

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Culture and Recreation
Date of Decision:	14 January 2010
Decision Title:	Capital programme for 2010/11 to 2012/13
Decision Reference:	1146
Report From:	The County Treasurer and the Director of Culture Communities and Rural Affairs

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1. Executive Summary

- 1.1. This report seeks approval for submission to the Leader and Cabinet of the proposed capital programme for 2010/11 to 2012/13.
- 1.2. The report has been prepared in consultation with the Executive Member and will be reviewed by the Culture and Communities Select Committee. It will be reported to the Leader and Cabinet on 5 February 2010 to make final recommendations to County Council on 18 February 2010.
- 1.3. The report considers the schemes which it is proposed to include in the capital programmes for 2010/11, 2011/12 and 2012/13.
- 1.4. The proposals contained in this report are derived from the departmental business plan which is being developed to support the priorities of the Corporate Strategy (see report on the Departmental Business Plan elsewhere on the agenda).

2. Background

- 2.1. In approving the medium term financial and efficiency strategy on 26 October 2009, the Cabinet agreed that the guidelines for the locally resourced capital programme for 2010/11 to 2012/13 should be set at the same level as the current capital programme for 2009/10 to 2011/12. This reflects the continued uncertainty about the level of capital receipts likely to be available to finance the locally resourced capital programme.

- 2.2. Executive Members can now prepare proposals for:
- a locally-resourced capital programme for the three-year period from 2010/11 to 2012/13 within these guidelines
 - a programme of capital schemes in 2010/11 supported by Government grants or supported borrowing already announced by the Government and those expected to be supported in 2011/12 and 2012/13, subject to limits restricting the take-up of Government supported borrowing approvals.
- 2.3. The medium term financial and efficiency strategy is closely linked to the Corporate Strategy and the Corporate Business Plan to ensure that priorities are affordable and provide value for money and that resources follow priorities.

3. Locally resourced capital programme

- 3.1. The cash limit guidelines for the locally resourced capital programme for the Culture, Communities and Rural Affairs service set by Cabinet are as follows.

	£000
2010/11	388
2011/12	417
2012/13	448

- 3.2. The guidelines include an addition of 2.25% for inflation, in line with the non-pay inflation assumption for the revenue budget.
- 3.3. Executive Members may vary the guidelines between years provided their total three-year guideline is not exceeded and bunching of payments in any one year or front-loading is avoided.
- 3.4. Executive Members may propose supplementing their capital guidelines under the 'prudential framework' agreed by Cabinet at its meeting on 24 November 2003, as amended by Cabinet in February 2006, thereby integrating more closely decisions on revenue and capital spending in support of corporate priorities. The additions may include:
- virement from the Executive Member's revenue budget
 - temporary unsupported borrowing, to provide bridging finance in advance of capital receipts or other contributions, with the cost of servicing the unsupported borrowing in the interim being met from the Executive Member's revenue budget or existing capital resources in the years in which cost is incurred.
- 3.5. In addition, Executive Members may propose additional schemes funded from:

- use of Executive Member's share of capital receipts obtained in 2008/09 as allocated by the Cabinet in July 2009 (if not already used for the 2009/10 programme)
- anticipating their share of capital receipts obtained in 2009/10 provided the receipt has actually been received.

4. Proposed capital programme 2010/11 to 2012/13 – locally resourced schemes

- 4.1. Following the previous revision of capital guidelines prior to 2009/10, the Culture Communities and Rural Affairs programme remains lower than in previous years. For 2010/11, allocations have been made in accordance with earlier distributions of capital funding, whilst accommodating match-funding arrangements with external partners.
- 4.2. It is proposed that an allocation of £100,000, rising to £120,000 in 2012/13 be made for Countryside and Rights of Way improvements. This is required for improvements in the general condition of Countryside land, property and facilities with the aim of enhancing access and usage. There is currently no provision for likely essential works on the Basingstoke Canal following the receipt of a condition survey suggesting the requirement for urgent remedial work costing in the region of £150,000. Priorities within the proposed capital programme may need to be reassessed in the light of the outcome of developments relating to the canal. The urgent remedial works are just the first part of a wider programme of work identified by the condition survey which is currently being evaluated.
- 4.3. An allowance of £84,000 has been made in 2010/11 for the Community Buildings Fund which is distributed in the form of capital grants to Community associations and Parish Halls for the improvement of existing facilities. It is proposed that by 2012/13, the allocation should be £125,000. This financial support is aimed at increasing access to, and usage of, community services in addition to improving partnership working with the voluntary sector.
- 4.4. In line with the priorities of the Transforming through Technology Strategy, a provision of £30,000 has been made for the investment in the IT infrastructure to support new and improved ways of working, with £40,000 allocated in 2012/13.
- 4.5. An allocation of £54,000 has been made to cover the match-funding commitment to the Community Libraries project (the total Culture Communities and Rural Affairs commitment split in 2009/10 and 2010/11 is £133,000).
- 4.6. Further to the provisions outlined above, £60,000 has been reserved to ensure adherence to Health and Safety and Discrimination legislation, and this provision is at £80,000 in 2012/13.
- 4.7. A total of £20,000 has been ring-fenced to support Art in Place – an initiative aimed at the construction of temporary work space for artists which, would be used in a variety of locations across the County, to uphold specific

