

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **FLINTSHIRE COUNTY COUNCIL**

DATE: **FRIDAY, 1 MARCH 2013**

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

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

1.00 PURPOSE OF REPORT

1.01 To present the annual Council Fund Capital Programme for 2013/14 and the indicative Capital Programme for 2014/15 to 2022/23 for consideration.

2.00 BACKGROUND

2.01 The draft annual Council Fund Capital Programme for 2013/14, and the indicative Capital Programme for 2014/15 to 2022/23 were presented to the Corporate Resources Overview and Scrutiny Committee on 31 January for consultation (a session to which all members of the Council were invited) and to the Cabinet on 19 February for review and agreement. The attached report is the full report as presented to Cabinet.

2.02 Cabinet approved the recommendations set out at 4.01 of the attached report in full for recommendation to Council. It is normal Council practice to approve the annual Capital Programme at the annual budget-setting meeting alongside the annual Council Fund Revenue Budget.

3.00 CONSIDERATIONS

3.01 As discussed at the Overview and Scrutiny meeting, and as explained in the report to Cabinet, the financial value of the annual Capital Programme is, in part, dependent on the sale of assets and the availability of the capital receipts from those sales to add to the Council's supported capital borrowing approval and general and specific capital grants. The Asset Strategy sets out a programme of intended disposals and the capital receipts from these disposals are planned into the Capital Programme year by year. Sale of assets need to both occur during or before the financial year for which their capital receipt is needed, and at the financial value estimated, for there to be sufficient funds available for the total Capital Programme approved for that year.

- 3.02 As discussed at Overview and Scrutiny there is a degree of risk in planning capital receipts due to the unpredictability of market interest in purchase and variations in land valuations. Given that the Council is in negotiation for the sale of assets on which the Capital Programme in part relies, the attached report refers to the core service allocations for capital spend being approved up to the maximum levels shown in Appendix 2. This is a safeguard; the Council could only spend up to those levels as maxima should it achieve the level of capital receipts of £3.910m set out in the report.
- 3.03 Since the Cabinet meeting on 19 February the Council has concluded negotiations for the sale of a key site and this is the principal capital receipt needed for the Capital Programme for 2013/14. The gross value of the land has been the subject of intense discussion. Also, due to the need to reclaim the site and decontaminate it for future use, and the costs involved with that work, the negotiated sale price will be less than the original site valuation. Therefore, there will be a reduction in the total capital resources available unless further disposals can be brought forward during the year.
- 3.04 Accordingly, the allocation of funds within and across the core services will need to be reviewed. Until this review is completed and further decisions are made by the Council the allowable capital spend in each core service would be limited to 80% of the maximum level shown in Appendix 2 to avoid the risk of the Council over-spending against available resources.
- 3.05 The Council is advised that the Cabinet has the objective of maximising the capital investment in the core service allocation for school buildings as a priority. The level of investment which can be made in schools will be reassessed as part of the review referred to in 3.04 above.

4.00 RECOMMENDATIONS

- 4.01 The Council is recommended to approve the recommendations listed within the attached report from Cabinet at 4.01, with the additional recommendation that pending certainty of the level of capital receipts to be available for 2013/14 an initial spending limit of 80% be set for each of core service allocations listed at 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 equalities 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 capital workshop was held on 22 November 2012 for all Members; a public consultation survey was open between 21 December 2012 and 20 January 2013; Overview and Scrutiny on 31 January 2013.

12.00 APPENDICES

12.01 Appendix A – Report to Cabinet 19th February 2013 : Council Fund Capital Programme 2013/14 to 2022/23.

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

2013/14 budget papers, including Welsh Government papers.

Contact Officer: Gary Ferguson
Telephone: 01352 702271
Email: gary.ferguson@flintshire.gov.uk