

NAME OF COMMITTEE	COUNCIL
DATE	12 February 2013
REPORT TITLE	Capital Programme 2013/2014
Report of	Chief Accountant
WARDS AFFECTED	All

Summary of report:

To ask Members to approve the 2013/2014 Capital Programme.

Financial implications:

The Council has severely limited resources, in the form of capital receipts, to fund Capital Projects in 2013/2014. The report sets out Capital Bids to the 2013/2014 Capital Programme totalling £741,000 and a suggested way that these Bids can be funded.

RECOMMENDATIONS:

Members are requested to approve:

- (i) The budget for the 2013/2014 Capital Programme totalling £741,000, as shown in Section 2.1.
- (ii) The proposed method of funding these Bids as set out in Section 2.2

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1. BACKGROUND

1.1 This year all services within the Council have put forward capital bids for capital funding for particular projects. At the Resources Committee on 29th January it was resolved that Council be recommended that:

- (i) The budget for the 2013/2014 Capital Programme totalling £741,000 as shown in Section 2.1 of the presented report be approved; and
- (ii) The proposed method of funding the Bids as set out in Section 2.2 of the presented report be approved.

2. CAPITAL PROGRAMME 2013/14

2.1 The table below shows the proposed Capital Programme for 2013/14.

	2013/14 (£)
Tenants Incentive Scheme (TIS)	15,000
Village Halls and Community Projects	36,000
Leisure Centres – annual allocation	40,000
Affordable Housing	200,000
Disabled Facilities Grants	450,000
Total	741,000

2.2 The proposed funding solution for the Capital Programme for 2013/14 is shown below:-

(This links to the Revenue Budget report for 2013/2014 which is also on this Council agenda, regarding New Homes Bonus funding).

Potential funding solution	2013/14 (£)
Government Grant funding towards Disabled Facilities Grants	170,000
Funding of Housing Capital Projects from New Homes Bonus (NHB) (Funding Tenants Incentive Scheme, Affordable Housing and Disabled Facilities Grants from NHB)	495,000
Funding Village Halls and Community Projects from New Homes Bonus	36,000
Capital Receipts (to fund the Leisure Centres annual allocation)	40,000
Total	741,000

2.3 The 2012/13 Capital Programme monitoring report highlights that budgets will be closely monitored in the final quarter of 2012/13 with a view to establishing whether any unspent resources can be released back into general capital funds and applied to the capital programme for 2013/14. This would mean that less New Homes Bonus would be required for the capital programme and this could be released for other purposes as set out in the New Homes Bonus Strategy as well as for Invest to Save projects aimed at closing the medium term revenue budget gap.

3. CAPITAL BIDS 2013/2014

3.1 Tenants Incentive Scheme

There is a shortage of affordable housing in West Devon and whilst the Council continues to work to increase the supply of new homes it is important to ensure that the existing stock of affordable housing is used effectively. The Tenants Incentive Scheme provides a financial incentive to households in the social housing stock under-occupying their home and prepared to move to a home with at least one bedroom less. The amount of the incentive depends on the number of bedrooms released. It makes best use of the existing affordable housing stock.

Its purpose is to meet identified local housing needs and prevent homelessness. The bid is for £15,000 for 2013/14.

3.2 Village Hall Grant Scheme

This scheme is to provide a fund to assist village halls with capital improvement works and new build projects to support capital village hall projects within West Devon which contribute to the Council's Community Life priority. Village halls represent the largest network of indoor community and recreational facilities in West Devon. In West Devon there are in excess of 50 village/community halls all of which have in the past or will in the future want support from the Council.

Village halls are increasingly becoming the focal points of villages, offering an increasing range of services including; the village shop, post office, GPs, training and learning courses, physical activities, playgroups, artistic performances, as well as being places of general community interaction. By offering so many services and facilities, Village Halls strongly contribute to the future sustainability of rural communities.

Innovation is essential for halls to remain viable; however, this grant scheme also proves very valuable to West Devon's Village Halls because it recognises the need to also maintain the general internal and external fabric of a hall's structures. Typical projects include improving disabled access to hall and toilet facilities, energy efficient heating and lighting systems. A capital bid is made of £18,000.

