

Overview and Scrutiny Board
8th March 2005

2004/2005 3Rd Quarters Capital Outturn

EXECUTIVE MEMBER RESOURCES : Cllr N Walker

DIRECTOR OF STRATEGIC RESOURCES: Paul Slocombe

PURPOSE OF THE REPORT

1. To present an update of the third quarter position for 2004/05 and for consideration to be given to resources available in current and future years.

BACKGROUND AND CONSULTATION

2. The current three years capital programme - 2004/05 to 2006/07 was agreed by Members on the 27th April, 2004. This included new starts identified through the new start process.
3. A review of capital expenditure is considered alongside revenue expenditure as part of the quarterly budget clinic process.

CHANGES IN RESOURCES AND TOTAL PROJECT COSTS

4. The main changes from the last report are summarised at Appendix A along with requests for funding changes between years. This also shows the increased amount of resources available to fund the capital programme. Capital receipts have increased by £3,849k due to revised expected amounts.
5. At the meeting of Executive on the 22nd February 2005, a report as to development options in respect of Clairville Stadium was considered. Executive agreed to develop the Athletics element of the Stadium. The financial impact, as set out in the report, identified a capital requirement of £75,000. The Capital programme has been updated accordingly
6. Middlesbrough Council has been a key partner in proposing, developing and implementing the Middlehaven regeneration project. Significant investment has been secured from development partners, including English Partnerships (EP) and One NorthEast (ONE). On the 20 February 2001 the Council approved a commitment in principal, to provide a contribution of £9 million towards the overall regeneration of Middlehaven. The original proposal outlined that the Councils contribution would contribute towards the

A66 Harlington Road Interchange, the provision of a new school, together with revenue support. Whilst Middlesbrough has contributed significantly to the A66 Harlington interchange and has committed £1m revenue funding over 10 years, it is unable at this stage to confirm any further contributions. Clearly the any education provision elements will be picked up on the basis of an overall approach within the Borough and the demands of the area. It is proposed that, in order to help meet our overall agreed financial contribution, that £2m is made available from within existing capital resources to contribute towards key developments in Middlehaven. The Capital programme has been updated accordingly.

7. A full review of the current Housing Capital position has been undertaken and approved under individual Member decision making on the 11th February. The Overall Capital programme has been adjusted accordingly.
8. A key issue this year is that SRB funding ends at 31st March 2005. There cannot be any slippage as this would fall on the Council. The Regeneration team are completing exit strategies for each scheme and will need Project Sponsor assistance to do this.
9. The overall projected outturn for the capital programme, including resources, is shown at Appendix B. This includes growth requests, 'new starts' and savings. It shows that the programme now has a surplus of resources of £4,631k.
10. Proposals for new schemes are currently being appraised and will be submitted for consideration by executive early in 2005/2006

RECOMMENDATIONS

11. It is recommended that Overview and Scrutiny Members consider the contents of the report and the attached appendices:

Appendix A: Summary of major changes requests for growth, re-phasing and resource changes for 2004/05 – 2006/07.

Appendix B: Summary of financing and expenditure within capital programme.

REASONS

12. The capital programme needs to be updated for known variations including slippage within the programme and changes in expenditure and resources.
13. To allow the council to determine its capital priorities and approve amendments to its capital plan on a regular basis.

BACKGROUND PAPERS:

Reports to Executive:

1. **Assets In Middlesbrough, July 2003, Capital Strategy**
2. Prudential Indicators 2004/05 Report to Executive 2 March 2004
3. Capital Programme 2004/05 TO 2006/07 to Executive on 27th April 2004

Other reports:

1. Budget clinic report 14th September 2004 first quarters Capital Expenditure and Resources Review 2004/05 to 2006/07

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Author