



REPORT TO EXECUTIVE

PORTFOLIO AREA: FINANCE AND RESOURCES

Date of Meeting: 28 January 2002

Public

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside Policy Framework

Title: ESTIMATED CAPITAL RESOURCES AND CAPITAL PROGRAMME 2002/03

Report of: The City Treasurer

Report reference: Financial Memo 2001/02 No 132

Summary:

This report estimates available capital resources in 2002/03 on the basis of the capital allocation and capital receipts projections for that year. A division of the estimated total resources over the constituent part of the Capital Programme is suggested. This report has been updated from that submitted on 17 December 2001 as the final details relating to the HRA subsidy arrangements for 2002/03 including the capital allocations have now been issued.

Recommendations:

It is recommended that:-

1. The proposed split of the estimated capital resources for 2002/03 over the constituent parts of the Council's Capital programme be made as set out in the report.
2. Any scope to make a revenue contribution in respect of the capital programme be decided as part of the overall budget to be set by the Council on 5 February 2002.
3. The Directors of Housing and of Environment and Development in preparing the Capital Programme for 2002/03 identify schemes totalling £200,000 (Public Sector HIP) and £125,000 (Private Sector HIP) which can be deferred pending greater certainty in the allocation of all capital resources in 2002/03.
4. The Executive indicates which General Fund bids it would wish to prioritise for 2002/03.

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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: Carlisle City Treasury – Capital Programme working Papers; Capital Allocations 2002/03 (DTLR) 13 December 2001. HRA Subsidy Determination 2002/03 19 December 2001.

To: The Executive
28 January 2002

Financial Memo
2001/02 No 132

ESTIMATED CAPITAL RESOURCES AND CAPITAL PROGRAMME 2002/03

1. INTRODUCTION

1.1 Local Authorities have four main ways of financing capital expenditure:

- Borrowing (and other forms of credit) within limits set by the Government
- Capital Grants (including the Major Repairs Allowance for the HRA)
- 'Usable' Capital Receipts
- Revenue resources including Capital Funds established from revenue balances and the Repair and Renewal and Equipment Funds.

1.2 This report considers:

- The prospective capital allocations (i.e. borrowing and capital grants) for 2002/03 (see paragraph 2);
- Other available capital resources (i.e. capital receipts and revenue) for 2002/03 (see paragraphs 3 and 4);
- The projected out-turn on the 2001/02 Capital programme (see paragraph 5);
- The bids for the 2002/03 General Fund (excluding Housing) programme see paragraph 9).

in order to determine the estimated of total capital resources available to the Council in 2002/03. In addition a suggested split of resources over the three sectors of the Capital Programme (i.e. Public Sector Housing, Private Sector Housing and General Fund), is given.

1.3 A glossary of the main terms used in this report is included at **Appendix A**.

1.4 A methodology for allocating projected resources among the various elements of the capital programme for 2002/03 is contained in **Appendix B**.

1.5 A detailed summary of the General Fund (excluding Housing) Capital Programme for 2001/02 is set out in **Appendix C**. The Housing Capital Programme is shown at **Appendix D**.

1.6 A schedule of possible General Fund schemes is listed in **Appendix E**.

1.7 A draft 5 Year Capital Programme (2001/02 – 2005/06) is listed in **Appendix F**.

2. 2002/03 CAPITAL ALLOCATIONS

2.1 The main capital allocations for 2002/03 were received from the Department of Transport, Local Government and the Regions (DTLR) on 13th December. These include the specific grant payable in respect of the Major Repairs Allowance (MRA) and the Disabled Facilities Grant allocation. The allocations received include the monies allocated via the 'Single Capital Pot' exercise, which is intended to give additional discretion to local authorities in their capital spending programmes.