3.3 Community Project Grant Scheme

This grant scheme has been running since 1995 supporting a range of community led capital projects throughout the Borough. Projects have included those highlighted in MTCi and Parish Plans and those put forward by community groups. Support of projects is based on evidence of community support and need. Typical projects include new/improved play areas, community transport, sports facilities, community and youth centres, species and habitat enhancement projects. The grant scheme contributes to new/improved/sustainable facilities for the population in West Devon according to their needs. Circa 15 projects are supported by this grant scheme per annum.

Assistance from the Borough Council Community Project Grant scheme demonstrates strong local support, which is essential in attracting external funding from local, regional and national sources including the Big Lottery Fund, landfill tax credits, charitable Trusts and Foundations. Per annum, the grant scheme usually draws in between £10 and £20 of external funding for every £1 from the Council. There are no revenue consequences for WDBC other than administration of the grant, and assistance with securing other funding where necessary. A capital bid is made of £18,000.

3.4 Leisure Centres – annual allocation

A capital budget of £40,000 per annum will be built into the Capital Programme for Leisure Centres for larger life cycle items

3.5 Disabled Facilities Grants

The Council has a statutory duty under the Housing Grants, Construction and Regeneration Act 1996(as amended) to fund adaptations to properties to enable people to live independently within their home. The grants, known as Disabled Facilities Grants (DFG), are means tested grants of up to £30,000 and are awarded to qualifying residents, regardless of tenure. Grants for qualifying children are not means tested. Grants range from simple stair lifts and ramps up to house extensions and multiple adaptations to kitchens/bathrooms. There are conditions on future occupation and a sum of up to £10,000 can be repaid in certain circumstances.

In order to discharge the Council's statutory duty and meet predicted demand it is recommended that the Council commits £280,000 from capital (New Homes Bonus) each year, in addition to the Government grant, predicted to be £170,000. This would give a Budget of £450,000 for Disabled Facilities Grants. It is recommended that repaid grant moneys from DFGs are recycled into the budget for future use.

3.6 Affordable Housing

Funding affordable housing in the current climate is particularly challenging. Following the Comprehensive Spending Review in 2010, funding from the Homes and Communities Agency (HCA) reduced by over 50%. The majority of the HCA's budget to 2015 has been fully allocated and funding beyond 2015 is uncertain. In response to the challenging funding climate, the Council are developing new approaches which reduce the reliance on HCA grant.

However many schemes, particularly those in rural areas, will continue to require funding. The proposed bid to the Capital Programme 2013/14 for £200,000 will assist the delivery of affordable homes in future years. If this funding for 2013/14 is approved this would equate to a total capital budget of £350,000 with the current capital budget for 12/13. This would then allow sufficient funding for Officers to generate financially viable schemes.

It is recommended that the Council sets a budget of £200,000 from capital (funded by New Homes Bonus) for Affordable Housing.

4. LEGAL IMPLICATIONS

4.1 In accordance with section 2.2 of the Council's Financial Procedure Rules, Council is responsible for setting the Capital Programme and approving the Capital Budget, following consideration and recommendation from the Resources Committee. As per 3.14 of the Rules, the Head of Finance and Audit is responsible for ensuring that a Capital Programme is prepared on an annual basis for submission to Council.

5. FINANCIAL IMPLICATIONS

5.1 The financial implications are set out in the report. The annual bids within the Capital Programme for 2013/14 require funding of £741,000 as shown in section 2.2.

6. OTHER CONSIDERATIONS

Corporate priorities engaged:	The report meets all the corporate priorities as they are all implicit within the budget setting process.
Statutory powers:	Local Government Act 1972, Section 151
Considerations of equality and human rights:	N/A
Biodiversity considerations:	None directly related to this report.
Sustainability considerations:	None directly related to this report.
Crime and disorder implications:	None directly related to this report.
Background papers:	20 November 2012 – Resources Committee – Revenue Budget 2013/14 29 th January 2013 – Resources Committee – Capital Programme 2013/2014 and Capital Monitoring 2012/13
Appendices attached:	None