

WIRRAL BOROUGH COUNCIL

CABINET

18 FEBRUARY 2013

SUBJECT	CAPITAL PROGRAMME AND FINANCING 2013-2016
WARD(S) AFFECTED	ALL
REPORT OF	INTERIM DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

1 EXECUTIVE SUMMARY

- 1.1. This report provides Cabinet with Capital Programme bids for 2013/16 for consideration and referral to Council for approval. It also includes the related capital financing requirements based upon the prudential indicators that inform the Treasury Management Strategy.
- 1.2. The report also refers to schemes carried forward into 2013/16 from the current 2012-13 capital programme, as detailed in the Capital Programme Monitoring Report for Period 8 (January 24th Cabinet).
- 1.3. The size and shape of the Capital Programme will be dictated by the Government's announcements on supported programmes and, affordability. The Council's 2013-16 revenue budgets will severely limit the scope for unsupported capital expenditure (that generates revenue costs) to schemes that generate immediate revenue savings.
- 1.4. Also, Capital Receipts will be consumed by Redundancy costs, and, initially, will be unavailable to support the Capital Programme, as has been the case in the past. There is a dearth of new capital receipts in 2013-14 – only a net £0.5m – so the option of releasing schemes that are held up, funded by new capital receipts, is very limited.
- 1.5. Schemes that would otherwise proceed, but can't, due to a shortage of revenue funds and Capital Receipts, are corralled into a section for release when revenue funding or/and, capital receipts, become available. The guiding thought is that such schemes will be deferred for a least a year.

2 BACKGROUND AND KEY ISSUES

- 2.1 The Background information on the architecture of the capital programme, is set out at Annex 1.

2.2 We now turn to the key issues. The initial proposed programme is front loaded, reflecting the delay in Government announcements for the latter years. The initial programme for 2013-16 amounts to just over £66m – it is set out at [Annex 2](#) - of which, £25.7m is unsupported expenditure. This is 39% of the programme and would generate a revenue cost of £2.6m by 2016. This is illustrated in the following two tables:

Table 1: Initial proposed capital programme - current and new bids

1	2013-14	2014-15	2015-16	Totals
	£m	£m	£m	£m
Current capital programme	25.837	9.963	1.500	37.300
New bids	17.817	7.801	3.354	28.972
Total	43.654	17.764	4.854	66.272

2	2013-14	2014-15	2015-16	Totals
Unsupported	£m	£m	£m	£m
Current capital programme	6.169	3.805	1.500	11.474
New bids	7.941	4.284	1.997	14.222
Total	14.11	8.089	3.497	25.696
% Unsupported of total programme	32.3	45.5	72.0	38.8
Revenue cost , cumulative £m		1.411	2.220	2.570

2.3 To arrive at the proposed programme, we will build it up in steps. Of necessity, the financial position of the Council drives the choices, the downside of which is that careful prioritisation, which exercise has been undertaken, is put to one side for a year. The starting point is a radical approach, which excludes all unsupported expenditure. This produces the following minimal programme of £40.6m.

Table 2: Proposed capital programme (ie excluding all unsupported)

3	2013-14	2014-15	2015-16	Totals
	£m	£m	£m	£m
Current capital programme	19.668	6.158	0.000	25.826
New bids, supported only	9.876	3.517	1.357	14.750
Total	29.544	9.675	1.357	40.576

2.4 However, some of the supported new bids have accompanying unsupported funding and use of capital receipts. Allowing this, would produce the following capital programme of £49.1m:

Table 3: Proposed capital programme (includ accompanying unsupported etc)

4	2013-14	2014-15	2015-16	Totals
	£m	£m	£m	£m
Current capital programme	21.235	6.158	0.000	27.393
New bids, supported only plus	13.776	5.617	2.357	21.750
Total	35.011	11.775	2.357	49.143

2.5 In addition, there are two categories of scheme that have the ability to minimise the revenue cost of unsupported borrowing. They are:

- invest to save schemes of £2m - the schemes could only proceed if they fulfilled the spend-to-save criteria previously agreed by the Cabinet; and,
- schemes to generate capital receipts. The proposed sales are estimated to generate £7.7m, for a cost of £1.2m, resulting in a net gain of £6.5m. Unfortunately, £6m of the net gain falls into 2014-15, and is no help for 2013-14.

The programme would then increase to £52.3m, and result in the final proposed capital programme for 2013-14 and latter years, as summarised below and set out at [Annex 8](#):

Table 4: Proposed capital programme (as 4 plus unsupported, invest to save and releasing redundant assets)

5	2013-14	2014-15	2015-16	Totals
	£m	£m	£m	£m
Current capital programme	21.235	6.158	0.000	27.393
New bids, supported only plus	13.776	5.617	2.357	21.750
New bids, invest to save	1.400	0.300	0.300	2.000
New bids, assets	1.053	0.120	0.000	1.173
	<u>37.464</u>	<u>12.195</u>	<u>2.657</u>	<u>52.316</u>

- 2.6 It is proposed that the remaining unsupported schemes, amounting to £14.0m, are deferred until the revenue position of the Council improves. They split into existing schemes, at £9.9m, and new schemes, at £4.1m. They are detailed at [Annex 9](#); in summary, just under half of the total occurs in 2013-14, and would be deferred for a year.

Table 5: Unsupported schemes, not proceeded with in 2013-14 £m

	2013-14	2014-15	2015-16	Totals
DASS	0	0	0	0
Finance	0	0	0	0
CYP	0.680	0.700	0	1.380
Law, HR & Asset Management	1.025	1.500	1.500	4.025
Regeneration	2.080	1.250	0.300	3.630
Technical Services	2.405	2.119	0.397	4.921
Total	<u>6.190</u>	<u>5.569</u>	<u>2.197</u>	<u>13.956</u>

3 RELEVANT RISKS

- 3.1 All relevant risks have been discussed within Section 2 of this report.

