
CAPITAL PROGRAMME

1 PURPOSE

- 1.1 To consider the broad strategy for the Capital Programme for 2003/04-2005/06

2 BACKGROUND

- 2.1 The Capital Programme represents the investment the Council makes in assets for either the direct delivery of services or to discharge corporate objectives. Funding for the programme is mainly from the use of useable Capital receipts, credit approvals and grants from the Government. The Capital Programme includes the use of the major repairs allowance in respect of the Housing Revenue account.

3 CONSIDERATION

- 3.1 The Draft Capital Programme is shown as Appendix A. First of all looking at the programme on a scheme by scheme basis.

3.2 IS/IT Strategy (1-4)

There are now two items within this section. The programme to be funded by the first instalment of the grant from the Government (£200,000) and £47,000 provided from the Capital Programme, both sums are expected to be fully utilised in the current financial year.

3.3 Car Park Machines (5)

These will be purchased before the end of the year.

3.4 Wheelie Bins (6)

This is the replacement of the existing refuse bins. Members agreed that £15,000 of this provision would be used for litter bins in the current financial year. The total budget will be used during the year.

3.5 Toyota High Lux Vehicle (7)

The replacement vehicle will be purchased later this year. The estimate has been amended from £13,500 to £14,000.

3.6 Toyota High Lux Truck (8)

The replacement vehicle will be purchased later this year.

3.7 Land Rover (9)

The replacement vehicle will be purchased later this year.

3.8 Leyland Roadrunner (10)

The replacement vehicle will be purchased later this year. The estimate has been amended from £26,000 to £20,000.

3.9 Suzuki Jeep (11)

This vehicle has now been replaced.

3.10 Massey Ferguson Tractor/Ford Tractor (12/13)

These two tractors are being replaced with a single tractor. The total estimate has been amended from £16,000 to £9,200.

3.11 Civic Car (14)

This vehicle is being replaced.

3.12 Main Print Room Copiers (16)

These will be replaced in the current financial year. The cost will be £35,000 as against the estimate for the copiers and the dictation equipment of £50,000. There are currently no plans to replace the dictation equipment.

3.13 Presentation Equipment - Council Chamber (18)

The majority of the works are now completed and any remaining items will be completed this financial year.

3.14 Leisure Contract Commitments (19)

This is the Council's contribution towards the Capital works to be undertaken by Holmes Place. The works, which are focused on Mill Hall, are programmed for the current financial year.

3.15 Rayleigh Windmill (20)

This has now been moved into 2003/04 as the Council awaits results of the bid for grant funding from the lottery heritage award. A provision of £15,000 has been added in 2004/05 in respect of the barbican entrance.

3.16 Clements Hall Pool Leak (21)

These works will be undertaken in conjunction with Holmes Place. They wish to concentrate on Clements Hall in the New Year and therefore provision has been moved to 2003/04.

3.17 Disability Discrimination Act (22)

Members have provisionally agreed a programme of works. This will initially be for the Rochford offices and the Civic Suite. A detailed scheme will be submitted for Members consideration and approval. Any underspend will be carried forward into 2003/04.

3.18 Town and Village Improvements (23-25)

Schemes for Rochford, Hullbridge and Hockley are underway. Any sums not paid to Essex County Council will be carried forward into 2003/04.

3.19 35-39 West Street (26)

Restoration works continuing and the Authority await the legal transfer and settlement of compensation. Transfer is expected in 2003/04.

3.20 50-54 West Street (27)

Provision will be carried forward to 2003/04 and retained until decisions are made with regards this development. A planning application is expected at Planning Services in December.

3.21 CCTV Small Shopping Parades around the District (28)

Installation is expected to be completed by March 2003.

3.22 School/Pedestrian Crossing, Holt Farm (29)

These works are expected to be completed by Essex County Council in the current financial year.

3.23 Canewdon School - Amber Warning Signs (30)

These works are have been completed by Essex County Council in the current financial year.

3.24 Downhall/London Road Junction (31)

These works are have been completed by Essex County Council in the current financial year.

3.25 Crime and Disorder - Parish Partnership (32)

Following the review of this scheme, the current year provision has been reduced to £15,000 and the 2003/04 provision of £20,000 removed; this is in line with Members decisions.

3.26 Hullbridge Five-a-side (33)

This scheme has now been completed.

3.27 Additional CCTV (34)

The majority of this programme has now been completed.

