
CAPITAL PROGRAMME 2010/11

1 SUMMARY

- 1.1 This report reviews the current Capital Programme for 2010/11 following closure of the Accounts for 2009/10.

2 INTRODUCTION

- 2.1 As part of the Medium Term Financial Strategy (MTFS) each year, the Council agrees a Capital Programme for the coming financial year and the following four years. The Programme covers all General Fund services and other Housing and shows the programme of expenditure and how it will be financed.
- 2.2 The Capital Programme for 2010/11 needs to be revised following the closure of the accounts for 2009/10 so that where capital projects have been delayed or to match the timing of payments, the remaining budgets have been rolled into 2010/11. This does not have any additional impact on capital receipt balances as the expenditure is just delayed.

3 2009/10 RESULTS

- 3.1 The total capital expenditure was £1.14m compared to a budget of £1.73m and the attached Appendix shows the actual expenditure in 2009/10 for all the projects. In the Appendix there is an explanation of where expenditure did not happen as planned and details of where unspent budget has been rolled forward into 2010/11.

4 2010/11 REVISED CAPITAL PROGRAMME

- 4.1 The attached Appendix outlines the revised Capital programme for 2010/11, updated with new information principally following closure of accounts for 2009/10. The current allocations for 2010/11 are shown in the column headed 'Revised 2010/11'.
- 4.2 The full Capital Programme for 2010/11 to 2014/15 will be presented to Members as part of the budget setting process later in the year.

5 DISABLED FACILITIES GRANTS (DFGs)

- 5.1 The Capital Programme includes an annual allocation for DFGs which are partly funded by Government grant. The grant is allocated via a bidding process based on 60% of the amount budgeted in the Council's Capital Programme. For 2010/11, the budget is £250,000 with £150,000 grant funding.
- 5.2 To support the bid for 2011/12 and 2012/13, it is proposed to increase the budget in the Capital Programme as follows:-

	Estimate 2011/12 £000s	Estimate 2012/13 £000s
Original Budget	108	108
Funded by:		
Grant	65	65
Capital Receipts	43	43
 New Budget	 250	 250
Funded by:		
Grant	150	150
Capital Receipts	100	100

- 5.3 If the bid for extra funding is not successful, then the budgets for 2011/12 and 2012/13 will be reviewed during the 2011/12 budget process later this year.

6 RESOURCE IMPLICATIONS

- 6.1 When the Capital Programme was agreed in January 2010, the forecast for the capital receipts balance at the end of each year was as follows:-

£000s	2009/10	2010/11	2011/12	2012/13	2013/14
Capital Receipts Balance	2,303	1,308	1,005	721	609

- 6.2 Following the closure of accounts for 2009/10, with the reprofiling of expenditure and the additional income that was received during the year, the current forecast for capital receipt balances is as follows:-

£000s	2009/10	2010/11	2011/12	2012/13	2013/14
Capital Receipts Balance	2,545	1,197	918	656	544

- 6.3 The slight fall in the balances is due to lower than forecast receipts from the VAT sharing arrangement with Rochford Housing Association, due to the timing of invoice payments and VAT returns. The profile of the VAT receipts will be reviewed and a revised estimate presented when the Capital Programme is reviewed later in the year.

7 RISK IMPLICATIONS

- 7.1 Delays in completing the items on the Capital Programme could prevent the Council from achieving its strategic objectives and lead to adverse publicity. The allocation of resources needs to be carefully managed to ensure that the

Programme is properly funded and the revenue consequences are included in the MTFS for the General Fund.

- 7.2 When agreeing the MTFS, Council also agreed the monitoring, reporting and decision making arrangements for the Capital Programme items. The Executive receives a quarterly monitoring report on the progress in implementing the Capital Programme.
- 7.3 There have been recent Government announcements about reductions in specific grants to local authorities. The grant for DFGs has not been included in recent announcements but there is obviously a risk that future cuts in grants may affect this income stream.

8 RECOMMENDATION

8.1 It is proposed that the Committee **RESOLVES**

- (1) To agree the revised Capital Programme for 2010/11.
- (2) To agree the revised budgets for Disabled Facilities Grants in 2011/12 and 2012/13.

