



# REPORT TO EXECUTIVE

## PORTFOLIO AREA: GOVERNANCE & RESOURCES

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Date of Meeting: 19 January 2011

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Public

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Key Decision: Yes

Recorded in Forward Plan: Yes

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Inside Policy Framework

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**Title: PROVISIONAL CAPITAL PROGRAMME 2011/12 TO 2015/16**  
**Report of: ASSISTANT DIRECTOR (RESOURCES)**  
**Report reference: RD73/10**

### Summary:

The report provides an update to RD62/10, which was considered by the Executive on 22 December and has been updated to reflect the Executive's budget proposals together with any other known changes.

Due to the severe resource constraints on the capital programme over the next 5 years, a fundamental review has been undertaken to prioritise capital schemes with the aim of ensuring the Council maintains a minimum level of capital receipts. The outcome of this review is detailed in this report.

The report summarises the implications of this review on the proposed programme for 2011/12 to 2015/16 in light of the capital bids submitted to date for consideration. It summarises the estimated and much reduced capital resources available to fund the programme.

### Recommendations:

The Executive is asked to:

- (i) Make recommendations on the revised capital programme and relevant financing for 2010/11 and the provisional Capital Programme from 2011/12 to 2015/16 in the light of the capital bids submitted to date, together with the estimated available resources, for recommendation to Council on 1<sup>st</sup> February including carry forwards of £4,063,400, new schemes for 2010/11 totalling £421,500 and £99,700 being returned to reserves;
- (ii) Approve the release of £1,638,000 from the Asset Management Reserve to support the Asset review and to fund improvements to Industrial Estate Roads in 2011/12;

- (iii) Recommend that any capital scheme approved by Council may only proceed after a full report, including business case and financial appraisal, has been approved by the Executive, following detailed consideration by the Project Assurance Group.

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## CITY OF CARLISLE

To: The Executive  
19 January 2011

RD73/10

### PROVISIONAL CAPITAL PROGRAMME 2010/11 TO 2015/16

#### **1. INTRODUCTION**

- 1.1 This report provides an update to RD62/10 which was considered by the Executive on 22 December and summarises the revised capital programme for 2010/11 and proposed capital programme for 2011/12 to 2015/16, together with the proposed methods of financing. Due to the severe resource constraints on the capital programme over the next 5 years, a fundamental review has been undertaken to prioritise capital schemes with the aim of ensuring the Council maintains a minimum level of capital receipts. The outcome of this review is incorporated into this report.
- 1.2 The report has been updated to reflect the Executive's budget proposals for consultation purposes.
- 1.3 A project Assurance Group of senior officers continues to take the lead on the prioritisation of investment and the monitoring and evaluation of schemes. This is to improve performance monitoring and business case analysis of capital projects.

#### **2. CAPITAL RESOURCES**

- 2.1 There are several sources of capital resources available to the Council to fund capital expenditure, the main ones being:
  - Borrowing (Prudential Code - see paragraph 6.3)
  - Capital Grants e.g. DFG, specific capital grants
  - Capital Receipts e.g. proceeds from the sale of assets
  - Council Reserves e.g. Projects Reserve
- 2.2 In accordance with the Capital Strategy, the Assistant Director (Resources) will make recommendations on the most effective way of financing the Capital Programme to optimise the overall use of resources.
- 2.3 It should be noted that capital resources can only be used to fund capital expenditure and cannot be used to fund revenue expenditure. There are strict definitions of what constitutes capital expenditure.

- 2.4 It should also be noted that the resources available to support the capital programme can only be estimated during the year. The final position is dependent on the implications for the Council on the anticipated reduction of 45% in capital grants provided by Government. Also, the success in achieving Capital Receipts from the sale of assets against its target i.e. the more capital receipts generated, the less is required to be taken from Borrowing and Council Reserves (and vice versa).
- 2.5 The cost of borrowing £1m to fund the capital programme will result in a charge to the revenue account in the next full year of approximately £55,000. This is made up of £15,000 for the cost of the interest payable (1.50% of £1m equates to £15,000) and a principal repayment provision of 4% of the outstanding sum (4% of £1m equates to £40,000).

