

## **Cabinet – 15 December 2010**

### **Draft Capital Programme 2011/12 for Consultation**

<b>Portfolio:</b>	Councillor C Towe – Finance and Personnel
<b>Service:</b>	Finance – council wide
<b>Wards:</b>	All
<b>Key decision:</b>	No
<b>Forward plan:</b>	No

#### **1. Summary of report**

- 1.1 This report presents the first draft capital programme for 2011/12 totalling £67.874m for consultation. It sets out new capital investment funded from the council's own resources of £16.263m (funded by supported borrowing, capital receipts and unsupported borrowing) and externally funded schemes of £51.611m (funded by capital grants) and represents a balanced programme for 2011/12. The draft leasing programme totals £5.424m of new capital expenditure in 2011/12. In addition, the report sets out a further two years of proposals for 2012/13 and 2013/14.
- 1.2 Despite reductions in capital funding in recent years and going forward, the draft capital programme contains some significant investment to assist in the Working Smarter Programme, and significant investment into highways, education, and into adult social care and housing to support vulnerable households through Health through Warmth and provision of aids and adaptations.

#### **2. Recommendations**

- 2.1 That Cabinet approve as a basis for consultation the current draft capital programme of £67.874m for 2011/12, and an indicative capital programme of budget of £47.778m for 2012/13 and £36.800m for 2013/14.
- 2.2 That Cabinet refer this report to all scrutiny and performance panels for consultation, to enable their comments to be considered by Cabinet prior to Cabinet meeting on 9th February to make its final recommendations to full Council.

#### **3. Background information**

- 3.1 The capital programme is presented in three parts:
  - Mainstream programme - funded by the council's own resources, through capital borrowing and receipts.

- Externally funded programme - funded from capital grants and contributions.
- Leasing programme - funded from revenue.

#### 4. Resource and legal considerations - Financial: Mainstream Programme

- 4.1 Capital programme resources are limited. The financing for capital expenditure on new investments is heavily reliant on grants and other funding received from the Government. The Government is clearly, in the medium term, planning to significantly reduce government financed capital spending. Forecasts for 2013/14 suggest that proposed spending for that year will be half the current level.
- 4.2 The success that Walsall has had in securing a wide range of external funding will be harder to achieve as many of the sources of funding will soon stop or at best be significantly reduced. Whilst Walsall is relatively well placed to capitalise on new capital opportunities e.g. the Regional Growth Fund, the reality is that external funding will be significantly reduced. Furthermore the basis on which funding is provided could change away from direct grant to, for example, loans and equity shares some of which will carry potentially added risk.
- 4.3 The remaining flexibility is currently through capital receipts and unsupported borrowing. Capital receipts projections however are limited, and fully dependent on when council assets are sold. Earmarking of capital receipts beyond what we are statutorily obliged to do is not recommended without overall strategic consideration of the entire capital programme. Use of unsupported borrowing incurs ongoing revenue debt charges and impacts on council tax payers.
- 4.4 Capital allocations and grants from Government and other sources have not yet provided, therefore best estimates have been used, based on published information to date. Any further reduction in funding will require amendments to the draft programme.
- 4.5 Despite the above difficulties, significant investments is planned and funded over the three year 2011/12 to 2013/14 and the draft capital programme is balanced. The council is able to fund all existing commitments and has, through prioritisation of bids and resources and sound treasury management, been able to support new investment into key services, and areas of capital investment need.

#### Funding

- 4.6 **Table 1** shows currently estimated resources to fund the mainstream capital programme for 2011/12 to 2013/14. More detail is shown at **Appendix 1**.

<b>Table 1: Estimated Mainstream Capital Resources</b>			
<b>Category</b>	<b>2011/12 £m</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>
Supported borrowing – supported by	4.842	4.842	4.842
Unsupported borrowing – borrowing	8.971	7.159	6.731
Capital receipts projected	1.500	1.500	1.500
Invest to Save / Cash flow Mgt:	0.000	0.647	0.733
Carry forward of 2010/11 underspends	0.950	0.000	0.000
<b>Total resources</b>	<b>16.263</b>	<b>14.148</b>	<b>13.806</b>

- 4.7 Supported borrowing allocations allow the council to borrow up to the amount of the allocation and Government provide an amount within Walsall's Formula Grant to fund the cost of borrowing (debt charges). Government usually announce draft supported borrowing allocations for the next year in December. Allocations are specific to Education and Transport (Local Transport Plan) and the figures above are based on post Emergency Budget estimates. The Education capital programme will be put together once final allocations are known and will be sized according to the funding provided.
- 4.8 Capital receipts projections are based on professional estimates of property colleagues.
- 4.9 General unsupported borrowing relates to additional borrowing which is funded from the council's own resources – generated through savings, and/or paid for via the council tax. Council's are allowed to borrow in accordance with the Treasury Management Code of Practice. The current capital financing cash limit is forecast to be able to support £9m of additional unsupported borrowing to fund high priority items in 2011/12.
- 4.10 Invest to save is a capital scheme that can be paid for out of savings it will generate over a short period of time.

