

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 21st 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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APPENDIX 1

ESTIMATED AVAILABLE FUNDING 2013/14 - 2022/23

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Financing (Excluding Specific Grants)											
Unhypotheated Supported Borrowing (USB)	4.263	4.263	4.263	4.263	4.263	4.263	4.263	4.263	4.263	4.263	42.630
General Capital Grant (GCG)	2.603	2.603	2.603	2.603	2.603	2.603	2.603	2.603	2.603	2.603	26.030
Capital Receipts	3.910	3.475	5.537	4.555	1.320	4.344	4.200	4.200	4.200	4.095	39.836
Total	10.776	10.341	12.403	11.421	8.186	11.210	11.066	11.066	11.066	10.961	108.496
Expenditure											
Core Capital Programme Schemes - Appendix 2	10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	8.865	91.961
Total	10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	8.865	91.961
AVAILABLE/(SHORTFALL)	0.248	(0.142)	3.508	2.556	(0.679)	2.345	2.201	2.201	2.201	2.096	16.535
Cumulative	0.248	0.106	3.614	6.170	5.491	7.836	10.037	12.238	14.439	16.535	

* WG funding assumptions - USB

2013/14 per Final Settlement
 2014/15 ref (2013/14) Final Settlement
 2015/16 → as 2014/15

2012/13 = USB £5.141m

WG funding assumptions - GCG

2013/14 per Final Settlement
 2014/15 ref (2013/14) Final Settlement
 2015/16 → as 2014/15

2012/13 = GCG £2.603m

CORE CAPITAL PROGRAMME SCHEMES

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
	Estimate	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
LIFELONG LEARNING											
Education - General											
Various	2.350	2.325	2.325	2.325	2.325	2.325	2.325	2.325	2.325	2.325	23.275
Various	0.275	0.270	0.270	0.270	0.270	0.270	0.270	0.270	0.270	0.270	2.705
Various	0.060	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.555
Primary Schools											
Various	0.075	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.705
TOTAL - LIFELONG LEARNING											
	2.760	2.720	2.720	2.720	2.720	2.720	2.720	2.720	2.720	2.720	27.240

CORPORATE SERVICES											
ICT and Customer Services											
General	0.200	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	2.450
* General	0.150	0.100									0.250
* General	0.125	0.105	0.030								0.260
* General	0.210	0.210									0.420
* General	0.353	0.353									0.706
Flintshire Connects											
* Various	0.500	0.500									1.000
Corporate Finance											
General	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.750
General	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	1.000
Clwyd Theatr Cymru											
General	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.250
TOTAL - CORPORATE SERVICES											
	1.738	1.718	0.480	0.450	0.450	0.450	0.450	0.450	0.450	0.450	7.086
TOTAL - COUNCIL FUND											
	10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	8.865	91.961

* Schemes funded from 'headroom' as part of the approved 2012/13 Capital Programme

	Estimate 2013/14 £m
SUMMARY	
COUNCIL FUND	
COMMUNITY SERVICES	3.350
ENVIRONMENT	16.565
LIFELONG LEARNING	8.255
CORPORATE SERVICES	1.738
TOTAL - COUNCIL FUND	29.908

		Estimate 2013/14 £m
COMMUNITY SERVICES		
Grants		
Various	Private Sector Renewal and Improvements	2.500
General	Housing Renewal Area Support	0.550
Children's Services		
General	Flying Start Capital Expansion Programme	0.150
Travellers' Sites		
Queensferry	Riverside Caravan Site	0.150
TOTAL - COMMUNITY SERVICES		3.350

		Estimate 2013/14 £m
ENVIRONMENT		
Administrative Buildings		
Various	Disability Discrimination Act (DDA) Works	0.180
Various	Energy Efficiency Measures	0.275
Various	Renewable Energy Installations	0.350
Various	Asbestos Removal	0.075
Various	Legionella Monitoring	0.075
Various	Upgrading Fire and Intruder Alarms	0.060
Various	Fire Safety Order Works	0.100
Various	Corporate Property Maintenance	0.500
Alltami	Depot Rationalisation	2.275
Engineering		
Various	Land Drainage Works - General	3.080
Various	Coast Protection Works - General	0.120
Highways		
Various	Highways Infrastructure	0.600
Various	Bridge Assessments and Replacement	0.160
Various	Street Lighting Replacement	0.200
Various	Structural Maintenance	0.200
Various	Local Government Borrowing Initiative (LGBI)	2.700
Regeneration		
Flint	Townscape Heritage Initiative	0.349
Various	Town Centre Regeneration	3.330
Transportation		
Various	Regional Transport Plan	1.700
Various	Local Road Safety Schemes	0.000
Ranger Services		
Connahs Quay	Wepre Park Development	0.236
TOTAL - ENVIRONMENT		16.565