### **3. REVISED CAPITAL PROGRAMME 2010/11**

- 3.1 The capital programme for 2010/11 totalling £12,803,500 was approved by Council on 29 June 2010 as detailed in the 2009/10 out-turn report (RD10/10). Other in year changes totalling a net reduction of £273,100 give a revised capital programme of £12,530,400.
- 3.2 The Government announced their comprehensive spending review in October 2010 which has resulted in a significantly reduced level of funding available for the capital programme. A review of projected capital receipts was also carried out and overall, the Council could face a reduction of up to £10million in capital resources over the next five year period (see paragraph 6.2)
- 3.3 In light of this, a fundamental review of the current five year capital programme has been carried out in two phases.

#### **Phase 1**

- 3.4 The first phase involved revising the profiling of the current schemes within the capital programme to the correct year where expenditure is expected. The outcome of this identified £3,645,300 from 2010/11 which could be reprofiled into future years and £99,700 which could be returned to reserves as savings. This reduces the 2010/11 capital programme to £8,785,400 as detailed in **Appendix A**.

#### **Phase 2**

- 3.5 Phase 2 of the review of the capital programme concentrated on 'draft' criteria proposed by Senior Management Team for consideration by the Executive in meeting the challenge of a £10 million reduction in capital resources. The proposed criteria for Phase 2 are detailed below:

### **Continuation of Current Capital Programme:**

- complete 'one-off' committed capital projects i.e. Resource Centre, Families Accommodation Replacement and Roman Frontier
- ring-fence sufficient capital receipts generated through the Asset Review to deliver the Asset Business Plan
- support invest to save schemes with a minimum return on investment within 5 years. Revenue savings will be used to fund the capital expenditure in the first instance before being recognised in the revenue account.
- Improvements to Industrial Estates roads to be funded from Asset Management Reserve, also reprofiled into 2011/12.

### **Reviewed Capital Programme:**

- Set the DFG budget provision to the level of the capital grant awarded. Any additional qualifying DFG expenditure to be met from within the existing capital programme or revenue budgets subject to the Council's virement rules.
- no new major 'one-off' capital projects unless wholly funded by third party grants.
- Funding of housing strategy dependent on residual i.e. much reduced Regional Housing Pot grant being received in some form and any revenue budgets that can be identified.
- retain a minimum level of capital reserves of £1.5 million to fund emergency capital expenditure.
- retain a minimum £300,000 budget provision for capital enhancement in the capital programme to fund improvements to Council assets including buildings and plant replacements.
- Retain a minimum £200,000 budget provision to fund vehicle replacement programme. Any additional requirements to be funded by borrowing (subject to options appraisal). A review of the current vehicle replacement programme to be carried out to see if efficiency savings can be made.

3.6 An application has been submitted for a capitalisation direction to capitalise the one-off costs of the Transformation programme incurred in 2010/11. The application has been partly successful with up to a maximum limit of £191,500 allowed for capitalisation of redundancies. There will be a corresponding saving in the revenue account.

3.7 The Sub Regional Employment Site project has required additional work relating to asbestos due to damage caused to the site through vandalism. This was over and above the level of expenditure agreed to be funded within the funding agreement and other sources of finance are being investigated. A claim has been submitted to the Council's insurers to try and recover the additional costs incurred. If unsuccessful, the Council may have to fund this additional expenditure as North

West Regional Development Agency has confirmed they are unable to make any further contributions. Therefore this is now included in the revised capital programme as part of the phase 2 review and is currently estimated at £210,000.

- 3.8 Phase 2 concentrated mainly on future years, except for the reprofiling into 2011/12 of improvements to Industrial Estate Roads (£409,100), the inclusion of the potential additional bids for capitalisation of redundancies (£191,500) and Sub Regional Employment Sites (£210,000), and the addition of budget matched by external grant for the Old Town Hall (£20,000), resulting in a revised capital programme for 2010/11 of £8,797,800 as detailed in **Appendix A**.
- 3.9 **Appendix B** details the revised anticipated capital resources available and also to take account of the revised projections and valuations of asset sales.
- 3.10 A summary of the revised programme for 2010/11 is shown below:

