

APPENDIX 1

Capital Programme 2009/10 to 2013/14

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Purpose of Report

1. To outline the resources available for new schemes and to agree the new schemes to be included in revised Capital Programme from 2009/10.

Recommendations

2. That the District Executive: -
 - (a) Consider and note the proposals outlined in paragraphs 14 to 16 for inclusion in the revised Capital Programme, as shown in Appendix E
 - (b) Consider and note the proposals outlined in paragraph 18 for funding from the ICT reserve, as shown in Appendix F.
 - (c) Consider and note the proposals to set up a reserve for the Sports Zone as outlined in paragraph 17.

Capital Strategy

3. The Capital Strategy has been revised and agreed by District Executive on the 2nd November 2006. The strategy outlines the release of set aside resources over the life of the Corporate Plan and allows for the revenue consequences of this.

Current Capital Programme

4. The Capital Programme currently approved for 2009/10 to 2013/14 is attached at Appendix A (this has taken into account slippage as at quarter 2). The following projects have slippage in expenditure during 2008/09 that is now included within the 2009/10 figures:

Project	Slippage to 2009/10 £'000	Reason for Delay
New Car Parks	(250)	Crewkerne site experiencing delays as not completely in our hands.
New pitches at Ilton Gypsy Site	(580)	Scheme proposals now awaiting Government approval of 'Park Homes' concept for Ilton and Tintinhull before progression can be made. All projects may be completed under one contract.

Refurbishment of Ilton Gypsy Site	(186)	
Refurbish Utility Block to New Homes, Ilton Gypsy Site	(181)	
Refursh 8 Pitches, Tintinhull Gypsy Site	(85)	
Affordable Housing Schemes	(143)	Larkhill, Yeovil & The Avenue, Sparkford have both slipped into next year following land and planning delays. Delays in reaching detailed agreements on number of projects in Highways Programme
Castle Cary Library	(55)	SSDC elements on schedule, but still awaiting planning decision on library by SCC before any progress can be made.
Market Towns Visions	(117)	Delays in reaching detailed agreements on number of projects in Highways Programme
Affordable Housing – Northbrook P, Larkhill Rd, South Cadbury & Sparkford	(302)	Spend dependant on completion date, which is outside our control as start on site date controlled by housing associations.
E-gov - E-Procurement	(40)	Delayed due to inhouse Cedar implementation
Multi Use Games Areas	(35)	Langport MUGA delayed as more work needs to be done to raise capacity level of playing field committee including fund raising.
Total	1,974	

5. Members may wish to review whether to continue with some of those projects or to allocate some of the funding to new bids. The total programme currently stands at £16.0 million and includes the schemes that have been already agreed in previous years.

Capital Resources

6. The capital strategy states that we will move to a position where receipts will only be released once received ensuring that commitments are not made against receipts that may not materialize.
7. The capital strategy outlines the release of £18 million of resources (plus any additional receipts received) to finance capital expenditure to 2012/13. The table below outlines the current capital resources available under the current strategy:

	2008/09 £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000
Remaining sum available each year.	662	1,651	1,814	2,186	2,531	514	9,358
Less allocated during 2008/09:							
Disabled Facilities Grants	(100)						(100)
Wincanton Pool Tiling	(25)						(25)
Total Allocated	(125)						(125)
Amounts returned during 2008/09:-							
Waterlinks	45	150	84	32			311
Ward Members Funds	75						75
Wind Turbine (additional external conts)	5						5
Total Returned	125	150	84	32	-	-	391
New receipts in 2008/09		25	25	25	25	25	125
Reallocation of 08/09 surplus	(662)	221	221	220			-
Total Resources Remaining		2,047	2,144	2,463	2,556	539	9,749

8. A total of £9.749 million is available over the next five years to fund the capital programme but in terms of revenue implications for 2009/10 the maximum that can be committed for expenditure in that year is £2.047 million. The table above however does not include the likely allocation of a further £3 million for 2013/14.
9. An exercise was completed as part of the revised capital strategy in longer term financial planning with managers being asked to identify possible schemes for delivery over the life of the Corporate Plan. The table below outlines the capital resources available, new bids received for 2009/10 and also future bids expected but not yet submitted:

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000
Total Resources Remaining	2,047	2,144	2,463	2,556	539	9,749
New Bids in 2009/10	1,936	1,831	1,359	1,141	800	7,067
Likely essential bids		100	250	275	275	900
Future prioritised bids		5,058	1,730	6,300	2,239	15,327
Total All bids	1,936	6,989	3,339	7,716	3,314	23,294
Remaining/ (Shortfall) in Resources	111	(4,845)	(876)	(5,160)	(2,775)	(13,545)

Figures in brackets show reduction in resources and a shortfall of resources in the final totals.

