

Capital Funding Plan 2011/12 to 2015/16

The table below shows how the capital programme at appendix 1 will be paid for.

	2011/12	2012/13	2013/14	2014/15	2015/16
	£000	£000	£000	£000	£000
Total Spending	25,164	31,782	32,105	34,506	27,965
Funded by:					
Borrowing	3,532	0	0	0	0
Major Repairs Reserve	7,623	22,858	17,887	18,167	18,542
Direct Revenue Financing	8,965	5,598	10,800	11,431	6,468
Capital Receipts	1,528	3,211	3,300	2,812	2,830
Grants / Contribution	3,516	115	118	121	125
Total	25,164	31,782	32,105	32,531	27,965
Funding shortfall	0	0	0	1,975	0

Note

Although the programme is potentially short of resources in 2014/15 there are adequate resources available the following year to mean that the proposed capital spend is affordable over this period. Importantly the funding plans for this programme do not assume any use of the borrowing headroom so some short term borrowing could be used to fund this shortfall if needed.

Borrowing

This is the prudential borrowing that has already been approved for 2011/12. This has been allowed for in calculating the additional borrowing that could be undertaken before reaching the debt cap.

Major Repairs Reserve

Under self-financing there is a requirement to calculate how much money should be paid into a Major Repairs Reserve each year in order to ensure that adequate provision is being made to maintain the stock. This is known as a calculation of "depreciation". It replaces the Major Repairs Allowance that was part of the subsidy system. Money is then drawn from the MRR to pay for relevant items of capital expenditure.

Direct Revenue Financing

This is the contribution from the HRA revenue account to fund the capital programme.

Capital Receipts

This is the proportion of capital receipts that arise from the sale of HRA assets that the Council can keep. The rules governing the use of non right-to-buy receipts are changing from April 2012 so that the council will be able to keep 100% of all receipts provided they are used for affordable housing or regeneration.

Grants and contributions from third parties

Contributions are received from third parties in respect of capital expenditure incurred by the Council e.g. payments from leaseholders of sold Council flats in respect of any major works that have been carried out to their homes. In addition significant contributions have been received from the HCA and PUSH.