

Meeting:	Cabinet
Date:	13 January 2005
Subject:	Capital Programme 2005-06 to 2007-08
Responsible Officer:	Myfanwy Barrett
Contact Officer:	As above
Portfolio Holder:	Business Connections and Performance
Key Decision:	Yes
Status:	Part 1

Section 1: Summary

Decision Required

To approve the draft capital programme for 2005-06 to 2007-08 for consultation

Reason for report

To ensure that the capital programme is approved in a timely manner

Benefits

An agreed draft programme at this early stage will assist planning and help to ensure that the programme is delivered

Cost of Proposals

The draft programme for 2005-06 totals £49.6m net of external funding, of which £10.5m is Housing Revenue Account and £39.1m is general fund.

Risks

That a programme will be approved that is not affordable or deliverable.

Implications if recommendations rejected

Planning for the work to be completed next year will be less effective and the risk of slippage will increase.

Section 2: Report

2.1 Brief History

Officers have compiled outline business cases for the projects they wish to submit for 2005-06 to 2007-08.

These business cases have been evaluated against four critical criteria, namely:

- Strategic objectives – How will the project contribute to the Council's strategies and plans?
- Benefits and outcomes – What benefits will be delivered and how will they be measured?
- Financial implications – including initial capital cost, ongoing capital and revenue implications, and sources of funding
- Deliverability

Following the evaluation the draft programme has been compiled in consultation with senior managers and is attached as Appendix 1 to this report.

The total value of the programme is £60.2m for 2005-06, with external funding of £10.6m and a net cost to the Council of £49.6m.

2.2 Options considered

The underlying programme for the current year is approximately £34m with £16m carried forward from the year before taking the total to £50m. To the end of October the profiled budget suggests that 40% should have been delivered when in fact 35% had been delivered. The profiles also show a large amount of expenditure in the last quarter, which is likely to lead to

slippage of between 10-15% of the programme by year end. This is consistent with the assumptions made for overprogramming when the 2004-05 capital programme was approved.

The two key factors in determining next year's programme are affordability and deliverability.

In relation to affordability, it is recommended that the Council should look to finance around £35m of expenditure from the General Fund in order that the costs of borrowing can be contained within the revenue MTBS. Assuming overprogramming of 12.5% (midway between the range of 10-15% expected in the capital programme) this would suggest an affordable General Fund programme of £39.4m. The proposed General Fund programme therefore meets affordability criteria. Provision has also been made within the proposed HRA to fund a capital programme of £10.5m for 2005-06.

With regard to deliverability, each scheme has been assessed and is believed to be deliverable within the timescales of the programme. However, there may be unforeseen events which lead to future deliverability issues and any such issues will be reported to Cabinet as part of monitoring of the Capital Programme for next year.

2.3 Consultation

Consultation up to this point has been at officer level. If approved by Cabinet the draft programme will be included in the stakeholder meetings on the budget.

2.4 Financial Implications

These are covered within the body of the report.

2.5 Legal Implications

None

2.6 Equalities Impact

Many of the projects listed in the draft programme have a direct equalities impact, for instance improvements to disabled access and improved facilities for children and older people.

Section 3: Supporting Information/Background Documents

Appendices

Appendix 1 – Draft Capital Programme 2005-06 to 2007-08