

## Review of the Corporate Capital Programme 2015/16 and Report Capital Prudential Indicators for 2015/16

### Summary

To report on the capital outturn for 2015/16 and to approve any carry forward of budgets into the 2015/16 Capital Programme and  
To report on the actual performance against the 2015/16 capital prudential indicators.

<b>Portfolio</b>	Finance	Date signed off : 13 June 2016
<b>Wards affected</b>	N/A	

### RECOMMENDATION

The Executive is advised to **RECOMMEND** to **COUNCIL** that

- (i) the carry forward budget provision of £1.161 million from 2015/16 into 2016/17 be approved ;
- (ii) the revised 2016/17 Capital Programme of £2.706 million be noted ;
- (iii) the final capital prudential indicators for 2016/17 be noted.

#### 1. Resource Implications

- 1.1 The Prudential Code for Capital Finance in Local Authorities requires that actual capital expenditure during the year is reported to members. For 2015/16 this was £17.581 million.
- 1.2 The budget impact of these schemes was considered and approved when the schemes were incorporated into the capital programme.
- 1.3 If the recommendation is approved the loss of investment interest on the £1.661m carry forward sum at current rates would be £25,000 per annum.
- 1.4 The Capital Reserves available for capital expenditure amounted to £493k at 31<sup>st</sup> March 2016. An additional £9 m is held in the revenue capital fund which could be used to support capital expenditure as well as supporting revenue expenditure in the future. Some of the expenditure is also funded by grant and external contributions.
- 1.5 The Council will borrow to acquire assets to assist with economic development and regeneration provided that the assets generate a return adequate to service the loan and any Minimum Revenue Payment.

## **2. Key Issues**

- 2.1 The schemes detailed in Annex 'A' reflect a number of larger projects agreed by the Council throughout the year.
- 2.2 The Council in accordance with the Prudential Code is required to report it's performance against the actual capital prudential indicators for 2015/16 (set in February 2015) and these are detailed in Annex 'C'.

## **3. Options**

- 3.1 The Executive, where no contractual commitments are identified, has the option of agreeing all of these carry forwards, amending them or rejecting them.

## **4. Proposals**

- 4.1 It is proposed that Executive RECOMMENDS to COUNCIL that
- (i) the carry forward budget provision of £1.661 million from 2015/16 into 2016/17 be approved ;
  - (ii) the revised 2016/17 Capital Programme of £2.706 million be noted;
  - (iii) the final capital prudential indicators for 2015/16 be noted.
- 4.2 It is proposed that the 2016/17 Corporate Capital Programme be set at £2.706m to take account of prior year carry forward budgetary provision.
- 4.3 The Executive is asked to note the performance against the actual 2015/16 capital prudential indicators and comment as necessary.

## **5. Corporate Objectives and Key Priorities**

- 5.1 Corporate Objective – Providing services better, faster and cheaper.

<b>Annexes</b>	<b>Annex A – Monitoring statement. Annex B – Background notes on carried forward capital schemes Annex C - Capital Prudential Indicators.</b>
<b>Background papers</b>	<b>None</b>
<b>Author/contact details</b>	<b>Kelvin Menon – Executive Head of Finance</b>
<b>Head of service</b>	<b>Kelvin Menon – Executive Head of Finance</b>

## CONSULTATIONS, IMPLICATIONS AND ISSUES ADDRESSED

	Required	Consulted	
<b>Resources</b>			
Revenue	✓	✓	
Capital	✓	✓	
Human Resources	n/a		
Asset Management	n/a		
IT	n/a		
<b>Other Issues</b>			
Corporate Objectives & Key Priorities	✓	✓	
Policy Framework	n/a		
Legal	<u>n/a</u>		
Governance	<u>n/a</u>		
Sustainability	<u>n/a</u>		
Risk Management	<u>n/a</u>		
Equalities Impact Assessment	<u>n/a</u>		
Community Safety	<u>n/a</u>		
Human Rights	<u>n/a</u>		
Consultation	<u>n/a</u>		
P R & Marketing	<u>n/a</u>		

