

## CABINET ITEM COVERING SHEET PROFORMA

**AGENDA ITEM**

**REPORT TO CABINET**

**14 DECEMBER 2017**

**REPORT OF SENIOR  
MANAGEMENT TEAM**

### **CABINET DECISION**

**Corporate Management & Finance – Lead Cabinet Member – Councillor Cook**

#### **FINANCIAL UPDATE & MEDIUM TERM FINANCIAL PLAN**

1. Summary

This report presents the financial performance and position at the end of the second quarter of the 2017/18 financial year and updates the Medium Term Financial Plan accordingly.

2. Recommendations

1. That the Medium Term Financial Plan (MTFP) and the current level of General Fund balances be noted.
2. That the emerging issues for the MTFP are supported including the significant increase in costs to support our Looked After Children to the point that costs are now over £20 million per year
3. That the revised Capital Programme attached at **Appendix A** be noted.

3. Reason for the Recommendations/Decisions

To update Members on the Medium Term Financial Plan.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

### **Disclosable Pecuniary Interests**

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

## AGENDA ITEM

## REPORT TO CABINET

14 DECEMBER 2017

## REPORT OF SENIOR MANAGEMENT TEAM

# CABINET DECISION

## FINANCIAL UPDATE & MEDIUM TERM FINANCIAL PLAN

### SUMMARY

This report presents the financial performance and position at the end of the second quarter of the 2017/18 financial year and updates the Medium Term Financial Plan accordingly.

### RECOMMENDATIONS

1. That the Medium Term Financial Plan (MTFP) and the current level of General Fund balances be noted.
2. That the emerging issues for the MTFP are supported including the significant increase in costs to support our Looked After Children to the point that costs are now over £20 million per year
3. That the revised Capital Programme attached at **Appendix A** be noted.

### DETAIL

#### FINANCIAL POSITION TO 30 SEPTEMBER 2017

#### GENERAL FUND

1. The following table details the projected budget outturn position for each directorate in 2017/18, based on information to 30 September 2017. The reasons for any significant movement in variances from the last reported position (in excess of £100,000) are set out for each directorate below.

Directorate	Annual Budget (Q2) £'000	Projected Outturn at Q2 £'000	Projected Variance at Q2 Over/(Under) £'000	Projected Variance at Q1 Over/(Under) £'000	Movement between Q1 and Q2 £'000
Children's Services	35,106	36,713	1,607	637	970
Adults and Health	69,291	69,419	128	704	(576)
Community Services	24,778	24,610	(168)	(286)	118
Economic Growth & Development	8,738	9,223	485	296	189
Culture, Leisure and Events	7,717	7,866	149	89	60
Finance & Business Services	8,270	7,843	(427)	(368)	(59)
HR, Legal and Communications	4,018	4,073	55	125	(70)
Corporate Areas	2,933	2,662	(271)	(282)	11
Admin/Democratic Services & Xentrall	6,189	6,209	20	28	(8)
Total	167,040	168,618	1,578	943	635

## **Children's Services**

2. In setting the budget for 2017/18, a sum of £2,200,000 was allocated to fund growth in the costs of Looked After Children (LAC). Evidence from the first half of the financial year suggests that pressures continue to be experienced, particularly relating to the rising number and complexity of external residential placements. Based on current projections, expenditure at year end is expected to exceed the overall budget and growth allocation by £1,745,000. The ongoing impact is addressed later in this report (paragraph 22).
3. The continuing need to employ agency staff to cover social work vacancies, together with increased pressures on Section 17 budgets, is projected to result in an additional overspend of £287,000.