### Capital schemes

- 4.11 In line with the capital strategy, the draft programme is constructed using capital proposal forms submitted by services. The estimated costs of these proposals are summarised in **table 2**. See **Appendices 2 and 3** for further details of the projects.

<b>Category</b>	<b>2011/12 £m</b>
Supported borrowing allocations	4.842
Corporate commitments	2.147
Prior year approvals	4.195
Criteria 1 – critical to life and limb	0.200
Criteria 2 – will cost the council more in the long term if we don't do them	3.359
Criteria 3 – critical to service inspection/delivery outcomes	0.240
Capital insurance reserves	1.280
<b>TOTAL</b>	<b>16.263</b>

- 4.12 Schemes are recommended to go ahead as they represent Council priorities, for a number of reasons:
- Supported borrowing - specific allocations as prescribed by Government for education and the West Midlands regional transport plan.
  - Corporate commitments - annual commitments that must be in the capital programme i.e for infrastructure projects, though the amounts may be varied.

- Prior year approvals - projects that have started or received prior Cabinet approval and funding in 2011/12 is required for their completion.
- Schemes which are critical for health and safety reasons, or which will cost the council more in the long run or are critical to deliver a specific service outcome.
- Capital insurance reserves: in a number of areas as insurance reserves to protect the council's position, for which funding is available should the need arise to draw it down.

4.13 Whilst the overall demand for resources usually exceeds those available, schemes deemed to be a high priority in terms of reflecting the council's priorities can be funded, representing a balanced programme for the next three years.

### Capital borrowing: unsupported borrowing

4.14 The 2011/12 capital programme identifies schemes of £9m suitable for funding from unsupported borrowing (USB) through the Prudential Code. The revenue implications of these projects are included in the draft revenue budget.

**Table 3** provides a breakdown of the proposed mainstream capital programme per portfolio.

<b>Table 3: Mainstream Capital Expenditure by Portfolio</b>		
<b>Portfolio</b>	<b>2011/12 £m</b>	<b>%</b>
Children's services	2.567	15.79
Business support services	2.129	13.09
Finance and personnel	0.968	5.95
Leisure, culture and environment	0.783	4.81
Regeneration	4.140	25.46
Social care and health	1.976	12.15
Transport	3.700	22.75
<b>TOTAL</b>	<b>16.263</b>	<b>100.00</b>

### Externally funded programme

4.15 **Appendix 4** shows the externally funded programme bids by category for 2011/12. Certain schemes can go ahead as these are either fully funded by grant or have the necessary mainstream or supported borrowing matchfunding already approved. If grant or mainstream funding is unavailable the schemes cannot go ahead. **Table 4** summarises the proposals by portfolio for next year.

<b>Table 4: Externally Funded Capital Expenditure by Portfolio</b>		
<b>Portfolio</b>	<b>2011/12 £m</b>	<b>%</b>
Children's services	42.280	81.92
Leisure, culture and environment	2.666	5.16
Regeneration	1.665	3.23
Transport	5.000	9.69
<b>TOTAL</b>	<b>51.611</b>	<b>100.00</b>

At this point in time a number of grants have not been confirmed, therefore there is likely to be some movement as the budget process progresses.

### **Leasing programme**

- 4.16 Leasing minimises the call on capital resources by spreading the acquisition cost over some years. Revenue funds are needed to finance operating leases. The 2011/12 leasing programme of £16.108m (£5.424m of new starts) is analysed in **Appendix 5**. The revenue implications of the leasing programme of £2.872m (new starts of £0.703m + £2.169m of existing leases) for 2011/12 are included in the draft revenue budget.
- 4.17 The prudential system allows borrowing to fund the purchase of leased items. This expenditure would be treated as capital expenditure and not revenue meaning the council would buy the assets outright. The decision to lease or buy depends on several variables, for example, the costs of borrowing and the residual value of the asset at the end of its leased life. Before each drawdown, our leasing advisors produce a report and recommend which financing approach is most appropriate. A rigorous evaluation is then undertaken before a decision to lease or buy is made, ensuring value for money.
- 4.18 The prudential system requires the setting of indicators for the likely level of capital expenditure each year. Decisions to lease or buy cause total expenditure to fluctuate during the year. Therefore regular monitoring reports to cabinet and Corporate Management Team on the council's financial performance will include prudential indicators.

