

COUNCIL

Capital Programme 2012/16

Report of the Borough Treasurer

Portfolio Responsibility: Councillor Abdul Jabbar, Finance and Human Resources

22nd February 2012

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Purpose of Report

To set out the proposed 2012/13 capital programme and the indicative programme for 2013/16 including identified capital requirements, having regard to the capital strategy for 2012/16 and the level of resources available.

Executive Summary

Throughout 2011/12 continuous improvement has been made in the capital planning process. The Capital Investment Programme Board (CIPB) has developed its role as the strategic lead for capital investment and provides a coordinated approach to the capital investment programme. The CIPB meets on a monthly basis, chaired by the Executive Director, Economy, Place and Skills (EPS) and attended by Cabinet Members, Borough Treasurer's representatives and Assistant Executive Directors from each Directorate. The CIPB continues to use the two-stage business case process to consider potential capital projects. This has enabled the preparation of the 2012/16 capital strategy and the proposed capital programme therefore reflects the strategy.

The Government has advised that the level of Government funding for capital investment is reducing. It is also keen to increase the level of resources allocated on a regional basis. This, together with the uncertainty about the future funding and delivery of education capital schemes is making forward planning particularly difficult. The information contained in the Local Government Finance Settlement is largely as expected, reflecting limited capital funding opportunities although further capital grant funding allocations are yet to be announced.

In order to ensure that there is continued development within the borough, the Council wishes to undertake a programme of strategic investment over the medium term. Potential priority areas for this investment have been identified with a major objective

being regeneration and economic growth. Whilst the detailed plans have yet to be finalised, it is proposed to start this investment in 2012/13 with up to £18m.

Following previous practice, the capital programme has been prepared so that it balances over a pre determined timeframe, in this instance, four years from 2012/13 to 2015/16 to mirror the timeline of the Medium Term Financial Strategy. However, at this stage, the balance has been achieved with £19.478m of resources yet to be allocated as the prioritisation and recommendation of new capital schemes, including up to £18m for new investment, has not yet taken place.

In overall terms, resources for 2012/13 total £76.185m with £16.812m of this being Government resources for the Building Schools for the Future and Academies programme, up to £18m for the Council's new investment programme and £5.3m as a contribution from HRA to support the PFI 4 programme. Future years' resources taper considerably, as there is uncertainty about Government funding levels. The Council's projection of capital receipts has been prudently prepared, given the current economic climate which is having an impact on both the level of receipts and their timing.

The overall capital programme is summarised at Table 7 in this report and set out in detail on a Directorate basis at Appendix 1

It is, however, likely that the capital position will change as:

- Some funding allocations have yet to be announced
- it is also likely that there will be additional funding streams notified at a later date including the allocation of the £600m of basic need capital grant
- the Regional Growth Fund will provide additional opportunities for resources but no detail is available at this time
- the Council has yet to decide how to allocate its fund for new investment
- the Council could decide to finance additional capital expenditure by other than Government grants and capital receipts

Therefore the overall capital programme position will be kept under review and any new information about funding allocations will be presented to Members in future reports.

Recommendations

That Council:

- Approves the Capital Programme for 2012/13 and indicative programmes for 2013/14 to 2015/16 as summarised in Table 7 of the report and in detail at Appendix 1.