2.2 The total credit approvals and capital grants allocated are shown in the table below:

| | <u>2002/03</u> | <u>2001/02</u> |
|---|----------------------|----------------------|
| | <u>Total</u> | <u>Total</u> |
| | <u>£000</u> | <u>£000</u> |
| - Annual Capital Guidelines (ACG) | | |
| - Housing Services | 1,186 | 1,105 |
| - Other Services | <u>130</u> | <u>131</u> |
| | 1,316 | 1,236 |
| - Less: Receipts Taken Into Account (RTIA) | <u>(351)</u> | <u>(270)</u> |
| - Service Based Basic Credit Approval (BCA) | 965 | 966 |
| - Add Discretionary Element * | <u>175</u> | <u>-</u> |
| - Total Basic Credit Approval (BCA) | 1,140 | 966 |
| Major Repairs Allowance (MRA) | 3,881 | 3,992 |
| Disabled Facilities Grant (Specified Capital Grant) (60%) | <u>156</u> | <u>153</u> |
| Total Credit Approvals and Capital Grants | <u>£5,177</u> | <u>£5,111</u> |

2.3 * The discretionary element awarded of £175,000 is the first allocation under the Single Capital Pot, which has a 5% discretionary element. The score that the authority has received under the assessments carried out by the DTLR are:

- Service Performance Score (based on Housing Strategy and Business Plan – Assessed as 'Above Average'. Amount awarded £125,000.
- Capital Strategy and Asset Management Plans - Both assessed as 'Good'. Amount awarded £50,000 (maximum available)

3. CAPITAL RECEIPT PROJECTIONS 2002/03

3.1 An estimate of 'usable' capital receipt projections is shown below. However, as always it should be noted that these amounts are only an estimate as the timing and expectation of receipts cannot be guaranteed.

3.2 General Fund Receipt Projections

It is currently anticipated that the amount of 'usable' capital receipts generated in 2002/03 through the sale of various pieces of land will be in the region of £100,000. The receipt arising from the sale of the airport (£890,000 net of costs) is also available to support next year's programme, but Members must bear in mind any aspiration to support the re-development of the Sheepmount in due course if the lottery bid proves successful.

3.3 Housing Receipt Projections

The major component of housing capital receipts is council house sales, the level of which is always difficult to predict.

During the current financial year, the level of 'usable' capital receipts to date from the sale of council houses has increased significantly over that originally estimated for the year (i.e. £520,000). It is currently anticipated that there will be an additional £180,000 of 'usable' receipts generated during 2001/02, which can be applied in support of the capital programme in 2002/03.

The estimate for 2002/03 recognises this scenario, although it has been scaled down slightly due to the inherently uncertain nature of the receipts:

| | |
|-----------------|----------|
| Estimated No | 120 |
| Usable Receipts | £520,000 |

Increasing home ownership continues to be a Council priority for 2002/03 and as has happened this year, RTB sales may be more than originally forecast. As always the position on receipts will be closely monitored throughout the year. The other factor to be considered is of course LSVT which, if it is approved, is expected to take place in December 2002. However even after LSVT the City Council is still expected to receive a share of future RTB sale proceeds, albeit on a smaller scale to be negotiated.

4. REVENUE FUNDS AND CONTRIBUTIONS

- 4.1 At this stage, the capital resource projections do not take into account any revenue contributions that the Council may wish to make to support a capital programme.
- 4.2 However it is appropriate to consider the Capital Projects Fund in this context, which has been built up through money set aside from the City Council's revenue balances. At 1 April 2002 the uncommitted balance on the Fund is forecast to be £611,291 but with outstanding costs to be met as part of the Archaeology programme to complete the Millennium Gateway City Project (MGCP) as well as the inevitable variations in the final accounts as the scheme is completed.
- 4.3 The Repair and Renewal and Equipment Funds also may be considered as a capital resource, albeit their use is normally restricted to vehicle, plant and equipment replacements. Much of the vehicle replacement programme is now met by leasing.

5. 2001/02 REVISED CAPITAL PROGRAMME

- 5.1 The 2001/02 Revised Capital Programme is as detailed below:

| | HIP | | General | Total |
|--------------------------|---------------|----------------|--------------|----------------|
| | Public Sector | Private Sector | Fund | |
| | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| * Revised Programme | 6,149 | 968 | 3,593 | 10,710 |
| Less: Resources | <u>6,329</u> | <u>968</u> | <u>4,483</u> | <u>11,780</u> |
| Over/(Under) Programming | <u>(180)</u> | <u>NIL</u> | <u>(890)</u> | <u>(1,070)</u> |

- * As part of the budget resolution for 2001/02, the sums of £200,000 (Public Sector HIP) and £125,000 (Private Sector HIP) were held back pending conclusion of an assessment of resources required to complete the MCGP. Council has not yet released these sums in 2001/02 but the revised programme is shown on a gross basis before 'holdback'.

