
Report to: Cabinet **Date of Meeting:** 16 February 2012

Subject: Capital Programme 2011/12 and Capital Allocations 2012/13

Report of: Head of Corporate Finance & ICT **Wards Affected:** All

Is this a Key Decision? Yes **Is it included in the Forward Plan?** Yes

Exempt/Confidential No

Purpose/Summary

To provide Members with details of the 2012/13 Capital Allocations received to date and to consider their use in the development of a new starts programme for 2012/13. The report also seeks approval for the utilisation of additional allocations of Integrated Transport Block Grant and Disabled Facilities Grant in 2011/12.

Recommendation(s)

Cabinet is recommended to:

- i) Note the revised Capital Programme for 2011/12 and recommend it to Council for approval;
- ii) Confirm the utilisation of £203,153 Aiming Higher for Disabled Children resources in 2011/12 as outlined in paragraph 2.2;
- iii) Note that any revenue implications of the schemes reported to Cabinet Member – Children’s Services on 7 February 2012, as outlined in paragraph 2.3, will be met from the schools’ delegated budgets;
- iv) Confirm the utilisation of the additional £163,000 Integrated Transport Block grant in 2011/12 for Transportation purposes;
- v) Confirm the utilisation of the additional £188,866 Disabled Facilities Grant in 2011/12 for the provision of such grants;
- vi) Note the 2012/13 capital allocations received to date;
- vii) Consider whether the existing method of utilising capital allocations by the service department receiving them should continue or cease with all 2012/13 allocations being pooled and subject to a bidding process;
- viii) In the light of the outcome of vi), request the Strategic Asset Management Group to consider a detailed strategy for the 2012/13 Capital Programme and report its proposals at a later date.

How does the decision contribute to the Council’s Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity		√	
3	Environmental Sustainability		√	
4	Health and Well-Being		√	

5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy		√	

Reasons for the Recommendation:

To inform Members of the 2012/13 Capital Allocations received to date and to allow Members to consider how these allocations should be utilised. Also to seek approval for the use of both an additional allocation of Integrated Transport Block Grant and Disabled Facilities Grant in 2011/12.

What will it cost and how will it be financed?

(A) Revenue Costs

For any additional capital expenditure, a full evaluation of the revenue running costs will need to be undertaken.

(B) Capital Costs

All allocations included in this report are capital grants.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal		
Human Resources		
Equality		
1.	No Equality Implication	<input type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD1273) and Head of Corporate Legal Services (LD659/12) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

The options available to Members for the use of non ring-fenced capital grant allocations are included in the body of the report.

Implementation Date for the Decision

Immediately following the expiry of the “call-in” period for the Minutes of the Cabinet.

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Background Papers:

The following papers are available for inspection by contacting the above officer(s).

www.education.gov.uk/schools/adminandfinance/schoolscapital

Letter from Department for Transport: Local Transport Settlement (2011/12 – 2012/13) – 13 December 2010.

Letter from Department for Health: Adults’ Personal Social Services: Specific Revenue Grants and Capital Grant Allocations for 2012/13 – 8 December 2011.

Email from Merseytravel 10 January 2012.

www.communities.gov.uk/statements/corporate/2068667

1. Introduction/Background

- 1.1 This report updates the 2011/12 Capital programme and provides details of the some additional allocations recently received for the current year. Details are also provided of the Government Capital Allocations that have been notified to date for 2012/13 with a view to the Cabinet beginning to consider the use of the non-ring-fenced allocations in the development of a new starts programme for 2012/13.

2. Revised Capital Programme 2011/12

- 2.1 The revised Capital Programme is attached at Annex A and takes account of the decisions made by Cabinet at its last meeting in the light of the recommendations of the Cabinet Sub Committee – Capital Programme.
- 2.2 The Department for Education has made an additional 2011/12 capital allocation available to Sefton of £203,153 to further develop facilities for Disabled Children through the Aiming Higher for Disabled children programme. The allocation is in the form of a non-ring-fenced capital grant. Cabinet is asked to confirm that this funding may be used by Children's Services for a safe outdoor playspace at the Netherton Activity Centre (£50,000) with the balance of the funding (£153,000) used to provide improved access and hygiene/changing facilities at Children's Centres and Youth Centres upon completion of the reviews of these services that are currently being undertaken.
- 2.3 Cabinet Member – Children's Services received a report on 7 February 2012 where approval was sought to include schemes in the Capital Programme at a total cost of £479,156, fully funded from uncommitted Capital Maintenance Grant and schools' own resources. Cabinet are advised that any revenue implications of these schemes will be met from the schools' delegated budgets.
- 2.4 The Council received notification from Merseytravel in January 2012 that, following a supplementary allocation of Integrated Transport Block grant to the region from the Department of Transport, Sefton has been allocated an additional £163,000 in 2011/12. Cabinet is asked to confirm that this allocation is treated in the same manner as all other 2011/12 allocations and will be utilised for Transportation purposes.
- 2.5 Finally, the Department for Communities and Local Government announced in January 2012 £20m additional funding for Disabled Facilities Grants for local authorities in 2011/12. The aim is to help more people with disabilities to access the aids and adaptations they require to live independently at home. Sefton's share of this allocation is £188,866 and, as above, Cabinet is asked to confirm use of these additional resources in the provision of disabled facilities grants.

3. Government Capital Allocations 2012/13

- 3.1 The table below itemises those capital allocations that have been received for 2012/13; the 2011/12 figures, where applicable, are shown for comparison. All allocations are received as non-ringfenced capital grant, with the exception of Devolved Formula Capital.

Description of Allocation	2011/12 £'000	2012/13 £'000	Variation £'000
Children's Services – Devolved Formula Capital (ring-fenced)	620	450	-170
Children's Services – Basic Need	894	781	-113
Children's Services – Capital Maintenance	3,516	2,417	-1,099
Total Children's Services	5,030	3,648	-1,382
Disabled Facilities Grant #	1,576	TBC	?
Total Housing	1,576	?	?
Department of Health Capital Grant	797	811	+14
Total Social Services	797	811	+14
Highways Maintenance	2,474	2,536	+62
Integrated Transport Block (indicative)	977	1,003	+26
Total Transportation	3,451	3,539	+88
Total Allocations	10,854	7,998 #	-1,280

Note # The 2012/13 capital allocation in respect of Disabled Facilities Grants is still awaited.

- 3.2 Children's Services capital allocations have reduced as a result of some maintained secondary schools having converted to academy status during 2011/12. The Department for Education has retained resources centrally to meet the maintenance needs of academies.

4. Utilisation of 2012/13 Capital Allocations

- 4.1 As part of the Government's decentralisation agenda, capital grants to Councils have been simplified with the aim of providing freedom and flexibility. The majority of capital grants are now completely non-ringfenced and there are fewer grant regimes to deal with.
- 4.2 Traditionally, the Cabinet has recommended that all capital allocations should be utilised by the appropriate service receiving the allocation. Indeed in the case of Transportation allocations, these are controlled by the local Integrated Transport Authority (ITA) ie. Merseytravel and the implication is that if allocations are not used for transport related schemes the ITA could withhold grant which could place the Council at risk of having a shortfall of capital resources.
- 4.3 Alternatively, the Cabinet could decide to pool all non-ringfenced capital allocations and invite bids from all services for their utilisation. If this method was adopted, there would need to be a fair and equitable method of appraising the schemes submitted.

- 4.4 In the light of Member views on the treatment of the capital allocations for 2012/13 it is recommended that Cabinet request the Strategic Asset Management Group to consider a detailed strategy for the 2012/13 Capital Programme and report its proposals to a later Cabinet meeting.