<b>Summary Programme</b>	<b>£</b>	<b>Appx</b>
<b>2010/11 Original Capital Programme</b>	12,803,500	<b>A</b>
Reprofiling (result of review of programme)	(3,645,300)	
Potential savings	(99,700)	
Other adjustments	(273,100)	
<b>Revised Capital Programme (Phase 1)</b>	<b>8,785,400</b>	<b>A</b>
Reprofiling	(409,100)	
Additional bids	421,500	
<b>Revised Capital Programme (Phase 2)</b>	<b>8,797,800</b>	<b>A</b>
Estimated Capital Resources available	(14,330,504)	<b>B</b>
<b>Projected (Surplus) capital resources</b>	<b>(5,532,704)</b>	

- 3.11 It is anticipated that there will be a significant shortfall on anticipated capital receipts generated during 2010/11, estimated at a net figure of £988,000 below the current MTFP projections. This relates to reprofiling the receipt from the sale of London Road property (£450,000) into future years, a reduction in PRTB receipts from the agreement with Riverside Group (£198,000), a reduction in general asset sales and sales from Lovells (£340,000).
- 3.12 Capital receipts of £720,000 have also been included in 2010/11 in relation to asset sales which will be ring fenced for the Asset Review.

#### 4. NEW CAPITAL SPENDING PROPOSALS 2011/12 TO 2015/16

4.1 The existing and new capital spending proposals are summarised in the following table. This also includes financial implications from Phase 1 and Phase 2 of the review:

Capital Scheme	App/ Para	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
<b>Current Commitments:</b>						
Disabled Facilities Grants	4.3	663	663	663	663	663
Planned Enhancements to Council Property (committed)	4.4	230	0	0	0	0
Vehicles & Plant	4.5	0	0	0	0	0
ICT Shared Service	4.6	245	189	193	0	0
Housing Strategy	4.7	0	0	0	0	0
Industrial Estates	4.8	638	0	0	0	0
Play Areas	4.9	0	0	0	0	0
CCTV	4.9	0	0	0	0	0
Concessionary Fares	4.9	0	0	0	0	0
Desktop replacement	4.9	0	0	0	0	0
Resource Centre		1,493	0	0	0	0
Families Accommodation Replacement		878	894	0	0	0
Old Town hall	4.10	67	464	0	0	0
Roman Frontier		655	0	0	0	0
<b>Total Existing Commitments</b>		<b>4,869</b>	<b>2,210</b>	<b>856</b>	<b>663</b>	<b>663</b>
<b>New Spending Proposals</b>						
Vehicles & Plant	4.5	200	200	200	200	200
Mechanical Sweepers	4.11	100	0	0	0	0
Network print solutions	4.11	75	0	0	0	0
Customer Contact Centre	4.12	90	0	0	0	0
Environmental Enhancements	4.13	1,900	0	0	0	0
Planned Capital Enhancements	4.14	300	300	300	300	300
<b>Total New Proposals</b>		<b>2,665</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>TOTAL POTENTIAL PROGRAMME</b>		<b>7,534</b>	<b>2,710</b>	<b>1,356</b>	<b>1,163</b>	<b>1,163</b>

4.2 Many of the spending proposals have not yet been considered by the Project Assurance Group. Therefore should they be approved for inclusion in the Council's Capital Programme as part of this budget process, the release of any budget would

be subject to verification of the business case by the Project Assurance Group and a report to the Executive as appropriate.

Likewise details of the proposals for spend in committed areas will be subject to a full report and Business Case to the Project Assurance Group before the release of any budget.

- 4.3 Future year budgets for Disabled Facilities Grants have been reduced to the level of grant receivable in line with Phase 2 criteria. Any additional qualifying DFG expenditure will need to be met from within the existing capital programme or revenue budgets subject to the Council's virement rules.

It is likely that the level of DFG grant applications will exceed the amount of grant available. Initiatives are being examined to look at the management of the DFG process to ensure the process follows most efficient best practice in meeting the statutory requirements.

Representations will also be made to government to request more funding and to also look at the statutory provision in providing DFG's. Additional sources of funding will be examined such as New Homes Bonus, obtaining contributions from our partners and looking at any other housing grants that can be accessed for this purpose.

It is proposed to bring a report to the Executive in July 2011 advising of the short and long term initiatives to be progressed to enable the Council's statutory commitment to DFG's to be maintained.