- 5.2 The additional resources of £1,070,000 have been identified from Council House sales (£180,000 see paragraph 3.3 above) and the Airport (£890,000). Any Unused General Fund resources will be carried forward into 2002/03, along with the balance on the Capital Projects Fund.
- 5.3 It is assumed that there will be no major expenditure commitments carried forward from the agreed 2001/02 capital programme into 2002/03. As always, the actual 2001/02 position will be determined following the normal year-end procedures. **Appendix C** sets out the revised General Fund Capital Programme for 2001/02. The HIP Programme is unchanged since the summer but is shown for information in **Appendix D**.

6. LSVT IMPLICATIONS

- 6.1 An additional factor to be considered in assessing the capital programme for 2002/03 is the proposed LSVT of the City Council's housing stock. Assuming the tenants' ballot produces a positive result, the transfer would be scheduled to take in place in December 2002.
- 6.2 The Public Sector programme in 2001/02 will be funded principally by the MRA. It appears at present that the City Council's MRA for 2002/03 will be allocated as if for a full year but any unused MRA at the date of transfer would be passed over to the new landlord (Riverside HA). However other capital resources would be retained by the City Council.
- 6.3 In framing the Public Sector programme for 2002/03 the Director of Housing may wish to liaise with Riverside H A in determining priorities for investment in the stock in what may be the final year of the City Council's role as a large scale landlord.

7. ALLOCATION OF RESOURCES 2002/03

- 7.1 To summarise previous paragraphs, the total of estimated capital resources for 2002/03 is as set out below, together with the suggested allocation of resources to services. The criterion for allocating resources between services (where there is a choice) is as set out in **Appendix B**.

| | Total £000 | Allocated to: | | |
|-------------------------|---------------|-----------------|----------------|---------------|
| | | General Fund | HIP Private | HIP Public |
| BCA | 1,140 | 30 | 292 | 818 |
| DFG | 156 | - | 156 | - |
| Capital Projects Fund | 611 | 611 | - | - |
| Capital Receipts B/F | 1,070 | 916 | - | 154 |
| Capital Receipts | 620 | 100 | 520 | - |
| Major Repairs Allowance | 3,881 | - | - | 3,881 |
| R and R Fund | 598 | 598 | - | - |
| Total Resources | 8,076 | 2,255 | 968 | 4,853 |

- 7.2 The element of BCA admissible for subsidy has been announced as £818,000 compared to £792,000 estimated in the 17 December 2001 report while the DFG for 2002/03 has been announced as £156,000 compared to an estimated £153,000. This has necessitated minor changes to the allocations previously reported in Table 7.1.

8. ESTIMATED GENERAL FUND CAPITAL PROGRAMME 2002/03

8.1 Estimated General Fund capital resources are detailed in the Table below.

| | <u>2002/03</u> <u>£000</u> | <u>Original</u> <u>2001/02</u> <u>£000</u> |
|--|-------------------------------|--|
| Total Available Resources:- | | |
| Basic Credit Approval (para 7.1) | 30 | 0 |
| Capital Projects Fund | 611 | 2,436 |
| Estimated Usable Capital Receipts generated in year (para 3.2) | 100 | 100 |
| Estimated Usable Resources B/F (para 5.2) | 916 | 50 |
| R and R Fund | <u>598</u> | <u>834</u> |
| Total Available Resources | <u>2,255</u> | <u>3,420</u> |
| Less Commitments (para 5.3) | <u>NIL</u> | <u>3,420</u> |
| Balance Uncommitted | <u>2,255</u> | <u>NIL</u> |

9. GENERAL FUND BIDS 2002/03

9.1 The General Fund Bids against the resources available of £2,290,000 are set out below. A summary of the bids is shown in **Appendix E**, together with a suggested prioritisation of the bids by CMT for Members' consideration.

(i) Bandstand - £25,000

This item was reported on in Financial Memo 2001/02 No 91 (New Spending Bids). Of the estimated cost of £25,000, £20,000 would be of a non-recurring nature, and £5,000 would represent a continuing revenue cost.

(ii) Disability Discrimination Act - £180,000

The Director of Environment and Development has reported previously on the costs and implications of compliance with this Act (see report EN 179/01).

(iii) Planned Maintenance Works - £190,000

These are items in the current revenue budget that due to their nature could be met from capital resources as a way of relieving pressure on the revenue budget.

