

**FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **CABINET**

**DATE:**               **TUESDAY, 19 FEBRUARY 2013**

**REPORT BY:**       **HEAD OF FINANCE, CHIEF EXECUTIVE AND  
DIRECTOR OF ENVIRONMENT**

**SUBJECT:**           **COUNCIL FUND CAPITAL PROGRAMME 2013/14 TO  
2022/23**

**1.00   PURPOSE OF REPORT**

1.01   To propose the Council Fund Capital Programme for 2013/14 and provide indicative details for 2014/15 to 2022/23, following consultation with the Corporate Resources Overview and Scrutiny Committee. As in all years, the capital programme relies upon the availability of budgeted capital funding resources in order to meet its objectives.

**2.00   BACKGROUND**

2.01   Proposals for the Council Fund Capital Programme 2013/14 to 2022/23, together with details of the continuing work in developing a capital strategy were reported to Cabinet on 18th December 2012.

2.02   The proposals included in the report of 18th December took account of Welsh Government's Provisional Finance Settlement for 2013/14, together with indicative allocations for forward years. A verbal update regarding the Final Settlement was provided to Cabinet, indicating a final figure of £6.866m, which was £0.002m less than that notified at the provisional stage, but £0.007m more than previous planning assumptions (and £0.007m more in each of the forward years than previous planning assumptions).

2.03   At its meeting of 31st January 2013, the Corporate Resources Overview and Scrutiny Committee was consulted on the Cabinet's recommendations. The key issues arising from the meeting are:-

- The anticipated future availability of information regarding the extended Local Government Borrowing Initiative (LGBI), and its likely impact on schools' funding.

- The possibility of a feasibility study for the purpose of establishing the full cost of replacing mobile classrooms, and the financial impact of such.
- Early determination of the cost implications (and funding plans) of any required future works to the Flintshire Bridge.
- A need for greater focus and pace in the move towards the use of more creative capital access options such as asset backed vehicles – a more ambitious and less risk averse approach.
- Re-affirmation of the forward unsupported (prudential) borrowing commitment particularly in respect of 21st Century Schools (by way of the approved 2012/13 Capital Programme), and its recognition in the Medium Term Financial Plan.
- The significance of the review of Council assets (which is currently underway) and the market risks in predicting accurate land sale capital receipts as one form of income to support the capital programme, in informing future capital programme planning and delivery.

2.04 The Corporate Resources Overview and Scrutiny Committee endorsed the recommendations of the 18th December report. A number of comments were made at the meeting and a number of questions asked; details of these, together with the responses provided are included in Appendix 4.

### **3.00 CONSIDERATIONS**

3.01 The development of the Capital Strategy and Capital Programme 2013/14 was set out in detail in the report to Cabinet on 18th December 2012 (as provided at Appendix 5).

3.02 The report to Cabinet on 18th December identified the core capital programme requirements over the ten year capital programme period in key service programme areas including School Buildings and Highways Infrastructure. Details are set out in Appendix 2 attached.

3.03 The allocation of resources to core service programmes in 2013/14 amounting to £10.528m (which includes the second year funding requirement of £1.688m in respect of those schemes funded from 'headroom' as part of the approved 2012/13 Capital Programme) leaves 2013/14 'headroom' of just £0.248m after taking account of the projected general funding available, as set out in Appendix 1 attached. A funding shortfall of £0.142m is projected for 2014/15; on this basis it is prudent to consider a two year programme (2013/14/15), which provides a net £0.106m available to meet minor contingencies, as necessary.

- 304 The total capital availability for 2013/14 is predictive at this stage given the inclusion of targets for capital receipts. The service programme capital allocations are set as maximum allocations subject to the targets being met.
- 3.05 In addition to those programme schemes financed through general capital funding sources, the overall capital programme is supplemented by those schemes funded through specific grants and those ongoing schemes approved in 2012 as part of the Capital Programme and Capital Strategy 2012/13 to 2021/22) funded through unsupported (prudential) borrowing.
- 3.06 The full programme for 2013/14, which includes the core service programmes (as referred to in 3.03), and those schemes financed by way of (indicative) specific grants of £12.785m, unsupported (prudential) borrowing of £3.895m and Local Government Borrowing Initiative (LGBI) funding of £2.700m, amounts to £29.908m, as shown in Appendix 3.

#### **4.00 RECOMMENDATIONS**

- 4.01 Taking account of the detail contained in the report to Cabinet on 18th December 2012 and the positive response from Corporate Resources Overview and Scrutiny, Cabinet is asked to recommend to Council on 1st March that they:
- (a) Note the work that has been undertaken (and continues) to develop a Council Fund Capital Strategy and 10 year capital programme.
  - (b) Note the estimated capital funding available over the 10 year period 2013/14 to 2022/23 (as shown in Appendix 1).
  - (c) Approve the inclusion in the programme of the core service allocations to the maximum levels shown for 2013/14 (as detailed in Appendix 2), which takes account of the second year funding requirement (and funding through to completion in 2015/16) in respect of those schemes funded from 'headroom' as part of the approved 2012/13 Capital Programme.
  - (d) Approve the allocation of resources on the basis of a two year programme (2013/14/15), which provides a net £0.106m available to meet minor contingencies, as necessary.
  - (e) Note the total Council Fund Capital Programme for 2013/14 (as set out in Appendix 3) which includes those schemes funded from specific grants, unsupported (prudential) borrowing and LGBI, over and above the general funding detailed in Appendix 1.

- (f) Note the indicative core programme details for 2014/15 to 2022/23 (as set out in Appendix 2).

**5.00 FINANCIAL IMPLICATIONS**

5.01 As set out in the report.

**6.00 ANTI POVERTY IMPACT**

6.01 Individual Capital Programme Schemes may have specific anti-poverty impacts.

**7.00 ENVIRONMENTAL IMPACT**

7.01 Individual Capital Programme Schemes may have specific environmental impacts.

**8.00 EQUALITIES IMPACT**

8.01 Individual Capital Programme Schemes may have specific equality impacts.

**9.00 PERSONNEL IMPLICATIONS**

9.01 None directly as a result of this report.

**10.00 CONSULTATION REQUIRED**

10.01 All Members and Overview & Scrutiny.

**11.00 CONSULTATION UNDERTAKEN**

11.01 An initial workshop on capital was held on 22nd November 2012 for all Members. A public consultation survey was open between 21<sup>st</sup> December 2012 and 20th January 2013.

**12.00 APPENDICES**

Appendix 1 - Available Funding

Appendix 2 - Core Capital Programme Schemes

Appendix 3 - Capital Programme 2013/14 (including specific funding sources – Specific Grants, Unsupported Borrowing and LGBI).

Appendix 4 - Responses from Overview and Scrutiny

Appendix 5 - Cabinet Report 18th December 2012.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985**  
**BACKGROUND DOCUMENTS**

2013/14 budget papers, including Welsh Government papers.

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