- 4.4 Existing commitments for Enhancements to Council Property.
- 4.5 The existing budgets for the replacement of the Council's vehicle fleet have been removed from the programme and replaced by a central allocation for vehicle replacements which will be allocated on a needs basis by the Executive and is subject to ongoing review of the replacement programme. Any additional requirements to be funded by borrowing (subject to options appraisal). A review of the current vehicle replacement programme to be carried out to see if efficiency savings can be made.
- 4.6 The ICT Shared Services budget is in line with the Allerdale Shared Services Business Case. Both Council's are reviewing the capital requirements in light of the current capital constraints.



- 4.7 Housing Strategy budgets have been removed from the capital programme in light of the removal of the Regional Housing Pot grant. These can be reinstated on a reduced basis if any residual Regional Housing Pot grant is allocated to the Council.
- 4.8 Improvements to Industrial Estates roads to be funded from Asset Management Reserve. Full allocation from 2010/11 now reprofiled into 2011/12.
- 4.9 Budgets for Play Areas, CCTV, Concessionary Fares and Desktop replacement have been returned to reserves as the work is not committed.
- 4.10 The total budget (including profiles) has been amended to take account of a revised external funding package to enhance facilities at the Old Town Hall to comply with the specification for a strategic Tourist Information Centre as defined by Cumbria Tourism. Additional Council contribution of £20,300 is included in addition to £90,000 previously approved and £21,000 allocated from the Enhancements to Council Property budget. Failure to deliver this project will result in the loss of external funding and result in additional pressure on the capital programme due to the need for the Council to solely fund a reduced package of urgent enhancements required to the Old Town Hall.

Notification has recently been received that the Stage 1 application submitted to Heritage Lottery Fund has failed to receive approval at this stage. Detailed information on the decision is still awaited. As a consequence of this advice options for the future of any scheme are being evaluated taking into account alternative available funding including £255,000 from English Heritage. As an initial stage of that evaluation further investigative works are taking place to detail the extent of necessary repair works for the building as the basis of any future decision. These essential works will require capital funding and therefore a scheme is included within the capital programme.

- 4.11 Network Print Solutions and the purchase of mechanical sweepers are new invest to save projects. Invest to save projects are to be funded from the revenue savings they generate. Revenue savings will therefore not be accounted for in the revenue budgets until the capital resources have been replenished by the capital cost of the invest to save scheme.
- 4.12 Phase 2 and 3 of the refurbishment of the Customer Contact Centre which will generate additional revenue income.
- 4.13 It is recommended that the cost of the Environmental Enhancement work (£1.9 million) is funded from internal borrowing.

- 4.14 A central allocation is being set up at a minimum level of £300,000 for planned capital enhancements to Council Property which will be allocated annually on a needs basis by the Executive.
- 4.15 An earmarked reserve has been established for Asset Management which totals £2m. £1m of this can be used to provide resources for investment in the Council's industrial estates to ensure rent yields are maintained and increased and it is recommended that £638,000 be released from this reserve to fund Industrial Estate works in 2011/12. A further £1m is currently earmarked for strategic property purchases and it is recommended that this be released to support the Asset Review.

## 5. FUTURE COMMITMENTS

- 5.1 In addition to the spending proposals in the above table there are also potential capital implications arising from the following issues which will be reported on fully as details become available
- Potential future capital projects at Tullie House following transfer to Trust status
- 5.2 The Asset Review is focused on producing a Development and Investment Plan for the City Council's property portfolio with the aim of delivering additional income or reduced costs in the revenue account on a recurring basis. The capital implications are detailed below:

	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Capital Expenditure	0	1,842	3,317	13,635	1,460	4,762
Capital Receipts	(720)	(3,200)	(11,768)	(2,557)	(3,432)	(2,340)
<b>Net Effect of Asset Review</b>	<b>(720)</b>	<b>(1,358)</b>	<b>(8,451)</b>	<b>11,078</b>	<b>(1,972)</b>	<b>2,422</b>

## 6. POTENTIAL CAPITAL RESOURCES AVAILABLE

- 6.1 The table below sets out the estimated revised resources available to finance capital programme for 2011/12 to 2015/16 based on the announcements by Government in the spending review.