(iv) Asset Management Plan - £400,000

The requirements of the Asset Management Plan have recently been highlighted in the Best Value Review of Property Services and have previously been reported on to the Executive. It is disappointing that in spite of our DTLR submission being ranked as 'Good', it has only been awarded an additional £50,000 of borrowing capacity.

(v) Assembly Rooms - £40,000

This bid was previously considered in 2000/01.

(vi) Cash Receipting Software - £40,000

On 12 December 2000 members considered a detailed report on the modern and more flexible payment facilities now being offered by local authorities (including from 1.4.2002 all other local Authorities in Cumbria) for payment of Council Tax, Business Rates (NNDR) Sundry and Miscellaneous debts. These payment facilities include

- Internet banking e.g. paying Council Tax over Internet using debit/credit cards (also reporting changes in circumstances).
- Telephone banking e.g. paying Council Tax by phone using debit/credit cards. Also making direct debit arrangements by phone (paperless direct debits).
- Payment by debit/credit card.
- Variable direct debit dates

The cost of the infrastructure to commence introducing such electronic (E-commerce) payment facilities is in the region of £50,000 for

- New software/hardware/operating systems.
- Training and licenses.
- Re-designed cashiering work stations and counter to take additional equipment network etc.

On the 26 June 2001 members agreed to earmark a renewal fund balance of £11,300 to fund in part the introduction of the additional cash receipting equipment/software/operating systems to enable the electronic payment facilities noted above to be introduced.

The Executive is asked to recommend a further £38,700 to be transferred into the renewal fund from efficiency underspends of £66,600 on Council Tax and Recovery budgets in 2001/02 to enable the full capital cost of the upgrading of cash receipting systems to be fully provided for in 2001/02 and 2002/03. Such underspends will not be available in future years as the Executive has directed such savings at other Council priorities from 2002/03 onwards.

The Executive will be kept informed on progress on the upgrading the Council's payment methods and facilities.

(vii) Concessionary Fares – Swipe Cards - £50,000

Members of Policy and Resources Committee of the 2 July 2001 supported the recommendations of the Environment Committee of the 15 June 2001 (Financial Memo No 38 2001/02) to set up a provision within the renewals fund to fund the likely capital costs of introducing smart card technology into Concessionary Fares Administration estimated at up to £50,000. The technology enabling each concessionary pass to incorporate a 'smart chip' so that when cards are swiped through readers on the bus it will record that a Carlisle passholder has undertaken the journey and details of the bus journey undertaken.

The Council transferred £19,500 into the renewal fund in 2001/02 representing the underspends on Concessionary Fare budgets in the 2000/01 financial year. Due to the renegotiating of the scheme of remuneration with Stagecoach which will result in a £76,000 saving in 2001/02 the Executive is asked to recommend a further £30,500 to be transferred into the renewals fund to enable the full capital cost of the introduction of smart cards for concessionary travel to be fully provided for in 2002/03.

The Executive will be kept informed on progress on the Concessionary Fares smart card initiative. Also a fully costed report (including introduction timetable) will be submitted before any final decision is required on introducing smart cards to Carlisle Concessionary Fares Scheme passholders.

For information the overview and Scrutiny Committee have asked for smart card technology to be considered as a medium for providing other Council services to the public. The Concessionary Fares smart card will be capable of being enhanced to cover other services providing a powerful enough 'memory chip' is used in the card.

The Head of Revenues will liaise with Head of Corporate Policy and Strategy on this issue.

(viii) Sheepmount - £75,000

This sum is provisionally forecast to be required in 2002/03 to develop the lottery bid to the stage 2 level. The total expenditure commitment in future years if the final bid is successful will be much larger at something in the order of £2m of which it is anticipated that 66% would be met by grant leaving the City Council to fund up to £670,000.

(ix) Play Areas - £50,000

This is an additional bid for consideration as part of the budget process.

(x) Millennium Gateway City Project - £160,000 or £485,000

The ongoing commitment in respect of archaeological work arising from the MGCP will continue into 2002/03 and beyond and is anticipated to be £685,000 in total, in addition to up to a further £100,000 in finalising the various works packages and final accounts. £300,000 is

provided in the original scheme towards Archaeology and £325,000 of resources were 'reserved' in setting the 2001/02 budget. If these are now applied to the scheme, then an additional £160,000 needs to be released from the Capital Projects Fund. If the £325,000 of 'reserved' borrowings were released for the housing purposes to which they were originally allocated, then £485,000 would need to be released from the Fund in which the 'free balance' is currently £515,000.