### **2012/13 onwards**

- 4.19 Currently ongoing projected capital resources can fund the existing programme. New starts above the level indicated in this report will only be able to be afforded from 2012/13 onwards if new capital resources are found or projects identify efficiencies to fund the revenue streams arising from the use of USB.

### **4.20 Legal considerations**

Each scheme has different legal considerations according to the nature of the specific scheme. These are considered individually by each project manager before the scheme is allowed to go ahead.

### **4.21 Staffing considerations**

None directly affected by this report.

## **5. Citizen impact**

Schemes may impact on residents in different ways according to their use of council facilities and services. The council's capital strategy drives the construction and management of the capital programme. The strategy reflects and enables delivery of the council's vision and priorities and approved schemes must deliver that aim. It also requires the council to optimise successful partnership working for example through the Walsall Partnership, the Primary Care Trust, registered social landlords and regionally with other councils.

## **6. Community safety**

None directly associated with this report.

## **7. Environmental impact**

Capital investment schemes impact positively on the environment in different ways according to the nature of the specific scheme

## **8. Performance and risk management issues**

8.1 The risk management scheme contributes to the reduction and mitigation of a range of risks. Infrastructure investment improves the quality of service provision and performance and reduces risk.

8.2 The capital programme is regularly monitored at a service and corporate level. Named project officers are accountable for the successful delivery of capital schemes on time, to standard and within budget. The use of the corporate project management process will support the delivery of the capital programme by improving the management and reporting of individual projects to directorate management teams and Corporate Management Team.

## **9. Equality implications**

Decisions on the budget may have equality implications which will be assessed as part of the budget proposals.

## **10. Consultation**

The report is prepared in consultation with the Chief Finance Officer, relevant managers and executive directors.

**Background papers:**

Various financial working papers.

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**James T. Walsh - Chief Finance Officer**

2 December 2010



**Cllr Chris Towe  
Finance & Personnel**

2 December 2010

	2011/12 estimated £	2012/13 predicted £	2013/14 predicted £
<b>SPECIFIC SUPPORTED BORROWING:</b>			
Education	2,342,406	2,342,406	2,342,406
Transport	2,500,000	2,500,000	2,500,000
Non ring fenced element	-	-	-
<b>TOTAL SPECIFIC SUPPORTED BORROWING</b>	<b>4,842,406</b>	<b>4,842,406</b>	<b>4,842,406</b>
<b>UNSUPPORTED BORROWING (USB):</b>			
<b>GENERAL USB:</b>			
General USB	-	-	-
New General USB	8,220,750	7,158,750	6,731,000
<b>TOTAL</b>	<b>8,220,750</b>	<b>7,158,750</b>	<b>6,731,000</b>
<b>SPECIFIC USB PROJECTS:</b>			
Finance Direct	-	-	-
PARIS development phase 2 - Working Smarter	750,000	-	-
	750,000	-	-
<b>TOTAL UNSUPPORTED BORROWING</b>	<b>8,970,750</b>	<b>7,158,750</b>	<b>6,731,000</b>
<b>CAPITAL RECEIPTS:</b>			
Capital receipts available to support the capital programme	1,500,000	1,500,000	1,500,000
<b>INVEST TO SAVE CASHFLOW MANAGEMENT:</b>			
Carbon management - lighting initiatives	-	250,000	250,000
Supported independent living	-	397,400	483,000
<b>CARRY FORWARD OF 2010/11 UNDERSPENDS:</b>			
Shop maintenance	100,000	-	-
General planned property maintenance	350,000	-	-
Highways maintenance	500,000	-	-
<b>TOTAL FUNDING FOR THE CAPITAL PROGRAMME</b>	<b>16,263,156</b>	<b>14,148,556</b>	<b>13,806,406</b>

<b>CAPITAL RECEIPTS</b>	2011/12 £	2012/13 £	2013/14 £
Brought forward including slippage	-		
Estimated receipts:			
General receipts	1,500,000	1,500,000	1,500,000
<b>TOTAL CAPITAL RECEIPTS</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>