Source of Funding	Para	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
<b>Capital Grants:</b>						
• Regional Housing Pot	6.4	0	0	0	0	0
• Disabled Facilities Grant	6.5	(663)	(663)	(663)	(663)	(663)
• General Grants	6.6	(765)	(197)	0	0	0
Balances / Earmarked Reserves	6.7	(1,638)	0	0	0	0
<b>Capital Receipts:</b>						
• Generated in year – General	6.8	(410)	(660)	(410)	(410)	(410)
• Generated in year – PRTB	6.9	(300)	(300)	(300)	(300)	(300)
Direct Revenue Financing / Invest to Save	6.10	(35)	(200)	(35)	(35)	(35)
Internal Borrowing	6.11	(1,900)	0	0	0	0
<b>TOTAL</b>		<b>(5,711)</b>	<b>(2,020)</b>	<b>(1,408)</b>	<b>(1,408)</b>	<b>(1,408)</b>

6.2 Anticipated resources available have been revised in light of the potential reduction in grants of approximately 45% announced in the spending review, and also to take account of revised projections and valuations of asset sales. The following table shows the potential **reductions** in capital resources from 2010/11 to 2015/16.

	Total £000	Note
Regional Housing Pot	5,610	
PRTB	934	
General Asset sales	1,700	
Lovells/Raffles	1,790	
	<b>10,034</b>	1

Note 1: Included within the total is a reduction of £988,000 for 2010/11 (see paragraph 3.13).

6.3 A new system of capital finance (Prudential Code) was introduced on 1 April 2004, which gives authorities freedom to borrow to fund capital schemes subject to the over-riding principles of Affordability, Prudence and Sustainability. Whilst the new freedoms could significantly impact on the capital resources available to the Authority, the principles referred to in effect mean that the Council is limited by the ongoing cost of any borrowing (i.e. the cost of prudential borrowing falls to be met from the General Fund recurring expenditure). The Prudential Code requires authorities to develop their own programmes for investment in fixed assets, based upon what the authority and local taxpayers can afford, and subject to a full Business Case and Options appraisal process. Further details on the Code can be found elsewhere on the agenda in the Treasury Management Report (RD71/10).

The Council in the current financial climate is not considering any prudential borrowing, however this will be kept under review.

- 6.4 Regional Housing Pot grant was reduced by £354,000 in 2010/11, and initial indications from the Government spending review indicate that this grant could be cut completely. On this basis, estimated receipts of £1.122m for future years have been removed from the projections. A further report will be presented to the Executive once the position of Regional Housing Pot grant has been received.
- 6.5 Disabled facilities grant allocation will not be announced until January 2011, although it has been indicated that this grant will be protected at the 2010/11 levels.
- 6.6 Grant awarded in 2010/11 is required to be carried forward due to slippage in relation to the Roman Frontier and Resource Centre projects. Secured grant funding towards the Old Town Hall project is included.
- 6.7 The provision established to fund Concessionary fares replacement passes (£30,000) has been removed as responsibility moves to the County Council from 1<sup>st</sup> April 2011, and £1,638,000 funding from the Asset Management Reserve for improvements to Industrial Estate Roads and to support the Asset Review has been added, pending approval by the Executive.
- 6.8 Capital receipts from the sale of fixed assets, including the sale of the Council's interest in land on the Raffles estate and other specific asset disposals have been revised downwards based on updated projections from Property Services. This also includes an anticipated reduced receipt from the sale of the London Road property previously included in 2010/11.
- 6.9 The Preserved Right to Buy (PRTB) sharing arrangement with Riverside Group is for a fifteen year period with the Council being entitled to a pre-agreed reducing percentage of the receipts. Right to Buy sales are predicted to be significantly below the original projections due to the downturn in the housing market and the general economic climate. Updated projections for the next five-year period have been incorporated into the MTFP/Capital Strategy.
- 6.10 Direct revenue financing in relation to invest to save schemes. LABGI funding earmarked to Old Town Hall in 2012/13.
- 6.11 It is recommended that the Environmental Enhancement work is funded from internal borrowing. This will mean utilising the Council's investment balances.