(xi) Richardson Street Back Lane - £62,000

This refers to the proposed resurfacing of the above back lane.

10. HOUSING INVESTMENT PROGRAMME 2002/03

10.1 Estimated Housing Investment capital resources are detailed in the table below, showing uncommitted resources of £4,837,000 on the Public Sector Programme and £968,000 on the Private Sector Programme. The 2001/02 allocations are shown for comparison.

| | 2002/03 | | | Original |
|--|-----------------------|------------------------|---------------|-----------------|
| | Public Sector £000 | Private Sector £000 | Total £000 | 2001/02 £000 |
| <u>Total Available Resources:</u> | | | | |
| BCA (par 6.1) | 818 | 292 | 1,110 | 966 |
| DFG (SCG) (para 6.1) | - | 156 | 156 | 153 |
| Estimated Usable Capital Receipts (par 3.3) | - | 520 | 520 | 520 |
| Major Repairs Allowance | 3,881 | - | 3,881 | 3,992 |
| Est. Usable Resources (B/F) (para 5.2) | 154 | - | 154 | 278 |
| Total Available Resources 2002/03 | 4,853 | 968 | 5,821 | 5,909 |
| Less Commitments | 16 | - | 16 | 16 |
| Balance Uncommitted | 4,837 | 968 | 5,805 | 5,893 |
| 2001/02 | 4,925 | 968 | 5,893 | |

10.2 Reports elsewhere on the Agenda give details of the bids against the available resources.

- 10.3 **HIP Private Sector Programme**
The funding available for Private Sector Renewal in 2002/03 for Disabled Facilities Grant (DFG) has been allocated via a direct grant of 60% of up to £156,000. If Members agree to fund the Local Authority portion of 40% of DFG, (i.e. £104,000), this will result in a maximum of £260,000 being available for DFG. The total Private Sector HIP has been shown for illustrative purposes at a similar level to 2001/02 although the Council does have the discretion to determine a different level of total programme. However at the present time demand for grants is in excess of the budget and a waiting list may have to be introduced.
11. **FIVE YEAR CAPITAL PROGRAMME**
11.1 In line with the requirements of the Asset Management Plan, **Appendix F** contains an outline 5 year capital programme analysed by sectors. The projections in this draft plan can be refined once the decisions on the 2002/03 budget have been taken.
12. **STAFFING/RESOURCES COMMENTS**
Not Applicable.
13. **CITY TREASURER'S COMMENTS**
Included within the report.
14. **LEGAL COMMENTS**
Not Applicable.
15. **CORPORATE COMMENTS**
The Directors of Housing and of Environment and Development have been consulted in the preparation of this report and are in agreement with its conclusions and recommendations.
16. **ENVIRONMENTAL IMPLICATIONS**
Not Applicable.
17. **RECOMMENDATIONS**
It is recommended that:-
- 17.1 The proposed split of the estimated capital resources for 2002/03 over the constituent parts of the council's Capital Programme be made as set out in the report.
- 17.2 Any scope to make a revenue contribution in respect of the capital programme will be decided as part of the overall budget to be set by the council of 5 February 2002.
- 17.3 The Directors of Housing and of Environment and Development in preparing the Capital Programme for 2002/03 identify schemes totalling £200,000 (Public Sector HIP) and £125,000 (Private Sector HIP) which can be deferred pending greater certainty in the allocation of all capital resources in 2002/03.

17.4 The Executive indicates which General Fund bids they would wish to prioritise for 2002/03.

18 REASONS FOR RECOMMENDATIONS

18.1 As per report.

D. THOMAS
CITY TREASURER

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City Treasury,
Carlisle
21 January 2002
DKS/CH/f1320102