Capital Programme 2012/16**1 Background**

- 1.1 The capital programme for the Council must align to the principles set out in the capital strategy which is considered elsewhere on the agenda. However, there have been several fundamental changes to national capital expenditure/financing policy since the General Election in 2010 which have influenced both the level of funding available and its deployment. The capital strategy and capital spending proposals for 2012/13 and indicative proposals for future years have therefore to be considered in this regard.
- 1.2 Since the General Election 2010, the level and nature of Government funding for capital projects has changed. During the summer of 2010 the Government announced that it would withdraw ring fencing from many grants, which reflected the Government's wish to increase local freedom and flexibility in the use of capital resources. The Building Schools for the Future programme was radically reduced in scope with an extensive impact for the Oldham programme. The Housing Market Renewal (HMR) programme was cancelled and ceased with effect from 31 March 2011. Supported borrowing allocations have ceased thus all Government funding is now by means of grant.
- 1.3 In the Comprehensive Spending Review (CSR) the Government announced that capital financing would be reduced by 45% over the four-year period 2011/12 to 2014/15. The Chancellor's recent Autumn Statement highlighted that the reduction in public sector funding would continue beyond the CSR period.
- 1.4 The capital funding information released with the Local Government Finance Settlement on 8th and 13th December 2011 has confirmed the continuation of the trend in the allocation of capital resources, with an allocation of £6.597m from the Department of Education, £591k from the Department of Health and £2.382m from the Department for Transport. However, at this time, some funding allocations remain to be confirmed and only information for one year has been released thus making medium/longer term planning difficult.
- 1.5 The Government has also signalled a greater potential allocation of resources on a regional basis, with the opportunity to bid for a 2012/13 programme of Regional Growth Fund (RGF) which will fulfil regional aspirations in conjunction with the private sector. Details of the bidding process have yet to be released.
- 1.6 The reduction in overall resources available directly to the Council has therefore shaped the opportunities available for capital investment in 2012/13 and future years, as set out in this report. One key development for 2012/13 is the Council's wish to undertake a programme of strategic investment over the medium term. Potential priority areas for this investment have been identified with a major objective being regeneration and economic growth. Whilst the detailed plans have yet to be finalised, it is proposed to start this investment in 2012/13 with up to £18m. The revenue budget has been prepared so that it includes funding to support the costs of this expenditure.

- 1.7 Without the injection of the investment for priority schemes, there would only be £1.478m to allocate to new schemes. Taking into account up to £18m of additional funding, there is £19.478m currently available for new investment. As yet no new areas for investment have been recommended for approval. This funding position will also change when further Government grant allocations are announced. If additional resources become available via bidding rounds or direct allocations, Members will be advised and the capital programme can be amended accordingly.

2 Current Position

2.1 Update on 2011/12 Capital Programme

2.1.1 The Capital Programme for 2011/12 to 2014/15 was approved at the Council meeting of 23rd February 2011. In overall terms, spending for 2011/12 that was approved totalled £90.606m which included the use of £60.852m of Government resources for the Building Schools for the Future (BSF) and Academies programme. In total, £71.482m of specific Central Government funding was budgeted to be utilised to support the capital programme.

2.1.2 The programme has subsequently been updated for the £35.177m of carried forward resources from 2010/11 and other amendments as approved in the financial monitoring reports considered at Cabinet meetings during the year, including a reprofiling of the BSF and Academies programme. The most up to date capital programme revision was approved at the Cabinet meeting of 6th February 2012 and produces an approved overall capital programme of £133.714m for 2011/12. The current capital programme and the revised programme presented for approval is set out in the Table below.

Table 1 Revised 2011/12 Capital Programme

Directorate	Approved Capital Programme at M07 £000	New schemes / Variations £000	Revised Capital Programme as at M08 £000
<u>Expenditure</u>			
Economy Place and Skills	106,835	(537)	106,298
People, Communities & Society	17,481	(1,657)	15,824
Performance, Services & Capacity	3,780	229	4,009
Corporate/Assistant Chief Executive's	5,225	2,358	7,583
Total Expenditure	133,321	393	133,714
<u>Resources</u>			
Grants & Other Contributions	(95,017)	(1,305)	(96,322)
Prudential Borrowing	(26,563)	835	(25,728)
Revenue	(519)	(831)	(1,350)
Capital Receipts Required	(11,222)	908	(10,314)
Total Resources	(133,321)	(393)	(133,714)

Capital Receipts Available	(10,855)	0	(10,855)
Expenditure to be funded from capital receipts	11,222	(908)	10,314
Over programming / (Carry Forward) Position	367	(908)	(541)

2.1.3 Members will also recall that there was an extensive review of the capital programme during the summer months of 2011/12. The proposed capital programme for 2012/13 and future years reflects the resulting decommissioning of schemes and reprioritisation of resources although the majority of changes were applicable to 2011/12 only. It has been assumed that all reprioritised resources will be spent or committed at the end of 2011/12. If this is not the case then any unallocated sum will be carried forward into 2012/13 and added to the central pool of resources for reallocation.