		Estimate 2013/14 £m
LIFELONG LEARNING		
Education - General		
Various	School Buildings Repairs and Maintenance	2.350
Various	Disability Discrimination Act - Individual Pupils	0.275
Various	Furniture and Equipment	0.060
School Modernisation		
Shotton	Taliesin Junior/Shotton Infant	3.437
Various	21st Century Schools	1.308
Primary Schools		
Various	Learning Environments (Foundation Phase)	0.075
General	Flying Start Capital Expansion Programme	0.750
TOTAL - LIFELONG LEARNING		8.255

		Estimate 2013/14 £m
CORPORATE SERVICES		
ICT and Customer Services		
General	ICT Infrastructure	0.410
General	Agile Working Investment	0.150
General	EDRMS Implementation	0.125
General	Microsoft Enterprise Agreement	0.353
Corporate Finance		
General	Minor Capital Works - Health & Safety	0.075
General	Corporate Provision - Feasibility Studies	0.100
Flintshire Connects		
Various	Flintshire Connects Centres - Development Works	0.500
Clwyd Theatr Cymru		
General	Provision	0.025
TOTAL - CORPORATE SERVICES		1.738
TOTAL - COUNCIL FUND		29.908
FINANCING		
Unhypothecated Supported Borrowing (USB)		4.263
General Capital Grant		2.603
Capital Receipts		3.910
Specific Capital Grants		12.785
Unsupported (Prudential) Borrowing		3.895
Local Government Borrowing Initiative (LGBI)		2.700
(Unallocated) / Under Financing - Headroom		(0.248)
TOTAL - FINANCING		29.908

OVERVIEW & SCRUTINY
Corporate Resources – Council Fund Capital Programme

No.	Comments and Questions:	Responses:
<p>1.0 <u>School Modernisation</u></p> <ul style="list-style-type: none"> • 21st Century Schools allocation £64.2m - what is this for? • Can this funding be used for other education priorities? • Should the replacement of mobile classrooms be given greater priority? • What is the basis of the 21st Century Schools allocation? Is it deprivation led? • Why has the school buildings repair and maintenance allocation in 2013/14 reduced by £0.205m when the call on the budget is increasing? 	<ul style="list-style-type: none"> • Prioritised schemes in Holywell and Connah's Quay, (with some flexibility in respect of works at John Summers High School, Queensferry); 50% of the £64.2m to be funded by Welsh Government (WG). • The WG funding is a specific grant awarded for the above schemes only. The Council awaits details of the extended Local Government Borrowing initiative (LGBI) and its likely impact on school funding (although the funding is not due to commence until 2014/15). • A feasibility study would assist in assessing the financial impact of replacing mobile classrooms (approximate build cost of £0.300m to replace each 30 place mobile unit). The use of associated Section 106 monies could contribute funding towards it. • It is based upon the number of surplus places. • The budget was trimmed (as with other core programme allocations) due to reduced available funding, but increases by £0.025m each year over the next 10 years. 	

