



REPORT TO: POLICY AND RESOURCES COMMITTEE

DATE: 4 DECEMBER 2008

REPORTING OFFICER: Corporate Director (s151)
Paul Cresswell

SUBJECT: CAPITAL BIDS

WARDS AFFECTED: ALL

1.0 PURPOSE OF REPORT

1.1 To consider the bids received for inclusion in the capital programme.

2.0 RECOMMENDATIONS

2.1 That Full Council be recommended to approve changes to the Council's capital programme, taking into account the recommendations of the Resources Working Party.

3.0 REASONS SUPPORTING DECISION

3.1 To assist the Council in achieving its Corporate Objectives through capital expenditure.

4.0 BACKGROUND

4.1 The Resources Working Party on the 26 August 2008 received a report on the Council's capital programme and proposals for bids for capital funding. The bids were subsequently considered by the Resources Working Party at its meeting on the 5 November 2008. The recommendations of the resources working party was that the following changes to the capital programme be made:

Scheme	Net Cost (£000)
Private Sector Grants	0
Milton Rooms	520
Regeneration Schemes Pickering /Kirbymoorside	500
Malton Town Centre Physical Improvement Works	185
ICT Strategy Provision	980
Helmsley Sports	500
Exception Sites land purchase fund	100
Market Improvements	25
Ryedale Folk Museum	250
Property Condition Survey (programme)	500
Derwent Pool Remodel Reception	71

POLICY AND RESOURCES COMMITTEE

4 December 2008

Public Conveniences Refurbishment	120
Plastics Recycling – Roll out	75
Delete 1 Economic development scheme from existing programme	(1,300)
TOTAL	2,526

4.2 The Council operates a 4 year capital programme and the bids will in the main cover the period 2009/2010 to 2012/2013.

4.3 At the Full Council meeting on the 6 November 2008 members approved the consideration of the proposed refurbishment to the Civic Suite and associated rooms to be considered as a capital bid.

5.0 POLICY CONTEXT

5.1 The capital programme is an important tool to enable the Council to deliver its objectives in line with all policies of the Council.

6.0 REPORT

6.1 The Review of Council Reserves was presented to the Policy and Resources Committee on the 2 October which identified the sum of £2.5m as the maximum additional capital resources available that members can consider to include within the capital programme at this stage without necessitating the need for the Council to borrow. This did not take account of the £200,000 recommended for the civic suite.

6.2 Annex A details the bids received including those recommended by Resources Working Party and the details of the scores attached to each. All bids have been scored in accordance with the Council's approved methodology, including as an additional item a score for deliverability. That represents the ease of delivery of the scheme taking into account issues such as stakeholder, legal, planning, site access etc.

6.3 At the Full Council meeting on the 6 November 2008 the bid for Malton Town Centre Improvement works (Ryedale contribution - £185k) was approved in advance of other bids to enable works and funding to be secured and spent within the current financial year.

6.4 At this meeting therefore members should consider the bids as detailed below against funding available of £2,515,000.

6.5 Most of the bids are self explanatory, however further information is detailed below for some bids:

Property – Condition Survey Programme of Works

The Council is presently undertaking a full condition survey of all Council property and that for which it has legal obligations. Current completed surveys indicate that investment over and above the current capital provision is required.

ICT Provision

The Council engaged a consultant from SOCITM to undertake an ICT audit report. This shows that significant investment is required in the Council's existing infrastructure as well as proprietary systems used within services.

The investment will also enable the transformational agenda to be taken forward and deliver changes to working patterns which then deliver cashable savings. It is estimated that over £250k of ongoing savings can be achieved through the planned expenditure. Such projects will be managed through the Corporate Efficiency Programme as part of the budget strategy process.

Exception Sites Land Purchase Fund

This fund will enable the provision of much needed affordable housing and will enable match funding / additional resources to be secured. It will ensure that such housing will be available to help meet both the existing and future housing needs and contribute towards the sustainability of the rural communities in the district. The fund as proposed would facilitate the acquisition of land with the balance of the cost necessary to deliver any scheme coming from the Regional Housing Board, the partner RSL or the developer as appropriate.

Mortgage Relief Scheme

This was considered by the Community Services and Licensing Committee at its meeting on the 27 November 2008. A full report was presented to that meeting. The Resources Working party at its meeting on the 5 November 2008 did not support using the Council's capital resources for this project.