3.28 Play Spaces (35)

The provision of £98,000 includes items brought forward from the previous financial year. This now covers Canewdon skateboard facility and the 2002/03 programme in the priority order of Hawkwell Common, Hockley Woods, High Street, Great Wakering and Grove Road, Rayleigh. Works not undertaken in the current financial year will be carried forward to 2003/04.

3.29 Cherry Orchard, Jubilee Country Park (36-38)

The scheme is in progress. Initially the works are mainly funded by grants and therefore the scheme has been part programmed into 2003/04.

3.30 Sweyne Park (39)

The works will be completed this year, subject to ground conditions.

3.31 Cash Incentive Scheme (80)

Two out of the three cash incentive schemes will be completed in the current financial year.

3.32 The Window Replacements (81)

The programme for 2002/03 has been completed.

3.33 Provision for Improvements (83)

This budget is expected to be fully spent in the current financial year.

3.34 Boiler Replacements (84)

The programme for 2002/03 has been completed.

3.35 Electrical Upgrades (85)

The budget for the current financial is expected to be fully spent.

3.36 Rochford Garden Way, Area Regeneration (86)

Works will be undertaken in 2003/04.

3.37 Boilers - Sheltered Housing (87)

The programme for the 2002/03 has been completed.

3.38 Smoke Alarms (88)

The works are currently out to tender.

3.39 Conversion of properties for Larger Families (89)

Expenditure now anticipated at the end of 2002/03 and therefore partly re-programmed into 2003/04.

3.40 Disabled Adaptations (90)

It is expected that this budget will be fully spent in the current financial year.

3.41 Hatfield House Improvements (91)

The works are underway.

3.42 Link Radio Project (92)

Scheme will be implemented in 2002/03.

3.43 Sheltered Housing Conversion (93)

Following acceptance of the tender, the works are expected to start on site in December. Provision has been included in the estimates for 2003/04 for the initial phase of Spa Court.

3.44 Fees to be Allocated to Schemes (94)

This is a charge to represent the costs associated with implementing the total programme.

3.45 Equity Share - 30 Woodstock Crescent (95)

The purchase has been completed.

3.46 Rochford Garden Way - Shop Conversion (96)

This has been carried forward to 2003/04, as works will now be undertaken in the New Year.

3.47 Accommodation for the Homeless (110)

One remaining property to be acquired by Springboard Housing Association, to be completed this financial year.

3.48 LA - SHG (111)

Commitments will be given for schemes in the current financial year.

3.49 Private Sector Renewal Grants (112)

The budget will be fully expended in 2002/03.

3.50 Disabled Facility Grants (113)

The budget will be fully expended in 2002/03.

3.51 Housing Revenue Account programme.

It should be noted that the Housing programme shown as 2003/04 is the draft programme to be presented to Community Services Committee.

4 REVENUE IMPLICATIONS

4.1 The majority of the Capital Programme is for repair, replacement and improvements, which do not give rise to significant revenue implementations. The exceptions are the following:-

- **IS/IT Strategy**

To implement the programme will require both capital and revenue funding. Capital grant has been made available from the Government and Capital resources from the Council's own Capital Programme will also be used. Where systems are additional to the existing IT structure, there is an additional revenue cost to the Council. In addition, where we require improvements, there may also be additional revenue costs. At the moment significant cost savings are not envisaged until customers make use of the alternative delivery of services through the new technology. Based on the programme approved by Finance and Procedures Overview and Scrutiny Committee, these additional revenue costs are estimated at £25,000 in 2003/04 and £30,000 in 2004/05.

- **Vehicles and Equipment**

Members will be aware that there are a large number of vehicles to be purchased in the current financial year. This is a result of vehicles, which were due for replacement in previous years being held in use for longer than programmed. For new vehicles there will be a period of warranty, which will reduce revenue costs.

- **Rayleigh Windmill**

Following the renovation works, there are expected to be higher management costs in line with the objectives of greater public access.

- **Cherry Orchard, Jubilee Country Park**

As outlined in the agreed business plan, there will be ongoing maintenance and management costs associated with the scheme. These are initially estimated at £20,000 per year.