OVERVIEW & SCRUTINY
Corporate Resources – Council Fund Capital Programme

No.	Comments and Questions:	Responses:
<p>2.0 <u>Leisure</u></p> <ul style="list-style-type: none"> There's no reference within the paperwork as provided to any budgetary provision for works at leisure centres – funding for painting etc. 	<ul style="list-style-type: none"> There's some scope for funding capital works from the Corporate Property Maintenance budget (within Environment). Painting works would however be a charge to revenue not capital. 	
<p>3.0 <u>Administrative Buildings</u></p> <ul style="list-style-type: none"> Energy Efficiency Measures - Renewable energy installations; tariffs have reduced and thereby the return for energy efficiency purposes will fall - has this been recognised in setting the core programme budget? What was the business case for renewable energy? 	<ul style="list-style-type: none"> Photovoltaics (PVs) are now less expensive and more efficient in energy production as technology moves on, and general energy consumption is reducing through efficient working, thus compensating for the fall off in feed in tariffs. A copy of the business case will be provided. 	
<p>4.0 <u>Highways</u></p> <ul style="list-style-type: none"> Land Drainage – Why is budget only £0.080m and who funds culverts? Bridge Assessments – Budget is only £0.160m, what does this cover? 	<ul style="list-style-type: none"> The Council's budget levers in substantial specific grants from WG (on top of the core programme) to fund land drainage priorities. Funding for culvert works is provided from within the core programme (for capital works), and from within the revenue budget (StreetScene) for routine repairs and maintenance. The allocation covers all bridges (including the Flintshire bridge) and footbridges. A survey is currently 	

OVERVIEW & SCRUTINY
Corporate Resources – Council Fund Capital Programme

No.	Comments and Questions:	Responses:
<p>5.0 <u>General</u></p> <ul style="list-style-type: none"> • Unsupported (Prudential) Borrowing – How does the 2012/13 (and forward) commitment impact on the Council's revenue position? • Capital Programme – I'm struggling to understand why we have a 10 year core programme when the figures across the various programme areas are merely repeated for each year of the 10 years. • Why do unspent programme budgets automatically roll forward when there are other potential schemes left without funding? 	<p>underway in order to assess the full extent of future liabilities in respect of the Flintshire Bridge; the survey costs are funded from the 2012/13 £2.7m LGBI (Highways) monies. If future liabilities become unaffordable, the Council will move to lobby WG for funding.</p> <ul style="list-style-type: none"> • All borrowings have been factored into the Medium Term Financial Plan – borrowing costs rise to approximately £1.5m per annum once the full impact of the 21st Century Schools Programme feeds through. • The core programme is one element only of the total capital programme; the total capital programme includes those schemes funded by way of grants, Capital Expenditure financed from Revenue Account (CERA) and more significantly unsupported (prudential) borrowing. These additional elements are key considerations in the strategic work undertaken in developing the overarching capital strategy, and the linked Medium Term Financial Strategy. • Budgets do not automatically roll forward – this is the clear message from Scrutiny. The Quarter 3 Capital Programme report to Cabinet on 19th March will 	

APPENDIX 4

OVERVIEW & SCRUTINY Corporate Resources – Council Fund Capital Programme

No.	Comments and Questions:	Responses:
	<ul style="list-style-type: none">• Disposal of Assets – Some clarification is required regarding the asset disposal policy. Is there a level of speculation in the list of anticipated sale receipts?	<p>provide the updated position regarding schemes not yet started.</p> <ul style="list-style-type: none">• A detailed asset review is to be carried out in order to assess the status of assets held – those which can be disposed of and those which are required for future service delivery. The Council will be looking into more creative ways to raise capital finance including Asset Backed Vehicles.

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 18 DECEMBER 2012**

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

SUBJECT: **CAPITAL STRATEGY AND CAPITAL PROGRAMME
2013/14 TO 2022/23**

1.00 PURPOSE OF REPORT

- 1.01 The purpose of the report is to –
- (a) Propose the allocation of funding to the core capital programme in 2013/14 (with indicative allocations for future years).
 - (b) Set out the work that has been undertaken (and continues), to develop a Council Fund Capital Strategy and 10 year Capital Programme for the Council.

2.00 BACKGROUND

- 2.01 The Council plans on a 4 year capital programme timescale. In June 2011, the Council formally adopted its Medium Term Financial Strategy (MTFS). Two of the key objectives of the MTFS are to ensure that revenue and capital resources are used to achieve the Council's priorities and objectives, and to fully integrate revenue and capital expenditure plans. The co-planning of revenue and capital budgets is essential, for example, to meet the repayment of unsupported borrowing to support the core capital programme for investment in infrastructure.
- 2.02 One of the Council's 10 priorities is to 'Be a modern, efficient and cost effective public organisation through our four resource strategies - MTFS, People, Asset Management and ICT'. The Asset Management Strategy is key to determining which assets the Council wishes to hold in its portfolio for future service delivery. From this, plans can be drawn up as to where capital investment is required (in new or upgraded facilities), and where there are opportunities to release resources through asset disposals. Asset decisions are based on priority to support services, asset condition and deterioration, asset growth to suit service purpose and health and safety and other requirements.

