

Scrutiny Committee – 5th January 2010

## 10. Capital Programme 2010/11 to 2014/15

*Executive Portfolio Holder:* Robin Munday – Finance and Support Services  
*Ward Member(s)* N/A  
*Strategic Director:* Phil Dolan – Chief Executive  
*Assistant Director:* Donna Parham – Assistant Director – Finance and Corporate Services  
*Service Manager:* Amanda Card – Finance Manager  
*Lead Officer:* Amanda Card – Finance Manager  
*Contact Details:* amanda.card@southsomerset.gov.uk or 01935 462542

### Purpose of the Report

- To outline the resources available for new schemes and to agree the new schemes to be included in revised Capital Programme from 2010/11.

Please refer to the District Executive agenda for the appendices to this report.

### Action Required

- That the Scrutiny Committee: -
  - Consider and comment to the District Executive on the proposed recommendations for approval on pages 19 and 20 of the agenda for inclusion in the revised capital programme, as shown in Appendix E.
  - Consider and comment to the District Executive on the proposals to delay and review the set up of a reserve for the Sports Zone on page 20 of the agenda.
  - Note that there is no change in the available funding from the ICT reserve as outlined on page 20 of the agenda.

### Background

- In accordance with the Capital Strategy, capital bids for 2010/11 have been reviewed by the Project Resources Group and subjected to the scoring analysis; a review of available resources has also been undertaken. This report recommends which projects should be included in the Capital Programme which will be formally approved by Full Council in February.

### Capital Strategy

- The Capital Strategy has been revised and agreed by District Executive and Council in December 2009. 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

- The Capital Programme currently approved for 2010/11 to 2014/15 is attached at Appendix A (this has taken into account slippage as at quarter 2). The total

programme currently stands at £13.7 million and includes the schemes that have been already agreed in previous years.

6. The following projects have slippage in expenditure during 2009/10 that is now included within the 2010/11 figures:

<b>Project</b>	<b>Slippage to 2010/11 £'000</b>	<b>Reason for Delay</b>
Multi Use Games Area	35	Martock have been committed to improving their Skate Park and Play Area during 2009/10
New Car Parks	346	Delay with Crewkerne site - land ownership issue
Land Acquisition & Enhancements to Waterside Road, Wincanton	35	Unavoidable commitment as legal obligation to receive land - likely that land acquisition will not be finalised in current financial year
Replacement Boiler in Brympton Way	80	Tenders for high efficiency boilers being obtained for installation summer 2010
E-Government – E-Procurement	40	E-Procurement applications could not be deployed until we had updated the version of the finance system. This has just been completed and the application can now be reviewed.
Yeovil Rec Synthetic Sports Pitch	224	Delayed pending site decision now expected Spring 2010
Bruton Dovecot	48	Planning decision expected October 2009, scheme has been seasonally adjusted and now completion programmed Spring 2010
<b>Total</b>	<b>808</b>	

7. Members may wish to review whether to continue with some of those projects or to allocate some of the funding to new bids.
8. Members have also approved the following schemes for future years that have not yet started:

<b>Project</b>	<b>2010/11 £'000</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>	<b>Total £'000</b>	<b>Impact if Removed from Programme</b>
Box Factory	35	0	0	35	
Market Towns Visions	105	76	0	181	This is used to support the Market Towns Investment group to meet local needs through the development of joint investment programmes. Without this money for leverage etc, the group could not function.