Helmsley Sports

This is an externally promoted £3m scheme to provide an enhanced indoor and outdoor facility in Helmsley around the site of the current outdoor pool and sports club. Detailed plans have been produced and costed and the project is now at the funding stage. Ryedale are being asked to be an early committed funder to assist in the attraction of further external funding from the various agencies plus local fundraising. Once complete the scheme will create additional employment in the facility and opportunity for a variety of sports and leisure activities. Access will be for members of the clubs, the public and visitors to the area. Following discussions a bid for £0.5m has been put forward.

Civic Suite Refurbishment and Reception Works

The refurbishment of the civic offices has been estimated at £200,000, this includes works to the fixtures and fittings as well as improvements to the sound system, which could lead to changes in the way information on meetings is presented. Also included within this bid is a provisional sum for works required around the Council's reception area (£100k). This is in line with previous decisions around moving to a cashless office as well as improvements to customer contact facilities.

Officers will be able to provide further information on schemes at the meeting.

7.0 OPTIONS

7.1 Members should be aware that committing all of the available funding this year may preclude significant additions in the following year, as other than additional interest receipts few other additional sources of capital funding are anticipated. Much of the value available this year arises out of the review of reserves.

7.2 If members want to go beyond this spending limit it will necessitate the use of borrowing or changes to/removal of existing schemes within the programme.

POLICY AND RESOURCES COMMITTEE

4 December 2008

RWP on 5th November recommended withdrawing the funding from 1 major economic development scheme in the existing programme to release an additional £1.3m.

7.3 Council's are permitted to borrow under the Prudential code, on the basis of affordability. Given the need to make efficiency savings of over £500k next year and over £250k in future years any commitment to borrow will require additional savings to be made within current service provision. It is not considered that it would be affordable for the Council to incur unfunded borrowing with the current medium term financial strategy with its savings and efficiencies requirement.

7.4 Members can consider existing schemes for reduction/removal from the capital programme to finance new bids should they so wish. Members should be aware that given the low level of capital receipts expected, it could be that any scheme amended in such a way could not be included at a later date without necessitating borrowing or reviewing the level of Housing related grants in the programme.

8.0 RESULT OF OPTION APPRAISAL

8.1 The following table details all the capital bids received, including those recommended by RWP, against the available funding of £2.515m:

Scheme	Gross Cost (£000)	Net Cost (£000)	Score
Private Sector Grants	1,000	0	52
Milton Rooms	3,000	520	51
A64 Junction Improvements contribution	3,300	*2,500	48
Mortgage Relief Scheme	300	300	48
ICT Strategy Provision	980	980	48
Helmsley Sports	500	500	46
Exception Sites land purchase fund	100	100	44
Market Improvements	25	25	44
Ryedale Folk Museum	250	250	44
Civic Suite Refurbishment incl Reception	300	300	42
Regeneration Schemes Pickering/Kirkbymoorside	500	500	42
Property Condition Survey (programme)	500	500	41
Derwent Pool Remodel Reception	71	71	40
Public Conveniences Refurbishment	120	120	32
Refuse Bins Replacement Programme	80	80	27
Plastics Recycling – Roll out	75	75	26
Car Parking P & D Machines	84	84	24
TOTAL	10,735	6,290	

*before developer contributions

9.0 FINANCIAL IMPLICATIONS

9.1 There are revenue implications to the plastics recycling scheme. The ICT Strategy Provision will generate annual efficiency savings in the Council's revenue budgets will the improvements to the reception area.

10.0 RISK ASSESSMENT

10.1 The significant risks to the Council are:

POLICY AND RESOURCES COMMITTEE

4 December 2008

- (i) The Authority does not possess sufficient capacity to deliver all of the additional projects. This has been mitigated by including the costs of delivery within the scheme and additional resources being secured from elsewhere in the organisation.
- (ii) In committing this level of funds the Council may not be able to include additional significant schemes within the Capital programme for some time without borrowing. This is mitigated by an annual review of funds available and the opportunity for members to reschedule or delete schemes from the existing programme should an important project present itself. Whilst the financial position of the Authority in the forthcoming year will question the affordability of any borrowing, longer term borrowing may be affordable for the Council.

Background Papers:

OFFICER CONTACT:

Please contact Paul Cresswell, corporate Director (s151) if you require any further information on the contents of this report. The officer can be contacted on 01653 6006660 Extension 214,
paul.cresswell@ryedale.gov.uk