2.1.4 The 2011/12 capital programme was prepared on the basis that over a four year timeframe, to coincide with the life of the Comprehensive Spending Review, resources and expenditure would match. At this point the capital programme is projecting a surplus of resources of £541k at the end of 2011/12 and this is therefore available to finance projects in 2012/13.

2.2 Resources Available to Support the Capital Programme

2.2.1 The reduced level of Government resources available for 2012/13 compared to previous years and the uncertainty about the level of resources for future years has had a major impact on the capital strategy for 2012/16. This in turn has influenced the shape and size of the proposed 2012/16 capital programme.

2.2.2 The Government resources available to the Council can be split into two categories; non ring fenced and ring fenced resources as explained below. Tables 2 and 3 give details of non ring fenced and ring fenced resources and Table 4 summarises the level of resources by type, year and amount anticipated and shows that in 2012/13 overall new Central Government funding of £26.382m will support the capital programme.

- **Non – Ring fenced** – grant from Central Government which is unfettered and can be utilised to finance any of the Council’s Corporate Priorities.

The notifications received on 8th and 13th December 2011 give capital grant for 2012/13 of £8.745m as set out below. It should be noted that the:

- Department of Education (DfE) notifications are for 2012/13 only at this stage. It is anticipated that allocations for future years will reflect the further implementation of the James Review and move more resources toward a central or regional funding basis thus significantly reducing the funding available to the Council directly, but at the same time reducing some of its obligations. Funding beyond 2012/13 cannot be estimated at this time.

- ii) Department of Health funding has been notified for 2012/13 only at £591k
- iii) Department of Transport (DfT) grant for Local Transport Funding has been confirmed for 2012/13 at £2.382m but is still indicative for future financial years. The funding is notionally allocated at an individual Authority level but paid to the Greater Manchester Combined Authority, which determines the distribution of resources across the 10 Greater Manchester local authorities and Transport for Greater Manchester.

Table 2 – Non Ring Fenced Central Government Grant Funding Allocations for 2012/13

Grant	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Department of Education				
Basic Need (Schools)	1,889			
Cap. Maintenance (Local Authority Schools)	2,547			
Cap. Maintenance (Voluntary Aided Schools)	1,336			
Department of Health				
Department of Health Capital Grant	591			
Department of Transport				
Highways Maintenance	2,382	2,222	2,093	
Total	8,745	2,222	2,093	0

It should be noted that in addition to the above funds, the Council will utilise £37k of the Capital Maintenance (Local Authority Schools) allocation carried forward from 2011/12 bringing total non ring fenced grant funding to £8.782m

- **Ring fenced Specific** – grant resources which are ring fenced to specific capital projects.

Notification was received on December 13th 2011 of a total of £825k of Devolved Formula ring fenced grant for 2012/13. There was no notification of such resources beyond this time although funding is anticipated. The Council will receive £7.041m of BSF grant and £9.771m of Academies grant for 2012/13. Total new ring fenced specific grant funding is set out in Table 3 below and shows funding of £17.637m in 2012/13.

It should be noted that £2k of Locally Coordinated Voluntary Aided Capital Maintenance Funding is being brought forward from 2011/12 to complete work initiated in 2011/12 bringing overall Government ring fenced grant funding to £17.639m

In addition the Council will receive previously approved grant from the Heritage Lottery Fund, Football Foundation and the Office of Low Emission Vehicles to support specific projects.

Table 3 – New Government Ring Fenced Grant Funding Allocations for 2012/13

Grant	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Department of Education				
Devolved Formula Grant (Local Authority Maintained)	559			
Devolved Formula Grant (Voluntary Aided)	266			
Building Schools for the Future (BSF)	5,058			
BSF ICT	1,983	451	2,764	
Academies Grant	9,771	192		
Total	17,637	643	2,764	0

2.2.3 Members will, however, recall that there is a statutory requirement for Local Transport Authorities to prepare a Local Transport Plan (LTP) every five years and to keep it under review. Greater Manchester has previously produced two LTPs (in 2001 and 2006) and a new LTP (LTP3) was required by 31 March 2011 to which the Council is now committed. Whilst LTP funding is unringfenced, the Department for Transport and AGMA both have an expectation that it will be invested in delivering the Local Transport Plan strategy. The Council will therefore passport transportation grant funding to support the LTP programme.