## 7. SUMMARY PROVISIONAL CAPITAL PROGRAMME 2011/12 TO 2015/16

A summary of the estimated resources compared to the proposed programme year on year is set out below:

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Estimated in year Resources available (para 5.1)	(5,711)	(2,020)	(1,408)	(1,408)	(1,408)
Proposed Programme (para 4.1)	7,534	2,710	1,356	1,163	1,163
<b>Projected (Surplus)/Deficit</b>	<b>1,823</b>	<b>690</b>	<b>(52)</b>	<b>(245)</b>	<b>(245)</b>
Cumulative B/Fwd Balance	<b>(5,533)</b>	<b>(5,068)</b>	<b>(12,829)</b>	<b>(1,803)</b>	<b>(4,020)</b>
Net Effect of Asset Review	<b>(1,358)</b>	<b>(8,451)</b>	<b>11,078</b>	<b>(1,972)</b>	<b>2,422</b>
Cumulative year end Position					
• Capital Receipts	<b>(5,068)</b>	<b>(12,829)</b>	<b>(1,803)</b>	<b>(4,020)</b>	<b>(1,843)</b>

## 8. CONSULTATION

8.1 As part of the budget consultation process the Capital Programme has been considered by the Resources Overview and Scrutiny Panel, Trade Unions, Large Employers Affinity Group and Non-Domestic Rate payers.

8.2 The financial implications arising from this report will form part of the Executive's budget proposals, which will be considered by full Council on 1<sup>st</sup> February.

## 9. RECOMMENDATIONS

The Executive is asked to:

- (i) Make recommendations on the revised capital programme and relevant financing for 2010/11 and the provisional Capital Programme from 2011/12 to 2015/16 in the light of the capital bids submitted to date, together with the estimated available resources, for recommendation to Council on 1<sup>st</sup> February including carry forwards of £4,063,400, new schemes for 2010/11 totalling £421,500 and £99,700 being returned to reserves;
- (ii) Approve the release of £1,638,000 from the Asset Management Reserve to fund improvements to Industrial Estate Roads in 2011/12;
- (iii) Recommend that any capital scheme approved by Council may only proceed after a full report, including business case and financial appraisal, has been approved by the Executive, following detailed consideration by the Project Assurance Group.

## 10. IMPLICATIONS

- Staffing/Resources – as detailed on the individual appraisal forms
- Financial – included within the report
- Legal – none
- Corporate – SMT and JMT have considered the new spending proposals contained within this report.
- Risk Management – as detailed on the individual appraisal forms
- Equality Issues – none
- Environmental – as detailed on the individual appraisal forms
- Crime and Disorder –as detailed on the individual appraisal forms

## 11. IMPACT ASSESSMENTS

**Does the change have an impact on the following?**

Assessment	Impact Yes/No?	Is the impact positive or negative?
<b>Equality Impact Screening</b> Does the policy/service impact on the following?		
Age	Yes	Positive
Disability	Yes	Positive and negative
Race	Yes	Positive
Gender/ Transgender	No	
Sexual Orientation	No	
Religion or belief	No	
Human Rights	No	
Health inequalities	Yes	Positive
Rurality	Yes	Positive

**If you consider there is either no impact or no negative impact, please give reasons:**

Future year budgets for Disabled Facilities Grant is protected at 2010/11 levels. Further impact assessment work will take place once allocation is announced.

Capital Programme includes a range of positive projects that will directly benefit protected characteristics:

The Resource Centre, Housing Strategy (includes rural), Play Area Development, Families Accommodation Replacement, Harker Dene Site, Heysham Park Play Area, Lowry Hill Park, Trinity MUGA, Play Trail.

The revision of funding has resourced the Fuel Poverty work.

**If an equality Impact is necessary, please contact the P&P team.**

PETER MASON  
Assistant Director (Resources)

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**REVISED CAPITAL PROGRAMME 2010/11**
**APPENDIX A**

