
CAPITAL PROGRAMME UPDATE

1 SUMMARY

- 1.1 The Capital programme for 2013-14 was approved by members on 29 January. Since then decisions have been made that affect both the programme and supporting prudential indicators.
- 1.2 The Capital Programme for 2013/14 will be reported to Council in July for approval for changes arising from the closure of the 2012/13 accounts.

2 INTRODUCTION

- 2.1 At the Executive Meeting on 6 February, it was agreed that Acacia House be converted into flats for short hold tenancies for the private rental market.
- 2.2 At the same meeting, it was also agreed that the provision of Cemeteries Ground Maintenance would be brought back in house. As well as the transfer of some staff, there is also a requirement to acquire equipment to enable officers to carry out this function.

3 CAPITAL PROGRAMME

- 3.1 The total amount requested for the conversion of Acacia House is £550,000, this includes funds to cover planning applications and architect fees. Some of the preliminary work on plans and drawings has already begun and the planning application is currently being prepared for submission early in the new municipal year. The capital budget will be split over the 2012-13 and 2013-14 financial years.
- 3.2 The total amount required for the transfer of Cemeteries Grounds Maintenance is £65,000. Items of equipment were required before the works could commence so some expenditure was incurred in 2012-13. The cost will be funded from existing provisions in the Capital Programme allocated to Open Spaces and Vehicle Replacement. As of the beginning of April, cemeteries grounds maintenance has been operating in house.
- 3.3 No amendments have been made to any other budgets within the capital programme.

Changes to indicators

- 3.4 The following table shows the Capital Programme total and Capital Receipts Reserve balances that were approved in January, and the revised figures following the above changes.

	Approved Council 29 January 2013	Revised
Capital Programme Expenditure Total		
2012-13	1,389,960	1,432,660
2013-14	1,434,036	1,941,336
Capital Receipts Reserves total		
Revised 2012-13	1,428,009	1,385,309
Original 2013-14	482,973	0

- 3.5 Although this shows our Capital Receipts Reserve depleting in 2013-14, December's Executive approved a programme of asset disposals that will start to bring in some capital receipts. Additionally, the Council's treasury management strategy and indicators has allowance for some borrowing that will be used if necessary. These changes do not affect any of the Treasury Prudential Indicators.
- 3.6 The following table shows the affordability indicators and how these have changed following these new projects.

	Approved Council 26 February	Including Acacia House + Grounds Maintenance
Ratio of financing costs to net revenue stream		
2012-13	(0.9)	(0.8)
2013-14	(0.6)	(0.6)
Incremental impact on band D Council Tax		
2012-13	(0.23)	(0.21)
2013-14	0.49	0.80

- 3.7 These indicators show the plans to be affordable as there are no major changes to the figures. The figures relating to Council Tax are only indicative, and will not be seen as a change in Council Tax.

4 RISK IMPLICATIONS

- 4.1 The reports to the Executive on these two schemes considered the specific risks. Delays in completing either project would have a reputational risk for the authority.

5 RESOURCE IMPLICATIONS

- 5.1 The Head of Finance, after discussion with the Portfolio Holder for Finance and Resources, will determine the most appropriate method of financing capital expenditure, which may include external borrowing. The report to the Executive on the business case for the Acacia House development demonstrated the revenue benefits to the Council.

6 RECOMMENDATION

- 6.1 It is proposed that Council **RESOLVES**
- (1) To note the amendments to the capital programme.
 - (2) To note the revised prudential indicators.

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Head of Finance

Background Papers:-

Executive Minutes from 6 February 2013.

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