Empty Property Grants	100	100	100	300	Funding for empty property grants, HMO grants and home repairs assistance grants is paid for by specific capital grant awarded by GOSW. It also helps support DFG expenditure in a round about way. If we reduce expenditure it might lead to reduced specific capital grant in future years
Home Repairs Assistance Grants	100	100	100	300	
Housing in Multiple Occupation Grants	160	60	60	280	
New Car Parks	160	100	0	260	Against approved car parking strategy to provide shortfall in Market Towns. Required to maintain vitality and economic success
Replacement Boiler in Chard	50	0	0	50	Possible loss of services, due to boiler breakdown for SSDC and three floors, on which SCC also share occupancy.
Community Play Schemes	100	75	88	263	
Youth Facilities Development	25	10	15	50	
Multi Use Games Area	70	70	70	210	
Grants for Parishes with Play Area	98	50	0	148	
Dual Use Sport Centre Grants	40	40	40	120	
<b>Total</b>	<b>1,043</b>	<b>681</b>	<b>473</b>	<b>2,197</b>	

9. Members may also wish to review whether to continue with some of those projects or to allocate some of the funding to new bids or to return the funds allocated back to capital resources.

### Capital Resources

10. The new capital strategy introduces a revised methodology for the allocation of capital resources.
11. The previous capital strategy outlined the release of £18 million of resources (plus any additional receipts received) to finance capital expenditure to 2012/13. Currently £4.58 million of that sum remains unallocated and will be returned to capital resources.

12. The revised methodology is based on any surpluses from the previous year in interest earned, new capital receipts, and affordability.
13. Funds totalling £435,000 can be released for new starts in 2010/11 as follows:

	£'000
Additional interest earned and transferred to balances in 2008/09	315
Returned funds from projects	131
Additional Receipts Earned 2009/10	84
Less allocations from reserves for wheeled bins	(95)
<b>Total to be Allocated to new schemes 2010/11</b>	<b>435</b>

### New Capital Bids 2010/11

14. The capital bids for new schemes starting in 2010/11 and for future bids are shown at Appendix B. The scoring analysis is attached at Appendix C. If all bids were to be approved the effect on capital resources for future years would be as follows:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total £'000
<b>Total New Bids</b>	<b>411</b>	<b>181</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>592</b>

15. 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 in order to comply with legal or health and safety requirements.
16. 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

17. The following recommendations are based on the scoring methodology and schemes scoring 550 points and above. The current recommendations for inclusion within the 2010/11 capital programme are attached at Appendix E. The effect of this on future resources is outlined below:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total £'000
Bids	299	141	0	0	0	440
Resources Released	435	0	0	0	0	435
Impact on Remaining Resources	136	(141)	0	0	0	(5)

18. Members will receive a further report and final recommendations in February 2010.

### Sports Zone

19. The Sports Zone report was outlined to Full Council on the 11<sup>th</sup> 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. However delays in the scheme mean that there is no requirement to make a contribution in 2010/11 and this can be reviewed again for the 2011/12 budget.

### ICT Reserve

20. The ICT Reserve has been put in place to replace hardware and systems as the need arises. There are no bids for funding for 2010/11 so available resources are unchanged from last year:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total £'000
Total ICT Resources Remaining	123	202	267	0	0	592

### Revenue Implications

21. The revenue costs of releasing the funds outlined above will be £19,450, of which £17,150 relates to interest, as indicated on Appendix E. However as the majority of the resources have been found from additional interest earned and new capital receipts the impact of interest on the Medium Term Financial Plan is only £200. However, had these sums been set aside to earn interest then £16,960 could have been added as a saving to the MTFP. The overall revenue impact on the MTFP is £2,500 (£200 relating to interest and £2,300 direct net revenue expenditure).

**Next Steps**

22. Schemes will be considered by the Scrutiny Committee on the 5<sup>th</sup> January 2010 – draft notes of that meeting will be reported verbally with the minutes available to District Executive for final consideration in February 2010.
23. New schemes to start in 2010/11 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 25 February 2010.

**Financial Implications**

24. These are contained in the body of the report.

**Corporate Priority Implications**

25. The implications for individual projects are detailed in Appendix D.

**Carbon Emissions & Adapting to Climate Change Implications (NI188)**

26. The implications for individual projects are detailed in Appendix D.

**Equality and Diversity Implications**

27. There are no specific implications in these proposals.

**Background Papers:** Capital Strategy

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