

**Policy Committee – 9<sup>th</sup> July 2013****CAPITAL PROGRAMME 2013/14**

## Report of the Corporate Head of Financial Management

Ward(s) affected: All

**1. Purpose of Report**

- 1.1 To present the capital programme for 2013/14 and its funding options for member approval.

**2. Recommendations**

- 2.1 Members approve the 2013/14 capital programme and its funding.

**3. Background Information**

- 3.1 The proposed capital programme for 2013/14 to 2016/17 was presented to the meeting of Policy Committee on 12<sup>th</sup> February 2013. At the meeting it was agreed that a further report would be submitted to provide clarity on funding sources, the individual projects and their prioritisation for the 2013/14 year.
- 3.2 Two of the projects have been approved & their funding agreed – (1) Rationalisation of Waltonwrays Crematorium Buildings and (2) Installation of Photovoltaic (PV) Cells at Craven Pool and Airedale Business Park.
- 3.3 A number of projects from the 2012/13 capital programme are scheduled to be completed in 2013/14 and these schemes have been combined with the 2013/14 projects to give the overall 2013/14 capital programme of £306k. Appendix A gives a summary of the 2013/14 capital programme and its funding. A description of each project provided at Appendix B.
- 3.4 A further capital project in respect of capital works to Skipton Town Hall / Museum has also been identified for inclusion in the 2013/14 capital programme at an expected cost of £70k. These works will be part of the overall Town Hall / Museum project.

**4. 2013/14 Capital Programme**

- 4.1 Table 1 Summarises the estimated capital programme for 2013/14 to

2016/17.

- 4.2 The report presented in February assumed £25k of contribution from the capital programme to revenue for administration of projects. Changes in accounting rules and regulations for eligible revenue administration costs mean there are strict rules on what can and cannot be charged to capital. The MTFs report presented in March removed this charge for 2014/15 onwards. In 2013/14 it is likely that this cost will also need to be met from within the revenue budget.
- 4.3 As part of the monitoring of the of the capital programme a business case to CLT will be required for each project prior to release of the funding. This will then inform the progress update presented to members on a quarterly basis.

**Table 1: Planned Capital Programme**

	<b>2013/2014 £</b>	<b>2014/2015 £</b>	<b>2015/2016 £</b>	<b>2016/2017 £</b>
Vehicle replacements	570,000	439,000	405,000	245,000
Private Sector Housing	311,000	311,000	311,000	311,000
Council Properties	564,890	1,200,000	309,000	318,270
IT facilities	65,000	50,000	51,500	53,050
Miscellaneous projects	0	30,000	30,900	31,830
Capital administration (see 4.2)	25,000	0	0	0
Projects carried forward from 2012/13	305,970	0	0	0
<b>Total Capital Programme Costs</b>	<b>1,841,860</b>	<b>2,030,000</b>	<b>1,107,400</b>	<b>959,150</b>

- 4.3 Table 2 summarises the current estimated capital resources available to fund the capital programme.
- 4.4 At the meeting of Policy Committee on 21<sup>st</sup> May 2013 members approved the transfer of the balance of any 2012/13 revenue savings to three earmarked reserves for IT Projects, Vehicles & Buildings. £180k has been placed into these reserves (split 80:50:50).
- 4.5 It is proposed that £65k from the IT reserve and £40k from the Buildings reserve is used to fund 4 IT and 2 building related projects in the capital programme.
- 4.6 The council has £321k of borrowing capacity carried forward from 2012/13 and £316k will be generated in 2013/14 giving a total of £637k for use in either the capital programme or to repay external loans. This borrowing capacity arises through the Minimum Revenue Provision (MRP) charge to

the revenue account each year. It is proposed that £385k is utilised to fund the programme.