<b>SUMMARY OF FUNDING</b>	2011/12 £	2012/13 £	2013/14 £
<b>Total resources available:</b>			
Supported borrowing	4,842,406	4,842,406	4,842,406
Capital receipts	1,500,000	1,500,000	1,500,000
General unsupported borrowing	8,220,750	7,158,750	6,731,000
<b>Resources available for schemes that must be supported</b>	<b>14,563,156</b>	<b>13,501,156</b>	<b>13,073,406</b>
Specific unsupported borrowing	750,000	-	-
Invest to save cashflow management	-	647,400	733,000
Carry forward of 2010/11 underspends	950,000	-	-
<b>Total resources</b>	<b>16,263,156</b>	<b>14,148,556</b>	<b>13,806,406</b>

<b>DEMAND</b>	2011/12	2012/13	2013/14
Supported borrowing schemes	4,842,406	4,842,406	4,842,406
Corporate commitments	2,146,750	1,198,750	1,081,000
Prior Year Approvals	4,195,000	3,570,000	3,620,000
<b>Schemes that must be supported</b>	<b>11,184,156</b>	<b>9,611,156</b>	<b>9,543,406</b>
<b>Total resources</b>	<b>16,263,156</b>	<b>14,148,556</b>	<b>13,806,406</b>
<b>Funding available</b>	<b>5,079,000</b>	<b>4,537,400</b>	<b>4,263,000</b>
Criteria 1 - Critical to life and limb; health and safety etc	200,000	200,000	200,000
Criteria 2 - Will cost the council more in medium long term if we don't do them	3,359,000	2,997,400	2,733,000
Criteria 3 - Proven to be critical to service outcomes	240,000	60,000	50,000
Capital insurance reserves	1,280,000	1,280,000	1,280,000
<b>Total other schemes</b>	<b>5,079,000</b>	<b>4,537,400</b>	<b>4,263,000</b>
<b>Funding surplus/(shortfall)</b>	<b>0</b>	<b>0</b>	<b>0</b>