4 OTHER OPTIONS CONSIDERED

- 4.1 Each Business Case includes an assessment of the alternative options with the conclusion that a submission for inclusion in the capital programme is the preferred option.

5 CONSULTATION

- 5.1 There has been no specific consultation with regards to this report. In terms of the delivery of schemes consultation will take place as part of the scheme development and implementation.

6 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 There are none arising directly out of this report.

7 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 7.1 The Capital Programme commitments from 2012-13, will be subject to the same affordability criteria, as new bids. Consequently, it is important that residents are updated as quickly as possible on the possible delay to schemes that appeared to be about to be delivered.
- 7.2 As in the previous bidding processes, a scoring and ranking system was deployed, to identify the most important schemes – this is set out at Annex 3. A minimum score was also applied. The table at Annex 4 illustrates the effect of setting a cut off using a score of 280 (although all schemes were included in the initial programme). The figures show the cumulative borrowing requirement as each bid's funding need is added to the schedule. The total requirement is reduced from £31.5m to £22.5m, if the cut off is used. A lower score will reduce the outlay further but care is needed not to split schemes which are interdependent, as is the case with Foxfield School's development which requires the schools demolition (bid 4 and 39).
- 7.3 in normal circumstances, Cabinet would be likely to have other considerations they may wish to apply to include or exclude bids. The scores, after all, are intended as a guide rather than an absolute selection criteria. Unfortunately, the Council's financial position over-rides the scoring system for 2013-14. A consequence is the application to Government to use capital receipts to fund reductions in staffing, and so, immediately realise the full revenue savings.
- 7.4 Annex 5 details the approved schemes and funding carried over from the 2012/15 Capital programme.
- 7.5 Annex 6 details the new schemes submitted for consideration for the capital programme 2013 - 2016. Ignoring capital receipts, these require a total of £31.5m of unsupported borrowing which would bring about an increase of £3.15m in revenue costs.
- 7.6 The funding for the capital programme is summarised below. There is a particular departmental assumption to explore – the funding of the Parks investment programme in 2014-15 is from £2.5m of Capital Receipts that Parks have to swiftly identify and implement by April 2014.

Table 6: How the programme is financed.

Funding type:	2013-14	2014-15	2015-16	Totals
	£000's	£000's	£000's	£000's
Unsupported Borrowing	7,920	2,520	1,300	11,740
Capital Receipts	3,121	2,838	1,000	6,959
Revenue / Reserves	888	0	0	888
Education Grants	8,786	1,607	357	10,750
Integrated Transport	1,155	1,155	0	2,310
Local Sust Transport	676	676	0	1,352
Local Transport	2,864	2,699	0	5,563
Other Grants	12,054	700	0	12,754
Total	37,464	12,195	2,657	52,316

PRUDENTIAL INDICATORS

7.7 In considering the programme for 2013/16 and ignoring the potential for capital receipts to part fund the programme, Cabinet is advised that:-

- a The existing commitments require additional borrowing of around £10 million for 2013/14 as illustrated in Annex 5.
- b To accommodate all the bids detailed in Annex 6 would increase the potential level of borrowing by £18.7 million in 2013/14, £9.1 million in 2014/15 and £3.6 million in 2015/16 and the effect on the year Increase in borrowing Revenue costs (cumulative) would be:-
 - 2013/14 an increase of £1.87 million
 - 2014/15 a further increase of £0.90 million
 - 2015/16 a further increase of £0.36 million
- c If the decision is taken to spend in excess of the level of identified resources then this would require increased use of borrowing which incurs annual revenue costs at the rate of £100,000 per £1 million of capital expenditure. In considering the impact upon Council Tax levels each 1% rise in Council Tax equates to £1.3 million of increased expenditure.

8 LEGAL IMPLICATIONS

8.1 There are none arising directly out of this report.

9 EQUALITIES IMPLICATIONS

9.1 An Equality Impact Assessment (EIA) is attached at [Annex 7](#)

10 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising directly out of this report.

11 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising directly out of this report.

12 RECOMMENDATIONS

- 12.1 That the 2013-16 capital programme, set out at Table 4 and detailed at [Annex 8](#), is agreed and referred to Council for approval.
- 12.2 That 'spend to save' and 'schemes to generate capital receipts' are reviewed in detail, prior to being specifically approved by Cabinet for implementation.
- 12.3 That the capital financing requirements are reflected in the projected revenue budget for 2013-14 and the 2013-16 MTFS (Medium Term Financial Strategy).
- 12.4 That the Prudential Indicators be noted and reported to Cabinet as part of the Treasury Management Strategy.
- 12.5 That proposals for improved planning, implementation and monitoring are reported for consideration by Cabinet in March 2013.

13 REASONS FOR RECOMMENDATIONS

- 13.1 The purpose of the Capital Programme is to enable the Council to prioritise and effectively deliver capital investment that contributes to the achievement of Council objectives.
- 13.2 Links to the revenue budget ensure that revenue funding is provided to meet the financing costs, and any running costs, as a result of the capital programme investment.
- 13.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to determine Prudential Indicators on an annual basis. Prudential Indicators must be calculated in accordance with the Prudential Code.

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APPENDICES

- **Annex 1** Capital “technical details” and definitions
- **Annex 2** Initial Capital programme 2013-16, by programme & funding
- **Annex 3** Capital Investment Programme Prioritisation Evaluation Criteria.
- **Annex 4** Ranked new schemes
- **Annex 5** Current Capital Programme Commitments for 2013/16.
- **Annex 6** Capital Programme Submissions for Approval.
- **Annex 7** Equality Impact Assessment
- **Annex 8** Recommended Capital Programme 2013-16
- **Annex 9** Deferred Unsupported

REFERENCE MATERIAL

Prudential Code for Capital Finance in Local Authorities, CIPFA 2009.