## Annex A

## CAPITAL OUTTURN 2015/16 AND CAPITAL ESTIMATES 2016/17

	B/Fwd From 2014/15	General Fund Adjustments	Approved Bids 2015/16	Total 2015/16 Programme	Current Spend & Commitments	Funds Remaining	C/Fwd 16/17 Budgets	Approved Budget 2016/17	Revised approved Budget 2016/17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Finance</b>									
Property Acquisition Strategy	1,790	-	-	1,790	755	1,035	1,035		1,035
Doman Rd Depot Improvements	-	-	-	-	1	1	-		-
Commercial Property development St Georges	7,155	-	-	7,155	7,108	47	47	375	422
	8,000	-	-	8,000	8,000	0	0		0
<b>Sub Total</b>	<b>16,945</b>	<b>-</b>	<b>-</b>	<b>16,945</b>	<b>15,864</b>	<b>1,081</b>	<b>1,082</b>	<b>375</b>	<b>1,457</b>
<b>Transformation</b>									
Civica Financial System	48	-	-	48	18	30	30		30
<b>Sub Total</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>18</b>	<b>30</b>	<b>30</b>	<b>-</b>	<b>30</b>
<b>Business</b>									
Main Square Refurbishments	56	24	-	80	79	1	-		-
PIC Monies	132	-	-	132	5	127	127		127
Camberley Park & Obelisk	59	-	-	59	17	42	42		42
Wellington Park	20	-	-	20	-	20	20		20
Heatherside Rec Ground	-	14	-	14	14	0	0		0
Deanside Diamond Ridge Woods Picnic Area	35	-	-	35	-	35	35		35
Frimley Lodge 3G Pitch	-	-	-	-	19	19	-		-
Lightwater CP Visitor Centre	70	-	-	70	41	29	29		29
Theatre seating	-	-	-	-	-	-	-	90	90
Theatre Air Conditioning	-	-	38	38	36	1	-		-
<b>Sub Total</b>	<b>372</b>	<b>38</b>	<b>38</b>	<b>447</b>	<b>211</b>	<b>236</b>	<b>252</b>	<b>90</b>	<b>342</b>
<b>Community</b>									
Disabled Grants	-	-	500	500	362	138	-	545	545
Maintenance	-	-	25	25	16	9	-		0
Adaptions	-	-	-	-	4	4	-		0
Community Bus	-	36	-	36	36	0	-		0
<b>Sub Total</b>	<b>-</b>	<b>36</b>	<b>525</b>	<b>561</b>	<b>418</b>	<b>143</b>	<b>-</b>	<b>545</b>	<b>545</b>
<b>Corporate</b>									
Public Web Portal	51	-	-	51	39	12	12		12
WIFI Upgrade	-	-	-	-	-	-	-	35	35
Telephone System	25	-	-	25	-	25	25		25
Surrey Heath House Air Conditioning	38	-	-	38	36	1	-		0
<b>Sub Total</b>	<b>114</b>	<b>-</b>	<b>-</b>	<b>114</b>	<b>76</b>	<b>38</b>	<b>37</b>	<b>35</b>	<b>72</b>
<b>Regulatory</b>									
Sangs capital Works	1,394	-	-	1,394	995	399	259		259
<b>Sub Total</b>	<b>1,394</b>	<b>-</b>	<b>-</b>	<b>1,394</b>	<b>995</b>	<b>399</b>	<b>259</b>	<b>-</b>	<b>259</b>
<b>GRAND TOTAL OF ALL SCHEMES</b>	<b>18,873</b>	<b>73</b>	<b>563</b>	<b>19,508</b>	<b>17,581</b>	<b>1,927</b>	<b>1,661</b>	<b>1,045</b>	<b>2,706</b>

## Background notes on carry forward Capital Schemes

<b>Capital Scheme</b>	<b>Purpose</b>	<b>Reason for carry forward</b>
<b>Investment Property Acquisition</b>	To acquire property in accordance with the property acquisition strategy	Council is seeking to acquire further property in 2016/17
<b>Commercial property development</b>	To pay for redevelopment of Pembroke and Ashwood House	Scheme to be brought forward in 2016/17
<b>Civica Financial System</b>	New financial system	Additional modules to be installed in 2016/17
<b>Planning Infrastructure contributions capital schemes</b>	Upgrading play equipment and community facilities	Works to be commenced in year depending on receipt of additional PIC funds
<b>Camberley Park</b>	Renovation of obelisk	Linked to a wider LEKR scheme
<b>Wellington Park</b>	Playground improvements	To be completed in 2016/17
<b>Lightwater visitors centre</b>	Café and education centre	To be completed in 2016/17
<b>Deanside Diamond ridge</b>	Tree works and picnic area	To be completed in 2015/16
<b>Public web portal</b>	Upgrade to web	To be completed in 2016/17
<b>Phone system upgrade</b>	Upgrade to call management system	To be completed in 2016/17
<b>SANGS capital works</b>	Upgrade to land purchased to make it in to a SANGS	To be done in 2016/17

## PRUDENTIAL INDICATORS - CAPITAL ACTUALS 2015/16

## Financing and Capital Prudential Indicators

	2014/15 Actual	2015/16 Original Estimate	2015/16 Actual	
Capital Expenditure	£3.371 m	£12.108 m	£17.581 m	The Council acquired additional investment property over the year in furtherance of Key priority 1 and 2
Capital Financing Requirement as at 31 <sup>st</sup> March	£1.6m	£10.152 m	£18.101 m	The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a measure of the Council's debt position. The Council has spent or committed any residual capital receipts and will have to fund part of this year's programme and any future schemes by internal or external borrowing.
Ratio of Financing Costs to Net Revenue Stream	-2.07%	-3.46%	0.05%	This is an indicator of affordability and is the ratio of the Council's General Fund capital financing costs to its net revenue budget in percentage terms. The Council's ratio is almost zero as investment income supports roughly covers financing costs.
Impact of Capital Investment Decisions on Council Tax (Band D)	£0.52	£1.48	£1.17	This indicator sets out the estimated impact on Council Tax at band D of the loss of investment interest as a consequence of funding the capital programme from capital receipts