
**CAPITAL PROGRAMME
MONTHLY MONITORING REPORT – NOVEMBER 2004**

**Responsible Cabinet Member(s) - Councillor Don Bristow,
Resource Management Portfolio**

Responsible Director(s) - Paul Wildsmith, Director of Corporate Services

Purpose of Report

1. This report presents an update of the Capital Programme and looks at spending and resource levels.

Summary

2. The total Capital Programme now stands at £46.998m. The Authority requires capital receipts of £1.876m to be received during 2004/05. The 2004/05 asset disposal programme totals £2.758m therefore surplus capital receipts of c£0.882m are anticipated to be carried forward to future years. This carry forward will be required to fund future years capital programmes.

Information and Analysis

3. **Appendix 1** summarises the capital resource position within the Authority. Lines 2-4 details the Capital Commitments, lines 5-13 details capital resources available to the Authority. The balancing resource for the Capital Programme is general fund capital receipts. The current requirement £4.276m is detailed at line 13. However expenditure of £2.400m is planned to be incurred in future years. Therefore only £1.876m needs to be generated during 2004/05.
4. An analysis of the movement in the forecast of capital resources is set out below.

Note		£m
Ref.	Capital Receipt requirement as 31st March 2005 as last reported.	+3.954
(a)	Increase in Prior Years Commitments	+3.798
(b)	Increase in 2004/05 Capital Programme	+0.845
(c)	Increase in Capital Funding excluding Capital Receipts	<u>-4.412</u>
	Current Capital Receipt requirement	<u>+4.276</u>
	Less expected slippage	<u>-2.400</u>
	Capital Receipt requirement for 2004/05	<u>+1.876</u>

5. **Appendix 2** details schemes that have been approved in previous years. The total commitments have increased by £3.798m as detailed below:
- (a) In relation to the Transport Capital Programme a virement of £0.047m was previously reported between current year schemes and previous year schemes, however following a detailed review of this programme, this virement is no longer required.
 - (b) An increase of £0.645m has been reported in relation to Faverdale Industrial Estate. This increase is to be funded via Single Programme £0.434m, ERDF £0.145m, Revenue Contributions £0.026m and £0.040m from General Fund Capital Receipts. An update of the current situation relating to Faverdale Industrial Estate together with a request to release £0.040m of corporate resources was approved by Council on 25th November 2004.
 - (c) In relation to the Town Centre Pedestrian Heart Single Programme funding of £3.259m has been secured, which is an increase of £3.040m since the last update. The phasing of this funding is £0.259m in 2004/05, £1.500m in 2005/06, £1.425m in 2006/07 and £0.075m in 2007/08. A report providing a full explanation of this scheme is elsewhere on this agenda. This funding is part of a package, to redevelop High Row and surrounding areas by the creation of high quality pedestrian spaces and good public transport to the core of the Town Centre.
 - (d) Regarding the refurbishment of Honeypot Lane Caravan Site, the project is now anticipating to outturn £0.110m above the original budget, which is £0.080m greater than reported on the last update. The increase is due to additional costs relating to tarmac works and the Surface Water Sewer. This overspend was approved at Cabinet on 14th December 2004.
 - (e) Other minor variances totalling £0.014m have also been reported since the last update.
6. **Appendix 3** details 2004/05 Capital programme. The increase of £0.845m is explained below:-
- (a) In relation to the Education Capital Programme an additional £0.100m has been secured relating to Longfield Specialist School Status. This funding will be received by means of Support Borrowing. A Cabinet report to formally release this funding is currently being compiled.
 - (b) In relation to Housing an additional £0.200m has been agreed to supplement Disabled Facility Grants. This funding will allow the current demand for disabled facilities to be met and will eliminate the current waiting list of Occupational Therapy. This additional funding was approved at Cabinet on 14th December 2004.
 - (c) Since the last update the Housing Capital Receipts position has been closely reviewed and it is anticipated that an additional £0.064m of usable receipts are expected to be received this financial year.
 - (d) In relation to the Transport Capital Programme a virement of £0.047m as described above has been reversed.