SUBJECT HISTORY

Council meeting and report matter	Date
Cabinet- Capital Monitoring Report 2012/13 – Period 3	6 Sep 2012
Cabinet- Capital Monitoring Report 2012/13 – Period 5	18 Oct 2012
Cabinet- Capital Monitoring Report 2012/13 – Period 6	8 Nov 2012
Cabinet- Capital Programme Review	29 Nov 2012
Cabinet- Capital Monitoring Report 2012/13 – Period 7	20 Dec 2012
Cabinet- Capital Monitoring Report 2012/13 – Period 8	2013
Cabinet- Capital Monitoring Report 2012/13 – Period 9	2013

Annex 1 Capital “technical details” and definitions

1 CAPITAL PROGRAMME

- 1.1 The Capital Programme is a list of investment schemes to be undertaken over the medium term which help the Council achieve its objectives. It is aligned to Council plans and strategies, including the Medium Term Financial Strategy and the Corporate Plan. It is reviewed, updated and considered by Council each December and informs the annual budget setting process.

- 1.2 Capital expenditure is defined under the Financial Reporting Standard (FRS) 15 as expenditure incurred on the creation, purchase or enhancement of a tangible asset required over the long term to carry out the activities of an organisation. Expenditure which purely maintains the useful life or open market value of an asset should be charged to revenue. The Local Government Act 2003 amended the definition to allow expenditure on computer software and on the making of loans or grants for capital expenditure by another body to be treated as the capital expenditure of a local authority.

- 1.3 In preparing the programme for 2013/16 the process was reviewed by Executive Team on 8 November 2012 and bids were invited from each department and then considered by the Capital Working Group.

- 1.4 All submissions for inclusion in the Capital Programme required the completion of a Business Case. This details how the proposed project meets Council objectives, how it will be managed, including resource implications and the outcomes expected. Schemes are then assessed against the prioritisation criteria to inform the recommendations for inclusion in the programme.

- 1.5 The criteria are included at Appendix A whilst Appendix B details the currently approved capital programme slippage into 2013/14 and Appendix C outlines the bids for consideration for the Capital Programme 2013/16.

2 CAPITAL FINANCING

- 2.1 Over recent years the capital funding available to Local Authorities has reduced significantly. The Government no longer offers new supported borrowing allocations and major grant funding streams have been significantly reduced, including the Housing Market Renewal and Transport programmes.

- 2.2 Other, previously specific, grant funding streams are no longer ring-fenced in a move which has seen Authorities obtain greater autonomy over the funding of capital projects but at a much reduced level.

- 2.3 Local Authorities continue to have the ability to augment capital funding under the Prudential Code whereby additional expenditure on capital investment can be incurred as long as the plans are affordable, prudent and sustainable. This is measured by a series of indicators integral to the Treasury Management Policy of which the key is the revenue cost.

2.4 Capital spend can be funded by borrowing, use of capital grants, capital receipts, from revenue or other contributions which are each discussed below.

2.4.1 *Borrowing*

- The Prudential Capital Finance system allows local authorities to self-finance borrowing for capital expenditure without Government consent. This facilitates the use of borrowing for capital projects, provided it is affordable. Local Authorities must manage their debt responsibly and decisions about debt repayment should be made through the consideration of prudent treasury management practice.
- As a guide, borrowing incurs a revenue cost of approximately 10% of the loan each year, comprising interest charges and the repayment of the debt (known as the Minimum Revenue Provision or MRP). The Council needs to be satisfied that it can afford this annual revenue cost.
- The Government has given Local Authorities greater freedom in the way they provide for their debts. Local Authorities have to earmark revenues each year as provision for repaying debts incurred on capital projects. When the MRP regime changed on 31 March 2008 it became a duty on each local authority to make provision for debt which the local authority considers prudent.
- The Council has determined that the most prudent method of earmarking revenues to repay unsupported borrowing is by matching the debt repaid each year to the life of the asset which the borrowing helped to finance. As an example, if the Council borrowed £5 million to build a new asset with a life of 20 years then revenue costs would be £0.25 million each year for 20 years plus the interest cost of the borrowing.

2.4.2 *Government Grants*

- These are specific to schemes and are therefore allocated in accordance with the terms of the grant approval, primarily in the areas of education and regeneration. As outlined above the numbers and amounts of such capital grants received has reduced significantly.
- The Government reviewed grant arrangements as part of the Spending Review 2010. Since then there has been significantly less ring-fencing of capital grants which has increased freedoms and flexibilities over use but overall the level of grants available has reduced.

2.4.3 *Capital Receipts*

- Capital receipts are estimated and are based upon the likely sales of assets as identified under the Asset Management Plan. These include development sites, former school sites and the agreement with Wirral Partnership Homes for the sharing of receipts from sales of former Council houses.
- The use of receipts has been estimated at £3 million per year. This reflects the likely timing of such receipts and the latest projections of sites either available or which could become available over the period.

2.4.4 *Revenue / Other Contributions*

- The Prudential Code allows for the use of additional revenue resources within agreed parameters. However, the requirements of Financial Reporting Standard 15 have lead to schemes and funding previously included within the capital programme having to be transferred to revenue.

- Contributions are received from other organisations to support the delivery of schemes with the main area being within the education programme with contributions made by individual schools.