5 NEW ISSUES FOR THE CAPITAL PROGRAMME

5.1 Football Pitch Drainage

The Council is pursuing a lottery application to install new drainage in the sports pitches throughout the District. The total cost of the scheme is £235,000, which, it is hoped, will be funded by lottery funds of £152,750, Essex County Council £30,000 and Rochford District Council £52,250. Provision therefore needs to be included in the programme to meet our potential commitment

5.2 Public Conveniences

The report to Community Overview and Scrutiny Committee set out the key issues in relation to a programme of renovation and improvements to Public Conveniences. Capital provision of £50,000 was indicated for 2003/04. However, an additional Capital receipt may reduce this.

5.3 Depot Access Road

For some years now the Council has been aware of the deterioration of the access road to the depot in Rochford. Various works have prolonged the life of the road but now it requires major works. The road is subject to regular heavy traffic and with the winter period is expected to break up even further. The Scheme also includes works to create a hardstanding within the depot area for the safe storage and handling of refuse bins. It is envisaged that both works can be effectively completed together. The total cost is estimated at £40,000.

It is possible that some of the cost can be recovered from the other users of the site. This is expected to be fairly minor, as the major user, Serviceteam, is not liable to contribute. Such a clause in their contract would have increased the annual charge to ourselves.

5.4 Park Sports Centre

The new facility at the former Park School site will entail a capital commitment from this Authority. This is currently not shown in the Draft

Capital programme. The expected funding towards the scheme will be a contribution of £500,000 from Essex County Council, £500,000 from earmarked reserves of this Council and the possible use of new borrowing powers to be made available to the Council. These powers have been included in the Queens speech, however the necessary details are as yet unknown.

5.5 Office Accommodation

The Council will be considering the long-term future of service provision from the existing offices. There may be major Capital implications if the current arrangements need to be revised or partly relocated to meet future requirements.

6 HOUSING REVENUE ACCOUNT

6.1 Members have previously been advised that the Housing Revenue Account is running into problems with the decline in the housing stock and the difficulty of generating additional revenue through rent increases. One option is to provide resources from the Capital Programme to support the capital element of housing repairs. This is estimated at £200,000 per year from 2004/05.

6.2 Members should note that there is already a programmed use of £250,000 from the Capital Programme in 2003/04 to support the conversion of sheltered housing and LASHG.

6.3 When the report is submitted on housing rents for 2003/04 consideration will be given to other ways in which this expenditure can be financed in order to free up this capital programme provision. However legislation that governs the Housing Revenue Account make this option very difficult.

7 SUPPORT OF REVENUE

7.1 Members are reminded that the current Capital Programme contains support from a revenue reserve (£630,000). This sum can only be released from the Capital Programme and returned to revenue if either additional Capital resources are made available or the programmed capital expenditure is reduced. Members have seen in the report on the revenue budget strategy that there is a need to increase the general fund balance by £50,000. This can be achieved by a transfer from the Revenue Reserve currently supporting the Capital Programme. This transfer is shown for 2004/05.

8 TOTAL PROGRAMME

- 8.1 It can be seen that the total General Fund programme is overdrawn at the end of 2003/04, 2004/05 and 2005/06. Additional credit approvals from the Government are possible, however we must await the actual allocation from the Government. Changes to the estimated level of credit approvals are unlikely to be significant.
- 8.2 Officers will provide an update on any potential new capital receipts that might be available. Members will be aware that we have very few unused assets and therefore attention will also have to be given to current operational assets that are regarded as surplus or out of date.
- 8.3 The Government has announced a proposed change in the way that capital receipts can be used to fund certain expenditure. The proposal is that where the Authority sells Housing land or dwellings, other than through the Right to Buy, these receipts can be used for new affordable housing.
- 8.4 At the moment if the Council sells £2m value of housing we can use 25% of this sum for new expenditure. Under the new proposal the full £2m could be used. This will be of interest to us where housing assets are regarded as surplus or out of date. The Government gives the examples of "Sheltered flats with shared facilities that are difficult to let or an old hostel in a listed building that is difficult and expensive to maintain".
- 8.5 The new scheme must be for affordable housing that meets the needs of people in the Authority's area on low incomes. Schemes can be undertaken with Housing Associations.

9 RECOMMENDED

It is proposed that the Committee **RESOLVES**

To note the report and consider the broad strategy for the Capital Programme for consideration by Council on the 28th January 2003

D Deeks

Head of Financial Services

Background Papers:

None

For further information please contact Dave Deeks on:-

Tel:- Ext 3100

E-Mail:- dave.deeks@rochford.gov.uk