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Background Papers:-

None

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	Revised 2009/2010 £	Actual 2009/2010 £	Estimate 2010/11 £	Revised 2010/11 £	Commentary
Information & Communications					
ICT Strategy	81,000	78,053	56,000	59,000	Annual allocation to support implementation of ICT Strategy which is approved and monitored by Portfolio Holder. 2010/11 increased by small carry forward of £3,000 of unused budget from 2009/10.
Vehicles and Equipment					
Wheelie Bins	122,500	66,949	55,000	110,000	There is an annual allocation of £55,000 to cover the replacement of bins. For 2009/10 only, Essex County Council funded £67,500 for the purchase of bins for the roll out of the recycling scheme. Because of lower demand for replacement bins and the timing of the rollout, only £66,949 was spent in 2009/10 and the unused budget has been rolled forward.
Vehicle Replacements	-	-	41,000	41,000	Programme of replacement based on life, maintenance and use. Green options will be investigated before any vehicles are replaced.
Equipment Replacement Programme	65,000	39,083	16,500	42,500	The outstanding project from 2009/10 is to replace the Audio-Visual equipment in the Council Chamber. The unused budget has been rolled forward pending a decision by the Executive on this project. There has been a portfolio holder decision on the use of the 2010/11 budget which will be used for environmental health inspection equipment, back up power supply for the switchboard and scanning equipment to go into the Rayleigh office to improve customer service.
Depot Yard Resurfacing	34,000	37,909	-	-	Works completed in 2009/10.

	Revised 2009/2010 £	Actual 2009/2010 £	Estimate 2010/11 £	Revised 2010/11 £	Commentary
Operational Assets					
Hall Road Cemetery Extension	248,841	6,598	147,854	390,000	Total cost of scheme is £535k, profiled as:- 2005/06 - £2,850 actual 2006/07 - £119,888 actual 2007/08 - £4,408 actual 2008/09 - £11,159 actual 2009/10 - £6,598 actual 2010/11 - £390,000 estimate Total budgeted cost remains within the original budget of £535,000 Executive have agreed infrastructure be completed under fixed cost contract at cost of £184,452 plus £1,850 for construction design
Rayleigh Cemetery railings			8,000	8,000	Replacement of railings that are unfit and create a snagging hazard. Railings run along section of raised footway adjacent to cemetery and the works will improve pedestrian safety and appearance of area so enhancing Council image. Head of Service decision.
Rochford Offices - Electrical Works	80,000	11,611	60,000	128,000	The detailed survey report on 3-15 South Street arrived just before Christmas. It has identified issues with the current electrical wiring and heating with some components being over 40 years old. The total costs exceed the current budget. The Asset Manager will be assessing what has to be done and preparing the business case for completing the works. 2009/10 unused budget rolled forward.
Rayleigh Accommodation - Heating	66,000	51,025			Completed.

	Revised 2009/2010 £	Actual 2009/2010 £	Estimate 2010/11 £	Revised 2010/11 £	Commentary
Rochford reception & office improvements	35,000	28,803	475,000	475,000	Designs have been drawn up and the detailed costings are being completed. A planning application will be submitted in due course and the decision on the final scheme will be subject to Executive approval.
Old House roof			25,000	25,000	Survey identified need for repairs to the roof.Executive decision as part of approval of Asset Management Plan.
Rayleigh Office Accommodation - Structural Repairs			25,000	25,000	Balcony and steps at the back of the Members' Library. Final cost will be confirmed once survey has been completed. Executive decision as part of Asset Management Plan
Council buildings - Climate CO ₂ de Actions			57,500	57,500	This supports the delivery of the Climate CO ₂ de and demonstrates the Council's commitment to reducing the impact of the Council's buildings and staff on the environment. The money will fund energy saving projects such as:- -upgrade of heating in Council offices heating system, Old House boiler and thermostatic radiators -hand driers in staff toilets -loft insulation in offices. Executive decision as part of implementation of Climate CO ₂ de and subject to sound business case.
Pavilion Refurbishments	30,000	29,705	45,000	45,000	Annual allocation for a rolling programme to improve standard of facilities. 2010/11 programme will be upgrade to Rawreth Lane and Rochford Pavilions.
Town & Village improvements					
District Boundary Signs	7,000	4,445	-	-	Completed
Sensory Garden Information Board			1,500	1,500	Rayleigh Town Council suggestion Executive decision before expenditure goes ahead

