

# Bolton Council

**Report to:** EXECUTIVE

**Date:** 9<sup>th</sup> JANUARY 2012

**Report of:** DIRECTOR OF CORPORATE  
RESOURCES

**Report  
No:**

**Contact Officer:** Steve Arnfield

**Tele No:** 1502

**Report Title:** CAPITAL PROPOSALS AND RESOURCES 2012/13

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**Non Confidential:** This report does not contain information which warrants its consideration in the absence of the press or members of the public

**Purpose:**

- (a) To inform the Executive of the Capital Proposals and Resources for 2012/13.
- (b) To provide an assessment of the projected capital resources for services compared to the demands identified by Services

**Decision:**

Executive are asked to:

- (a) Note the position as regards capital proposals and resources.
- (b) Indicate their views on the additional corporate allocations outlined in Section 3.
- (c) Resolve that the Director of Corporate Resources produces an updated Capital Programme for the Executive on 13<sup>th</sup> February 2012, on the basis of the overall resources set out in this report.

**Background Doc(s):** Notifications from government departments as regards support for Capital

## 1. INTRODUCTION

- 1.1 Under the Local Government Act 2003 capital expenditure can be incurred up to the total of resources available from:
- Borrowing within the limits of affordability.
  - Capital Grants and contributions from third parties (e.g. lottery funds)
  - Usable Capital Receipts
  - Revenue contributions
- 1.2 It is for each local authority to determine the level of borrowing which can be afforded. The 2010 Revenue Support Grant (RSG) announcement indicated no capital expenditure will be supported through revenue grant in future years. It was said all government support will be made via specific capital grants
- 1.3 This report details the proposals made within the current Corporate Business Planning Process and assesses the resources available to meet them. Schemes anticipated to be funded by specific government grant or third party contribution are reported at the current bid level. Their inclusion in the Council's Capital Programme and ultimate approval to spend will be subject to successful external funding after the prioritisation and allocation procedures of individual external funding regimes.

## 2. CAPITAL PROPOSALS

- 2.1 At the Executive on 5<sup>th</sup> December 2011 an interim Capital report was submitted and approval was given to the Service specific bids. These schemes are included in Appendix 1 and summarised below:-

Service	Approved Bid 2012/13
	<b>£000</b>
Development and Regeneration - Economy	207
Environment	1,354
Affordable Warmth	68
Housing – DFG etc.	430
Housing Private Sector	1,000
Corporate Asset Management	1,900
<b>Sub-Total</b>	<b>4,959</b>
Less: VAT funding of Private Sector Renewal	-500
<b>Total</b>	<b>4,459</b>

Available resources of £6.7m were identified which after approval to the above items leaves a balance of £2.241m available for consideration of other corporate capital priorities. See Section 3 below.

- 2.2 The Capital Proposals for 2012/13 are detailed in Appendix 1 and summarised below, with expenditure profiled as follows:-

<b>Service</b>	<b>2012/13 £000s</b>	<b>2013/14 £000s</b>	<b>2014/15 £000s</b>
Housing – General Fund	2,775	2,775	2,775
Development & Regeneration	7,387	207	207
Children's Services	39,614	7,279	3,457
Adult and Community Services	2,634	560	250
Environmental Services	9,205	5,990	5,785
Central Services	2,900	1,900	1,625
<b>Total</b>	<b>64,515</b>	<b>18,711</b>	<b>14,099</b>

- 2.3 The proposed 2012/13 "service" resources have been identified as follows:

	<b>General Fund Housing</b>	<b>Dev. &amp; Regen</b>	<b>Children's</b>	<b>Adult &amp; Com.</b>	<b>Env Servs</b>	<b>Central Services</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Corporate Supported Prudential Borrowing	998	3,071			2,393		6,462
Service Supported Prudential Borrowing			30	772	1,783		2,585
Government Grants	1,100		35,225	1,402	4,721		42,448
Third Party Contributions	500	66		60			626
Revenue	177		4,359				4,536
Capital Receipts (including sale of art work)		4,250		400	308	2,900	7,858
<b>Total</b>	<b>2,775</b>	<b>7,387</b>	<b>39,614</b>	<b>2,634</b>	<b>9,205</b>	<b>2,900</b>	<b>64,515</b>

Where current year scheme slippage is identified prior to preparation of the Capital Programme the above table will change to reflect the corresponding re-profiling of resources.

