

CAPITAL PROGRAMME 2017/181. Summary of Proposals

The following table sets out the 2017/18 capital submissions which should meet the criteria of fulfilling the Council's approved priorities

<u>Proposals 2017/18</u>	<u>£</u>
Housing Revenue Account	1,242,000
<u>General Fund</u>	
<u>Service Delivery Committee</u>	
Disabled Facilities Grant	300,000
Purchase of New Vehicles	990,000
Parklands Car Park Improvements	163,000
Replacement of Play Equipment	57,000
Brocks Hill Amphitheatre Improvements	16,500
Horsewell Lane Pavilion	660,000
Christmas Light Replacement	6,500
<u>Policy Finance and Development Committee</u>	
Council Office Development	168,000
Contact Centre Telephones	16,000
IT Replacement Programme	26,000
Academy Server Replacement	23,000
Uniform Software and Hardware Upgrades	23,000
Total Capital Programme	<u>3,691,000</u>
<u>Financing 2017/18</u>	
<u>£</u>	
Unsupported Borrowing (paragraph 2.1)	1,730,500
Major Repairs Reserve (paragraph 2.2)	1,242,000
Government Grants (paragraph 2.3)	177,000
Capital Receipts (paragraph 2.4)	468,000
Earmarked Reserves (paragraph 2.5)	0
Revenue Contribution	0
Grants and Contributions	73,500
	<u>3,691,000</u>

Members may be asked to prioritise the above schemes in order to make sure that the final programme approved can be met by the funding available to the Council.

2. Capital Controls and Resources2.1 Prudential Guidelines

The principle behind the Prudential Guidelines is that local authorities are free to borrow what they need to finance the capital programme so long as it is within the limits expressed by certain indicators and that the revenue effect of the cost of borrowing is affordable in future years. Some of this

borrowing may be “supported” in that allowance is made for the revenue implications within the Settlement Funding Assessment (SFA).

There is no support for borrowing within the 2017/18 SFA..

2.2 Major Repairs Reserve

Under the Housing self-financing arrangements contributions to the Major Repairs Reserve (MRR) now have to come directly from the revenue income collected within the Housing Revenue Account (HRA) that the Council will now be able to retain. There is no funds remaining in the MRR other than that budgeted for in year. The HRA Business Plan allows for the level of contribution to the Major Repairs Reserve required in order that housing stock can be maintained according to the capital programme.

2.3 Other Capital Grants and Contributions

In 2016/17 resources from capital grants included a contribution of £177,000 towards the cost of Disabled Facilities Grants. A similar amount is expected to be received in 2017/18.

2.4 Capital Receipts

The Council is likely to receive approximately £0.7m in Capital Receipts during 2016/17 with a further £0.4m in 2017/18. Most of this comes from ‘Right to Buy’ (RTB) sales to housing tenants.

However the Council does not retain 100% of its RTB receipts as a proportion is paid over to Central Government to help fund Housing Needs. However it is expected that approximately £0.3m of the £0.5m RTB receipts will be retained in 2016/17 with a further £0.2m in 2017/18.

Part of the retained receipts relates to the 1-4-1 agreement that the Council has entered into by with the Government. This element of the retained receipts may contribute up to 30% of the purchase or build costs of new houses within the HRA

The Council currently holds around £63,000 of retained 1-4-1 receipts equating to necessary new build of £210,000 by September 2019..

The capital programme assumes usage of £468,000 of capital receipts for 2017/18

2.5 Balances and Movements on Capital Reserves

Full details of the balances and movements on the capital reserves can be found at Appendix 4