2.03 This report covers the Council Fund only. The Housing Revenue Account (HRA) capital programme will be considered alongside the HRA revenue budget proposals for 2013/14. This will be reported to Cabinet and Scrutiny in January 2013 prior to the final proposals being recommended by Cabinet to County Council in February 2013.

2.04 The Local Government Final Settlement is due to be announced on 11th December 2012, and an update will be provided on the detail at the meeting.

3.00 CAPITAL STRATEGY

3.01 The aim of the Capital Strategy is to have in place a 10 year affordable, prioritised programme of all capital needs.

3.02 Due to the impacts on public expenditure constraint of National UK Government economy management decisions, the Council's core capital programme is constrained and is coming under severe pressure to maintain our assets portfolio from schools to roads. Welsh Government specific funding sources for capital investment in particular services are limited and are being directed to a small number of policy priorities.

3.03 This position means that the Council will:-

- Need to be more strategic and decisive over the asset portfolio it needs to retain to support service priorities and the portfolio it can release.
- Need to be more creative about partnering, e.g. Flintshire Connects, Community Asset Transfer.
- Be more creative over capital access options and models (e.g. directing its own investment, asset backed vehicles.)
- Rely on more unsupported borrowing to fund priorities, e.g. schools.

3.04 The challenges and opportunities were explored at a recent Member Workshop which was well attended. The work programmes of Cabinet and Overview and Scrutiny, and the MTFs, will need to reflect these actions.

3.05 A significant impact will be the School Modernisation Programme as part of the Capital Strategy and Capital programme 2012/13 to 2021/22. Funding support of 50% towards estimated costs of £64.2m will come from Welsh Government through 21st Century Schools finance for the preferred options in the three schools area reviews.

- 3.06 There will be significant pressure on the block allocations for core services in the 'static' programme. Careful decision making on allocations across and within these blocks is required to best match resources to priorities. Council officials, both client and contractor, must ensure that value for money is obtained in service design specifications and contract tendering.

4.00 LOCAL GOVERNMENT BORROWING INITIATIVE (LGBI)

- 4.01 A further £4m is to be made available across Wales by Welsh Government in 2013/14 under the Local Government Borrowing Initiative (on top of the £4m provided in 2012/13) to support the borrowing charges (revenue) of highways capital works. This equates to £2.7m for Flintshire in both 2013/14 and 2014/15. Proposals on how this funding will be utilised in 2012/13 are included in a separate report on this agenda.
- 4.02 In addition to the above, Welsh Government has recently announced an extension of the LGBI to include schools; this will bring forward funding (between 2014/15 and 2016/17) of £200m across Wales, in relation to their share of the 21st Century Schools Programme.

5.00 CAPITAL FUNDING AVAILABLE

- 5.01 Capital funding comes from a variety of sources –

General -

- Unhypothecated Supported Borrowing (USB)
- General Capital Grant (GCG)
- Capital Receipts

Specific -

- Specific Capital Grants
- Unsupported (Prudential) Borrowing
- Capital Expenditure financed from Revenue Account (CERA)

- 5.01.1 USB and GCG are as advised by Welsh Government through the Finance Settlement, and are available for the Council to determine their use. Specific Grants are also received from Welsh Government (and other funding bodies), but allocated for specific purposes as defined by the relevant funding body.
- 5.01.2 Capital Receipts are the proceeds from asset disposals - land and buildings, and again are available for the Council to determine their use.
- 5.01.3 Unsupported (Prudential) Borrowing is that borrowing which, as the name implies, is not supported by Welsh Government - borrowing costs (principal and interest) have to be met by the Council from the revenue budget.