SERVICE	PROJECT	CAPITAL 2011/12 £	CAPITAL 2012/13 £	CAPITAL 2013/14 £	DETAILS OF PROJECT
<b>Supported Borrowing (Government allocation via Formula Grant)</b>					
Education	Basic need	1,443,204	1,443,204	1,443,204	Further provision of new pupil places within existing Walsall schools
Education	Modernisation - all schools	312,582	312,582	312,582	Schemes at various schools designed to resolve condition and/or suitability issues identified in the Education Asset Management Plan
Education	Schools access initiative	586,620	586,620	586,620	To fund alterations to enable pupils with disabilities to attend mainstream schools
Engineering and transportation	Local transport plan	2,500,000	2,500,000	2,500,000	The Local Transport Plan capital allocation from the Department for Transport to deliver the objectives set out in the Local Transport Plan. This covers both bridge strengthening and highways maintenance.
<b>Sub-total Supported Borrowing</b>		<b>4,842,406</b>	<b>4,842,406</b>	<b>4,842,406</b>	
<b>Corporate Commitments</b>					
Finance	Project reserve/asset investment reserve	517,544	0	0	To manage unforeseen expenditure following budget approval in February 2011
Shared services and procurement	Council wide IT planned rolling replacement and upgrade	1,629,206	1,198,750	1,081,000	<p><b>Uninterruptible power supply (UPS) for civic/council house IT network.</b> IT equipment can be subject to power fluctuation or loss resulting from issues with external supply. Provision of a UPS to each network cabinet will avoid this. Revenue costs of £4k pa</p> <p><b>Centralised storage of workstation C: drive data.</b> To expand the current corporate network file store</p> <p><b>IT server operating system upgrade.</b> Essential upgrade to the 21 servers within the IT data centre that use Windows 2000 operating system</p> <p><b>CiscoWorks upgrade.</b> The current software has reached the end of its useful life and the new release needs to be purchased</p> <p><b>Cisco telephony expansion.</b> There is a need to expand the gateway that joins together the Cisco and NEC/Philips systems to cater for increased traffic. Revenue costs of £1k pa</p> <p><b>Disaster recovery - second data centre.</b> The council currently operates all centralised IT systems from a single data centre. Opportunities exist to partner with another local authority to share data hosting facilities and provide the foundation for disaster recovery. The bid is to ensure the infrastructure is in place to handle a recovery. In addition there would be ongoing annual unbudgeted revenue costs of £12k (£15k in year 1) relating to infrastructure maintenance.</p> <p><b>Workstation and remote access security.</b> Government Connect (established by DWP) has mandated certain IT security standards which must be implemented across all local government organisations. The council must be able to demonstrate compliance with the latest standards or demonstrate significant progress. This is required to ensure security of data and relates to software. Revenue costs of £203k pa (£180k in year 1)</p> <p><b>IT SQL server database upgrade.</b> All servers may be vulnerable to security loopholes within the software exposing the whole council network to an IT security risk</p> <p><b>IT system log monitoring software.</b> Failure to comply with Government Connect standards will result in the authority being unable to process benefit payments and limit the ability to work with central government</p> <p><b>Telephony consolidation.</b> The council currently maintains two main telephone systems which introduces unnecessary costs and requires IT support staff to be skilled in both systems. There are opportunities for business efficiencies with the Cisco IP system. Revenue costs of £15k in year 1</p> <p><b>Upgrade Altitude call management system.</b> To standardise the call management system across the council to improve the service to customers and simplify support. Revenue costs of £2k pa</p> <p><b>Upgrade to Windows 7.</b> All Microsoft support for Windows XP will cease by April 2014. The current equipment would be refreshed over a short period and reduce the risk of equipment failure. Revenue costs of £88k pa</p>
<b>Sub-total Corporate Commitments</b>		<b>2,146,750</b>	<b>1,198,750</b>	<b>1,081,000</b>	
<b>Prior Year Approvals</b>					
Property services	Release of leased accommodation	200,000	0	0	This is the third year that funding has been made available to meet the council's pledge to release leased accommodation and reduce office accommodation by 20% by 2012.
Education	Barcroft primary	225,000	0	0	The final funding for the new Barcroft primary school that will be located on the Elm Street site
Leisure and community health	Memorial Safety	100,000	100,000	100,000	The Health and Safety Executive requires all burial authorities to control the risk associated with the operation or their cemeteries, including risks from unsafe memorials. This project has provided funding for continual safety work on memorials since 2005/06.
Property services	Shop maintenance	120,000	120,000	120,000	Ongoing maintenance requirement and council obligation to tenants.
Strategic housing	Aids and adaptations	1,500,000	1,500,000	1,500,000	To maintain independence for disabled clients in their own homes by providing relevant equipment and adaptations to property. In addition Disabled Facilities Grant is received.

SERVICE	PROJECT	CAPITAL 2011/12 £	CAPITAL 2012/13 £	CAPITAL 2013/14 £	DETAILS OF PROJECT
Property services	General planned property maintenance	500,000	450,000	500,000	To address large value urgent/health and safety items in connection with the council's building portfolio.
Property services	Demolition of redundant buildings to save on rates	200,000	200,000	200,000	Demolition works to redundant council buildings to enhance marketing opportunities for sites and mitigate financial health and safety risks. Funding has been made available since 2007/08
Engineering and transportation	Highways maintenance	950,000	1,200,000	1,200,000	This project is to safeguard progress already made in the condition of Walsall's classified highway network and maintain service levels. This will produce revenue savings of £15k in 2011/12, £25k in 2012/13 and £40k in 2013/14.
Leisure and community health	Dilapidations at Bryntysilio	400,000	0	0	To make good the dilapidations at Bryntysilio following cabinet decision to withdraw
<b>Sub-total Prior Year Approvals</b>		<b>4,195,000</b>	<b>3,570,000</b>	<b>3,620,000</b>	
<b>MUST DO SUB-TOTAL</b>		<b>11,184,156</b>	<b>9,611,156</b>	<b>9,543,406</b>	