3 MONITORING of spend

3.1 Cabinet receive monthly monitoring reports on the progress of the Capital Programme and its funding.

Annex 2 Initial Capital Programme, by programme & funding source

2013-16										2014-15										2015-16										Total 2013-16									
Summary	2013-14									2014-15									2015-16									Total 2013-16											
	Unsuppor Borrowing	Capital Receipts	Revenue Reserves	Education Grants	Integrate Transport	Local Transport	Sus Local Transport	Other Grants	Total	Unsuppor Borrowing	Capital Receipts	Revenue Reserves	Education Grants	Integrate Transport	Local Transport	Sus Local Transport	Other Grants	Total	Unsuppor Borrowing	Capital Receipts	Revenue Reserves	Education Grants	Integrate Transport	Local Transport	Sus Local Transport	Other Grants	Total	Unsuppor Borrowing	Capital Receipts	Revenue Reserves	Education Grants	Integrate Transport	Local Transport	Sus Local Transport	Other Grants	Total			
Invest to save or core efficiency	1,400	0	0	0	0	0	0	0	1,400	300	0	0	0	0	0	0	0	300	300	0	0	0	0	0	0	0	0	300	2,000	0	0	0	0	0	0	0	2,000		
Bids that release redundant council assets	1,053	0	0	0	0	0	0	0	1,053	120	0	0	0	0	0	0	0	120	0	0	0	0	0	0	0	0	0	0	1,173	0	0	0	0	0	0	0	1,173		
DASS	3,000	0	0	0	0	0	0	0	8,025	11,025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,000	0	0	0	0	0	0	0	8,025	11,025	
Finance	0	0	210	0	0	0	0	0	210	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	210	0	0	0	0	0	210		
CYP	1,747	433	0	8,786	0	0	0	0	10,966	2,800	0	0	1,607	0	0	0	0	4,407	1,000	0	0	357	0	0	0	0	0	1,357	5,547	433	0	10,750	0	0	0	0	16,730		
Law, HR & Asset Management	1,025	0	315	0	0	0	0	0	1,340	1,500	0	0	0	0	0	0	0	1,500	1,500	0	0	0	0	0	0	0	0	1,500	4,025	0	315	0	0	0	0	0	5,840		
Regeneration	3,480	250	300	0	0	0	0	0	4,029	8,059	1,250	300	0	0	0	0	0	700	2,250	300	0	0	0	0	0	0	0	300	5,030	550	300	0	0	0	0	0	4,729	10,609	
Technical Services	2,405	2,438	63	0	1,155	676	2,864	0	9,801	2,119	2,538	0	0	1,155	676	2,699	0	9,167	397	1,000	0	0	0	0	0	0	0	1,397	4,921	5,976	63	0	2,310	1,352	5,563	0	20,185		
Total	14,110	3,121	888	8,786	1,155	676	2,864	12,054	43,654	8,089	2,838	0	1,607	1,155	676	2,699	700	17,764	3,497	1,000	0	357	0	0	0	0	0	4,854	25,696	6,959	888	10,750	2,310	1,352	5,563	12,754	66,272		

2013-14										2014-15										2015-16										Total 2013-16									
Unsuppor Borrowing	2013-14									2014-15									2015-16									Total 2013-16											
	carried forward	Capital Receipts	Revenue Reserves	Education Grants	Integrate Transport	Local Transport	Sus Local Transport	Other Grants	Revised Programme	carried forward	Capital Receipts	Revenue Reserves	Education Grants	Integrate Transport	Local Transport	Sus Local Transport	Other Grants	Revised Programme	carried forward	Capital Receipts	Revenue Reserves	Education Grants	Integrate Transport	Local Transport	Sus Local Transport	Other Grants	Revised Programme	carried forward	Capital Receipts	Revenue Reserves	Education Grants	Integrate Transport	Local Transport	Sus Local Transport	Other Grants	Revised Programme			
Invest to save or core efficiency	1,000	0	0	0	0	0	0	0	1,000	300	0	0	0	0	0	0	0	300	300	0	0	0	0	0	0	0	0	300	1,000	0	0	0	0	0	0	0	1,000		
Replace Integrated Childrens System (addition Energy Schemes)	400	0	0	0	0	0	0	0	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,000	0	0	0	0	0	0	0	1,000		
Bids that release redundant council assets	1,400	0	0	0	0	0	0	0	1,400	300	0	0	0	0	0	0	0	300	300	0	0	0	0	0	0	0	0	300	2,000	0	0	0	0	0	0	0	2,000		
Demolish Stanley Special school	275	0	0	0	0	0	0	0	275	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	275	0	0	0	0	0	0	0	275		
Demolish Basingstoke Town Hall and Liscard Mu	378	0	0	0	0	0	0	0	378	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	378	0	0	0	0	0	0	0	378		
Demolish former Rock Ferry High school	400	0	0	0	0	0	0	0	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	400	0	0	0	0	0	0	0	400		
Demolish Foxfield Special school	120	0	0	0	0	0	0	0	120	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120	0	0	0	0	0	0	0	120		
DASS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Transformation of Day Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Integrated IT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
LD Extra Care Housing	3,000	0	0	0	0	0	0	0	6,000	9,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,000	0	0	0	0	0	0	0	6,000	9,000	
Finance	3,000	0	0	0	0	0	0	0	8,025	11,025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,000	0	0	0	0	0	0	0	8,025	11,025	
West Kirby and Conway Centre OSSs	0	0	210	0	0	0	0	0	210	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	210	0	0	0	0	0	210		
CYP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Aiming Higher for Disabled Children	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Condition/Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Formula Capital Grant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Pensby Primary School	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Wirral Youth Zone	567	433	0	0	0	0	0	0	1,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	567	433	0	0	0	0	0	0	1,000		
Schools Development Programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Foxfield school - contribution to Priority school	0	0	0	0	0	0	0	0	0	500	0	0	500	0	0	0	0	1,000	0	0	0	0	0	0	0	0	0	0	500	0	0	500	0	0	0	0	1,000		
School remodelling and additional classrooms	300	0	0	286	0	0	0	0	586	1,000	0	0	357	0	0	0	0	1,357	1,000	0	0	357	0	0	0	0	0	1,357	2,300	0	0	1,000	0	0	0	0	3,300		
Somerville Primary school mobile replacement	200	0	0	250	0	0	0	0	450	600	0	0	750	0	0	0	0	1,350	600	0	0	1,000	0	0	0	0	0	1,600	800	0	0	1,000	0	0	0	0	1,800		
Woodchurch Rd primary school Foundation 2 c	80	0	0	0	0	0	0	0	80	700	0	0	0	0	0	0	0	700	700	0	0	0	0	0	0	0	0	700	780	0	0	0	0	0	0	0	780		
Woodslee Primary school	600	0	0	0	0	0	0	0	600	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	600	0	0	0	0	0	0	0	600		
Total	1,747	433	0	8,786	0	0	0	0	10,966	2,800	0	0	1,607	0	0	0	0	4,407	1,000	0	0	357	0	0	0	0	0	1,357	5,547	433	0	10,750	0	0	0	0	16,730		
Law, HR & Asset Management	1,000	0	0	0	0	0	0	0	1,000	1,500	0	0	0	0	0	0	0	1,500	1,500	0	0	0	0	0	0	0	0	1,500	4,000	0	0	0	0	0	0	0	4,000		
Cultural Services Assets	25	0	0	0	0	0	0	0	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25	0	0	0	0	0	0	0	25		
Rock Ferry Centre	315	0	0	0	0	0	0	0	315	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	315	0	0	0	0	0	0	0	315		
Regeneration	1,025	0	315	0	0	0	0	0	1,340	1,500	0	0	0	0	0	0	0	1,500	1,500	0	0	0	0	0	0	0	0	1,500	4,025	0	315	0	0	0	0	0	4,340		
Think Big Investment Fund	300	0	0	0	0	0	0	0	300	300	0	0	0	0	0	0	0	300	300	0	0	0	0	0	0	0	0	300	600	0	0	0	0	0	0	0	600		
Improvements to Stock	950	0	0	0	0	0	0	0	950	950	0	0	0	0	0	0	0	950	950	0	0	0	0	0	0	0	0	950	1,900	0	0	0	0	0	0	0	1,900		
Disabled Facilities - Adaptations	1,000	0	300	0	0	0	0	0	1,629	2,329	300	0																											