CAPITAL RESOURCES
GLOSSARY OF MAIN TERMS

1. Housing Investment Programme (HIP)
This is the Housing Capital Programme and is split between the public and private sectors.
2. Basic Credit Approval (BCA)
The Basic Credit Approval (BCA) determines the amount an authority can borrow to finance Capital Expenditure. The authority has freedom as to how to utilise the BCA between services.
3. Annual Capital Guidelines (ACG)
BCA's are based upon an assessment of the relative need of an authority to incur capital expenditure in the year and this is reflected in the Annual Capital Guidelines which are determined by the Government each year.
4. Supplementary Credit Approval (SCA)
Supplementary Credit Approvals (SCA) can be awarded for certain specific items of expenditure although success depends on a variety of factors.
5. Disabled Facilities Grant (Specified Capital Grant) (DFG) (SCG)
The Disabled Facilities Grant is a ring fenced allocation. The amount issued represents 60% of the funding with the authority financing the other 40% up to the maximum amount of available DFG.
NB: Whatever the level of programme that is determined, Central Government support will only be 60% of the total.
6. Receipts Taken into Account (RTIA)
Receipts taken into account (RTIA), are Carlisle's share of the Government's national estimate of receipts generated by authorities. This amount is deducted from the ACG.
7. Social Housing Grant (SHG)
Previously known as Housing Association Grant (HAG), this is a one-off capital grant from local authorities or the Housing Corporation to a Registered Social Landlord to subsidise the cost of constructing social housing.
8. Major Repairs Allowance (MRA)
As part of the revised HRA subsidy system from April 2001, authorities receive a cash grant (the MRA) towards the capital improvements required for their housing stock. This sum is ring-fenced to fund expenditure on public sector housing.

CRITERIA FOR THE ALLOCATION OF AVAILABLE RESOURCES IN 2002/03

The total of estimated resources as set out in paragraph 7 of the report, has been allocated to services using the following criteria where there is a choice in the allocation of resources to services.

1. Basic Credit Approvals

An authority has freedom as to how to utilise the Basic Credit approval (BCA) between services.

The approach of previous years was the first three steps as shown below:-

Due to the introduction of the Single Housing Capital allocation from 2000/01, there is a need to review the basis of allocating resources between the public and private sectors. Members of the Housing and Care Services Committee on 1 April 1999 considered the options available and recommended that due to time constraints, the allocations for 2000/01 should be based on a simple apportionment using historical allocations over the previous five years. In addition, officers were charged with the responsibility of evaluating the options for determining housing investment allocations for future years and this is currently ongoing e.g. the private sector stock condition survey and the housing demand study.

| | | <u>2002/03</u> | <u>2001/02</u> |
|--------|--|----------------|----------------|
| | | <u>£000</u> | <u>£000</u> |
| Step 1 | Allocate credit approvals to Public Sector HIP to equate to the amount allowable for subsidy purposes. 2002/03 estimated pro rata to 2001/02 allocation | 818 | 671 |
| Step 2 | Allocate credit approvals to meet Council's share (40%) of DFG not financed by grant (see para 8.2). | 104 | 102 |
| Step 3 | Balance to General Fund other services. £30,000 suggested if the Private Sector HIP is kept at its current total level of £968,000 | - | - |
| | | 30 | |

| | | | |
|--------|---|--------------|------------|
| Step 4 | Balance split between – | | |
| | Public Sector HIP | 0 | 0 |
| | Private Sector HIP | 188 | 193 |
| | To equate to both the need assessed as determined by the Relevant Directors, and the broad percentage allocations for previous years. | | |
| | Total BCA | <u>1,140</u> | <u>966</u> |

2. Capital Receipts

An authority has freedom as to how to allocate Capital receipts between services. The suggested criteria for 2002/03, as in previous years are:-

- General Fund (non-housing) capital receipts are allocated to General Fund.
- Housing capital receipts are allocated to Housing. However this may include allocating a substantial proportion of RTB receipts i.e. Public Sector resources to the Private Sector HIP.

Members should also be aware of the total discretion available in the use and application of capital receipts, in particular:-

- the theoretical ability to make good any shortfall in capital receipts by a revenue contribution from the appropriate account, either HRA or General Fund.
- the discretion not to maximise the DFG programme - see paragraph 8.2

As regards 2002/03, the level of BCA not admissible for HRA subsidy is estimated at £322,000. If the Private Sector Programme is to be sustained at a similar level to 2002/03, there seems little alternative at this stage to applying the whole of next year's forecast RTB receipts (£520,000) to this programme **but this depends upon members determining the preferred level of Private Sector housing investment they wish to support.**