## NEW BIDS

<b>Criteria 1 - Critical to life and limb; health and safety etc.</b>					
Property services	Fire risk assessment	200,000	200,000	200,000	Works following surveys to ensure the council's non-education buildings comply with fire legislation. Schedule of works provided
<b>Sub-total critical to life and limb; health and safety etc.</b>		<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	
<b>Criteria 2 - Will cost the council more in medium long term (non property) if we don't do them</b>					
Business change	Resources Delivering - Right, Fast and Simple - to deliver ongoing revenue savings of £1.9m (2011/12), £2.3m (2012/13) and £2.6m (2013/14)	500,000	400,000	250,000	<b>New HR system - upgrade to Trent.</b> To upgrade the current Trent system to include additional licences and new software to give a full self-service functionality. It will be more cost effective as it is expected that the investment will be recouped via savings on staffing in the 3 years following implementation. Staff savings are already included in revenue  <b>Hardware and software licences and infrastructure for the web.</b> To provide automatic self-services processes. Savings of £5.1m over 3 years and additional costs of £452k over 3 years <b>Customer services telephony.</b> To support contact centre <b>Electronic document management system.</b> Council wide investment which will result in savings from staff time, accommodation and storage and improve productivity <b>Integration of performance information systems</b> <b>Management information system portal implementation.</b> To provide automatic self-services processes
Benefits	Increased productivity to be delivered by home working	150,000	0	0	Drivers for implementing home working are improved productivity, reduction in unplanned and sickness absence, reduction in accommodation requirements, fewer car journeys and increased staff motivation. Savings of £120k per year will be achieved if this bid is approved
Adult social care and housing standards and improvement	Supporting independent living - part of the transformation of social care	226,200	397,400	483,000	To enable 55 residents to live independently by providing a range of adaptations at their homes and enabling them to better use the facilities in the community. Private care home places could be decommissioned both in and out of the borough. This would result in a reduction in cost which is not yet included in savings. However it is estimated that the savings could be in the region of £5m over 10 years based on a cost of care reduction of 20%
Adult social care and housing standards and improvement	Preventative adaptations - part of the transformation of social care	1,000,000	1,000,000	1,000,000	To provide adaptations to vulnerable residents who do not meet the current criteria for statutory disabled facilities grant/aids and adaptations. There is currently a waiting list of over 1000 disabled residents and over 3 years this funding would deliver adaptations to 335 that will improve the quality of life.
Access, assessment and care management	PARIS development phase 2 - Working Smarter - unsupported borrowing	750,000	0	0	To develop the Allens centre and provide social care staff with a facility for mobile working. Recommended to be funded by unsupported borrowing which would be paid back over 3 years. This would generate ongoing savings of £250k pa from reduced administration and staffing costs from year 4 after the payback period is complete
Engineering and transportation	Hatherton multi storey car park - safeguarding income	0	200,000	0	£200k was allocated in 2010/11 for the structural repairs to the car park. It is now important to ensure aesthetic modifications are made to meet suitable standards particularly with the associated Tesco development. The council needs to continue to deliver parking facilities that support the local economy and meet public expectations
Strategic housing	Health through warmth	500,000	1,000,000	1,000,000	To provide energy and fuel saving advice and energy efficient heating and insulation works to private homes. There is a grant for this but demand outweighs resources. Over 2200 referrals have been received to date and £1m would deliver health through warmth to at least 335. This project could also fall under criteria 1.
Libraries, heritage and arts	Introduction of Radio Frequency Identification (RFID) in libraries - linked to library saving option 2	232,800	0	0	RFID is used to enable self-service in libraries to enable them to operate at a much lower staffing level. Planning for a long term reduction in the size of its staff will limit the impact on the community. This is linked to the service redesign of libraries and savings of £63k in 2012/13 and £83k in 2013/14 are in the revenue savings proposal. This is dependent on capital bid being successful.
<b>Sub-total will cost the council more in medium long term (non property) if we don't do them</b>		<b>3,359,000</b>	<b>2,997,400</b>	<b>2,733,000</b>	

SERVICE	PROJECT	CAPITAL 2011/12 £	CAPITAL 2012/13 £	CAPITAL 2013/14 £	DETAILS OF PROJECT
<b>Criteria 3 - Proven to be critical to service inspection/delivery outcomes</b>					
Leisure and community health	Greenspace improvement plan	50,000	50,000	50,000	The £150k investment will be matched and pump prime £350k of external funding to provide a £500k 3 year programme of investment in Walsall's parks. External funding providers have indicated their support in principle but will not confirm without commitment of funding from Walsall.
Leisure and community health/ property services	Refurbishment of Leckie sons of rest located in Walsall arboretum (St Matthews ward)	190,000	10,000	0	The work is required to enable the outcome of the lottery project at the Arboretum to be achieved. Lottery will not fund the refurbishment but it is a requirement of the arboretum funding that the work is done. The building is in the arboretum conservation area and the park itself is grade 2 listed. Once refurbished the building could be put to much wider use and other options are being considered e.g. wedding ceremonies
<b>Sub-total proven to be critical to service inspection/delivery outcomes</b>		<b>240,000</b>	<b>60,000</b>	<b>50,000</b>	
<b>OTHER SCHEMES SUB-TOTAL</b>		<b>3,799,000</b>	<b>3,057,400</b>	<b>2,783,000</b>	
<b>TOTAL SCHEMES</b>		<b>14,983,156</b>	<b>12,868,556</b>	<b>12,526,406</b>	