Annex 3 – Capital Investment Programme Prioritisation Evaluation Criteria

Factors to be used to appraise and assess bids for the capital programme 2013-2016				
Investment Title		Dept		Date
A: Direct links to Council Themes (30%)		(A) Score 1 to 5	(B) Multiplier	Weighted Score (A * B)
1	Your economy		6	
2	Your neighbourhood		6	
3	Your council		6	
4	Your family: children and young people		6	
5.	Your family: adults		6	
B: Outcomes (30%)				
1	Realistic and detailed time table with key events and dependencies rigorously addressed		5	
2	Realistic and clearly stated outcomes with achievable, measured outputs that the investment will produce.		15	
3	Demonstrates need for, benefits of and priority for investing and evaluation of alternate options.		10	
C: Finance (40%)				
1	Business case demonstrates achievable and realistic revenue savings.		10	
2	Attracts noticeable outside funding		15	
3	Accommodates all revenue borrowing or ongoing revenue running costs.		15	
Total weighted score – maximum 500				
Scored by: Name			Position	
(Scoring scheme: 1 poor, 2 below average, 3 average, 4 good, 5 very good)				

Annex 4 Ranked new schemes

Ref	Bid	Score out of 500	Capital required £m	Cumulative Capital Required 2013/14 £m	Cumulative Capital Required 2014/15 £m	Cumulative Capital Required 2015/16 £m	Total Cumulative Capital Required £m
20	Empty Property Intervention	389	0.360	0.120	0.120	0.120	0.360
18	Integrated Childrens' System	375	1.000	1.120	0.120	0.120	1.360
16	Energy Efficiency Initiatives	365	0.166	1.230	0.148	0.148	1.526
17	Install solar power	365	0.261	1.491	0.148	0.148	1.787
36	LD Extra Care Housing Scheme	361	3.000	4.491	0.148	0.148	4.787
39	Foxfield School Development	347	0.500	4.491	0.648	0.148	5.287
40	Arrove park changing facilities	341	1.490	4.991	1.448	0.338	6.777
6	School remodelling	340	2.800	5.791	2.448	1.338	9.577
19	Housing Renewal Programme	340	2.195	6.599	3.245	1.928	11.772
7	Somerville Primary School:	339	0.800	6.799	3.845	1.928	12.572
34	Maritime business park	333	0.400	7.199	3.845	1.928	12.972
1	Adaptations and disabled Facilities	331	2.100	7.899	4.545	2.628	15.072
5	Demolition of Stanley Special School	316	0.275	8.174	4.545	2.628	15.347
26	Extend use of Central Management System to further 575 Streetlights	314	0.200	8.374	4.545	2.628	15.547
27	plant and equipment for parks maintenance	314	2.400	10.774	4.545	2.628	17.947
37	Replacement of Parks vehicles	314	0.364	11.138	4.545	2.628	18.311
21	Healthy Homes intervention	309	0.360	11.258	4.665	2.748	18.671
15	Voltage Optimisation:	302	0.151	11.409	4.665	2.748	18.822
11	Demolition of Bebington Town Hall and Liscard Municipal.	297	0.378	11.787	4.665	2.748	19.200
24	Birkenhead Tennis Court	291	0.097	11.877	4.672	2.748	19.297
3	Demolition of former Rock Ferry High School	290	0.400	12.277	4.672	2.748	19.697
33	Road Safety Improvements	286	0.250	12.527	4.672	2.748	19.947
4	Demolition of Foxfield Special School	284	0.120	12.527	4.792	2.748	20.067
25	Park depot rationalisation	284	2.500	13.027	6.592	2.948	22.567
Cut-off level							
12	Relocate Seacombe Library within Wallasey Town Hall.	266	0.830	13.857	6.592	2.948	23.397
13	Wallasey Town Hall – Window frame renewal	264	1.200	15.002	6.647	2.948	24.597
32	Preventative Maintenance to Non-Principal Classified Roads based on condition improvement and casualty reduction.	256	0.998	15.491	7.156	2.948	25.595
23	Life expired street lighting	254	0.950	16.441	7.156	2.948	26.545