	Revised 2009/2010 £	Actual 2009/2010 £	Estimate 2010/11 £	Revised 2010/11 £	Commentary
Brooklands Grove - vehicle access			30,000	30,000	To enable maintenance vehicles, such as Connaught, access onto site. Executive decision as part of Asset Management Plan
Public Conveniences	37,500	38,907	15,000	15,000	Annual allocation for a rolling programme, subject to Executive decision on schemes to be included. Great Waking completed in 2009/10.
Parks & Play Facilities					
Play Spaces	100,000	102,176	50,000	50,000	Rolling programme of improvements - agreed programme for 2010/11 covers Bedford Close and Rayleigh Leisure Centre
Cherry Orchard Jubilee Country Park	100,200	92,832	115,000	193,000	The Executive on 9 December 2009 agreed a programme of works totalling £360,000 over the 3 years (2010-2013) plus £58,000 brought forward from previous years. Expenditure in the year will be higher if it is matched by grant funding.
Parks & Open Spaces Programme	100,000	41,177	50,000	108,800	Rolling Programme of improvements - programme agreed for 2010/11 includes Hockley Woods and Swayne Park. The timing of completion and payment for the agreed 2009/10 programme means that the unused budget has been rolled into 2010/11 and added to the existing budget.
Swayne Park	191,000	142,228		49,000	Works still to complete include Toilet block, soil spreading and hedge planting so 2009/10 unspent budget carried forward. £75,000 grant from Football Association is funding majority of this expenditure
Great Waking Youth Facilities	80,026	-		80,026	Budget will be carried forward to 2010/11.

	Revised 2009/2010 £	Actual 2009/2010 £	Estimate 2010/11 £	Revised 2010/11 £	Commentary
Teen Shelters Rolling Programme	27,500	17,136	-	10,300	Schemes have been completed in Rochford, Canewdon, Hullbridge, and Rayleigh with some match funding from parish/town councils. The temporary shelter in Ashingdon has proved a success and with a steering group of young people, the parish were successful in gaining match funding, so together with funding from the Council, a permanent shelter is being installed shortly. The temporary shelter will be placed back into storage so that it can be used in a similar way in the future. The unused budget has been rolled forward into 2010/11 to provide funding towards further facilities such as green gyms in Hullbridge and Great Wakering.
Clements Hall Bridleway Extension	15,200	15,200			Completed.
Rawreth Recreation Ground - Extension to Car Park	7,800	8,098			Completed.
Grant Funded Projects		76,872			Projects completed during 2009/10 which were funded by specific grants from National Lottery, Playbuilder Project and Thames Gateway South Essex
Housing					
Home maintenance and Adaptation Grants	107,441	113,225	70,000	70,000	
Disabled Facilities Grants	196,000	199,362	250,000	250,000	
Total Capital Programme	1,732,008	1,201,395	1,593,354	2,263,626	

	Revised 2009/2010 £	Actual 2009/2010 £	Estimate 2010/11 £	Revised 2010/11 £	Commentary
Financed by:					
Capital Grant	137,500	232,866	-	15,000	
Housing Grants	173,205	182,677	150,000	150,000	
Capital Receipts Required for General Fund	1,421,303	785,852	1,443,354	2,098,626	
Total Financing	1,732,008	1,201,395	1,593,354	2,263,626	
<u>Statement on Capital Receipts</u>					
Capital Receipts B/fwd	2,589,749	2,589,749	2,303,446	2,545,890	
Received in Year	50,000	261,226	50,000	50,000	Right to buy and mortgages
VAT shelter receipt	1,085,000	480,767	398,000	700,000	The timing of VAT claims by RHA meant lower than expected receipts in year. The profile for the remainder of the major works programme is currently under review and the forecast for 2010/11 onwards will be revised later in the year.
Use in year	(1,421,303)	(785,852)	(1,443,354)	(2,098,626)	
Capital Receipts C/fwd	2,303,446	2,545,890	1,308,092	1,197,264	