development programmes (including community engagement) in a variety of locations across the County. The proposed project has strong links to the Visual Arts Strategy, the objective of which is to raise the profile of the visual arts and develop new audiences by increasing participation and engagement in unusual settings.

- 4.8. The remaining allocation of £40,000 is for minor works, which rises to £53,000 by 2012/13. There is currently no provision within the capital programme specifically for Library refurbishments. Any requirements would need to be funded from the Minor Works allocation, thereby reducing the amount available for other projects.
- 4.9. The priorities for capital expenditure will be monitored closely throughout the year. The programme will need to be managed flexibly due to the high level of demand for capital investment.
- 4.10 The current capital programme includes externally funded schemes, including Basing House , the Community Libraries project and the Play Builder scheme. In fact, in the course of the year, the County Council has received an additional Play Builder allocation of £200,000 for 2009/10, bringing the total for the current year to £622,000. As previously reported, the County Council has been awarded a capital grant of £5.9 million from the Government's co-location fund in support of the development of the Runways End Youth Adventure Centre, and Cabinet has approved the addition of this scheme to the programme for 2009/10, subject to any net revenue impact of the project being met from the existing Culture, Communities and Rural Affairs revenue budget.
- 4.11 In 2010/11, externally funded schemes to the value of £722,000 are included in the capital programme. Of this, £422,000 relates to Play Builder funding, and £300,000 to Aiming High, a related programme for facilities for children with disabilities.
- 4.12 With regards to possible revenue to capital transfers for the current year, the proposal to replace the toilet and shower block at Tile Barn Outdoor Centre is still being worked up and, subject to approval, may possibly start late in 2009/10. A further contribution from the revenue budget is proposed to add to the £219,000 already set aside for the project. At this stage it is anticipated that £78,000 will be transferred to capital at year end.
- 4.13 The storage sheds at Argoeyd Lwyd Mountain Centre have been replaced by a single storage/workshop unit at a cost of £51,000. This sum will be transferred from the revenue budget to the capital budget at year end.
- 4.14 Further refurbishment is also planned to the accommodation blocks at Calshot Activities Centre. A combined scheme to improve Houston House and Keymer House will now have to bridge the financial years as there is insufficient funding in the minor capital works budget to fund the entire scheme this year. The total cost is estimated at £151,000 and it is proposed to transfer £110,000 from the centres revenue budget to capital when the

final accounts for 2009/10 are prepared. The balance will be met from the 2010/11 revenue budget.

5 Capital programme summary:

- 5.1 On the basis of the position outlined above, the total value of the capital programmes submitted for the three years to 2012/13 are:

	Schemes within Locally Resourced Guidelines	External Funding	Total
	£'000	£'000	£'000
2010/11	388	722	1,110
2011/12	417	0	417
2012/13	448	0	448

6. Revenue implications:

- 6.1 The revenue implications of the proposed locally resourced capital programme are as follows:

	Current Expenditure	Capital Charges
	£'000	£'000
2010/11	30	12
2011/12	30	12
2013/13	30	13
Total	90	37

- 6.2 The total revenue implications for the three years of the starts programme, including capital charges, represent a real term increase of 0.35 % over the 2009/10 original budget of the Culture, Communities and Rural Affairs Department.

7. Recommendations:

- 7.1 That the capital programme for 2010/11 to 2012/13 as set out in Appendix 1 be approved for submission to the Leader and Cabinet.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	Yes
Corporate Business plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	Yes

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

This report is in accordance with the budget strategy and the County Councils financial management policy. This policy applies equally to all services and ensures consistent financial management decisions across all services.