SUMMARY OF MAINSTREAM PROGRAMME BY PORTFOLIO	2011/12	2012/13	2013/14
Children's services	2,567,406	2,342,406	2,342,406
Communities and partnerships	0	0	0
Business support services	2,129,206	1,598,750	1,331,000
Finance and personnel	667,544	0	0
Leisure, culture and environment	782,800	150,000	150,000
Regeneration	3,410,000	3,480,000	3,520,000
Social care and health	1,976,200	1,397,400	1,483,000
Transport	3,450,000	3,900,000	3,700,000
<b>TOTAL BY DIRECTORATE</b>	<b>14,983,156</b>	<b>12,868,556</b>	<b>12,526,406</b>

SUMMARY OF MAINSTREAM PROGRAMME BY CATEGORY	2011/12	2012/13	2013/14
Supported Borrowing	4,842,406	4,842,406	4,842,406
Corporate commitments	2,146,750	1,198,750	1,081,000
Prior year approvals	4,195,000	3,570,000	3,620,000
Criteria 1 - critical to life and limb	200,000	200,000	200,000
Criteria 2 - will cost the council more in the long term if we don't do them	3,359,000	2,997,400	2,733,000
Criteria 3 - critical to service inspection/delivery outcomes	240,000	60,000	50,000
<b>TOTAL BY CATEGORY</b>	<b>14,983,156</b>	<b>12,868,556</b>	<b>12,526,406</b>

**DRAFT CAPITAL PROGRAMME 2011/14: Capital insurance reserves**

Funded schemes to act as insurance to protect the councils positions. This funding is available to be drawn down when required.

Service	PROJECT	CAPITAL 2011/12 £	CAPITAL 2012/13 £	CAPITAL 2013/14 £	DETAILS OF PROJECT
Risk and insurance	Risk management	100,000	100,000	100,000	The funding is utilised where risk assessments have been undertaken or where events dictate that immediate action be taken to manage risks e.g. insurer intervention, regulatory reform
Risk and insurance	Uninsured property damage	200,000	200,000	200,000	The council self insures its assets and is responsible for the first £250k of each claim. Expenditure is only incurred where the council has suffered loss or damage to its property in accordance with the terms and conditions of the insurance policy.
Property services	Asbestos removal	155,000	155,000	155,000	Programme of asbestos removal in council buildings. The council is required by legislation to manage asbestos in its properties and this requires the removal in some areas. Asbestos has to be identified and removed before construction works can commence
Property services	Control of legionella	275,000	275,000	275,000	The council has a duty to manage and control legionella within its buildings. Failure to do this could result in fatalities and prosecution
Property services	Work resulting from the statutory testing of building services	300,000	300,000	300,000	Legislative requirement to undertake electrical testing and carry out resulting works
Engineering and transportation	Lighting invest to save initiatives	250,000	250,000	250,000	Various initiatives to reduce energy consumption and maintenance costs of the lighting service. Trials are scheduled for early November 2010. Savings from reduction in energy consumption and maintenance costs will be confirmed when trials have been completed
<b>TOTAL CAPITAL INSURANCE RESERVES</b>		<b>1,280,000</b>	<b>1,280,000</b>	<b>1,280,000</b>	

SUMMARY OF MAINSTREAM PROGRAMME BY PORTFOLIO	2011/12	2012/13	2013/14
Children's services	0	0	0
Communities and partnerships	0	0	0
Business support services	0	0	0
Finance and personnel	300,000	300,000	300,000
Leisure, culture and environment	0	0	0
Regeneration	730,000	730,000	730,000
Social care and health	0	0	0
Transport	250,000	250,000	250,000
<b>TOTAL BY DIRECTORATE</b>	<b>1,280,000</b>	<b>1,280,000</b>	<b>1,280,000</b>