City Treasury,
Carlisle
21 January 2002
DKS/CH/f1320102

GENERAL FUND REVISED CAPITAL PROGRAMME 2001/02

| | £ |
|------------------------|------------------|
| Greystone School | 940 |
| Hammonds Pond (net) | 28,380 |
| Cemetery Improvements | 137,400 |
| City Gateway | 2,608,730 |
| Vehicles and Equipment | <u>817,370</u> |
| | <u>3,592,820</u> |

| Funding | £ |
|-----------------------|------------------|
| Capital Projects Fund | 1,811,630 |
| Capital Receipts | 150,940 |
| Private Contributions | 124,300 |
| Lottery Grants | 529,180 |
| R and R Fund | 954,770 |
| Revenue Funding | <u>22,000</u> |
| | <u>3,592,820</u> |

City Treasury
 Carlisle
 21 January 2002
 DKS/CH/f1320102

HIP COMMITMENTS 2001/02

Appendix D

| PUBLIC SECTOR HIP | Original | Revised |
|------------------------------------|------------------|------------------|
| | 2001/02 | 2001/02 |
| | £ | £ |
| <u>Capital Schemes Pre 2001/02</u> | | |
| Modern Apprenticeships | 16,000 | 16,000 |
| Special Needs | 0 | 20,000 |
| Security/Inv Imps | 0 | 10,000 |
| Raffles Area Strategy (1999/00) | 0 | 50,000 |
| Raffles Area Strategy (2000/01) | 0 | 380,000 |
| Windows 42 | 0 | 240,000 |
| Heater Provision | 0 | 130,000 |
| Rewiring | 0 | 230,000 |
| Wall Tie/Cavity Cleaning | 0 | 5,000 |
| Other Structural Work | 0 | 8,000 |
| Energy Efficiency – Porches | 0 | 26,000 |
| Carlisle South | 0 | 2,000 |
| Structural Works - Wall Ties | 0 | 87,800 |
| Structural Works – Chimneys | 0 | 12,600 |
| Structural Works – Surveys | 0 | 6,400 |
| | 16,000 | 1,223,800 |
| <u>Capital Schemes 2001/02</u> | | |
| Window Replacements | 900,000 | 900,000 |
| Heating Provision | 800,000 | 800,000 |
| Provision of Porches (Phase 2) | 50,000 | 50,000 |
| Rewiring | 750,000 | 750,000 |
| Regeneration Programme | 150,000 | 150,000 |
| Structural Works (incl Wall Ties) | 250,000 | 250,000 |
| Special Needs Improvements | 350,000 | 350,000 |
| Raffles Areas Strategy (Phase 3) | 555,000 | 555,000 |
| Security/Env Programme | 425,000 | 425,000 |
| New Deal Initiative | 50,000 | 50,000 |
| Careline Equipment (Phase 2) | 100,000 | 100,000 |
| Drainage Improvements | 75,000 | 75,000 |
| Painting Programme | 320,000 | 320,000 |
| Door Entry Systems (Phase 1) | 50,000 | 50,000 |
| Gelt Road Roofs (Phase 1) | 100,000 | 100,000 |
| | 4,925,000 | 4,925,000 |
| TOTAL PUBLIC SECTOR HIP | 4,941,000 | 6,148,800 |

| PRIVATE SECTOR HIP | Original | Revised |
|--------------------------------|------------------|------------------|
| | 2001/02 | 2001/02 |
| | £ | £ |
| Renovation Grants | 360,000 | 360,000 |
| Group Repair | 150,000 | 150,000 |
| Disabled Facility Grants | 255,000 | 255,000 |
| Home Repairs Assistance | 133,000 | 133,000 |
| Empty property Initiatives | 10,000 | 10,000 |
| Slum Clearance | 3,000 | 3,000 |
| Energy Efficiency Initiatives | 57,000 | 57,000 |
| TOTAL PRIVATE SECTOR | 968,000 | 968,000 |
| | | |
| GRAND TOTAL 2001/02 HIP | 5,909,000 | 7,116,800 |

SUMMARY OF GENERAL FUND CAPITAL PROGRAMME BIDS 2002/03

| | £ |
|-----------------------------------|-------------------------------------|
| Bandstand | 20,000 (plus £5,000 recurring cost) |
| Disability Discrimination Act | 180,000 (See EN179/01) |
| Planned Maintenance Works | 190,000 (Currently funded from Rev) |
| Asset Management Plan | 400,000 (See EN173/01) |
| Assembly Rooms | 40,000 |
| Cash Receipting – Software | 40,000 |
| Concessionary Fares – Swipe Cards | 50,000 |
| Sheepmount | 75,000 |
| Play Areas | 50,000 |
| Millennium Gateway City Project | 160,000 * |
| Richardson Street Back Lane | 62,000 |
| Vehicle and Plant Renewals | 456,990 |
| Office and Other Equipment | 7,530 |
| 3 x DSO Vehicles | 43,100 |
| Total Budget Bids | £1,774,620 |

* The cost could be up to £485,000 depending on the use of 'holdback' resources in 2001/02.

