

WYRE FOREST DISTRICT COUNCIL

CABINET

21ST DECEMBER 2006

CAPITAL PROGRAMME 2007/2008 ONWARDS

COMMUNITY STRATEGY THEME:	-
CORPORATE THEME:	Improving Corporacy & Performance
KEY PRIORITY:	Financial & Asset Management
STRATEGY:	Budget & Policy Framework
CABINET MEMBER:	Councillor John Campion
RESPONSIBLE OFFICER:	Head of Financial Services
CONTACT OFFICER:	K. Bannister Ext. 2100 Keith.bannister@wyreforestdc.gov.uk
APPENDIX 1 APPENDIX 2	Capital Programme 2006/2010 Vehicle, Equipment and Systems Renewal Schedule
AN OPEN ITEM	

1. PURPOSE OF REPORT

- 1.1 To consider and make recommendations on the Capital Programme 2007/2008 onwards.

2. RECOMMENDATIONS

The Cabinet is asked to RECOMMEND :-

- 2.1 The Cabinet approves the Base Capital Programme and Vehicle, Equipment and Systems Renewal Schedule as set out in Appendices 1 and 2.
- 2.2 The Cabinet determine variations to the 2007/2008 Capital Programme and Vehicle, Equipment and Systems Renewal Schedule in accordance with the Council's Budget Process.
- 2.3 The Head of Financial Services fund the Vehicle, Equipment and System Renewal Schedule by means of Prudential Borrowing (repayments based on anticipated life of Vehicle, Equipment or Systems). Note the Council may also decide to fund Vehicles, Equipment and Systems from Capital Receipts or Revenue as part of the Budget process.
- 2.4 To note that the Council has agreed to dispose of surplus assets in order to generate new usable capital receipts for the Centralised Office Accommodation Project where this is proven to be economically viable in accordance with the Asset Management Plan. Should the Council's disposal strategy differ from the adopted Asset Management Plan, the Head of Cultural Leisure &

Commercial Services will present a new Plan to Council for adoption prior to consideration by the Government Office for the West Midlands.

- 2.5 To note that the Council has agreed to dispose of the Coventry Street Offices as part of the Centralised Office Accommodation Project and as a consequence the necessary amendments have been reflected in the Base Capital Programme, including the provision for dilapidation payment on the termination of the lease on Vicar Street Offices.**

3. BACKGROUND

- 3.1 The Council's Capital Strategy assists in achieving its vision and corporate strategic objectives by providing a corporate strategy for identifying funding, selecting capital priorities and managing existing capital investments. From the wider perspective it takes into account issues to be considered by the Council on the communities needs, stakeholders needs, Government policy/advice and the availability of financial resources. From a Council policy perspective it links with other strategies of the Council and outlines the principles, framework and arrangements for capital investment in the Wyre Forest District.

- 3.2 The strategy focuses on :

- The principles to underpin the capital investment framework.
- Measures and processes to be used in managing capital investment.
- Resources and spending programmes the Council will use to maximise the use and financial return on assets.
- The involvement of partners and the community in delivering the Strategy.
- How the Council intends to implement the Strategy by providing a framework for an Action Plan.

- 3.3 The Strategy has been classified as 'Good' by the West Midlands Government Office.

- 3.4 The Capital Programme is prepared in accordance with the Capital Strategy taking into account all the relevant factors, such as the Priorities for 2006/2007.

4. KEY ISSUES

- 4.1 The Cabinet needs to recommend approval of the Base Capital Programme and the Vehicle, Equipment and Systems Renewal Schedule, as part of the budget setting process for the Authority.

5. FINANCIAL IMPLICATIONS

Base Capital Programme

- 5.1 A Revised Capital Programme of approved schemes, including details of actual expenditure, prior to 1st April 2006 and technical officers estimates of projected costs, is set out in Appendix 1.

- 5.2 In accordance with Council Minute CM67 all unallocated and future Non Housing Capital Receipts will be earmarked for the Centralised Office Accommodation Project. In addition, a target virement figure of £2 million has been identified to be found from Non Housing Capital Projects as part of the funding strategy.

Usable Housing Capital Receipts.

- 5.3 All usable Housing Capital Receipts have been allocated to the Housing Strategy in accordance with Council Policy. The proposed allocations have been made by the Head of Planning, Health & Environment in consultation with the Cabinet Member for Planning, Health and Environment. Full details of the allocations are contained within Appendix 1.
- 5.4 The Council has received a grant of £319,000 from the Government Office West Midlands in respect of Decent Homes Initiative. This grant and any future grants has been allocated within the Capital Programme for Projects meeting the requisite criteria. This grant has been allocated in the specific areas within the Capital Programme with individual schemes agreed by the Head of Planning, Health & Environment, in consultation with the Cabinet Member for Planning, Health & Environment.

Prudential Borrowing

- 5.5 In accordance with Prudential Borrowing the Council are now able to borrow for capital projects, subject to demonstrating that spending plans are affordable, prudent and sustainable.

5.6 Vehicle, Equipment and Systems Renewal Scheme

A revised Schedule has been prepared and set out as Appendix 2. Under Capital Rules vehicles, equipment and systems may be purchased out of Loan, Leasing, Capital Receipts or Revenue. The Head of Financial Services recommends that the Council use Prudential Borrowing where Capital Receipts or Direct Revenue Funding is not available.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The Local Government Act 2003 introduced a legislative framework under which Local Authorities prepare and manage capital expenditure known as the Prudential System of Capital Finance.
- 6.2 The Prudential System has been fully incorporated for the Authority in the preparation of the Capital Strategy, the Vehicle, Equipment and System Renewal Schedule and the Base Capital Programme.

7. RISK MANAGEMENT

- 7.1 The risks associated with the Capital Programme 2007/2008 onwards is covered in a separate report.

8. CONCLUSION

- 8.1 This report identifies that all unallocated and future Non Housing Capital Receipts are to be allocated to the Centralised Office Accommodation Project. In addition, the Council will need to identify up to £2 million worth of virement from Non Housing Capital Projects for the Centralised Office Accommodation Initiative.
- 8.2 If the Council wish to approve additional Capital Schemes, these would need to be financed from either Prudential Borrowing, virement from Housing Capital Receipts or Direct Revenue Funding.

9. CONSULTEES

- 9.1 CMT

10. BACKGROUND PAPERS

- 10.1 Local Government Act 2003
10.2 CIPFA Prudential Code
10.3 Council Minute C107 1st March 2006
10.4 Council Minute C67 25th October 2006