<b>Scheme</b>	<b>2010/11 Original July £</b>	<b>2010/11 Revised Phase 1 Review £</b>	<b>2010/11 Revised Phase 2 Review £</b>	<b>Notes</b>
Customer Contact Centre	49,600	49,600	49,600	
Chances Park	234,000	234,000	234,000	
Resource Centre	3,057,100	1,563,700	1,563,700	1
Environmental Enhancements	168,000	168,000	168,000	
RBS Shared Service	111,400	111,400	111,400	
Document Image Processing	45,000	45,000	45,000	
Housing Strategy	995,800	519,900	519,900	1
Planned Enhancements to Council Property	373,400	427,400	427,400	1
Willowholme Industrial Estate	139,000	60,000	0	1
Kingstown Industrial Estate	499,100	349,100	0	1
Play Area Developments	185,000	185,000	185,000	
Vehicles, Plant & Equipment	427,400	364,700	364,700	1
IT Equipment	484,700	484,700	484,700	
CCTV	70,000	0	0	2
Families Accommodation Replacement	200,000	28,000	28,000	1
Old Town Hall - Strategic TIC	970,000	0	20,000	1
Roman Frontier	1,988,500	1,333,900	1,333,900	1
Disabled Facilities Grants	1,473,500	1,473,500	1,473,500	
Gateway - General Expenses	29,700	0	0	2
Ghyll Bank Gypsy & Traveller Site	48,600	61,900	61,900	3
Lowry Hill Park	46,200	46,200	46,200	
Trinity Church MUGA	135,500	135,500	135,500	
Heysham Park Play Area	600	600	600	
Petteril Riverbank Protection Work	1,300	1,300	1,300	
Hammonds CCTV	4,000	4,000	4,000	
Caldew/City Centre Flood Defence	12,100	12,100	12,100	
Historic Quarter	719,800	719,800	719,800	
Carbon Trust Initiative	6,000	6,000	6,000	
Renaissance Improvements	24,700	13,400	13,400	3
ODPM Private Sector Renewal	25,000	25,000	25,000	
Sheepmount Development	800	800	800	
City Play Trail	0	83,200	83,200	3
Sub Regional Employment Sites	277,700	277,700	487,700	4
Capitalisation Direction	0	0	191,500	4
<b>TOTAL</b>	<b>12,803,500</b>	<b>8,785,400</b>	<b>8,797,800</b>	

**Notes:**

1. Budget reprofiled to/from future years.
2. Returned to reserves as savings.
3. Other variations relate to virements between schemes or additional contributions received as set out in previous Executive reports.
4. New Budget pressures for 2010/11.



**REVISED CAPITAL PROGRAMME 2010/11 – PROPOSED FINANCING**

Source of funding	2010/11 Original £	2010/11 Revised Phase 1 Review £	2010/11 Revised Phase 2 Review £	Notes
<b>Capital Grants:</b>				
• RHP	768,000	768,000	768,000	
• DFG	663,000	663,000	663,000	
• Sub Regional Employment Sites	277,700	277,700	277,700	
• Resource Centre	1,130,000	998,000	998,000	1
• Roman Frontier	1,928,500	1,333,900	1,333,900	1
• Chances Park	234,000	234,000	234,000	
• Old Town Hall	880,000	0	20,000	1
• General	0	76,900	76,900	2
• Slippage from 2009/10	670,800	670,800	670,800	3
<b>Capital Receipts:</b>				
• B/fwd from previous year	7,741,304	7,741,304	7,741,304	
• PRTB receipts	400,000	202,000	202,000	4
• Generated in year	1,200,000	410,000	410,000	5
• Generated in year - Asset Review			720,000	
<b>Capital Contributions</b>				
• General	80,400	80,400	80,400	
• Slippage from 2009/10	79,700	79,700	79,700	3
Use of Reserves	0	50,000	50,000	6
Direct Revenue Financing	4,800	4,800	4,800	
<b>TOTAL FINANCE AVAILABLE</b>	<b>16,058,204</b>	<b>13,590,504</b>	<b>14,330,504</b>	
<b>TOTAL PROGRAMME (SEE APP A)</b>	<b>12,803,500</b>	<b>8,785,400</b>	<b>8,797,800</b>	
<b>PROJECTED SURPLUS CAPITAL RESOURCES AVAILABLE</b>	<b>3,254,704</b>	<b>4,805,104</b>	<b>5,532,704</b>	

**Notes:**

- Resources have been reprofiled into future years to match expenditure.
- Changes to general grants relate to City Play Trail (£71,900) and Planned Enhancements to Council Property (£5,000).
- These relate to grants and contributions received in 2009/10 for which the scheme was uncompleted and which are required in 2010/11 and were carried forward as capital grants unapplied at the year end.
- There is anticipated to be a shortfall in PRTB receipts for the year due to the decline in the housing market and the reduced number of anticipated sales in the year. The revised projection for 2010/11 is that few sales will occur realising a receipt of £202,000.
- The anticipated receipts from the Lovells agreement and general capital receipts have been revised downwards based on updated property valuations. The expected receipt for the sale of London Road has been carried forward to a future year. The initial review identified potential agricultural sales which are subsequently to be held in reserves.
- £50,000 from Energy Efficiency Advice Centre Reserve to be used for Fuel Poverty.