

CARLISLE CITY COUNCIL

Report to:- **The Chairman and Members of the Finance and
General Purposes Sub-Committee**

Date of Meeting:- 21 August 2001

Agenda Item No:-

Public

Policy

Delegated: No

Accompanying Comments and Statements

	Required	Included
Environmental Impact Statement:	No	No
Corporate Management Team Comments:	No	No
City Treasurers Comments:	Yes	Yes
City Solicitor & Secretary Comments:	No	No
Head of Personnel Services Comments:	No	No

Title:- **REPORTS UNDER STANDING ORDER 41**

Report of:- **The City Treasurer**

Report reference:- **Financial Memo 2001/02 No. 66**

Summary:-

The report details revisions to currently agreed levels of capital spending and funding for 2001/02.

Recommendation:-

It is recommended that:

- i) The Sub-Committee recommend to the Policy and Resources Committee and Council the incorporation of the amendments to the Capital programme as set out in Appendix B.
- ii) The Sub-Committee note the overall position on the Capital Programme as set out in Appendices C and D.

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D Thomas

City Treasurer

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

CITY OF CARLISLE

To: The Chairman and Members of the
Finance and General Purposes
Sub-Committee
21 August 2001

Financial Memo
2001/02 No. 66

REPORTS UNDER STANDING ORDER 41

1. INTRODUCTION

- 1.1 In accordance with Standing Orders it is necessary for Members to consider a Standing Order 41 report, the purpose of which is to:
- i) Give details of proposed amendments to the agreed Capital Programme.
 - ii) Show how such amendments are to be funded.
 - iii) Highlight and explain any unforeseen variances in the Capital Programme.
- 1.2 Under Standing Order 41(5) Members of the Finance and General Purposes Sub-Committee must support any capital expenditure (and funding arrangements) proposed by the Service Committees in excess of the approved Capital Programme before it can be considered by Policy and Resources Committee and Council.
- 1.3 A glossary of the main terms used in this report is included at **Appendix A**.

2. PROPOSED AMENDMENTS TO THE AGREED 2001/02 CAPITAL PROGRAMME

- 2.1 The report is set out in the following format:-
- i) Appendix B (i) and (ii) details the proposed amendments to the Capital Programme (Expenditure and Resources).
 - ii) Appendix C sets out the revised Capital Programme incorporating the amendments detailed in Appendix B.
 - iii) Appendix D details the sources of funding for the Revised Capital Programme.

3. RECOMMENDATIONS

3.1 It is recommended that:

- i) The Sub-Committee recommend to Policy and Resources Committee and Council the incorporation of the amendments to the Capital Programme as set out in Appendix B (i) and B (ii).
- ii) The Sub-Committee note the overall position on the Capital Programme as set out in Appendices C and D.

D THOMAS
City Treasurer

SO41 REPORT
- MAIN GLOSSARY OF TERMS

1. Basic Credit Approval (BCA)
The Basic Credit Approval (BCA) determines the amount an authority can borrow to finance Capital Expenditure.
2. Supplementary Credit Approval (SCA)
Supplementary Credit Approvals (SCA) can be granted for certain specific items of expenditure although success depends on a variety of factors
3. Grants and Contributions
 - i) Disabled Facilities Grant (Specified Capital Grant) (DFG (SCG))
Most urban renewal expenditure is now funded via credit approvals rather than specific grants. However Disabled Facilities Grants are still funded 60% by specific government grant that is covered by an SCA.
 - ii) Other Grants/Contributions
There are other grants and contributions which can be received towards capital schemes. Some of the contributions and terms which may be used in this report are:

RDC - Rural Development Commission
DLSG - Derelict Land Scheme Grant
ERDF - European Regional Development Fund
EP - English Partnerships
MCG – Millennium Commission Grant
MRA – Major Repairs Allowance (to finance HRA expenditure)

Total Credit Approvals and Capital Grants equate to the total capital resources available to the authority except for internally generated resources, i.e. capital receipts and revenue contributions.

4. Internally Generated Capital Resources

i) Capital Receipts

Capital receipts arise from the disposal of the authority's capital assets and may only be used to meet expenditure for capital purposes. A proportion of Housing Revenue Account capital receipts must still be set aside to repay the debt, the most usual one being on Right to Buy (Sale of Council Houses) which is subject to 75% set-aside:

Right to Buy	75% set-aside.
Sale of HRA Land	50% set-aside.

However, authorities generally no longer have to set aside any amounts when they sell assets outside of the Housing Revenue Account. The Housing Revenue Account is still subject to set aside rules.

ii) Revenue Contributions

There are no restrictions on the amount of capital expenditure which can be financed from revenue sources. However the limits imposed by the pressure on the authority's Revenue budgets are effective in minimising this as a source for capital funding.

CAPITAL PROGRAMME 2001/02
PROPOSED AMENDMENTS (EXPENDITURE)

<u>Scheme Details</u>	<u>Scheme Cost</u> £000	<u>Source of Finance</u>	<u>Recommendation</u>
<u>CAPITAL EXPENDITURE</u>			
Botchergate - no specific scheme identified	-101	RCCO	Delete Scheme from GF Capital Programme
6. Irishgate Bridge - Claims	22	RCCO	Supplementary Estimate approved at Council 17 July 2001. Addition to programme

CAPITAL PROGRAMME 2001/02
PROPOSED AMENDMENTS (RESOURCES)

Details

Increase/(Decrease)
£

Recommendation

CAPITAL RESOURCES

7.

REVISED CAPITAL PROGRAMME 2001/02

	<u>Housing Investment Programme</u>		<u>General Fund</u>		<u>Total</u> £000
	<u>Public</u> £000	<u>Private</u> £000	<u>Programme</u> £000	<u>DSO</u> £000	
Agreed Programme as per P&R 14 June 2001 and Council 17 July 2001	* 6,149	* 968	3,637	0	10,754
Creditor Provisions 2000/01	0	0	253	0	253
Proposed Amendments per Appendix B(l)			-79		-79
Total Revised Programme	<u>6,149</u>	<u>968</u>	<u>3,811</u>	<u>0</u>	<u>10,928</u>
Less available finance (per Appendix D)	6,149	968	3,811	0	10,928
Over/(Under) Programming	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

* Within these totals the sums of £250,000 (Public Sector) and £125,000 (Private Sector) have been deferred pending final funding arrangements for the Millennium Scheme

SUMMARY OF CAPITAL RESOURCES 2001/02

	<u>Housing Investment Programme</u>		<u>General Fund</u>		<u>Total</u> £000
	<u>Public</u> £000	<u>Private</u> £000	<u>Programme</u> £000	<u>DSO</u> £000	
Borrowing:BCA	671	295	0	0	966
Borrowing:SCA	0	0	0	0	0
Usable Capital Receipts	750	520	150	0	1,420
Revenue Contributions	736	0	23	0	759
Capital Projects Fund	0	0	2,030	0	2,030
Repairs & Renewals Fund	0	0	955	0	955
<u>Grants/Contributions:</u>					
DFG	0	153	0	0	153
Private Sector	0	0	124	0	124
MCG	0	0	529	0	529
MRA	3,992	0	0	0	3,992
Total resources Available	6,149	968	3,811	0	10,928