2.2.4 In addition, the Council is due to receive an allocation of Disabled Facilities Grant from the DCLG. In 2011/12 the Council initially received a £745k capital grant as a contribution towards the cost of housing adaptations for the disabled. This was supplemented by a further grant of £87k in January 2012. In previous years the Government Disabled Facilities Grant (DFG) was ring fenced and covered 60% of the anticipated expenditure on such work with the Council having a mandatory requirement to fund 40% of the cost. The ring fencing and mandatory requirement has been removed. However, the Council's strategy is to passport the Government DFG funding to the disabled housing adaptations programme and provide a £400k top up from Council resources.

2.2.5 Whilst the capital maintenance grant funding received from the DfE for Voluntary Aided (VA) schools is unringfenced, it is national policy that this funding is passported to the VA sector. The Council will comply with this national policy.

2.2.6 Table 4 below shows the overall level of new Government funding for 2012/13 to 2015/16. In 2012/13 the Council will receive £26.382m most of which is BSF related.

Table 4 - Level of New Non Ring Fenced and Ring Fenced Specific Government Funding for 2012/13

	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Non Ring Fenced	8,745	2,222	2,093	0
Ring Fenced Specific				
- BSF	5,058	0	0	0
- BSF ICT	1,983	451	2,764	0
- Academies	9,771	192	0	0
- Devolved Capital	825	0	0	0
Total	26,382	2,865	4,857	0

2.2.7 The resources available can also be split between those which have a revenue consequence which need to be funded via the revenue budget, and those with no revenue consequences. Taking the latter category first:

No Revenue Consequence

- Government Grants and other external grants and contributions
This is funding provided directly by Government or other external providers. This can be ring fenced specific and non ring fenced. As previously advised, all Government funding is now via direct grant.
- Capital Receipts
This is money received from the sale of Council assets. This resource is usually non ring fenced. The 2012/13 capital programme requires £900k of capital receipts to support the BSF programme. It should be noted that a prudent approach has been taken to the anticipated level of receipts because of the depressed state of the property market which impacts on the:
 - i) ability of the Council to sell assets within the timescale anticipated
 - ii) level of receipt that can actually be generated, which may be less than originally expected

With Revenue Consequences

- Prudential Borrowing/Bonds
This is borrowing undertaken by the Council for specific projects that normally have identifiable savings that can repay the costs of borrowing over a number of years. This funding is entirely at the discretion of the Council. The 2012/13

programme includes financing of £36.342m from prudential borrowing, of which up to £18m is for new investment (and is yet to be allocated), £5.111m is for the BSF programme and the rest supports a range of schemes including the fleet replacement programme, highways investment programme, the asset management and office accommodation provision and Local Authority Mortgages.

- Revenue

These are revenue resources which have been identified by the Directorates to fund capital projects and built into the revenue budget. In 2012/13, £498k of general fund revenue resources and £5.316m of Housing Revenue Account funding underpins the capital programme.

2.2.8 Table 5 sets out the overall level of available resources by category for the period 2012/16. This shows that in total, funding for the capital programme in 2012/13 is £76.185m. However, of this £16.812m relates to the BSF/Academies grant, with other Government grants totalling £9.609m with the balance being from other grants and contributions, revenue contributions, prudential borrowing (including the £18m for new investment) and capital receipts.

Table 5 – Total Resources Available for the Capital Programme

Funding	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
No Revenue Consequences				
Government Grants	26,421	2,865	4,857	
Capital Receipts	4,387	3,830	1,877	
Other Grant/Contributions	2,680			
Resources Carried Forward	541			
Total No Revenue Consequences	34,029	6,695	6,734	0
With Revenue Consequences				
Prudential Borrowing	36,342	9,335	(1,877)	
Revenue Contribution (CERA)	5,814	3,150	3,695	
Total With Revenue Consequences	42,156	12,485	1,818	0
Total	76,185	19,180	8,552	0

2.3 Capital Requirements for 2012/13

Resources that have been Committed in 2012/13 to 2015/16

2.3.1 A review of the capital programme and capital plans has highlighted that there is already a range of commitments for 2012/13 and future years which need to be factored into the programme. As a consequence, these commitments would have utilised almost all of the capital resources available for 2012/13 and future years without the funding that the Council is making available for new priority investment. These commitments are set out in the follow paragraphs and are

shown in the context of the overall programme at Table 7 and in detail at Appendix 1.