Ref	Bid	Score out of 500	Capital required £m	Cumulative Capital Required 2013/14 £m	Cumulative Capital Required 2014/15 £m	Cumulative Capital Required 2015/16 £m	Total Cumulative Capital Required £m
10	Business Investment Grant	252	0.900	16.741	7.456	3.248	27.445
22	Cosy Homes heating	249	0.600	16.941	7.656	3.448	28.045
8	Woodchurch Rd Primary School: Provision of dedicated Foundation 2 classrooms with direct external learning environment.	246	0.780	17.021	8.356	3.448	28.825
9	Woodslee Primary School	246	0.600	17.621	8.356	3.448	29.425
29	Landican Cemetery	240	0.100	17.671	8.406	3.448	29.525
14	Wallasey Town Hall – Heating system alterations	233	0.300	17.956	8.421	3.448	29.825
30	Preventative Maintenance to Unclassified and Residential Streets	233	1.000	18.456	8.921	3.448	30.825
38	Birkenhead Park Drainage	208	0.352	18.694	8.978	3.505	31.177
28	Frankby Cemetery	207	0.330	18.724	9.128	3.655	31.507

ANNEX 5: APPROVED CAPITAL PROGRAMME 2013/14

1. The capital programme monitoring report elsewhere on the Cabinet Agenda provides the following details of the commitments for 2013/16.

Scheme	2013/14 Programme £m	2014/15 Programme £m
Law, HR & Asset Management Capital Programme		
Cultural Services Assets	4.000	-
The Priory	0.025	-
Rock Ferry Centre	0.315	-
Wallasey Town Hall	0.835	0.027
Adult Social Services Capital Programme		
Transformation of Day Service	0.625	-
Integrated IT	1.400	-
Children and Young People Capital Programme		
Aiming Higher for Disabled Children	0.240	-
Condition/Modernisation	4.500	-
Formula Capital Grant	2.000	-
- Pensby Primary School	1.510	-
Wirral Youth Zone	1.000	-
Finance Capital Programme		
West Kirby and Conway Centre OSSs	0.210	-
Regeneration, Housing & Planning Capital Programme		
Think Big Investment Fund	0.300	0.300
Improvements to Stock	0.950	0.950
Disabled Facilities – Adaptations	2.929	1.000
Wirral Healthy Homes	0.105	-
Cosy Homes Heating	0.250	-
Empty Property Interventions	0.125	-
Hoylake	0.600	-
New Brighton	0.600	-
Integrated Transport Programme		
Road Safety	1.155	1.155
Local Sustainable Transport Fund	0.676	0.675
Maintenance Programme		
Street Lighting	0.200	-
Bridges	0.250	-
Highways Maintenance	2.864	2.670
Capitalised Highways Maintenance	1.000	1.000
Coast Protection	0.047	0.055
Other		
Parks Plant and Equipment	2.317	-
Leisure Equipment	0.063	-
Totals	31.091	7.862

ANNEX 5: APPROVED CAPITAL PROGRAMME 2013/14

2. The capital programme monitoring report also details how these commitments for 2013/16 will be funded as shown in the following table.

Commitments from the Current Capital Programme	2013-14 £m	2014-15 £m	Totals £m
Expenditure	31,091	7,862	38,953
Funded by:			
Unsupported Borrowing	9,904	-	9,904
Grant – Education	8,250	-	8,250
Grant – Integrated Transport	1,155	1,155	2,310
Grant – Transport Local	2,864	2,699	5,563
Grant – Local Sustainable Transport Fund	0.676	676	1,352
Grants – Other	4,354	0.700	5,054
Capital Receipts brought forward	3,000	2,632	5,632
Revenue Contributions	0.888	-	0.888
Total Financing	31,091	7,862	38,953

3. The capital programme monitoring report elsewhere on the Cabinet Agenda also provided details of the revenue effects of the unsupported borrowing from these commitments and the following table details this:-

Revenue Commitments	2013-14 £m	2014-15 £m	Totals £m
Unsupported Borrowing already committed from the current capital programme	9,904	-	9,904
Cumulative Annual Revenue repayment costs		0.990	0.990

ANNEX 6: Capital Programme Submissions for Approval.

uped so that bids with a similar theme are shown together and listed in order of their score. The table shows the score, total capital outlay involved, grant funding and net capital funding that the Council will be required to find. This net funding is then shown for 2013 to 2016 to evaluate the profile of each scheme. Cumulative net funding is shown in each group to give the impact of approving the schemes in order of their score.