- 2.4 The allocations for Children's Services and Highways have now been received and are included in the table above.

- 2.5 The Revenue financing costs associated with the total bid are as follows:

	<b>2012/13 Borrowing</b>	<b>2012/13 Cost</b>	<b>Full Year Cost</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Service Supported Prudential Borrowing	2,585	50	205
Corporate Supported Prudential Borrowing	8,703	175	690
<b>Total</b>	<b>11,288</b>	<b>225</b>	<b>895</b>

The revenue costs are consistent with current revenue budget forecasts. The full year costs of corporate schemes are budgeted. Where services themselves meet capital financing costs the full year costs are accommodated in the appropriate business case. Borrowing of £4.7m was approved on the 5<sup>th</sup> December and the associated revenue costs are budgeted.

- 2.6 The rolling programme for 2013/14 and 2014/15 assumes the same level of corporately funded schemes as in 2012/13. This will need to be reviewed when the 2013/14 programme is finalised in 12 months time.

### **3. CORPORATE RESOURCES BIDS**

- 3.1 It was suggested at the Executive meeting on 5<sup>th</sup> December 2011 that the use of the remaining balance of corporate resources of £2.241m should be considered once the allocation for Children's Services and Highways are received.
- 3.2 Children's Services have received an allocation of £6.995m for 2012/13. On the basis that similar allocations are received for 2013/14 and 2014/15, then the current capital requirements for Children's Services can be met. On this basis, there is not a need to allocate any additional corporate resources for 2012/13 but the position will need to be reviewed in 12 months time.
- 3.3 For Highways an allocation of £3.659m has been received which is in line with expectations. However, Members will be aware that the Revenue budget for highways maintenance has been reduced over the last 12 months and in the current year's capital programme and additional £1m was provided to support highway improvements across the Borough. It is suggested that consideration be given to making a similar allocation for 2012/13.
- 3.4 The current year's capital programme includes £0.5m for improvements to Town Centres, in addition to the proposed investment in the Market. Given the difficult economic climate, it is suggested that Members may wish to consider allocating a further £0.5m to improvements in Town Centres in 2012/13.
- 3.5 The Library service has identified the need to spend £75,000 for adaptations to Libraries/neighbourhood collection points as part of the Library review. It is suggested that an allocation of £100,000 be made to cover the existing proposals plus a contingency for any further works that may be identified/required.
- 3.6 As part of the Accommodation Review and also as a result of individual Service reviews, the Council will be seeking to dispose of a range of properties and sites. It is suggested a provision of £250,000 be made in the Capital Programme to provide for any site preparation that may be required in order to achieve the maximum disposal price.
- 3.7 The above suggestions can be summarised as follows:-

	<b>£000</b>
Highways	1,000
Improvements to Town Centres	500
Library Neighbourhood Collections	100
Site preparation	250
Contingency	391
<b>Total</b>	<b>2,241</b>

It is suggested that the contingency highlighted above be retained and considered against any capital priorities that emerge during 2012/13.

#### **4. CONCLUSION**

- 4.1 The 2012/13 Capital Programme can be funded at the bid level as approved at the meeting of the Executive on 5<sup>th</sup> December 2011. Appendix 1 sets out the Capital Programme for the next three years based on bids to date. The programme will be amended to reflect the specific corporate allocations agreed by the Executive and included in an updated capital report to the February Executive.

#### **5. RECOMMENDATIONS**

- 5.1 Executive are asked to:
- (a) Note the position as regards capital proposals and resources.
  - (b) Indicate their views on the additional corporate allocations outlined in Section 3.
  - (c) Resolve that the Director of Corporate Resources seeks to produce an updated Capital Programme for the Executive on 13<sup>th</sup> February 2012, on the basis of the overall resources set out in this report.