Chief Officers Management Team (CMT) have considered the proposals and ranked them on the following basis.

1. Commitments arising from ongoing schemes

- Millennium Gateway City Project –

Completion of final accounts and provision of conservation programme in respect of archaeological finds £785,000.

£300,000 of this sum is provided for within the existing allocation. £325,000 was 'earmarked' from within borrowing allocations in 2001/02 pending resolution of the final costs. The application of this sum to the scheme will mean that the equivalent amounts cannot be used in support of private sector housing (£125,000) or public sector housing (£200,000) unless an equivalent sum was to be met from the 2002/03 borrowing allocation (which would have a similar effect) or from existing capital receipts, which would reduce the capacity to support other projects e.g. the potential development of Sheepmount or the Asset Management Plan. The balance of £160,000 to be provided in 2002/03 can be financed from the free balance of £515,000 remaining in the Capital Projects Fund or £485,000 if the earmarked resources of £325,000 are used for housing purposes.

2. Repair and Renewals Funded Items

- introduction of Smart Cards for Concessionary Fares £50,000
- provision of new cash receipting hardware and software £40,000

The monies have been set aside within the R & R Fund and are available for these purposes.

3. Meeting the Council's statutory obligations

- work required under the Disability Discrimination Act £180,000 (EN 179/01).

4. Asset Management

- Planned Maintenance Works (currently funded from Revenue) £190,000
- Asset Management Plan £400,000 (EN 173/01)

5. Policy Objectives

- Sheepmount – phase 2 lottery bid £75,000

Members should note that it is not yet known what might be required to be undertaken in respect of phase 2 of the holding process. It is suggested this cost could be met from the balance of £96,000 earmarked within the Capital Projects Fund for the improvement of sports facilities.

6. Discretionary Areas of Spending

| | £ |
|-------------------------|----------------|
| Band Stand | 20,000 * |
| Assembly Rooms | 40,000 |
| Play Areas | 50,000 |
| Richardson St Back Lane | 62,000 |
| | <hr/> |
| | <u>172,000</u> |

* £5,000 p.a. revenue costs will also be incurred.

City Treasury
 Carlisle
 21 January 2002
 DKS/CH/f1320102

DRAFT CAPITAL PROGRAMME 2001/02 - 2005/06

| | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 |
|----------------------------------|---------------|---------------|--------------|--------------|--------------|
| Original | Revised | Proposed | Outline | Outline | Outline |
| £000's | £000's | £000's | £000's | £000's | £000's |
| <u>Expenditure</u> | | | | | |
| General Fund (excluding Housing) | 3,603 | 2,638 | 1,657 | 338 | 300 |
| Housing General Fund | 968 | 968 | 968 | 475 | 400 |
| H R A | 4,941 | 6,148 | 4,853 | - | - |
| Vehicle and Plant Renewals | 834 | 955 | 598 | 955 | 391 |
| | <u>10,346</u> | <u>10,709</u> | <u>8,076</u> | <u>1,768</u> | <u>1,091</u> |
| <u>Funded By</u> | | | | | |
| Capital Receipts – General Fund | 150 | 151 | 990 | 338 | 200 |
| - H R A | 798 | 1,270 | 700 | - | - |
| Major Repairs Allowance | 3,992 | 3,992 | 3,881 | - | - |
| Disabled Facility Grants | 153 | 153 | 156 | 150 | 150 |
| Loan – General Fund | 295 | 295 | 322 | 325 | 350 |
| - H R A | 671 | 671 | 818 | - | - |
| Revenue Contributions | - | 758 | - | - | - |
| Reserve Funds | 3,271 | 2,766 | 1,209 | 955 | 391 |
| Grants – Public | 834 | 529 | - | - | - |
| - Private | 182 | 124 | - | - | - |
| | <u>10,346</u> | <u>10,709</u> | <u>8,076</u> | <u>1,768</u> | <u>1,091</u> |
| Unused Resources | - | 1,681 | - | - | - |