- 5.01.4 Capital Expenditure financed from Revenue Account (CERA) is capital expenditure paid for by way of a direct charge to the service revenue account.
- 5.02 The total projected funding available over the 10 year period 2013/14 to 2022/23, by way of the above general sources, amounts to £108.516m as detailed in Appendix 1 (attached); the proposed Core Programme Scheme expenditure (as referred to in Section 6.01 below) amounts to £91.961m (as included in Appendix 1), which produces an available total of £16.555m to fund other programme schemes over the period.
- 5.02.1 In view of the projected shortfall in 2014/15 (£0.140m), which follows a 2013/14 available funding figure of just £0.250m, it may be prudent to consider a consolidated two year programme (2013/14/15). On this basis a cumulative total of £0.110m would be available to provide some headroom for variances.
- 5.03 It can be seen that, taking account of the funding information provided in 5.02 above, there is currently no general funding available to support new capital investment outside of the core programme schemes (see Section 6.00 below) during the consolidated two year programme period (2013/14/15), without the introduction of new and creative ways of delivering capital investment (as described in Section 3.00).

6.00 CORE CAPITAL SCHEMES

- 6.01 'Core' schemes are those that require capital works on an on-going basis in order to ensure life and use enhancement; such schemes include Energy Efficiency Measures, Highways Infrastructure Works, and School Building Works. The proposed Core schemes (as outlined at the Capital Workshop on 22nd November 2012), are detailed in Appendix 2 as attached.
- 6.02 The Appendix 2 information reflects a reviewed position (from that incorporated in the Capital Strategy and Capital Programme 2012/13 to 2021/22) in terms of the listed values, which takes account of the revised available funding projections as referred to in Section 5.02 above. Also included within the Appendix 2 totals are those new schemes approved in 2012/13, funded from the headroom available at the time; these schemes drop out of the analysis in entirety, by the end of 2015/16. The impact on the available funding resources of financing these schemes is recorded in Appendix 1.
- 6.03 A request was received at the Capital Workshop (22nd November 2012) for a reconciliation between the Appendix 2 figures and the indicative Core Programme Schemes list that formed part of the aforementioned Capital Strategy and Capital Programme 2012/13 to 2021/22; this reconciliation is included as Appendix 3. The adjusted

figures reflect those changes referred to in Section 6.02 above, and as noted in the key to Appendix 3; in most cases the 'trimmed' 2013/14 programme scheme budgets are reinstated across the subsequent 9 years (2014/15 to 2022/23).

7.00 CONSULTATION

7.01 A meeting of the Corporate Resources Overview and Scrutiny Committee has been scheduled for 31st January 2013, at which the capital programme proposals as set out in this paper will be considered. The scrutiny meeting will be open to all Members of the Council. Final capital proposals for 2013/14 will be considered by Cabinet in February prior to a recommendation to Council on 1st March 2013.

7.02 A public consultation survey which covers aspects of the Council's Revenue and Capital Budget Strategies is due to open between 21st December 2012 and 20th January 2013.

8.00 RECOMMENDATIONS

8.01 Members are recommended to:

- (a) Note the work which has been undertaken (and continues) to develop a Council Fund Capital Strategy and 10 year capital programme.
- (b) Approve the allocation of funding to the core capital programme in 2013/14 as shown in Appendix 2 (and note the indicative allocations for future years), subject to input by Overview & Scrutiny.

9.00 FINANCIAL IMPLICATIONS

9.01 As set out in the report.

10.00 ANTI-POVERTY IMPACT

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

11.00 ENVIRONMENTAL IMPACT

11.01 Individual Capital Programme Schemes may have specific environmental impacts.

12.00 EQUALITIES IMPACT

12.01 Individual Capital Programme Schemes may have specific equality impacts.

13.00 PERSONNEL IMPLICATIONS

13.01 None directly as a result of this report.

14.00 CONSULTATION REQUIRED

14.01 All Members and Overview & Scrutiny.

15.00 CONSULTATION UNDERTAKEN

15.01 An initial workshop on capital was held on 22nd November 2012 for all Members. A public consultation survey is due to open between 21st December 2012 and 20th January 2013.

