

Capital Programme 2011/12

- 1.1 A total of 27 bids were received of which 3 were deleted at appraisal stage. This leaves 24 bids for consideration and these are analysed according to consultation priority below:

Priority	No. of bids
1 Refuse collection & recycling, housing (needs, strategic & private sector), anti-social behaviour	6
2 Economic development & regeneration	2
3 Sports facilities, local, community & leisure development, safer communities, health promotion	2
4 Cleansing, local transport & concessionary fares, environmental protection, conservation & urban centres, arts, rural areas, car parking, estates	1
5 Building control & engineering, public protection, enforcement	0
6 Planning control, diversity & equality	0
7 Landscape, Banbury museum, tourism, licensing	0
Corporate Revenue & benefits, democratic services, chief executive office, member services, corporate charges, communications, treasury, improvement, community planning, elections, land charges	13
	24

- 1.2 The draft capital proposals to date for 2011/12 are shown in Appendix 3a these bids totalling £3,893,980 still need to be considered in the context that they must meet with the Council's priorities. Each scheme is supported by an appraisal and these have been scored according to priority by the Capital Investment Delivery Group.
- 1.3 At least one third of the capital bids can be categorised as spend to save initiatives and generate positive revenue implications which if considered for inclusion in the final 2011/12 capital programme will contribute to the financial challenges ahead.
- 1.4 The new capital bids have been scrutinised by the Resources and Performance Scrutiny Board and their recommendations are detailed in Appendix 3a.
- 1.5 The Capital Strategy for 2011/12 has a direct impact on the Treasury management revenue budget in terms of the opportunity cost of reduced cash balances from the use of capital receipts and reserves. Decisions on the future capital programme will need to take into account the overall priorities and affordability in revenue as well as capital terms.
- 1.6 Capital balances are expected to reduce to less than £17m in 2014/15 and a detailed forecast is shown in appendix 3c. The balances are further reduced as a result of the recent capitalisation approval from CLG of £3.231M for the Icelandic bank losses.
- 1.7 In late October 2010 the Council made a request to the government to capitalise the impairment loss of £4.615m which we had invested in Iceland's Glitnir bank. In early December we had confirmation that the government has

agreed that £3.231m can be treated as capital expenditure and spread the cost over 20 years. Therefore this will reduce the capital receipts by £3.231m in 2010/11 but will be replenished by £0.16m each year from revenue over the 20 year cycle.

The remaining impairment loss of £1.384m will have to be charged in its entirety to the General Fund reserve in 2010/11 as the rules state that any losses need to be realised in the year to which they relate. This is a better position for the Council than we had originally planned for as it puts less pressure on our revenue finances.

However, this is purely an accounting requirement and does not mean that the deposits are lost. The Council continues to work with Bevan Brittan and LGA to seek full recovery of the £6.5m invested. Should the deposits be repaid in full as priority creditor status then the accounting entries would be reversed.

- 1.8 The Executive has agreed that 21 capital schemes which were approved as part of the 2010/11 budget process but which work has been delayed until 2011/12 will also be delivered in 2011/12 and these are detailed schedule in Appendix 3b.
- 1.9 A summary of the draft capital programme and recommended financing is summarised below:

	Total Scheme Cost	2011/12 Profile
Schemes approved and slipped from 2010/11 (Appendix 3b)	£7,012,000	£6,762,000
Schemes approved in 2010/11 profiled for 2011/12 and beyond (Appendix 3d)	£6,245,184	£1,245,184
Proposed programme (Appendix 3a)	£5,912,314	£3,893,980
Total Capital Programme to be Financed	£19,169,498	£11,901,164
Financed by:		
Capital Receipts	£14,062,448	£8,317,164
<i>Housing Reserves</i>	£2,987,000	£2,987,000
	£17,049,448	£11,304,164
Government Grants		
<i>£375k per annum Governmental Grant Funding towards Mandatory Disabled Facilities Grants</i>	£1,500,000	£375,000
Use of Reserves		
<i>Wheeled Bins Reserve</i>	£15,000	£15,000
<i>Vehicle Replacement Programme</i>	£605,050	£207,000
	£19,169,498	£11,901,164

Further Document Information

Appendix No	Title
Appendix 3a	New Capital Bid Proposals
Appendix 3b	Schedule of capital schemes slipped from 2010/11
Appendix 3c	Analysis of Capital Reserves
Appendix 3d	Spend approved in 2010/11 profiled for 2011/12