## **Adults and Health**

4. The budget for the Directorate was set on the basis that the financial impact of projected growth (£1,628,000) would be offset by an equal level of savings. The previous (Quarter 1) Report identified that a number of areas of savings had already been identified and that the revised savings target was therefore £704,000. The position has further improved at the half year point. We were anticipating increases in number of Direct Payments and Domiciliary Care packages however this has not materialised at the pace anticipated.
5. There remains a projected pressure of £128,000, however based on experience from previous years it is anticipated that this will be managed within the service throughout the remainder of the financial year.
6. Within the overall figures there has been an increase in the hourly rate paid to personal assistants for Direct Payments to reflect the local employment market and minimum wage, which should encourage future take up in this area. There is a cost associated with this which is approximately £600,000 and it is proposed that this is funded from the new improved BCF given it meets that criteria. Paragraph 24 outlines the planned approach to IBCF and this would benefit the in-year position by £600,000 when it is finally agreed and reduce the overall overspend to £978,000.

## **Community Services**

7. The budgets for this Directorate were reconfigured in the updated MTFP agreed in February 2017, with additional resource allocated to Community Transport, Waste Disposal and Infrastructure maintenance.
8. The main reason for the movement since June is one-off costs associated with a staffing restructure amounting to £101,000. The restructure will lead to the modernisation of the catering service and support ongoing savings in future years.

## **Economic Growth and Development**

9. No significant variances from the previously reported position.

## **Culture, Leisure and Events**

10. No significant variances from the previously reported position.

## **Finance & Business Services**

11. No significant variances from the previously reported position.

## **HR, Legal and Communications**

12. No significant variances from the previously reported position.

## **Corporate Areas**

13. No significant variances from the previously reported position.

## **Administration, Democratic Services and Xentrall**

14. No significant variances from the previously reported position.

## **Managed Surplus**

15. Reports to Cabinet in July and September 2017 identified that a total managed surplus of £81,000 was not currently earmarked for use. This remains the position and will be considered as part of the next report.

## **Overall Revenue Position/General Fund Balances**

16. The Council aims to retain General Fund balances at a recommended level, currently £7,905,000. As reported to Cabinet previously, the level of balances currently exceeds the recommended level by £79,000. If the projected overspend of £978,000 materialises there will be a call on balances to fund this pressure. Given reduction in funding and spend, we have reassessed the level of required balances and based on 3% of overall Net Expenditure, £7.4m is required. Based on current projections this would mean that £400,000 would be required to replenish balances and this will be considered as part of the report in February.

## **MEDIUM TERM FINANCIAL PLAN 2018 – 2022**

### **Current Approved MTFP**

17. The current approved position in February 2017 was as follows.

	<b>2018/19</b> <b>£'000</b>	<b>2019/20</b> <b>£'000</b>	<b>2020/21</b> <b>£'000</b>
Budget Gap	-571	1,188	1,783

### **Funding Outlook**

18. Members will recall that the Council are part way through a 4 year financial settlement from the Government and this ends in 2019/20 to coincide with the original parliamentary cycle.

19. There are a number of funding streams outside of this settlement, notably New Homes Bonus, Public Health Funding and the Better Care fund and we are currently assuming there are no changes to the allocations for 2018/19 and 2019/20. We are however still awaiting the Local Government Finance Settlement and it is possible further changes could be introduced.

20. The Government are currently undertaking two 'Technical Consultations' in respect of treatment of capital financing. Whilst we need to understand the detail of the consultation documents, an initial review is that this could impact on the MTFP. We are discussing the issues with Technical Advisors and SIGOMA and will be responding to the consultations accordingly.

21. A key issue facing all Local Authorities is the lack of certainty in funding post 2020 and there are a number of key issues which come together at that time to make planning extremely difficult and almost impossible.
- Spending Review – It is highly likely that there will be a spending review during 2019/20 which will inform the quantum of resources available to Local Government, along with all Government Departments. It is currently impossible to know whether there will be any changes to the quantum level and what this will mean.
  - Retention of Business Rates – Government had intended moving to 100% retention of business rates by Local Government by 2019/20. This would have required primary legislation and this is not now planned within the parliamentary timetable. It is still the ambition of Government to increase the level of retention and current indications are that DCLG are working towards increasing the level from 50% to roughly 70% by ‘rolling in’ some specific grants to the calculation. This will be introduced from 2020/2021 and it is still unclear how this system will work and the impact on Stockton.
  - Fair Funding Review – linked to the matter above, the Government are conducting a review of the formula used to calculate the base level of funding for each Council which is used to redistribute elements of business rates through tariff and top ups. This is an extremely complex area and will result in winners and losers and it is unclear how this will be introduced. To inform this exercise, the Government have commissioned a study into the costs of Looked After Children as this is a pressure point for all council areas.