Bid Ref	Bid Description	Score out of 500	Total outlay £M	Total Grant Funding	Total Net funding required £m	Net Funding Profile £m			Cumulative Net Funding Required in each Group £m	Revenue budget reduction £m
						2013/14	2014/15	2015/16		
A: INVEST TO SAVE OR CORE SERVICE EFFICIENCY AND IMPROVEMENT BIDS										
20	Empty Property Intervention	389	0.360	-	0.360	0.120	0.120	0.120	0.360	Increases New Housing Bonus and Council Tax.
18	Replacement of the Integrated Children's System (in conjunction with the adult care system already funded by £1.5m grant)	375	1.000	-	1.000	1.000	-	-	1.360	Social Care service efficiencies and improvements in both Adults and Children's services.
16	Energy Efficiency Initiatives: Birkenhead Library, Cheshire Lines, Conway Building, Europa Pools, Floral Pavilion, Hamilton Building, The Oval, Wallasey Town Hall and Wirral Tennis Centre.	365	0.166	-	0.166	0.110	0.028	0.028	1.526	0.070
17	Install solar power to ten buildings including: Treasury Building, Williamson Art Gallery, Green Lane Pavilions, Heswall Library, Landican Cemetery, Rock Ferry One Stop Shop, Upton Library, Wallasey Town Hall	365	0.261	-	0.261	0.261	-	-	1.787	0.040
26	Extend use of Central Management System to further 575 Streetlights	314	0.200	-	0.200	0.200	-	-	1.987	0.040

ANNEX 6: Capital Programme Submissions for Approval.

Bid Ref	Bid Description	Score out of 500	Total outlay £M	Total Grant Funding	Total Net funding required £m	Net Funding Profile £m			Cumulative Net Funding Required in each Group £m	Revenue budget reduction £m
						2013/14	2014/15	2015/16		
15	Voltage Optimisation: install equipment at the Treasury, Wirral Tennis Centre, Leasowe Leisure Centre and Europa Pools.	302	0.151	-	0.151	0.151	-	-	2.138	0.032
13	Wallasey Town Hall – Window frame renewal	264	1.200	-	1.200	1.145	0.055	-	3.338	Some but not significant
23	Replace or re-furbish 1,000 Life-expired street lights.	254	0.950	-	0.950	0.950	-	-	4.288	Not quantified
14	Wallasey Town Hall – Heating system alterations	233	0.300	-	0.300	0.285	0.015	-	4.588	Some but not significant
TOTALS FOR GROUP			4.588	-	4.588	4.222	0.218	0.148		
B: BIDS THAT RELEASES REDUNDANT COUNCIL ASSETS										
5	Demolition of Stanley Special School, planning requirement	316	0.275	-	0.275	0.275	-	-	0.275	Some but not quantifiable
11	Demolition of Bebington Town Hall and Liscard Municipal.	297	0.378	-	0.378	0.378	-	-	0.653	0.190
3	Demolition of former Rock Ferry High School	290	0.400	-	0.400	0.400	-	-	1.053	Some but not quantifiable
4	Demolition of Foxfield Special School (Also allows Bid 39 to proceed - Foxfield School contribution to Priority School Building Programme)	284	0.120	-	0.120	-	0.120	-	1.173	Some but not quantifiable
12	Relocate Seacombe Library within Wallasey Town Hall.	266	0.830	-	0.830	0.830	-	-	2.003	0.030
TOTALS FOR GROUP			2.003	-	2.003	1.883	0.120	2.003		

ANNEX 6: Capital Programme Submissions for Approval.

Bid Ref	Bid Description	Score out of 500	Total outlay £M	Total Grant Funding	Total Net funding required £m	Net Funding Profile £m			Cumulative Net Funding Required in each Group £m	Revenue budget reduction £m
						2013/14	2014/15	2015/16		
C: SCHOOLS DEVELOPMENT PROGRAMME										
39	Foxfield School contribution to Priority School Building Programme (requires Bid 4 – Demolition of Foxfield School)	347	0.500	-	0.500	-	0.500	-	0.500	
6	School remodelling & additional classrooms due to changes in pupil numbers across the CYP estate	340	3.800	1.000	2.800	0.800	1.000	1.000	3.300	
7	Somerville Primary School: Mobile replacement scheme and internal refurbishment & remodelling	339	1.800	1.000	0.800	0.200	0.600	-	4.100	
8	Woodchurch Rd Primary School: Provision of dedicated Foundation 2 classrooms with direct external learning environment.	246	0.780	-	0.780	0.080	0.700	-	4.880	Some but not quantifiable
9	Woods lee Primary School: Foundation class-base replacement & internal refurbishment & remodelling	246	0.600	-	0.600	0.600	-	-	5.480	
TOTALS FOR SCHOOLS DEVELOPMENT PROGRAMME			7.480	2.000	5.480	1.680	2.800	1.000		
D: PARKS, CULTURAL SERVICES AND ROADS										
40	Arrowe park changing facilities	341	1.490	-	1.490	0.500	0.800	0.190	1.490	
27	Replacement of obsolete plant and equipment for parks maintenance	314	2.400	-	2.400	2.400	-	-	3.890	
37	Replacement of Parks vehicles	314	0.364	-	0.364	0.364	-	-	4.254	
24	Birkenhead Tennis Court	291	0.097	-	0.097	0.090	0.007	-	4.351	

ANNEX 6: Capital Programme Submissions for Approval.