16.00 APPENDICES

16.01 Appendix 1 – Available Funding

Appendix 2 – Core Capital Programme Schemes

Appendix 3 - Core Programme Schemes (Reconciliation to 2012/13 Budget Figures)

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

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APPENDIX 1

ESTIMATED AVAILABLE FUNDING 2013/14 - 2022/23

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Financing (Excluding Specific Grants)											
Unhypothesized Supported Borrowing (USB)	* 4.270	4.270	4.270	4.270	4.270	4.270	4.270	4.270	4.270	4.270	42.700
General Capital Grant (GCG)	# 2.598	2.598	2.598	2.598	2.598	2.598	2.598	2.598	2.598	2.598	25.980
Capital Receipts	3.910	3.475	5.537	4.555	1.320	4.344	4.200	4.200	4.200	4.095	39.836
Total	10.778	10.343	12.405	11.423	8.188	11.212	11.068	11.068	11.068	10.963	108.516
Expenditure											
Core Capital Programme Schemes - Appendix 1	10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	8.865	91.961
Total	10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	8.865	91.961
[AVAILABLE/(SHORTFALL)]	0.250	(0.140)	3.510	2.558	(0.677)	2.347	2.203	2.203	2.203	2.098	16.555
Cumulative	0.250	0.110	3.620	6.178	5.501	7.848	10.051	12.254	14.457	16.555	

* WG funding assumptions - USB
 2013/14 per Provisional Settlement
 2014/15 ref (2013/14) Provisional Settlement
 2015/16 → as 2014/15
 2012/13 = USB £5.141m

WG funding assumptions - GCG
 2013/14 per Provisional Settlement
 2014/15 ref (2013/14) Provisional Settlement
 2015/16 → as 2014/15
 2012/13 = GCG £2.603m

**CORE PROGRAMME SCHEMES 2013/14 - SUMMARY
(RECONCILIATION TO 2012/13 BUDGET FIGURES)**

	2013/14	2013/14	Variance
	Indicative * £m	Estimate £m	£m
SUMMARY			
COUNCIL FUND			
COMMUNITY SERVICES	2.950	2.750	(0.200)
ENVIRONMENT	3.155	3.280	0.125
LIFELONG LEARNING	2.965	2.760	(0.205)
CORPORATE SERVICES	0.930	1.738	0.808
TOTAL - COUNCIL FUND	10.000	10.528	0.528

FINANCING			
Unhypothesized Supported Borrowing (USB)	4.254	4.270	0.016
General Capital Grant	2.605	2.598	(0.007)
Capital Receipts	5.360	3.910	(1.450)
Specific Capital Grants	0.000	0.000	0.000
Unsupported (Prudential) Borrowing	0.000	0.000	0.000
TOTAL - FINANCING	12.219	10.778	(1.441)

AVAILABLE HEADROOM	(2.219)	(0.250)	1.969
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Analysis (from above)	£m
Increased Net Budget	0.528
Reduced Funding	1.441
Reduced Headroom	1.969

* as per 2012/13 Budget

CORE PROGRAMME SCHEMES 2013/14 - 2022/23 (RECONCILIATION TO 2012/13 BUDGET FIGURES)

KEY BUDGET 2013/14 2014/15 2015/16 2016/17 2017/18 2018/19 2019/20 2020/21 2021/22 2022/23 TOTAL
 (£m) (£m) (£m) (£m) (£m) (£m) (£m) (£m) (£m) (£m) (£m)

(See below)

CORPORATE SERVICES (Cont.)											
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Clwyd Theatr Cymru											
General	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.250
Provision	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.250
Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL - CORPORATE SERVICES											
12/13	0.930	0.905	0.905	0.905	0.905	0.905	0.905	0.905	0.905	0.905	9.075
13/14	1.738	1.718	0.480	0.450	0.450	0.450	0.450	0.450	0.450	0.450	7.086
Variance	0.808	0.813	(0.425)	(0.455)	(0.455)	(0.455)	(0.455)	(0.455)	(0.455)	(0.455)	(1.989)
TOTAL - COUNCIL FUND											
12/13	10.000	9.245	9.245	9.245	9.245	9.245	9.245	9.245	9.245	9.245	93.205
13/14	10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	8.865	91.961
Variance	0.528	1.238	(0.350)	(0.380)	(0.380)	(0.380)	(0.380)	(0.380)	(0.380)	(0.380)	(1.244)

VARIANCE Figures in brackets indicate a reduced budget, unbracketed an increased/additional budget.

- KEY 1 2013/14 budget reduced in line with reduced funding projections but re-profiled over future years.
 2 New to 2013/14 onwards as a result of schemes approved in 2012/13 (From Headroom).
 3 No longer needed as a result of the Housing Ballot.