- 4.7 In addition £80k from the Enabling Efficiencies Fund has been used to contribute towards the costs of the Waltonwrays Crematorium and PV cells projects.
- 4.8 The receipt in April from the sale of Granville Street £660k net is included within the 2013/14 resources together with a receipt following the sale of a former LSVT property £39k. The balance of in year receipts £650k is a risk for the capital programme.
- 4.9 The capital programme currently assumes utilising all available forecasted capital receipts by the end of 2016/17 consideration has therefore been given to which projects these receipts should be used for in 2013/14 and is shown in Appendix A.
- 4.10 The indicative programme for 2014/15 – 2016/17 is attached as Appendix C for information.

**Table 2: Forecast Capital Resources**

	2013/2014 £	2014/2015 £	2015/2016 £	2016/2017 £
Capital Receipts & Grants at Start of Year	1,698,608	2,037,715	494,715	349,315
In Year resources - disposals	1,349,250	0	475,000	0
In Year resources - grants	191,717	187,000	187,000	187,000
Contribution From Efficiencies Reserve	150,000	0	0	0
Contribution from IT Reserve	65,000	0	0	0
Contribution from Buildings Reserve	40,000	0	0	0
Utilisation of Borrowing	385,000	300,000	300,000	300,000
Capital expenditure in year as per Appendix B	(1,841,860)	(2,030,000)	(1,107,400)	(959,150)
Resources at end of Year	2,037,715	494,715	349,315	
Additional Borrowing Requirement	0	0	0	122,835

## 5. **Implications**

### 5.1 **Financial and Value for Money Implications**

The updated capital programme costs and its resources are summarised in Table 3. The forecasted balance on the following earmarked reserves Vehicle Replacement Reserve, IT Projects Reserve, Buildings Reserve and Enabling & Efficiencies and the impact of the proposals within this report are summarised in Table 4.

**Table 3: Capital Programme & Resources**

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Capital Programme Costs	1,842	2,030	1,107	959
<b><u>Funding Resources</u></b>				
Capital Receipts	927	1,543	620	295
Capital Grants	275	187	187	187
Enabling Efficiencies Fund	150	0	0	0
IT Reserve & Buildings Reserves	105	0	0	0
Borrowing	385	300	300	477

- 5.2 The 2013/14 programme will utilise the majority of currently planned contributions to the IT and Buildings reserve and therefore consideration will need to be given for further in year contributions to these reserves

**Table 4: Earmarked Reserves**

	Vehicles £'000	IT £'000	Buildings £'000	Enabling £'000
Balance Brought Forward 1 April 2013	50	83	50	423
Allocation To Revenue & Capital Projects	0	(65)	(40)	(170)
Contributions Received / Planned 2013/14	0	0	0	20
Balance Carried Forward 31 March 2014	50	18	10	273

## 5. **Consultations with Others**

CLT will monitor the projects during the year.

## 6. **Access to Information : Background Documents**

None

**7. Author of the Report**

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**8. Appendices**

Appendix A – Capital Projects and Funding Summary 2013/14.  
Appendix B – Capital Projects Detail 2013/14  
Appendix C – Capital Programme 2014/15 to 2016/17