Corporate Commitments

- 2.3.2 The Council has previously approved resources for Corporate Major Repairs (CMR) and Corporate Health and Safety programmes in 2012/13 and 2013/14. Of the £1m initially made available to the CMR budget for 2012/13, £101k has already been allocated to Oldham Town Hall, leaving a balance of £899k. Taking CMR and the Corporate Health and Safety programme together, corporate commitments are shown at £1.149m in 2012/13.

Assistant Chief Executive's (ACE)

- 2.3.3 The total projected ACE capital spending in 2012/13 is £720k to finance a District Investment Fund to facilitate the initiating of a range of projects in District Partnership areas.

Economy, Place and Skills (EPS)

- 2.3.4 Total projected spending on EPS projects in 2012/13 is £47.843m over the following areas:

Building Schools for the Future

The BSF programme has been identified as a corporate priority and given the rationalisation and realignment of the programme is estimated to spend £22.871m in 2012/13 with a corresponding package of resources, most of which is ring fenced grant.

Transport Schemes – Government Grant Funded

The capital strategy has identified that there is an on-going requirement to support a range of commitments into 2012/13 totalling £833k. In addition £1.549m will be made available for other LTP related projects. A detailed transport capital programme is currently being prepared and will be the subject of a separate delegated report in February/March 2012.

Transport Schemes – Other

There are a range of other transport related projects which are set out in the following table which have a combination of funding sources.

Table 6 – Other EPS Transport Schemes

Transport Scheme	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Mobile Camera Enforcement	15			
Fleet Replacement Programme	3,462	3,462		
Plugged in Places	2,294			
Highways Investment Programme	3,000	2,500		
Metrolink	250			
Total Other Transport Related Schemes	9,021	5,962	0	0

Other EPS Schemes

There are a total of £13.569m of other EPS projects included in the 2012/13 capital programme including £4.756m capital contribution to the PFI 4 Housing Programme, the asset management and office accommodation programme at £2m, the development acquisition fund at £1m, Local Authority Mortgages at £1m, and town centre public realm at £600k.

People, Community & Society (PCS)

- 2.3.5 Total projected spending on PCS schools projects in 2012/13 is at this stage is £2.220m, this being the residual elements of two projects approved in 2011/12 at £59k, devolved capital funding at £825k and £1.336m for the passporting of Voluntary Aided schools capital maintenance grant. In addition, in line with the capital strategy there is the allocation of £400k of Council resources to support adaptations to the homes of the disabled.

Performance, Services & Capacity (PSC)

- 2.3.6 Total projected spending on PSC projects in 2012/13 is currently £215k covering three ICT schemes. The capital programme contains a commitment to finance expenditure of £160k per annum on the IT server refresh programme in line with the ICT contract with the Unity partnership. Completion of the E-mail archive and data discovery project of £35k financed by prudential borrowing is also included together with a commitment for expenditure on ensuring the Council complies with the Government Connect initiative requirements of £20k.

2.4 Proposed Bids for New Resources 2012/13

- 2.4.1 The capital strategy for 2012/13 outlines projects where consideration may be given to the allocation of additional resources or new resources, subject the availability of funding.