The Council will continue to monitor the situation on all these matters extremely closely and participate in working groups and consultation exercises to try and understand the position but all of these things together make planning post 2020 extremely difficult. We do however need to continue to plan ahead and we have rolled forward the plan assuming allocations remain as they are in 2019/20.

### **Changes to current expenditure plans**

22. There are a number of emerging issues which will need to be reflected in the MTFP going forward and these are outlined below:

**Savings Programme** – members will be aware from previous reports that the current plan reflects that we have already delivered £34m with a further £15.5m planned to be delivered by 2020. We have now delivered £11.6m of the £15.5m however savings are becoming increasingly difficult and this has again been re-assessed. In addition to changes in profile of some of the savings, it is prudent to reduce the expected savings by approximately £1.2m. The main reason is in relation to Children’s Social Care. The plan assumes savings of £800,000 in 2018/19 as well as delivering reductions of £1.1m associated with temporary funded posts where the funding has now ceased. Given the current numbers of Looked After Children and the associated workload it is unrealistic to maintain the current savings plan. Significant work is underway in this area as part of the Smarter Working Programme considering use of technology, improvement utilising LEAN methodology and interaction with clients and this will look to make as many efficiencies and savings as possible whilst ensuring the Council can deliver the service required.

**Looked After Children** – Members will be aware from budget monitoring reports of the significant pressures around Looked After Children and this continues as outlined in paragraph 2. Spend in this area has increased significantly in recent years and is now over £20m. This is a national issue with the majority of Councils experiencing the same situation and following significant lobbying a study has been commissioned by the Government. The Children’s Strategy, approved by Cabinet in June 2017 agreed a series of measures to

attempt to improve outcomes for children and reduce costs, such as increased focus on early help and work is underway considering ways to deliver these improvements.

We have previously projected growth based on high level financial trends but improvements in monitoring arrangements now allow us to improve the way we project. A detailed financial analysis of the current children in care suggests that a budget overspend of £1.6m will be created in 2018/19. If no more children were to enter the system, this overspend would turn to an underspend of around £3.6m by 2021/22 as the current children leave the care system.

Although difficult to predict, it is extremely likely that new children will need to be looked after. In order to predict the numbers and potential cost we have looked at the average increase in numbers over the last few years and applied an average cost. The numbers have been slightly reduced to reflect the prevention activity aforementioned for example, in the highest cost area, residential placements, the average number of 'new' children over the last 3 years has been 8. We have assumed some reduction in numbers to reflect the ongoing work, phased to recognise the time required to implement changes and included 'growth' based on 6 children in 2018/19 and 4 thereafter.

The annual savings of £600,000, delivered through the Spark of Genius Joint Venture are helpful in offsetting some of the rising costs of supporting our Looked After Children.

**Pay Award** – the current plan includes provision for a 1% increase per year. Members will be aware of the ongoing negotiations around pay and there is a likelihood that the increase will exceed the current provision. The provision has therefore been increased to 2% per year.

**Operation of the Globe** – The restoration of the Globe is progressing well on site. The HLF funded Heritage Learning Officer has been appointed. He is co-ordinating the programme of community engagement including the pop-up exhibition in the Rediscover Shop and the Hard Hat Tours. Social Media engagement continues to be high. Members will recall that Heads of Terms were signed with ATG in July following a rigorous competitive dialogue process with four market leading theatre operators. Detailed negotiations and discussions have taken place since then to agree the full operating contract. As a result, the final proposed operating contract is a revised proposition supporting a broader breadth of programme which requires upfront capital investment of £1m in technical fit out to enable the operator to take occupation of a fully functioning venue. In the early years revenue investment in audience development and attraction of major artists and greater capacity will be required of £400,000 in 2019/20 reducing to £300,000 in 2021/22. As was always the intention, this position will be reviewed after 5 years' time and this is in the context of securing a 25 year operating lease.

