



Chester-le-Street
District Council

Report to: Council

Date of Meeting: 28 February 2008

Report from: Head of Corporate Finance

Title of Report: 2008/2009 General Fund Capital Programme

Agenda Item Number: 13

1. PURPOSE AND SUMMARY

- 1.1 The report summarises the 2008/09 General Fund Capital Programme proposals for consideration by Council.

2. CONSULTATION

- 2.1 Corporate Management Team has been consulted on the contents of the report. The Capital Working Group has considered the new bids to the programme.

3. CORPORATE PLAN AND PRIORITIES

- 3.1 Several of the Capital Programme bids address the Council's priorities.

4. IMPLICATIONS

4.1 Financial and Value for Money

The financial implications are detailed throughout the report.

4.2 Legal

There are no legal requirements.

4.3 Personnel

There are no personnel implications.

4.4 Other Services

The capital programme proposals clearly have an impact on other service areas.

4.5 Diversity

The capital programme includes provision for Disabled Facilities Grants which impact upon people with disabilities, who need adaptations to their homes.

4.6 Risk

It is essential that only available resources are committed; schemes can only go ahead once the capital resources are in place to support them.

4.7 Crime and Disorder

The Crime and Disorder Act of 1998 requires the Council to consider all of its budgets, policies and plans in the light of their contribution to the reduction of crime and disorder.

4.8 Data Quality

Every care has been taken in the development of this report to ensure that the information and data used in its preparation and the appendices attached are accurate, timely, consistent and comprehensive. The Council's data quality policy has been complied with in producing this report.

4.9 Other Implications

There are no other implications arising from the contents of the report.

5. **ESTIMATED RESOURCES**

- 5.1 There are no unallocated capital receipts to be carried forward from 2007/08; all resources from 2007/08 are fully committed to fund the 2007/08 prioritised capital programme. From the originally approved capital programme of 2007/08 approximately £326,000 remains unreleased to support schemes which still require funding:

Scheme	£'000
Industrial Sites	20
Cemeteries, Footpaths and Headstones	100
Car Parking Repairs	22
Signage at the Leisure Centre	10
Boiler Systems at Riverside	5
Floodlighting-Athletics Track	9
COSY	160
Total	326

- 5.2 For 2008/09, it is estimated that new land sales will generate capital receipts of approximately £1.2million. These will be available to fund new capital schemes. However, consideration needs to be given as to whether the unreleased 2007/08 schemes should be first call on these new resources. In addition as noted by the Executive at its meeting on 7 January 2008 officers' time charged to the capital programme will need to be taken into account.
- 5.3 Bids of just over £1 million for the new 2008/09 capital programme have been submitted. These were considered by the Capital Working Group on 11th February, and are listed in Appendix 1 to the report.
- 5.4 The capital receipts of £1.2 million expected during 2008/09 will be from both housing and non-housing land and, therefore, the receipts from the sale of housing land will be allocated to regeneration schemes in accordance with the Council's normal policy.
- 5.5 None of the land sales have yet been finalised and consequently it will be important that the Capital Working Group monitors progress on asset sales and releases funding for prioritised schemes once the receipts are contractually committed.
- 5.6 It is proposed that the Executive receives quarterly reports on the progress of land sales and the funding position of the capital programme. It may be that borrowing in accordance with the Prudential Code will be considered to fund the schemes.

6. THE EXECUTIVE

- 6.1 The Executive considered the General Fund Capital Programme for 2008/09 at its meeting on 18 February 2008.
- 6.2 The Executive:
- (i) recommended that the schemes identified in section 5.1 and Appendix 1 to the report are included as schemes to be prioritised by the Capital Working Group and agreed by the Executive. This will be resourced from capital receipts from land sales and the £450k identified from the re-prioritisation of budgets referred to in the General Fund report.
 - (ii) agrees that the Capital Working Group prioritises these schemes together with six further schemes identified by the Executive, namely investment in further public toilet provision (provisionally £100k), further investment for environmental improvements in Pelton Fell (provisionally £250k) and the capital investment to support the key priority areas identified in the Executive General Fund report (£190k).

(iii) as per Appendix 2 note that the resources available of £1.65 million are insufficient to address the capital programme proposals. The Executive have delegated authority to agree the prioritised capital programme recommendation from the Capital Working Group to be contained within available resources. The criteria to be applied in such prioritisation will be:-

- expenditure needed to address Health and Safety needs
- expenditure to support the Council's new priority areas and;
- expenditure that has a significant advantage in leveraging in external funding.

(iv) that Council notes that if expenditure proposals are to exceed capital resources available, then consideration should be given to prudential borrowing but that in this eventuality the Head of Corporate Finance will need to advise on affordability and such a proposal would need to be agreed by the Implementation Executive or the new County Council.

7. RECOMMENDATIONS

7.1 It is recommended that the Council approves the recommendations of the Executive as detailed in Section 6.2.

8. BACKGROUND PAPERS

8.1 The following background papers have been used in the preparation of this report:-

- (1) Report to the Executive on 7 January 2008 and 18 February 2008 on the "2008/2009 General Fund Capital Programme"
- (2) 2008/2009 Capital Programme Bids

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