

CITY OF PLYMOUTH

Subject: Capital Reporting
Committee: Full Council
Date: 11 October 2010
Cabinet Member: Councillor Bowyer
CMT Member: Director for Corporate Support
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Part: I

Executive Summary:

The purpose of this report is to update Council on the Capital Programme. It will update on the 5 year capital programme, including its funding and current year expenditure. This includes actions on future commitments given the impending Comprehensive Spending Review and an indication of the effects of any likely level of cuts

Corporate Plan 2010-2013:

The current capital programme is aligned to the Corporate Plan to deliver the key improvements contained within.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

The Capital Programme forms part of the Medium Term Financial Plan.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

The Capital Programme addresses these issues within the individual projects carried out.

Recommendations & Reasons for recommended action:

It is recommended that Council approve the updated Capital Programme

Alternative options considered and reasons for recommended action:

Reduction of other schemes within the Capital Programme rather than those identified within the Transport, and Children's Services Programmes. This would be difficult to achieve in the timescale as the schemes identified are those which are uncommitted, the majority of the remainder of the programme is already committed, subject to ring-fenced grant funding or will deliver future revenue savings.

Background papers:

2010/11 Budget Report (Capital and Revenue) – 9th February 2010 Cabinet – paragraph 4 and appendix D

Sign off:

Fin	CDR/CorS 1011002	Leg	TH 30.09.10	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member											

1. Updated 5 year capital programme

1.1 The updated capital programme, financing and changes since original approval are shown in summary in the tables below and in more detail for 2010/11 at sub-programme level in line with the original budget report at Appendix A. The movement from the original approval is shown in terms of reprofiling scheme expenditure between years, virements between schemes, new approvals and other variations.

Table 1 – Latest Forecast Capital Expenditure

Service	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total Programme £000
Children and Young People	35,636	17,458	14,953			68,047
Community and Neighbourhood	25,462	18,428	799			44,689
Development and Regeneration	28,812	16,042	6,203	6,530	7,656	65,243
Corporate Support	3,232	6,398	560	500		10,690
Total	93,142	58,326	22,515	7,030	7,656	188,669

Table 2 – Latest forecast financing

Funding Source	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total Programme £000
Capital Receipts	7,518	19,572	768	500		28,358
Unsupported Borrowing	18,307	11,316	(1,401)			28,222
Supported Borrowing and Formula Grant	8,205	9,128	7,317	5,124	5,227	35,001
Specific Supported Borrowing	248					248
Grants / Contributions	53,622	16,130	13,231	1,406	1,929	86,318
Revenue / Funds	5,242	2,180	2,600		500	10,522
Total	93,142	58,326	22,515	7,030	7,656	188,669

Table 3 – Changes to capital expenditure forecasts from original budget

Service	2010/11 Original Approval £000	2009/10 Reprofiling £000	New Approvals £000	Reprofiling £000	Other Variations £000	2010/11 Latest Forecast £000
Children and Young People	34,640	5,023	20	(1,626)	(2,421)	35,636
Community and Neighbourhood	29,237	(208)	1,376	(5,288)	345	25,462
Development and Regeneration	28,938	2,666	723	(2,493)	(1,022)	28,812
Corporate Support	500	320	2,412			3,232
Total	93,315	7,801	4,531	(9,407)	(3,098)	93,142

2. In year grant reductions by central government

2.1 The funding allocated for the Transport Programme in 2010/11 was reduced as part of the recent Government cuts by £0.95m, officers have 'frozen' schemes (appendix B) to accommodate this reduction pending the recent overall review of the capital programme. In addition as a result of deferring the North Stonehouse project (under development), LTP resources of £0.08m have been released to potentially fund a nationally driven programme around 'smart ticketing' for public transport.

2.2 The ring fenced funding allocations for 2010/11 to Children's' Services have been reduced by £2.6m, these reductions have been applied in the capital programme (appendix C) £1.9m in 2010/11 and £0.7m in 2011/12 (the funding conditions allow carry forward to the end of the academic year). This will have implications in particular to schools ICT improvements, Surestart, Early Years and Childrens Centre programmes, and Children's Playschemes.

3. Current year expenditure and uncommitted schemes

3.1 The capital expenditure at the end of August was £19.5m which is equivalent to 21% of the latest 2010/11 forecast. Due to the forthcoming Comprehensive Spending Review announcement on the 20th October a hold as been placed on any further commitments against any unringfenced funding within the Capital Programme. Commitments will only be made against schemes where secured external funding will be lost if commitments are not made or where projects are ensuring legislative compliance and failure to commit will leave the council at risk of prosecution. A number of previously uncommitted schemes have been approved by the capital delivery board to proceed in this financial year including

- Leachate works at Chelson Meadow to meet Environment Agency regulations
- Hospital School at Estover (currently in temp accommodation)
- Accommodation Strategy
- Two Devonport Regeneration Community Partnership 'local solution' schemes, Garrison Close and Riverside Business Park
- Replacement of customer services telephony system

4. Comprehensive Spending Review

4.1 The capital programme will be kept under review in the light of the Comprehensive Spending Review due on October 20th. Any necessary changes to the programme to reflect funding reductions will be reported to Full Council.

5. Changes to delegated authority

5.1 The planned review of the constitution will include a review of the cabinet authority to approve limited additions to the capital programme. This will be presented to Council for consideration by January 2011.

6. Recommendations & Reasons for recommended action

6.1 It is recommended that Council approve the updated Capital Programme