This proposition, agreed with ATG, will provide capacity and momentum to place the Globe firmly and quickly as a major regional entertainment venue, and in line with the business plan achieve profit share quicker than would otherwise be the case and realise significant benefit to the local economy estimated at £18m per year.

**Legal Costs** – there continues to be pressure around costs associated with Children's and Adult's Social Care. This includes a pressure particularly relating to community DOLS cases and the increased number and complexity of Looked After Children's cases.

**Energy Costs** – Members will be aware of the significant programme of lighting replacement across the Borough. This is an example of improving and enhancing the area and also delivering savings through Invest to Save. However despite making significant savings of £1.8m per year Members will be aware of the continually rising inflation in energy costs and we now face a pressure of £200,000

**Direct Payments** – As outlined in paragraph 6 the rates paid in respect of Direct Payments supporting personal budgets for Adult Social Care has been reviewed and increased to reflect the National Living Wage and local employment, and this will add £600,000 in costs to the plan.

**Transport for Learning Disability Clients** – A review of the transport costs associated with supporting adults with learning disabilities to live in the community has identified a requirement for additional passenger assistants, resulting in a cost pressure of £100,000 per annum.

**School support** – Members will be aware of the significant reduction in Education Services Grant and the work undertaken to mitigate the impact of the £1.4m reduction. The report to cabinet in October outlined the approach to reconfiguring the service and making savings and the report indicated that it was unlikely that the full amount could be saved. If members agree with the final proposals in January, this will mean that £400,000 will need to be funded within the MTFP.

**National Living Wage Provision** - Members will recall from previous reports the allocation of significant resources to fund the implementation of the National Living Wage. Whilst we are still awaiting confirmation of the level and phasing of the National Living Wage over the medium term, it is expected to be lower than the £6m currently allocated costs.

**Pension Contributions** – The 2017/18 budget report indicated that the contribution rate to the pension fund was to increase by 1.5%. Following the receipt of the final charge and a re-assessment of contributions based on updated employee numbers, the actual payment to the fund will be lower than anticipated.

**Crematorium** – Members will be aware from the report to Council in November of the intention to develop a crematorium in the Borough. This will generate a return for the Council and this has been included in the report.

The overall changes can be summarised as follows:

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Re-profiling of Savings Plan	2,950	2,000	1,250	1,250
Current Children's Social Care Pressure	1,600	920	-1,460	-3,606
Looked After Children Growth	1,909	2,900	3,900	4,900
Pay Award - potential increase	825	1,675	2,550	3,450
Operation of Globe Theatre	-	400	350	300
Energy	200	200	200	200
Direct Payment Rates	600	600	600	600
Social Care Legal Costs - Children	120	120	120	120
Social Care Legal Costs - Adults / DOLS	500	50	50	50
LD Transport	100	100	100	100
School Support	400	400	400	400
<b>Income</b>				
Crematorium		-100	-130	-170
National Living Wage Provision	-600	-625	-725	-725
Pension Fund contributions	-177	-351	-337	-337
<b>Pressures</b>	<b>8,427</b>	<b>8,289</b>	<b>6,868</b>	<b>6,532</b>



**Operating Systems** – the current Microsoft operating system we use across the Council will by 2020 no longer be supported. We are currently exploring options, linked to this is the Smarter Working Programme and there could be additional costs once we are clear on the optimum solution.

## Income and Resources

23. There are also some areas of additional income which can be brought into the plan.

**Business Rates** – members will recall the long running risk to business rates associated with an appeal from Virgin Media and the need to make provision in case this was successful. The finance update report in July 2017 updated members on the positive news that Virgin have now withdrawn their appeal against the 2010 list which will release £5m from the current reserve and also save approximately £2m per year.

**Increased Council Tax Levels** – the main aspect is a revised estimate of future years tax base increase based on the current year exceeding the estimate. This is linked to the Councils drive and ambition to increase housing numbers across the Borough to support our growing population. There is also anticipated to be a surplus on the collection fund due to the long term collection rates being strong.