**CAPITAL PROGRAMME 2013/14**

<b><u>Scheme Description</u></b>	<b>2012/13 Carried Forward Projects £</b>	<b>2013/14 New Projects £</b>	<b>2013/14 Total Capital Programme £</b>	<b>Funding</b>				<b>Total Funding</b>
				<b>Grant £</b>	<b>Revenue or Reserve £</b>	<b>Capital Receipts £</b>	<b>Borrowing or Lease £</b>	
Waltonways Crematorium Rationalisation of Buildings		114,940	114,940		40,000	74,940		114,940
Remodelling of pathways for parking at Waltonways	14,450	0	14,450			14,450		14,450
Instal PV Panels at CPLC & ABP		84,510	84,510		40,000	44,510		84,510
Disabled Facilities Grants	129,290	311,000	440,290	274,697		165,593		440,290
Community Capital Grants	13,850	0	13,850			13,850		13,850
Replacement Vehicles	70,350	570,000	640,350			440,350	200,000	640,350
Replace Selected Car Park machines		50,440	50,440			50,440		50,440
Upgrade Intruder Alarms		20,000	20,000		20,000			20,000
Re-surface Engine Shed Lane		185,000	185,000				185,000	185,000
Refurbish Health Suite		20,000	20,000		20,000			20,000
PCI DSS Compliance	30,030	0	30,030			30,030		30,030
Upgrade of communications line to Craven Leisure Centre	13,000	0	13,000			13,000		13,000
Website Development	35,000	0	35,000			35,000		35,000
Upgrade business applications to Windows 2008		20,000	20,000		20,000			20,000
Upgrade PCs to Windows 7		15,000	15,000		15,000			15,000
Document Management Rollout		20,000	20,000		20,000			20,000
Upgrade VMware Software		10,000	10,000		10,000			10,000
Additional Lighting at CPLC		20,000	20,000			20,000		20,000
Skipton Town Hall / Museum Works		70,000	70,000		70,000			70,000
Capital Administration		25,000	25,000			25,000		25,000
<b>TOTAL</b>	<b>305,970</b>	<b>1,535,890</b>	<b>1,841,860</b>	<b>274,697</b>	<b>255,000</b>	<b>927,163</b>	<b>385,000</b>	<b>1,841,860</b>

**CAPITAL PROGRAMME 2013/14**

Scheme	Details
Remodelling of pathways for parking at Waltonways Crematorium	Carry forward from 2012/13
Disabled Facilities Grants	Mandatory DFG Programme - DCLG expects the local authority to contribute at least 40% towards the cost of DFGs. It is expected that any fluctuation in DCLG support is matched by the same fluctuation in LA funding to maintain a 40:60 commitment.
Community Capital Grants	Carry forward from 2012/13
Replacement Vehicles	Replacement of 4 refuse vehicles as part of the rolling seven-year programme of vehicle replacements.
Replacement of Selected Car Park machines	To replace those machines which are defective or in poor condition ensuring that the replacements comply with the Council's duty under the Equalities Act to ensure accessibility to all users.
Upgrade Intruder Alarms	The Council's current insurers have identified inadequate protection against intruders on four public buildings: CPLC, Waltonways, Skipton Depot and Unit 3 Airedale Business Park.
Re-surface Engine Shed Lane	This Council has sole ownership of Engine Shed Lane and sole responsibility for its maintenance. The road has been repaired by filling-in potholes over the past years, but now the road has degraded beyond repair and requires re-surfacing. The road services a number of private business and the Council's waste collection facility.
Refurbish Health Suite at Craven Leisure Centre	To remove the old sauna and steam rooms and replace for newer more efficient sauna and steam units.
PCI DSS Compliance	Carry forward from 2012/13
Upgrade of communications line to Craven Leisure Centre	Carry forward from 2012/13
Website Development	Carry forward from 2012/13
Upgrade business applications to Windows 2008	The servers on which business software is operated are being upgraded to comply with Government Connect standards so ensuring continuing access to government databases. As a result, some of the business applications will need to be upgraded to be compatible with Windows 2008. The applications are: Corporate security & anti-virus; BACAS; Radius; Document Management; Signature verification; FLARE; LALPAC; Intranet.