- (e) Under the prudential code, the Authority is now able to consider borrowing rather than just leasing for the financing of assets. A full option appraisal has been undertaken in relation to assets purchased so far this year, which previously would have been leased. Following the completion of the option appraisal and discussions with departments regarding the advantages and disadvantages of leasing and prudential borrowing, equipment to the value of £0.522m is to be financed via prudential borrowing. The equipment financed in this way consists of various IT equipment £0.382m, the new printing press £0.119m and the Engineers Land Rover £0.021m.
- (f) Other minor variances of £0.006m have also been reported since the last update.

7. Movements in Capital funding excluding Capital Receipts are as detailed above.

Outputs

- 8. In relation to the Education Capital Programme at Hurworth Comprehensive the construction of a new mathematics resource room is nearing completion and work on the administration extension is still continuing. The major window replacement programme at Bishopton and Redmarshall Primary School, is now fully complete. At Eastbourne Comprehensive and Rise Carr Primary the boiler replacement programmes are also now fully complete. Emergency works at Abbey Juniors in relation to the heating system is currently underway. Work is also continuing on the construction of the new Alderman Leach Primary School and the Education Village. Regarding the replacement of Skerne Park Primary, the design stage has now been completed and tenders have now been received which are currently being evaluated.
- 9. In relation to the Housing Capital Programme, Internal Planned Maintenance has been completed at 136 dwellings at Tennyson Gardens, Shakespeare Road, Wordsworth Road, Chaucer Road, Parkside, Westminster Road, Hilda Street, Shelley Road, and Byron Road. In total Central Heating has been replaced at 158 dwellings at Globe Close, King William Street, Peel Street, Rocket Street, Carlton Court, Dodds Street and Branksome Hall Drive. In relation to Extra Care work at Oban Court 72% of the work is now complete and Phase 1 of the flat remodelling works at Dinsdale Crescent is 98% complete.
- 10. In relation to the Transport Capital Programme, Carriageway Maintenance works are due to commence or have commenced since the last report, at the following locations A1150 Salters Lane North Phase 1, A68 West Auckland Road/Spring Court, B6280 Yarm Road - McMullen Road, and C182 Thompson Street East. The following schemes have been completed since the last update, Pierremont Road, Roundhill Road/West End junction, Hurworth and A67 Piercebridge junction. In relation to cycling the compulsory purchase order for the Hurworth to Neasham footpath/cycleway is proceeding and work is nearing completion on surfacing and lighting the bridle path linking the West Park development to Nickstream lane. In relation to the North Road Corridor of Certainty, traffic calming works have been completed on Fitzwilliam Drive and are under construction on Leyburn Road and Pendleton Road. Traffic orders are progressing for North Road bus lanes and planning approval has been granted for Northgate bus bay scheme. In relation to Road Safety and Traffic Calming, works are ongoing to provide dropped crossings for disabled persons at various locations in the town centre and road safety improvements. Firthmoor traffic calming phase 2 is substantially complete and road safety works are due to commence at Eggleston View and Redworth Village. In relation to bridgeworking, design works are in progress on the A167 Oxneyfield Bridge and Bishopton Bridge with works to commence

early 2005 and at Polam Lane Bridge, width restrictions are in place.

Conclusion

11. The Capital Programme totaling £46.998m is on target with any variances reported above. Capital Receipts of £4.276m are required with an estimated requirement of £1.876m in 2004/05. Asset disposals have been identified to cover this and to support future years Capital Programmes.

Legal Implications

12. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members.

Section 17 of the Crime and Disorder Act 1998

13. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Consultation

14. No formal consultation has been undertaken regarding this report.

Council Policy Framework

15. The issues contained within this report do not represent change to Council policy or the Council's policy framework

Decision Deadline

16. For the purpose of the 'call-in' procedure this does not represent an urgent matter
17. Recommendation
18. It is recommended that Cabinet :-
 - (a) Note the progress and approve the updated 2004/05 Capital Programme.
 - (b) Note the additional anticipated Housing Revenue Account Capital Receipts.

Reasons

19. The reasons for this report are :-

- (a) To approve the updated 2004/05 Capital Programme.
- (b) To allow the Housing Capital Programme to proceed.

Paul Wildsmith
Director of Corporate Services

Background Papers

Capital Medium Term Financial Plan 2004/05 – 2007/08

Accounting Records

Brian Boggon: Extension 2305