The current plan assumes a Council Tax increase of 1.9% per year and the application of the Social Care Levy of 3% in 2018/19. This will be considered further as part the budget report in February. A review of the Council Tax Base has identified a number of minor anomalies with Parish Council tax bases which will be corrected in preparation for next financial year and may result in a small number of minor refunds.

24. Members will be aware from the finance update report in July 2017 of the new allocations to the Improved Better Care Fund announced in the March 2017 Budget covering 3 financial years:

2017/18	£3,640,877
2018/19	£2,401,401
2019/20	£1,192,949

There are criteria to be met in determining the allocation of this resource. One of the clear criteria is to protect Social Care and it is therefore reasonable to fund some Social Care costs and also the Social Care pressures outlined in the table at paragraph 22 from this resource as outlined below. The final plan also needs to be reported to Health & Wellbeing Board.

Use of IBCF	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	TOTAL £'000
Allocation	-3,641	-2,401	-1,193			-7,235
Proposed use - protection of social care						
Direct Payment rates	600	600	600	600	600	3,000
Social Care Legal Costs		500	50	50	50	650
LD Transport		100	100	100	100	400
Fund delay in delivering savings		775	275			1,050
<b>Total</b>	<b>600</b>	<b>1,975</b>	<b>1,025</b>	<b>750</b>	<b>750</b>	<b>5,100</b>
<b>Available for investment</b>	<b>-3,041</b>	<b>-426</b>	<b>-168</b>	<b>750</b>	<b>750</b>	<b>-2,135</b>

25. The £2.1m balance will be available for further investment and plans are being developed. These plans include work to Rosedale to support reablement activity at a cost of £300,000.
26. This would mean that resources outlined below are available:

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Business Rates (Virgin Media)	-7,000	-2,200	-2,100	-2,200
Investment Income	-500	-500	-500	-500
Collection Fund	-800			
IBCF - Adult Social Care	-1,975	-1,025	-750	-750
Increased Council Tax Base	-220	-600	-930	-1,185
	<b>-10,495</b>	<b>-4,325</b>	<b>-4,280</b>	<b>-4,635</b>

### Summary Position

27. A summary of the budget position is outlined below:

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Approved Budget Position	-571	1,188	1,783	696
Pressures	8,427	8,289	6,868	6,532
Resources Available	-10,495	-4,325	-4,280	-4,635
Budget Gap	-2,639	5,152	4,371	2,593
C/F	2,639	-2,639		
<b>Updated Gap</b>	<b>0</b>	<b>2,513</b>	<b>4,371</b>	<b>2,593</b>

This shows that there is currently a surplus projected in 2018/19 which can be utilised to partly offset the budget gap in 2019/20. This leaves a pressure of £2.5m in 2019/20, £4.4m in 2020/21 and £2.6m in 2021/22.

28. Given that significant work is ongoing around delivering the current savings programme and mitigating growth, both of which are already assumed in the above position, the assumption of further savings over the next 2 years would be extremely challenging given the level of capacity in the organisation.
29. Paragraph 21 has identified the significant level of uncertainty around funding from 2020 onwards and any long term plans on further reductions could change significantly following further clarity on these issues. Once there is further clarity around the funding position, we will revise the plan for future years, include any further changes to expenditure and income plans and also consider the opportunity for reviewing reserves to help manage the position.

### One-Off Pressures

30. There are a range of one off pressures which also need to be considered.

**Waste Disposal costs** – The current contract with SITA for waste disposal is due to end in 2020. In partnership with Tees Valley Authorities options were explored to determine the most cost effective approach for the next 5 years and this determined that a contract extension, albeit at increased prices was the best option as the increased costs were still well below market rates. Given that SITA required funds for investment in the plant, an upfront payment was negotiated in exchange for the price increase. If this were not agreed, it would increase the future pressure on the MTFP by £1m per annum. A project is underway to explore the longer-term option for waste disposal.

**Targeted Action Area** – members will be aware of the report to Cabinet in November outlining the issues relating to older housing stock in both Stockton Town Centre and Victoria and Mandale and the recommendation to earmark funding to support interventions.