- 2.4.2 There are two already approved projects for which continuation funding from Council resources may be required from 2013/14 onwards. These are:

- Corporate Major Repairs – to enable the Council to secure the integrity of the corporate estate when the existing funding allocation expires
- Corporate Health and Safety/DDA/Legionella – to ensure that essential work can be undertaken when the existing funding allocation expires

- 2.4.3 New projects for which funding may be required and for which funds could be allocated are as follows (unless stated the resources required would be general Council capital resources of which there is currently £19.478k available over the life of the capital strategy). Each of these projects would need to be progressed by the submission of detailed and fully costed business cases demonstrating how they take forward corporate priorities. These projects are:

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- Town Centre Conservation Area – if the recently submitted bid for capital resources to the Townscape Heritage initiative is successful, the Council will be required to match the grant with £500k of its own resources from 2013/14. A decision as to the requirement for the resource will not be know until late 2012/13
- Digital Infrastructure/Metrolink – providing additional funding for the provision of a digital fibre cable link along the Metrolink 3A line
- HMR legacy issues – addressing any needs that cannot be financed from ring fenced capital receipts
- Energy Efficiency projects – to support the Council in its pursuit of the green agenda and address carbon reduction requirements. Such projects are likely to require prudential borrowing given that there will be an anticipated pay back
- Adult Social Care – redevelopment of Limecroft and Medlock Court which may be suitable for prudential borrowing as there are prospects for additional income generation
- Investment in Schools – although the funding of schools capital expenditure is likely to be substantially changed in future years, there is a requirement to address immediate needs now and to allocate resources to priority areas. A programme of work is being prepared that sets out the highest priorities. This will be brought forward for consideration. If the bid for Priority Schools Building Programme resources is successful it will require funding support from the Council.
- ICT Projects both corporately and at individual service level – to facilitate a programme of ICT development to enhance new ways of working and the major refresh of ICT kit where applicable

There are also two major new priority areas upon which the Council may wish to focus its new investment resources. These are:

- Leisure Estate – whilst the full detail of the revision to the Leisure Estate is not yet available, there will undoubtedly be a requirement for investment over the coming period
- Area Regeneration – the Council has identified five area regeneration priority areas for the 2012/13 to 2015/16 capital strategy. These are:
 - The transformation of Oldham Town Centre
 - The regeneration of Hollinwood
 - The development of Foxdenton
 - The regeneration and development of Royton Town Centre
 - The general development of District Centres

Consideration of these projects by the CIPB and the recommendation of the allocation of resources to them will be progressed over the coming months and reported to Cabinet and Council.

2.5 Proposed Capital Programme

2.5.1 Table 7 summarises the proposed 2012/13 capital programme and the indicative programme for 2012/16. The strategy of the Council is to prepare a capital programme that balances over the life of the programme rather than by individual years. The programme for 2012/13 to 2015/16 has been prepared to mirror the timeframe of the Medium Term Financial Strategy so that over the four years, resources currently available to the Council match planned expenditure. At this stage however, there is an unallocated resource of £19.478m as new expenditure for 2012/13 has yet to be agreed.

2.5.2 The table below summarises the currently proposed capital programme on a Directorate basis. Appendix 1 sets this out in detail.

Table 7 – Current Capital Proposals for 2012/13 to 2015/16

Proposed Capital Spending	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Corporate Expenditure	1,149	1,000	0	0
Assistant Chief Executive's	720	360	360	360
Economy Places & Skills	47,843	19,520	8,552	0
People, Communities & Society – Schools	2,220	0	0	0
People, Communities & Society – Adult Social Care	400	400	400	400
Performance, Service & Capacity	215	180	180	180
Resources to Allocate	19,478	0	0	0
Total Expenditure	72,025	21,460	9,492	940
Total Funding	(76,185)	(19,180)	(8,552)	0
Balance of Resources available by year – Under programming	(4,160)	2,280	940	940
Cumulative balance of resources available for new projects	(4,160)	(1, 880)	(940)	0

2.5.3 It is likely that the position will evolve as:

- some funding allocations have yet to be announced
- it is also likely that there will be additional funding streams notified at a later date including the allocation of the £600m of basic need capital grant
- the Regional Growth Fund will provide additional opportunities for resources but no detail is available at this time

- the Council has yet to decide how to allocate its fund for new investment
- the Council could decide to finance additional capital expenditure by other than Government grants and capital receipts

Therefore the overall capital programme position will be kept under review and any new information about funding allocations will be presented to Members in future reports.

3 Options/Alternatives

- 3.1 Table 7 sets out the capital requirements for 2012/13. The capital strategy is elsewhere on the agenda for approval and has been prepared taking account of the level and type of capital resources available, the Asset Management Plan and corporate objectives. Whilst much of the capital programme is committed, Members may choose to reprioritise resources to other areas and decommission schemes.