# APPENDIX 1

<b>Capital Programme 2012/13 to 2014/15</b>			
Service/Scheme	2012/13	2013/14	2014/15
	£000s	£000s	£000s
<b>Children's</b>			
Building Maintenance Plan	2,090	2,090	2,090
School Capital Support Fund	200	200	200
Schools Access Initiative	200	200	200
Kitchens Programme	100	100	100
Devolved Formula Capital	674	674	674
Primary Capital Programme	7,447		
Primary Expansion Programme	12,053	3,985	
ESSA Academy			69
St Catherine's Academy	5,701		94
Kearsley Academy	11,119		
Children's Social Care	30	30	30
<b>Children's Total</b>	<b>39,614</b>	<b>7,279</b>	<b>3,457</b>
<b>Adults</b>			
Telecare Equipment	50		
Disabled Facilities Top Up Grant	100	100	100
Mental Health	94		
PC refresh and Mobile Working	265	184	
Transforming Adult Social Care	75	76	
Supported Housing Developments	410	150	150
Adult Services Major Repairs	133		
Lift Refurbishments	153		
Museum Collection Storage	400		
Further PC refresh and Mobile Working	493		
Wilfred Geere	175		
ICT Training System	40		
SF Awareness	100		
Customers ICT	50	50	
Electronic Home Care Equipment	96		
<b>Adults Total</b>	<b>2,634</b>	<b>560</b>	<b>250</b>
<b>Environmental Services</b>			
H10 Highways Capital Programme (Grant)	3,659	3,486	3,281
Queens Park (Grant)	1,062		
Street Lighting Energy Control Project (Self Financing)	1,200	900	900
Street Lighting/Carbon Reduction	333		
Street Lighting/Carbon Reduction (Prudential)	250	250	250

<b>Capital Programme 2012/13 to 2014/15</b>			
Service/Scheme	2012/13	2013/14	2014/15
	£000s	£000s	£000s
Flood Defence	75	75	75
Highways Investment	15		
Concrete lighting columns over 40 years old renewals	350	350	350
Improvement of Street Lighting (capacitors)	45	45	45
Illuminated Bollards & Signs	45	45	45
Energy/Carbon Reduction			
Public Rights of Way Improvement Plan	15	15	15
Highway Drainage imps to prevent ironwork theft	45	45	45
Safer Barrier Replacement	40	40	40
Surface Water Run-off Highways Improvements	140	140	140
Neighbourhood Services Asset & Infrastructure Programme	60	60	60
Queens Park	100	100	100
Access To Nature	15	15	15
Increased Recycling Participation	208	208	208
Ashburner St. Market Essential Roof Refurbishment	100		
Heaton Cemetery Extension	274		
Ravenden Clough Culvert	308		
Transport Bunkered Fuel Mayor Street	50		
Overdale Crematorium Emissions Abatement	600		
Replacement of Waste & Recycling bins	135	135	135
ICT	40	40	40
Property	41	41	41
<b>Environmental Service Total</b>	<b>9,205</b>	<b>5,990</b>	<b>5,785</b>
<b><u>Development and Regeneration</u></b>			
Commission Street	2,500		
Business Expansion Grants	40	30	30
Bolton Innovation Zone	100	50	50
Development Enabling Fund	100	65	65
Little Bolton Town Hall	19		
Public Art (Sec 106)	66		
Town Centre Improvement Fund	50	50	50
Bolton Market	4,500		
Departmental ICT	12	12	12
<b>Development and Regeneration Total</b>	<b>7,387</b>	<b>207</b>	<b>207</b>
<b><u>Housing</u></b>			
Disabled Facilities Grants	1,100	1,100	1,100

<b>Capital Programme 2012/13 to 2014/15</b>			
Service/Scheme	2012/13	2013/14	2014/15
	£000s	£000s	£000s
Private Sector Renewal	1,000	1,000	1,000
Disabled Facilities Grants	250	250	250
Empty Dwellings	20	20	20
Affordable Warmth	245	245	245
Care and Repair	160	160	160
<b>Housing Total</b>	<b>2,775</b>	<b>2,775</b>	<b>2,775</b>
<b>Central Services</b>			
Bolton Arena	100	100	100
Accommodation Review	1,000		
Access layer/Data Networks	100	100	100
LAN network maintenance	70	70	70
Asset management plan - urgent works	1,000	1,000	1,000
Area Property review	40	40	40
Carbon Management programme	100	100	100
Glazing Risk assessment & surveys	40	40	40
Health & Safety surveys	45	45	45
Health & Safety surveys - voluntary organisations	40	40	40
Land Development	90	90	90
Le Mans Fire Alarm System	275	275	
<b>Central Service Total</b>	<b>2,900</b>	<b>1,900</b>	<b>1,625</b>
<b>Capital Programme Total</b>	<b>64,515</b>	<b>18,711</b>	<b>14,099</b>