**Additional Leisure Centre Investment** in the Ingleby Barwick Leisure, Customer Contact and Library Centre. Members will be aware of the scheme to develop a Leisure facility, library and customer contact centre at Ingleby Barwick. In order to minimise disruption to the school and local residents, this new facility is now being developed alongside significant investment in the school itself. The original cost estimates were provided more than 3 years ago and since that time prices and inflation in the construction industry have risen significantly. A more recent estimate indicated a cost increase of £3m. Although it would be possible to deliver a scheme within the original budget, the quality of the scheme would be extremely compromised. Instead, through significant negotiation and value engineering, we would be able to deliver our original ambition for the state of the art gym, split level pool and library with a further £1.8m investment.

**Stockton Town Hall** – the town hall is in need of significant renovation and reflecting its historic importance and its role in the birth of passenger rail we are pursuing support from English Heritage and Heritage Lottery as part of a wider Stockton-Darlington railway programme over the coming years and we now have Heritage Action Zone status. An element of match funding is required and there are some urgent repairs required so it is estimated £200,000 will be required.

**Neighbourhood Service Improvement** – members will be aware of the significant reductions in spending in Neighbourhood Services following the delivery of savings and this is now having a real impact across the Borough. It is therefore proposed that we allocate a resource for 2 years to target specific areas requiring attention and work with residents and volunteer groups in order to retain our ambition for Stockton to be a great place to live. This will be reviewed thereafter.

**City Scale Events and Attractions** – As the Tees Valley has formally indicated its intention to apply to host 2025 City of Culture, it is anticipated there will be opportunities to attract major events in the run up to that date. Stockton's international reputation & experience places us perfectly to host such events.

Provision in the MTFP would allow us to work collaboratively with partners and provide match funding to enable opportunities to be pursued.

**Great War Commemoration** – The Council will be supporting a range of events commemorating the Great War, including The Yorkshire Regiment Freedom Parade, and it is suggested £40,000 will be required to provide support.

**Security** – Members will be aware of the report presented to Cabinet in November outlining the work and costs associated with security and in particular providing some physical infrastructure to mitigate threats from terrorism.

	<b>TOTAL £'000</b>
Waste Gate Fee	4,200
Additional Leisure Centre Investment	1,800
Globe Mobilisation Costs	1,000
Targeted Area Action	750
Town Hall Condition Improvement	200
Neighbourhood Service Improvement Squad	300
City Scale Events & Attraction	1,000
Great War Commemoration	40
Traveller Site maintenance	100
Event Security	100
<b>Pressures</b>	<b>9,490</b>

31. The Council has through careful use of one off money been able to make significant investments in recent years utilising both capital and revenue resources. Unfortunately there are no one off resources available and if members wish to proceed with the above schemes then we would need to borrow to generate the funds. Although some of the pressures above are revenue and not capital, we are able to 'switch' resources previously approved to fund capital to release the funds required. If this were agreed it would add costs of approximately £450,000 per year to the medium term financial plan depending upon when the borrowing is required. The Council's prudent approach to borrowing means that the level of borrowing is 2.7% of the Net Revenue Budget, which is extremely low compared to other Authorities. The position will be updated and finalised in the budget report in February 2018.

### **CURRENT CAPITAL PROGRAMME**

32. The current Capital Programme is set out at **Appendix A** and summarised in the table below.

#### **Capital Programme - September 2017**

	<b>Current Approved Programme £'000</b>	<b>Programme Revisions £'000</b>	<b>Revised Programme £'000</b>
<b>CAPITAL PROGRAMME Up to 2020</b>			
Schools Capital	53,037	-	53,037
Housing Regeneration, Town Centres Schemes	42,412	3,967	46,379
Transportation	7,364	653	8,017
Other Schemes	38,613	339	38,952
<b>Total Approved Capital MTFP</b>	<b>141,426</b>	<b>4,959</b>	<b>146,385</b>

The main revisions to the programme (those exceeding £100,000) are set out below.

