

15 SEPTEMBER 1999**CAPITAL PROGRAMME 1999/2000 – 2000/01**

Accountable Officer: Peter Timmins (Treasurer)

Author: Jacqueline Howe (Corporate Finance Manager) - MK252091

1. Purpose

- 1.1 To make appropriate recommendations for the delivery of a balanced 1999/2000 - 2000/01 programme and to update the Committee of the implications of the latest guidance on the single capital pot.

2. Summary

- 2.1 The Secretary of State for Education and Employment has approved the sale of the Denbigh School site (estimated receipt £2.9m). Buckinghamshire County Council is proceeding with the sale on the basis that the receipt will be received this financial year.
- 2.2 Other funding pressures, in relation to the Theatre and Gallery Company have not yet been resolved.
- 2.3 The Capital Programme Working Group (CPWG) will issue a schedule of prioritised bids by 18 September 1999 for consideration as part of the 2000/01 budget process.

3. Recommendations

- 3.1 This Committee is recommended to:
- (a) note the continued funding pressures on the 1999/2000 programme and instruct officers to review the position and report back to this Committee in November 1999; and
 - (b) instruct officers to prioritise bids for the 2000/01 programme for circulation to Members by 18 September 1999.

4. **Background**

- 4.1 At its meeting held on 13 July 1999, this Committee resolved (Minute PR12/00 refers) that, following the resolution of the Denbigh School site and other funding issues, officers should review the £0.827m of prioritised schemes and report back in September.
- 4.2 At Minute PR11/00, this Committee resolved that the potential to realise the benefits of medium term planning be considered by determining the 2000/01 budget in the autumn of this year. This report provides a framework for incorporating the 2000/01 Capital Programme into this process.

5. **Issues and Choices**

5.1 1999/2000 Programme

- (a) At the July meeting of this Committee it was reported that the sale of the Denbigh school site had not yet been approved by the Secretary of State for Education. This approval has now been received and in accordance with the property protocol Buckinghamshire County Council is handling the sale (anticipated receipt approximately £2.9m). The County Council is projecting completion by 31 March 2000.
- (b) However, due to the need to re-market the site it is unlikely that the anticipated receipts in respect of the sale of subsequently transferred property (£0.5m) will be realised in this financial year.
- (c) In addition, the potential funding risks reported to this Committee on 3 August 1999 in relation to the Theatre and Gallery Company, are not yet resolved. Hence the impact on the Council's Capital Programme is still unclear. In light of these difficulties it is recommended that the review of previously prioritised schemes be deferred subject to the funding position being reviewed in November 1999.

5.2 2000/01 Programme

- (a) To improve planning and further inform the 2000/01 budget process the CPWG had planned to circulate a schedule of prioritised capital bids with this report. Due to operational difficulties within Directorates it has not proved possible to meet this timetable.
- (b) Consequently, a schedule of bids detailing on a scheme by scheme basis the name, cost, revenue impact, priority ranking and availability of third party funding, will be circulated to Members by 18 September 1999 and formally reported to this Committee in the November cycle following the October budget consultation exercise.
- (c) Resources for 2000/01 will not be known until the announcement of capital allocations in mid December 1999. Bids will inevitably exceed resources. However, the existence of an approved schedule of prioritised schemes will greatly facilitate

Directorates in presenting balanced capital programmes to their Committees in the February cycle.

5.3 The Single Capital Pot

- (a) Further consultation on the proposed implementation of the "Single Capital Pot" is expected in the Autumn. However, a recent guidance note issued by the DETR outlined the following areas which they believe authorities should currently be considering: challenging the existence of the asset management function; taking the first steps to develop a corporate asset register and preparing to draw up a strategy for capital investment.
- (b) Work has already started on the first two areas as a consequence of both the best value review on property management and the implementation of the DfEE's requirements on asset management planning. A report on the implications of the requirement for a corporate capital strategy will be taken to the Property Sub-Committee.

6. **Implications**

6.1 Environmental

None.

6.2 Equalities

None.

6.3 Financial

Although approval has been granted for the sale of the Denbigh school site, the extent of other funding pressures are still far from certain. If they remain so, a decision will have to be taken on the progress of schemes within the programme. This will have a knock on effect on those trading accounts that rely on the implementation of the programme for their income.

6.4 Legal

None.

6.5 Staff and Accommodation

None.

7. **Conclusions**

- 7.1 The financing of the 1999/2000 Capital Programme remains uncertain and will need to be reviewed in November 1999.

7.2 The circulation of a schedule of prioritised bids for 2000/01 will both inform the revenue budget process and subsequently facilitate the timely production of a balanced programme in the February cycle.

Background Papers: DETR Guidance Documents