



COUNCIL MEETING

22 February 2018

CAPITAL PROGRAMME 2018/19 TO 2022/23

Sheena Ramsey, Chief Executive

EXECUTIVE SUMMARY

1. The purpose of this report is to approve the capital programme for the next five years to provide significant levels of strategic investment to deliver priority outcomes within the Council Plan.
2. The Council's existing Medium Term Financial Strategy, approved by Council in July 2017, maintained a provision to fund sufficient prudential borrowing to support the proposed capital programme. Prudential borrowing remains the only available source of funding for a number of schemes as the opportunity to secure external funding or generate capital receipts continues to be limited.
3. Local authorities are free to invest in General Fund capital schemes so long as their capital spending plans are affordable, prudent, and sustainable. There is an increasingly important link with the revenue budget, especially in the light of the significant reductions in available capital and revenue resources.
4. The 2018/19 programme totals £102.9m, with £74.6m relating to the General Fund and £28.3m investment within the Housing Revenue Account. Over the five years to 2022/23, the level of capital investment is forecasted to be £307m, of which £216.3m relates to General Fund schemes. Despite the current pressure on resources this represents a significant level of strategic investment in the Council's assets.
5. The proposed capital programme includes all commitments and schemes identified as high priority. The proposed capital programme is included in Appendix 2 and the provisional capital financing is set out in Appendix 3 of the attached report.
6. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

RECOMMENDATION

7. It is recommended that Council:
 - (i) Approves the capital programme for 2018/19, and the provisional programmes for 2019/20 to 2022/23, as set out in Appendix 2, subject to external funding approvals being received.

- (ii) Notes the provisional capital financing for the programme, as set out in Appendix 3, and delegates authority to the Strategic Director, Corporate Resources to enter into prudential borrowing which is consistent with the requirements of the capital programme and the Council's Treasury Management Strategy.
- (iii) Notes the position in relation to the additional flexibility regarding the application of capital receipts to fund the revenue costs of transformational projects outlined in Appendix 4 and agree to receive further updates to confirm specific investment plans as part of the capital programme monitoring reports during the year.