#### **New Schemes**

- As per 14 September 2017 Cabinet Report £3,975,000 has been drawn down from funds allocated in 2017/18 MTFP to support further investment, infrastructure enhancement and property acquisition to facilitate the ongoing regeneration of the Borough's town centres.

- £1,200,000 has been added to the Capital programme to improve east – west connectivity highway infrastructure improvement works funded by £616,000 National Productivity Investment Funding and £584,000 LTP grant.
- Phase 2 of the England Coastal Path, £168,557 has been added to the capital programme funded via grant from Natural England and Teesside Environmental Trust plus third party contributions and income.
- £145,000 to create additional car parking at Rosedale Reablement Centre funded via Better Care Fund has been added to the Capital Programme.

### **COMMUNITY IMPACT IMPLICATIONS**

33. N/A

### **FINANCIAL IMPLICATIONS**

34. To summarise the projected financial position for 2017/18 and to update the MTFP accordingly. Also to set out the key issues arising from the Autumn Budget and Provisional Local Government Finance Settlement as they may impact on the MTFP.

### **LEGAL IMPLICATIONS**

35. None

### **RISK ASSESSMENT**

36. The update of the MTFP is categorised as low to medium risk and is covered by existing management arrangements.

### **COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES**

37. The report addresses all four Policy Principles in the Council Plan.

### **CORPORATE PARENTING IMPLICATIONS**

38. Not applicable

### **CONSULTATION INCLUDING WARD/COUNCILLORS**

39. Members can provide comments to the email address below.

**Name of Contact Officer: Garry Cummings, Director of Finance and Business Services**  
**Telephone 01642 527011**  
**Email Address: [garry.cummings@stockton.gov.uk](mailto:garry.cummings@stockton.gov.uk)**

Appendix A

<b>CAPITAL PROGRAMME Up to 2020</b>	<b>Current Approved Programme</b>	<b>Programme Revisions</b>	<b>Revised Programme</b>	<b>Expenditure April 2012 - June 2017</b>
<b>SCHOOL CAPITAL</b>				
School Investment Programme	53,036,809	0	53,036,809	9,071,266
<b>SCHOOLS CAPITAL</b>	<b>53,036,809</b>	<b>0</b>	<b>53,036,809</b>	<b>9,071,266</b>
<b>HOUSING REGENERATION &amp; TOWN CENTRES SCHEMES</b>				
Housing Regeneration	5,100,829	0	5,100,829	2,757,388
Stockton Town Centre Schemes	35,917,150	75,539	35,992,689	4,911,090
Infrastructure Enhancements & Property Acquisition	1,394,208	3,891,065	5,285,273	1,116,967
<b>HOUSING REGENERATION &amp; TOWN CENTRES SCHEMES</b>	<b>42,412,187</b>	<b>3,966,604</b>	<b>46,378,791</b>	<b>8,785,445</b>
<b>TRANSPORTATION</b>				
Local Transport Plans	4,915,617	(602,076)	4,313,541	1,794,660
Other Transport Schemes	479,489	1,200,000	1,679,489	195,429
Developer Agreements	1,968,999	55,370	2,024,369	1,488,234
<b>TRANSPORTATION</b>	<b>7,364,105</b>	<b>653,294</b>	<b>8,017,399</b>	<b>3,478,323</b>
<b>OTHER SCHEMES</b>				
Private Sector Housing	2,387,968	0	2,387,968	1,110,041
Building Management & Asset Review	978,365	25,086	1,003,451	522,886
ICT & Infrastructure	180,215	0	180,215	139,685
Parks, Museums & Cemeteries	6,686,090	168,557	6,854,647	30,319
Energy Efficiency Schemes	14,240,000	0	14,240,000	13,486,198
Other Schemes	14,140,470	145,000	14,285,470	1,489,337
<b>OTHER SCHEMES</b>	<b>38,613,108</b>	<b>338,643</b>	<b>38,951,751</b>	<b>16,778,447</b>
<b>Total Approved Capital MTFP</b>	<b>141,426,209</b>	<b>4,958,541</b>	<b>146,384,750</b>	<b>38,133,481</b>