Bid Ref	Bid Description	Score out of 500	Total outlay £M	Total Grant Funding	Total Net funding required £m	Net Funding Profile £m			Cumulative Net Funding Required in each Group £m	Revenue budget reduction £m
						2013/14	2014/15	2015/16		
33	Road Safety Improvements to reduce the number of pedestrians and cyclists killed or seriously injured at Bolton Road / New Chester Road Roundabout (A41).	286	0.250	-	0.250	0.250	-	-	4.601	
25	Park depot rationalisation	284	2.500	-	2.500	0.500	1.800	0.200	7.101	
32	Preventative Maintenance to Non-Principal Classified Roads based on condition improvement and casualty reduction.	256	0.998	-	0.998	0.489	0.509	-	8.099	
29	To carry out improvements to the Cemetery that will enhance the cemetery infrastructure and landscape and increase opportunities for income generation.	240	0.100	-	0.100	0.050	0.050	-	8.199	
30	Preventative Maintenance to Unclassified and Residential Streets	233	1.000	-	1.000	0.500	0.500	-	9.199	
38	Birkenhead Park Drainage	208	0.352	-	0.352	0.238	0.057	0.057	9.551	
28	To extend Frankby Cemetery in order to provide additional sections for Full Burials, Cremated remains and a meadow section, before the current provision runs out	207	0.330	-	0.330	0.030	0.150	0.150	9.881	
TOTALS FOR PARKS, CULTURAL SERVICES AND ROADS			9.881	-	9.881	5.411	3.873	0.597		
E: REGENERATON										
19	Housing Renewal Programme	340	2.695	0.500	2.195	0.808	0.797	0.590		
34	Maritime business park	333	2.800	2.400	0.400	0.400	-	-	2.195	

ANNEX 6: Capital Programme Submissions for Approval.

Bid Ref	Bid Description	Score out of 500	Total outlay £M	Total Grant Funding	Total Net funding required £m	Net Funding Profile £m			Cumulative Net Funding Required in each Group £m	Revenue budget reduction £m
						2013/14	2014/15	2015/16		
1	Adaptations and disabled Facilities Grant Programme	331	6.900	4.800	2.100	0.700	0.700	0.700	2.595	
21	Healthy Homes intervention	309	0.360	-	0.360	0.120	0.120	0.120	4.695	
10	Business Investment Grant	252	0.900	-	0.900	0.300	0.300	0.300	5.055	
22	Cosy Homes heating	249	0.600	-	0.600	0.200	0.200	0.200	5.955	
TOTALS FOR REGENERATON			14.255	7.700	6.555	2.528	2.117	1.910		
F: SOCIAL SERVICES										
36	LD Extra Care Housing Scheme	361	9.000	6.000	3.000	3.000	-	-		
GRAND TOTALS			47.207	15.700	31.507	18.724	9.128	3.655		

ANNEX 7: Equalities Impact Assessment

Section 1: Your details:

EIA lead Officer: Tom Sault

Email address: tomsault@wirral.gov.uk

Head of Section: Tom Sault

Chief Officer: Peter Timmins

Department: Finance

Date: 7 January 2013

Section 2: What Council proposal is being assessed? Capital Programme 2013 -2016

Section 2b: Will this EIA be submitted to a Cabinet or Overview & Scrutiny Committee?

Yes **If 'yes' please state which meeting and what date**

Cabinet 24 January 2013

ANNEX 7: Equalities Impact Assessment

Please add hyperlink to where your EIA is/will be published on the Council's website
<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/finance>

.....

Section 3: Does the proposal have the potential to affect..... (please tick relevant boxes)

- Services**
- The workforce**
- Communities**
- Other** (please state eg: Partners, Private Sector, Voluntary & Community Sector)

If you have ticked one or more of above, please go to section 4.

- None** (please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 4: Does the proposal have the potential to maintain or enhance the way the Council (please tick relevant boxes)

ANNEX 7: Equalities Impact Assessment

- Eliminates unlawful discrimination, harassment and victimisation
- Advances equality of opportunity
- Fosters good relations between groups of people

If you have ticked one or more of above, please go to section 5.

- No** (please stop here and email this form to your Chief Officer who needs to publishing) email it to equalitywatch@wirral.gov.uk for

ANNEX 7: Equalities Impact Assessment

Section 5: Could the proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)?

You may also want to consider socio-economic status of individuals.

Please list in the table below and include actions required to mitigate any potential negative impact.

Which group(s) of people could be affected	Potential positive or negative impact	Action required to mitigate any potential negative impact	Lead person	Timescale	Resource implications
All groups	Budgetary overspends will result in requirement to reduce expenditure in year with consequences on communities and staff. Rational decision making to tackle issues will enhance good relations and minimise negative impacts	Budgetary control including regular monitoring, freeze procedures and budgetary reviews will assist in limiting impact	Peter Timmins	On Going	Budgetary overspends would require funding from resources
All groups	Reduction in expenditure from freeze proposals could impact on services delivered to communities	Freeze process includes exemptions for critical service areas. Process allows for business case to be submitted to exempt expenditure from freeze	Peter Timmins	On Going	Freeze proposals will assist enabling control of expenditure

ANNEX 7: Equalities Impact Assessment

Section 5a: Where and how will the above actions be monitored?

Monthly monitoring report to Cabinet. This will include recommendations for approval of spending freeze decisions

Section 5b: If you think there is no negative impact, what is your reasoning behind this?

Section 6: What research / data / information have you used in support of this process?

Budgetary forecast information

Section 7: Are you intending to carry out any consultation with regard to this Council proposal?

Yes / No – (please delete as appropriate) No

If 'yes' please continue to section 8.

If 'no' please state your reason(s) why: Urgent decisions required to tackle budgetary position. Freeze proposals undergo review process and involve officers and members

ANNEX 7: Equalities Impact Assessment

(please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 8: How will consultation take place and by when?

Before you complete your consultation, please email your preliminary EIA to equalitywatch@wirral.gov.uk via your Chief Officer in order for the Council to ensure it is meeting it's legal requirements. The EIA will be published with a note saying we are awaiting outcomes from a consultation exercise.

Once you have completed your consultation, please review your actions in section 5. Then email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for re-publishing.