10. The table above shows that if all bids for 2009/10 and future bids are approved there would be a shortfall in funding of £13.5 million by 2013/14.

New Capital Bids 2009/10

11. The capital bids for new schemes starting in 2009/10 and for future bids are shown at Appendix B. The scoring analysis is attached at Appendix C. If all bids were to be approved with the resources available the effect on capital resources for future years would be as follows:

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000
Total Resources Remaining	2,047	2,144	2,463	2,556	539	9,749
New Bids in 2009/10	1,936	1,831	1,359	1,141	800	7,067
Remaining Resources	111	313	1,104	1,415	(261)	2,682

12. Appendix B divides the schemes between essential, prioritised schemes, and other schemes that cannot yet be scored. Essential schemes include those schemes that are for refurbishment of the Council's own assets, providing that the need for refurbishment has been assessed and justified. Essential will also include schemes that the Council is obliged to provide such as disabled facilities grants.

13. The detailed Capital Investment Appraisal pro-formas for each new scheme are attached at Appendix D. These provide full details of the outcomes, partner funding and the monitoring/evaluation arrangements.

Recommendations for Approval

14. The following recommendations are based on the scoring methodology and schemes scoring 600 points and above. The current recommendations for inclusion within the 2009/10 capital programme are attached at Appendix E. The effect of this on future resources is outlined below:

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000
Total Resources Remaining	2,047	2,144	2,463	2,556	539	9,749
Total essential and schemes scoring 600 and above	1,229	979	984	1,124	800	5,116
Remaining Resources	818	1,165	1,479	1,432	(261)	4,633

15. If the recommendations are agreed this will leave £4.63 million to be allocated to essential and prioritised schemes over the next four years. This does not include possible new receipts that will be added to this sum as they are received.
16. Members will receive a further report and final recommendations in February 2009.

Sport Zone

17. The Sports Zone report as outlined to Full Council on the 11th December 2008. It outlined that funds of a maximum of £6 million will need to be set to one side through a reserve should SSDC progress the project. It is prudent that this funding is set to one side in advance and therefore I am recommending that the following is approved from 2010/11. The funds will need further member approval to be utilized and they can be returned for other schemes if the project is not progressed. The funding of the outline planning permission in 2008/09 is also included within the overall £6 million:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total £'000
Total Resources Remaining	1,983	1,480	1,433	(261)	-	4,635
New Allocations through the Capital Strategy				3,000	3,000	6,000
Allocation to						

Sports Zone Reserve	1,383	880	833	2,139	401	5,636
Remaining Resources	600	600	600	600	2,599	4,999

Note the £6m also includes the financing of outline planning permission.

ICT Reserve

18. The ICT Reserve has been put in place to replace hardware and systems as the need arises. The bids are included in Appendix D and Appendix F shows a summary. There are two bids for funding for 2009/10:

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000
Total ICT Resources Remaining	300	300	300	300		1,200
Allocation to schemes	236	177	98	15	82	608
Remaining Resources	64	123	202	285	(82)	592

Revenue Implications

19. The revenue implications of releasing £18 million of capital resources will require revenue funding of £150,000 per annum. This is currently included within the Medium Term Financial Plan as part of the savings target and members were asked to consider a further specific increase of 2% in council tax to fund this at the District Executive meeting in December. The revenue implications of each scheme other than the loss of interest are included at Appendix B and will need to be included within the Medium Term Financial Plan.

Next Steps

20. Once the District Executive has agreed the schemes for funding in 2009/10, the schemes will be referred to the Scrutiny Committee.
21. New schemes to start 2009/10 will then receive final approval at District Executive in February as part of the overall MTFP report. The final recommendations of the District Executive will then be submitted to full Council for formal approval on xx February 2009.

Background Papers: Capital Strategy