4 Preferred Option

- 4.1 The preferred option is to accept the capital proposals contained in the report and summarised at Table 7 and to thus approve a capital programme for 2012/13 and an indicative programme for 2013/16.

5 Consultation

- 5.1 Consultation has taken place with the members of the Capital Investment Programme Board which includes Cabinet Members. The report was also considered by the Overview and Scrutiny Performance and Value for Money Select Committee on 24th January 2012 and Cabinet of 6th February 2012.

6 Financial Implications

- 6.1 By the very nature of the report, it contains details of the capital expenditure and financing associated with the delivery of the 2012/13 capital programme. This is therefore set out in detail in the report.
- 6.2 As highlighted in the report, the Government now only funds capital expenditure by grant. There are now no more supported or unsupported borrowing approvals which means that any revenue implications of Government borrowing will therefore relate to historic debt incurred in 2010/11 and earlier years. This is already budgeted for. The revenue budget for 2012/13 has been prepared to include the financing costs of up to an additional £18m to fund an investment programme. The revenue contributions to support capital expenditure that are included in the capital programme of £498k from the general fund and £5.316m from the HRA have been budgeted for.

7 Legal Services Comments

- 7.1 Under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 the responsibility for approving any plan or strategy for the

control of local authority borrowing, investment or capital strategy or for determining the minimum revenue provision is a decision of the full Council. The function of the Executive is to prepare and propose the relevant strategy to the Council. The Council may require the Cabinet to reconsider, amend, modify, revise, vary, withdraw or revoke the strategy.

8 Cooperative Agenda

- 8.1 The capital programme has been prepared so that it aligns to the capital strategy of the Council. The capital strategy and the capital programme embrace the Council's cooperative agenda with resources being directed towards projects that enhance the aims, objectives and cooperative ethos of the Council.

9 Human Resources Comments

- 9.1 None

10 Risk Assessments

- 10.1 The main risk foreseen at this stage is whether the planned level of capital receipts can be achieved to finance the present plan. In order to minimise the risk, a prudent estimate of capital receipts has been made having regard to the prevailing economic climate which may have an impact on both the timing and level of receipts that can be achieved.

11 IT Implications

- 11.1 Other than the implications of the specific IT projects being put forward there are no IT implications.

12 Property Implications

- 12.1 The level of capital receipts generated underpins the financing of the capital programme. Every effort will be made to maximise capital receipts but also achieve best consideration.
- 12.2 Any proposed new capital projects and capital programme developments will be considered and reviewed in the context of the Corporate Property Strategy.

13 Procurement Implications

- 13.1 None at this stage.

14 Environmental and Health & Safety Implications

- 14.1 The Capital Programme contains planned expenditure in both 2012/13 and 2013/14 of £250k for additional corporate health and safety projects as well as a general provision of £250k for legionella, asbestos, Disability Discrimination Act and health and safety work.

15 Equality, community cohesion and Crime Implications

15.1 None

16 Equality Impact Assessment Completed?

16.1 Not applicable

17 Key Decision

17.1 Yes

18 Forward Plan Reference

18.1 PSC -36-11

19 Background Papers

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Estimates 2012-13
Name of File: Summary Capital programme & individual capital programme estimates
Records held in: Finance Service Offices,
Performance, Capacity & Services Directorate,
Room 441,
Civic Centre
West St
Oldham

Officer Name: Anne Ryans
Contact No: 4902

20 Appendices

Appendix 1 Capital Programme for 2012/13 and future years by Directorate.