## APPENDIX B

Scheme	Details
Upgrade PCs to Windows 7	<p>We need to replace the existing Windows XP PCs at the Council as this operating system will become unsupported by Microsoft. As part of our Government Code of Connection we need to be able to implement security patches and this can only be done on supported software. This is to replace the remaining equipment at Belle Vue Square and also at the outlying offices.</p> <p>As the upgrade to the Document Management system will soon be completed, we need to look at rolling this out to other Service Areas. This will enable us to streamline processes and remove paper and cabinets from the office. This will also reduce the risk of breaches of data. (An options appraisal has been prepared).</p>
Document Management Rollout	<p>Professional Services resource is required to assist with the upgrade of our virtual server software vSphere from 4.1 to 5.1 and also the virtual desktop software VMview from 4. To 5. (Enhancement to asset AS1010). Technical expertise is required to work alongside internal ICT staff due to the complexity of the work involved and the potential risks and impact to the business.</p>
Upgrade VMware Software	<p>Additional lighting in the pool hall at Craven Pool &amp; Leisure Centre where it is currently absent in order to avoid accidents, comply with Health &amp; Safety requirements, and minimise potential insurance claims.</p>
Additional Lighting at Craven Pool & Leisure Centre	<p>Works to both number 17 and 19 High Street are required to allow areas to be split into discreet units that are capable of being serviced independently. The works would consist of alterations to electrics, gas, electrics, heating system, fire alarm, intruder alarm, first floor windows to No 19, ceiling repairs. In addition some works to the opening up and improving the appearance of number 17 are required to help in attracting tenants to this part of the building. This would consist of opening up of the currently blocked up main entrance and putting the windows into a good state of repair, including removal of extractors, replacing the 1960's opaque glazing and gas flues.</p>
Skipton Town Hall / Museum Works	<p>There are three main buildings on the Waltonways site - the Chapel, the Book of Remembrance Room and the Lodge. This project is to effect design changes so that offices can be located in the Chapel from the present location in the Lodge, and the BoR Room can be extended to include a public waiting room. Relocation of offices gives the Lodge vacant possession for disposal by lease or sale.</p>
Waltonways Crematorium Rationalisation of Buildings*  Instal PV Panels at Craven Pool & Leisure Centre & Airedale Business Park*	<p>An annual review of the financial benefits of installing photovoltaic panels on Council-owned buildings indicates that an early installation at the Pool and Fitness Centre, and an installation at Airedale Business Park would now be economically viable due to the favourable ratio between cost of installation and savings in energy costs.</p>

\* For Information Already Approved



**CAPITAL PROGRAMME 2013-14 to 2016-17**

<b><u>CORPORATE PRIORITY/SCHEME:</u></b>	<b>Proposed Programme</b>	<b>Forecasted Programme</b>	<b>Forecasted Programme</b>	<b>Forecasted Programme</b>
	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>Empowering Communities</u></b>				
<b>Strategic Housing Services</b>				
- Disabled Facilities Grants	440,290	311,000	311,000	311,000
<b>Transformation Services</b>				
- Community Capital Grants	13,850			
<b><u>Reducing Carbon</u></b>				
<b>Waste Management Services</b>				
- Replacement Vehicles	640,350	439,000	405,000	245,000
<b>Projects &amp; Facilities Management</b>				
- Instal PV Panels at CPLC & ABP	84,510			
<b><u>Council Transformation</u></b>				
<b>Projects &amp; Facilities Management</b>		300,000	309,000	318,270
- Replace Selected Car Park machines	50,440			
- Additional Lighting at CPLC	20,000			
- Re-surface Engine Shed Lane	185,000			
- Upgrade Intruder Alarms	20,000			
- Skipton Depot Major Works		900,000		
- Skipton Town Hall / Museum	70,000			
<b>Leisure &amp; Community Facilities</b>				
- Refurbish Health Suite	20,000			
<b>Bereavement Services</b>				
- Remodelling of Paths	14,450			
- Rationalisation of Buildings	114,940			
<b>Information Services</b>		50,000	51,500	53,050
- PCI DSS Compliance	30,030			
- Upgrade comms line to Craven Leisure Centre	13,000			
- Website Development	35,000			
- Upgrade business applications to Windows 2008	20,000			
- Upgrade PCs to Windows 7	15,000			
- Document Management Rollout	20,000			
- Upgrade VMware Software	10,000			
<b>Miscellaneous</b>		30,000	30,900	31,830
- Capital Administration	25,000	0	0	0
<b>TOTAL</b>	<b>1,841,860</b>	<b>2,030,000</b>	<b>1,107,400</b>	<b>959,150</b>