of 2 year programme pa)	100
Private Sector Housing Renewal (<i>in addition £668k funded from Housing Capital Allocation and other grants</i>)	137
Total	572

10. CONSULTATION CARRIED OUT

10.1 Executive Director of Resources and Heads of Service

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Background Papers	
Document	Place of Inspection
Previous Capital Programmes	Cabinet Feb 06
07/08 Budget Consultation	Rossendale Borough Council - Website