

**MAIDSTONE BOROUGH COUNCIL**

**STRATEGIC LEADERSHIP AND CORPORATE SERVICES  
OVERVIEW AND SCRUTINY COMMITTEE**

**TUESDAY 5 AUGUST 2014**

**REPORT OF HEAD OF FINANCE & RESOURCES**

**Report prepared by Paul Riley**

**1. CAPITAL PROGRAMME UPDATE 2014-15**

1.1 Issue for Decision

1.1.1 This report provides an update on the Capital Programme.

1.1.2 The report considers the programme agreed by Council in March 2014 and identifies changes due to slippage from 2013/14 into 2014/15, further detail on infrastructure expenditure and the predicted level of funding for 2019/20.

1.2 Recommendation of the Head of Finance and Resources

1.2.1 That the Committee:

a) Note the changes to the programme so far; and

b) Agree an appropriate method of taking forward its previous recommendation regarding a capital projects review group.

1.3 Reasons for Recommendation

1.3.1 In 2013/14 the Committee considered the Capital programme in detail and made a number of recommendations to Cabinet. One recommendation was that a cross party group of members should consider all future schemes put forward for inclusion in the capital programme and evaluate those proposals against the criteria as set out in the medium term financial strategy. Cabinet approved that recommendation and suggested that the Committee may wish to consider the budget working group already set up by the Committee as an appropriate group to also review proposals.

1.3.2 The current capital programme was approved by Council in March 2014. For information the medium term financial strategy for capital

is attached as **Appendix A** and the capital programme agreed by Council in March 2014 is set out at **Appendix B**.

- 1.3.3 The capital outturn and financing for 2013/14 was reported to Cabinet in May 2014 and at that meeting Cabinet agreed to bring forward the unspent budget for ongoing schemes into 2014/15. The following adjustments were then made to the 2014/15 budget to accommodate that slippage between years:

<b>Capital Scheme</b>	<b>Value moved to current Year £</b>
CCTV Control Room	26,150
Cobtree Golf Course	6,950
Continued Improvements to Play Areas	131,580
Green Space Strategy	12,000
Museum Carbon Management Scheme	12,860
HAC Contract Capital Works	3,160
Small Scale Capital Works Programme	7,540
Housing Grants	325,300
Support for Social Housing	328,500
Vacant Property Acquisition	130,000
Stilebridge Lane Sewage Treatment Works	76,600
Gypsy Site Improvements	195,000
King Street Multi-storey Car Park	82,790
Park Wood Industrial Estate Environmental Imps	42,030
Asset Management / Corporate Property	-44,110
Software / PC Replacement	20,170
High Street Regeneration Ph 1a & 1b	26,040
High Street Regeneration Ph 2	48,490
Improvements to the Council's Car Parks	14,800
Land Drainage/Improvement to Ditches & Watercourses	8,800
Crematorium Access	23,890
Planning Delivery	9,350
Regeneration Schemes	13,850
<b>Total</b>	<b>1,501,740</b>

- 1.3.4 The slippage of the budgets between years, although significant in value, does not affect affordability as the resources identified to finance the capital schemes have also been carried forward for use in 2014/15.

- 1.3.5 In addition to this slippage the Government recently announce the winning bids to receive funding from the local growth fund through the South East Local Enterprise Partnership. Two schemes relating to infrastructure in Maidstone were successful in receiving funding. The bids were submitted with a match funding commitment from this

Council and the capital programme must now reflect the cost of match funding specifically.

1.3.6 The capital programme attached at Appendix A identifies funding for transport and infrastructure schemes of £2.2m in 2014/15 and annual figures in future years between £2m and £2.6m. The commitment given by the Council was based upon the availability of this budget as infrastructures schemes have not yet been identified to utilise the available resources.

1.3.7 The two schemes that were awarded funding are as follows:

a) The bridges' gyratory – this scheme is to improve traffic flow and direction around the gyratory system at the River Medway that connects the A20, A26 and A229 at the west end of the High Street. Total scheme cost as per the bid is £5.75m of which the Council's contribution will be £1.14m.

b) Sustainable access to Maidstone employment areas – this scheme will provide a cycle route from east Farleigh to Aylesford along the River Medway. The scheme cost as per the bid is £3m of which between £0.5m and £1m will be required from the Council or other contributors.

1.3.8 Cabinet will consider the necessary changes to the programme at its August meeting when the first quarter's budget monitoring report is considered.

1.3.9 Finally the programme will need to be enhanced to incorporate a further financial year, 2019/20. Funding assumptions for this year will be built from potential levels of new homes bonus and developer contributions. Along with a specific grant for disabled facilities conversions to private property the funding would be:

<b>2019/20 Funding Projection</b>	<b>£,000</b>
Government Grant	450
New Homes Bonus	1,920
Developer Contributions	1,963
	<b>4,333</b>

1.3.10 The programme incorporates ongoing funding for corporate assets and housing support. Following the current actions taken by cabinet the balance would be set aside to support the future needs of the Local plan through the delivery of infrastructure.

1.4 Alternative Action and why not Recommended

1.4.1 The Committee must at some point consider options to move forward with its own recommendations and this report is designed to provide that debate.

1.4.2 Once a decision on a cross party group has been made the Committee could defer all further discussion to that group and take an annual or semi annual report from that group.

1.5 Impact on Corporate Objectives

1.5.1 The medium term financial strategy sets out the procedure for approval of capital schemes and the criteria includes the fit to corporate objectives.

1.6 Other Implications

1. Financial	X
2. Staffing	
3. Legal	
4. Equality Impact Needs Assessment	
5. Environmental/Sustainable Development	
6. Community Safety	
7. Human Rights Act	
8. Procurement	
9. Asset Management	

1.6.1 FINANCIAL – The resources set aside for capital purposes arise from new homes bonus and developer contributions such as community infrastructure levy and s106 agreements. These resources are difficult to estimate and projects should not receive approval to commence until it is clear that the scheme is affordable from current resources.

1.7 Relevant Documents

1.7.1 Appendices

Appendix A – Capital programme as approved by Council in March 2014;

Appendix B – 2014/15 Medium term Financial Strategy - Capital;

1.7.2 Background Documents

None

<b><u>IS THIS A KEY DECISION REPORT?</u></b>		<b><u>THIS BOX MUST BE COMPLETED</u></b>	
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If yes, this is a Key Decision because: .....			
.....			
Wards/Parishes affected: .....			
.....			