

CAPITAL SCHEMES AND MAINTENANCE PROGRAMME (GENERAL FUND)

INTRODUCTION

The Council has a large land and property portfolio including council houses; the Town Hall and Pittville Pump Room; the Recreation Centre, sports pitches and pavilions; the Art Gallery and Museum; parks and gardens, including bandstands and bridges; offices, business premises and car parks. All of these assets are used in the delivery of the Council's services or are used in achieving the aims of the Council as set out in the corporate plan.

Many of these assets require significant upkeep. A number are also of architectural interest and, as such, are part of the fabric of the town, making Cheltenham such an appealing place to live, work in and visit. The Council annually spends resources on the maintenance and enhancement of these assets from capital and property maintenance programmes. It has an asset plan which establishes a mechanism for the review of all the Council's physical assets with a view to establishing their long term management.

SOURCES OF FINANCE

The programme of capital spending is funded from a number of sources including:

- Capital receipts - the Council is allowed to spend 100% of the receipt in respect of the sale of assets and 25% of the receipt from the sale of council houses.
- External grants - the Council often looks to external agencies and the government for partnership funding for schemes.
- Lottery funding - the Council has been successful in attracting lottery funding for the redevelopment of Montpellier Gardens.
- Borrowing - the Council is allowed to borrow to fund capital expenditure. In determining the amount of money borrowed, the Council must satisfy itself that the borrowing is prudent, sustainable and affordable and is guided by the Prudential Code, introduced on 1st April 2004.
- Section 106 receipts - the Council negotiates payments from developers to support infrastructure improvements required as a consequence of a major development. Typically a number of large residential developments have resulted in receipts used for the provision of play space in the locality of the new dwellings and provision of affordable housing.
- Revenue contributions - the Council has set aside funds to finance capital expenditure over the medium term.

CAPITAL PROGRAMME

The budget for 2008/09 includes a five year rolling capital programme. This assists the Council in its long term planning of resource utilisation, provides greater certainty for service managers and leads to a more effective use of the limited resources available.

Each year spending departments put forward bids for capital investment. The bids for new schemes for 2008/09 were considered by the Cabinet and put forward to full Council for approval. Capital schemes are assessed against the council's business plan using the PAT process.

The Council's main source of financing capital expenditure is from the Capital Reserve, which has been built up by specifically reserving funds for the purpose of funding this type of expenditure.

The approved General Fund capital programme for 2008/09 together with the schemes and approved funding commitments for future years are contained in Table 7 - 'GENERAL FUND CAPITAL PROGRAMME'.

PROGRAMMED MAINTENANCE

The Council has developed a 20 year maintenance programme for all Council owned infrastructure and assets. This will require further consideration in future to determine funding mechanisms. A summary of the programme of maintenance for Council buildings for the period 2008/09 to 2011/12 is contained in Table 8 – MAINTENANCE PROGRAMME'.