Capital Programme for 2012/13 and Future Years by Directorate

Project Description	2012/13 Actual Budget	2013/14 Actual Budget	2014/15 Actual Budget	2015/16 Actual Budget
	£	£	£	£
<u>Corporate</u>				
Corporate Property Major Repairs	899,000	750,000		
Corporate Health & Safety	250,000	250,000		
	1,149,000	1,000,000	0	0
<u>ACE</u>				
District Investment Fund	720,000	360,000	360,000	360,000
	720,000	360,000	360,000	360,000
<u>EPS</u>				
Building Schools for the Future	22,871,000	3,835,000	2,764,000	
Local Authority Mortgage Scheme	1,000,000	1,000,000		
PFI 4 Capital Contribution	4,756,000	3,137,000	3,695,000	
Mobile Camera Enforcement	15,000			
Fleet Replacement Programme	3,462,602	3,462,602		
Dunwood Park-Improvements To Access	75,000			
DDA / Legionella / H&S	250,000	250,000		
Asset Management/Office Accommodation provision	2,000,000	1,000,000		
Oldham Town Hall	101,000			
Low Carbon Domestic Retro Fit (Private Housing)	173,000	173,000		
Plugged In Places	2,294,000			
Churchill Playing Fields - Drainage	340,591			
Regeneration Site Purchases	2,218,000	200,000		
O AFC 2004 Ltd Grant		400,000		
Development Acquisition Fund	1,000,000			
Transportation Programme	2,382,000	2,222,000	2,093,000	
Highways investment	3,000,000	2,500,000		
Metrolink	250,000			
HMR Equity Loans	495,000			
Town Centre Public Realm	600,000	1,340,000		
North House Development Scheme	560,000			
	47,843,193	19,519,602	8,552,000	0
<u>PCS- Schools</u>				
Devolved Formula Capital	825,430			
Maintenance VA Schools	1,335,649			
St Paul's CE School Remodelling (ASD Unit)	36,700			
St Paul's CE School Remodelling (Foundation Stage Unit)	21,893			
	2,219,672	0	0	0
<u>PCS- Adult Social Care</u>				
Contribution to Disabled Facility Grant Top Up	400,000	400,000	400,000	400,000
	400,000	400,000	400,000	400,000

PSC				
IT - Server Refresh	160,000	160,000	160,000	160,000
Email Archive & Data Discovery	35,000			
Government Connect	20,000	20,000	20,000	20,000
	215,000	180,000	180,000	180,000
Sum Yet to be Allocated	19,478,042			
Total Expenditure	72,024,907	21,459,602	9,492,000	940,000

Funded by:				
<u>Ringfenced</u>				
BSF Grant	(5,058,000)			
BSF ICT Grant	(1,983,000)	(451,000)	(2,764,000)	
Framework Academies (Standards Fund)	(9,771,000)	(192,000)		
DfE - Devolved Formula Capital	(825,430)			
Locally Coordinated Voluntary Aided Capital Maintenance Programme (LCVACMP)	(1,893)			
Heritage Lottery	(75,000)			
Football Foundation	(180,000)			
Plugged in Places (OLEV)	(2,294,000)			
<u>Un-ringfenced</u>				
LTP Grant	(2,382,000)	(2,222,000)	(2,093,000)	
Capital Maintenance (SCE)	(36,700)			
DoH Capital Grant	(591,413)			
DfE - Maintenance VA	(1,335,649)			
DfE - Maintenance LA	(2,546,536)			
DfE - Basic Need	(1,889,506)			
<u>Other Resources</u>				
S106	(105,591)			
Contribution from 3rd Parties	(25,000)			
Rcco - BSF	(48,000)			
Rcco - HRA	(5,316,000)	(3,137,000)	(3,695,000)	
Rcco General Fund	(450,000)	(13,000)		
Agreed Council Resources - BSF	(900,000)	(2,057,000)	(1,877,000)	
Agreed Council Resources -Regeneration Site Purchases		(600,000)		
M08 Capital Resources Brought Forward	(541,000)			
Agreed Council Resources	(3,272,587)	(1,173,000)		
Prudential Borrowing - BSF	(5,111,000)	(1,122,000)	1,877,000	
Prudential Borrowing - Regeneration Site Purchases	(2,218,000)	0		
Prudential Borrowing	(11,012,602)	(8,212,602)		
Additional Prudential Borrowing	(18,000,000)			
Recycled Equity Loan receipts	(215,000)			
Total Resource	(76,184,907)	(19,179,602)	(8,552,000)	0
Under/(Over) Programming In year	4,160,000	(2,280,000)	(940,000)	(940,000)
Under/(Over) Programming Cumulatively	4,160,000	1,880,000	940,000	0