

Infrastructure and Asset Needs

10th January 2012

The Council is currently consulting on a draft Budget and Medium Term Capital Programme (MTCP). The draft MTCP outlines the schemes required for the next 4 years. In addition an initial assessment of the long-term asset needs of the Council was published alongside the Medium Term Financial Plan. Together these two documents set out the initial view of the major infrastructure requirements over the next 15 years.

The major areas of infrastructure needs identified in these long-term plans are as follows:

Children and Families – new schools to meet growth in population
 Transport – replacement of infrastructure and grid roads in the Western Expansion Area
 Housing – Major maintenance and improvement works on the Housing Stock
 EPCS – A Residual Waste Treatment Facility
 Strategic Pot – Alternative office provision to replace Saxon Court

The long-term financing of the Council's infrastructure needs is still being developed. However, the creation of a sustainability budget in the Medium Term Financial Plan to enable revenue funding of prudential borrowing costs, has ensured that some of these issues can be addressed.

The draft MTCP shows the following investment needs for the next 4 years (there may be some amendments before the final budget position) 2016/17 spending is based on the long-term investment plan. It has been assumed that the maintenance and improvement of the housing stock will be addressed through the HRA, and has therefore been excluded from this summary.

Table 1: Current Forecast Infrastructure Investment

	2012/13	2013/14	2014/15	2015/16	2016/17
	£m	£m	£m	£m	£m
Infrastructure Investment					
Children and Families	23.53	37.04	32.13	24.30	27.54
Transport	6.02	5.89	6.30	6.30	51.30
Housing	0.57	0.47	0.47	0.47	0.47
EPCS	8.45	2.04	0.10	0.10	0.10
Strategic Pot	43.61	7.08	4.39	129.39	3.05
Total Capital Costs	82.17	52.52	43.39	160.55	82.47
Revenue Costs of Borrowing	2.8	2.8	2.8	5.8	10.3
Total costs	84.97	55.32	46.19	166.35	92.77
Funding sources					
Capital Receipts	0.72	1.22	0.22	0.22	0.22
SCE(R)	16.19	0.315	0.22	0.22	0.22
Single Capital Pot	35.906	18.536	18.991	18.991	18.991
Grants	6.655	2.912	1.272	0.372	0.372
Prudential Borrowing	40	0	0	124.95	45
RCCO	0.115	0	0	0	0
Developer Contributions	6.815	15.452	12.929	11.747	18
Third Party Contributions	0.853	0.05	0.05	0.1	
Total Capital Funding Available	107.254	38.485	33.682	156.6	82.803

Revenue Funding

Total Revenue Funding required for Prudential Borrowing

	2.8	2.8	2.8	5.8	10.3
Current funding position (Total Programme)	-25.08	14.04	9.71	3.95	-0.34
Cumulative Funding Position	-25.08	-11.05	-1.34	2.61	2.27

Table 1 shows that the overall infrastructure investment is nearly fully funded for the next 5 years. There are clearly a number of uncertainties in this position in both the expenditure and forecast funding. Not least because Children and Families funding has only been confirmed for 2012/13, and Single Capital Pot Funding is based on indicative allocations for this Comprehensive Spending Review Period. However, the latest allocation from DfE includes more funding than had been forecast in the draft Budget.

In order to fund the Prudential Borrowing in the Capital Programme outlined above the resulting Revenue Budget for 2012/13 would need to be as follows:

Table 2: Revised Summary of the Draft Revenue Budget 2012/13

	Adjusted Base Budget 2011/12 £m	Inflation £m	Pressures £m	Savings £m	Net Expenditure £m
<u>SERVICES:</u>					
Resources: Finance & HR Group	26,826	458	1,344	(2,069)	26,559
Resources: Public Access Group	5,364	138	691	(287)	5,906
Adult Social Care & Health Group	53,949	(158)	2,695	(1,879)	54,607
Housing & Community Group	1,773	(1)	18	(149)	1,641
Compliance Unit	2,555	(53)	26	(432)	2,096
Community Facilities	11,230	8	214	(628)	10,824
Children & Families: Integrated Support and Social Care	39,873	(8)	1,450	(1,090)	40,225
Children & Families: Education, Effectiveness and Participation	18,643	35	962	(1,505)	18,135
Planning, Economy & Development	895	40	500	(111)	1,324
Highways & Transportation Group	15,824	660	661	(1,805)	15,340
Neighbourhood Services Group	25,831	513	841	(3,284)	23,901
Corporate Core	3,639	(15)	176	(60)	3,741
Total	206,402	1,618	9,578	(13,299)	204,299

Pay Inflation	1,427
Corporate Savings	(350)
Defer Increments for one year	(700)
Levies, Sustainability items and Redundancy Costs	8,888
Debt Financing	21,185
Asset Management	(31,838)
Recharges to HRA	(5,463)
Draft Budget	197,447

FUNDED BY:

Formula Grant	(80,611)
Early Intervention Grant	(10,824)
Use of Reserves	(4,180)
Council Tax Freeze Grant - Year 1	(2,300)
Council Tax Freeze Grant - Year 2	(2,300)
New Homes Bonus	(2,800)
Council Tax Income	(94,432)
Total Funding	(197,447)