## DRAFT CAPITAL PROGRAMME 2011/14: External Funding (Ring Fenced)

Portfolio	Service	Project	2011/12 £'000	2012/13 £'000	2013/14 £'000	Funding body
Children's services	Education	Modernisation of all schools	3,003,360	3,003,360	3,003,360	Department for Education
Children's services	Education	Devolved formula capital	4,772,102	4,772,102	4,772,102	Department for Education
Children's services	Education	Extended schools	126,868	126,868	126,868	Department for Education
Children's services	Education	Harnessing technology	553,395	553,395	553,395	Department for Education
Children's services	Education	Children's centres - phase 3	241,350	241,350	241,350	Department for Education
Children's services	Education	Primary capital programme	6,735,729	6,735,729	6,735,729	Department for Education
Children's services	Education	Early years capital grant	1,015,217	1,015,217	1,015,217	Department for Education
Children's services	Education	Children's centres - maintenance	105,248	105,248	105,248	Department for Education
Children's services	Education	Academies	25,726,332	8,120,156	0	Department for Education
<b>TOTAL</b>			<b>42,279,601</b>	<b>24,673,425</b>	<b>16,553,269</b>	
Leisure, culture and environment	Libraries, heritage and arts	Pelsall health centre, library and children's centre	450,000	0	0	Contribution from the Co-op
Leisure, culture and environment	Leisure and community health	Walsall arboretum restoration programme	2,215,912	2,215,911	0	Heritage Lottery Fund
<b>TOTAL</b>			<b>2,665,912</b>	<b>2,215,911</b>	<b>0</b>	
Regeneration	Development and delivery	Willenhall Townscape Heritage Initiative - HLF	300,000	350,000	150,000	Heritage Lottery Fund
Regeneration	Development and delivery	Willenhall Townscape Heritage Initiative - VIEW	150,000	175,000	75,000	Visionary Investment Enhancing Walsall
Regeneration	Strategic housing	Disabled facilities grant	1,215,000	1,215,000	1,215,000	Department of Communities and Local Government
<b>TOTAL</b>			<b>1,665,000</b>	<b>1,740,000</b>	<b>1,440,000</b>	
Transport	Strategic regeneration	Local transport plan integrated transport	2,000,000	2,000,000	2,000,000	Department for Transport
Transport	Strategic regeneration	Red routes	3,000,000	3,000,000	3,000,000	Department for Transport
<b>TOTAL</b>			<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	
<b>TOTAL GRANT / EXTERNAL FUNDED</b>			<b>51,610,513</b>	<b>33,629,336</b>	<b>22,993,269</b>	

## APPENDIX 5

PORTFOLIO	2011/12 DRAFT LEASING PROGRAMME			
	NEW CAPITAL EXPENDITURE	REVENUE IMPLICATIONS		
		NEW STARTS	CURRENT LEASES	TOTAL
	£' 000s	£' 000s	£' 000s	£' 000s
<b><u>Leisure, culture and environment</u></b>				
Catering - vehicles	0	0	2	2
Waste - vehicles	0	0	319	319
Street cleansing - vehicles	0	0	3	3
Grounds - vehicles	52	5	7	12
Public safety - equipment	0	0	155	155
Public safety - vehicles	0	0	6	6
<b><u>Fleet services budget - vehicles</u></b>				
Children and young people	89	10	14	24
Catering	134	27	0	27
Couriers	69	6	5	11
Engineering and transportation	41	1	9	10
Fleet services	139	7	2	9
Grounds maintenance	768	26	242	268
ICT	36	3	0	3
Leisure	252	15	130	145
Markets	0	0	14	14
Mayoral	51	3	8	11
Print and design	24	3	0	3
Public safety	41	1	14	15
Social care and health	1,520	191	141	332
Street cleansing	267	4	141	145
Waste	1,941	401	687	1,088
Tarmac - sub lease	0	0	124	124
<b>TOTAL - LEISURE, CULTURE AND ENVIRONMENT</b>	<b>5,424</b>	<b>703</b>	<b>2,023</b>	<b>2,726</b>
<b><u>Social care and health</u></b>				
Social care and health - equipment	0	0	73	73
<b>TOTAL - SOCIAL CARE AND HEALTH</b>	<b>0</b>	<b>0</b>	<b>73</b>	<b>73</b>
<b><u>Business support services</u></b>				
Print and design - equipment	0	0	65	65
Strategic transformation - equipment	0	0	8	8
<b>TOTAL - BUSINESS SUPPORT SERVICES</b>	<b>0</b>	<b>0</b>	<b>73</b>	<b>73</b>
<b>TOTAL LEASING PROGRAMME</b>	<b>5,424</b>	<b>703</b>	<b>2,169</b>	<b>2,872</b>

Note that the revenue implications have been calculated using an indicative rate per £'000 which will fluctuate with market conditions