

Wiltshire Council

Cabinet Capital Asset Committee

22 January 2013

Subject: Additional Capital Grants 2012/2013

**Cabinet member: Councillor John Brady
Finance, Performance and Risk**

Key Decision: No

Executive Summary

Wiltshire Council has been allocated additional unringfenced capital funding for Disabled Facilities Grants and Early Years education funding.

The report asks for a recommendation as to whether the funding should be allocated in full to the suggested schemes or whether it should be allocated to support the general capital programme thus saving borrowing costs.

Proposal

Members are asked to either;

- a. Approve the unringfenced funding be spent in the areas earmarked by government departments and increase the budgets accordingly or
- b. Approve the unringfenced funding to be allocated to the general capital programme and no further budgets allocated to the earmarked areas.

Reasons for Proposals

Additional unringfenced grants have been received that could be allocated to new projects or be utilised on existing schemes.

Michael Hudson Service Director Finance

Wiltshire Council

Cabinet Capital Asset Committee

22 January 2013

Subject: Allocation of additional Capital Grants 2012/2013

**Cabinet member: Councillor John Brady
Finance, Performance and Risk**

Key Decision: No

Purpose of Report

1. To recommend the treatment of additional unringfenced grants recently received from Central Government in 2 areas.

Disabled Facilities Grants

2. As part of a one off £40 million allocation from Central government, a total of £0.322 million was received by Wiltshire Council on the 12 December 2012. This is in addition to the £1.090 million grant received earlier in the year.
3. There are no grant conditions on this additional amount, it has been given as an unringfenced grant and so could be allocated to any capital scheme. The intention of the additional grant is to support the Disabled Facilities Grants provision. This is a statutory service to provide amongst other things ramps, stair lifts and adapted bathrooms to assist disabled people to remain in their home. There is a significant demand on this provision hence the extra provision made by government into this area.
4. In addition to the grant amounts received the Council makes additional contributions to this scheme to provide further support on top of the basic allocation. These additional contributions are funded through borrowing. In 2012/2013 the current budget for this area at month 8 is £2.222 million which is funded £1.090 million from grant and £1.132 million from borrowing
5. Due to the late receipt of the grant increased spending in this area is not required in 2012/2013 as the process from receipt of enquiry, assessment of need, works completed at individuals homes and then finally payment to contractors takes many months.

6. However this additional funding could be used to increase the budget in 2013/2014 where it could be allocated to support the provision of further Disabled Facilities Grants. There is a potential funding shortfall during 2014/2015 onwards where the assumed council contribution drops, so this would partially close this funding gap.

Early Years Education funding

7. Central Government has recently allocated £100 million to support the implementation of Early Years education for disadvantaged 2 year olds from lower income families to improve their educational outcomes and enhance their life chances. This requirement for early education places for the most vulnerable 2 year olds is a statutory duty from September 2013 and the capital allocation is to assist in developing suitable places within the Early Years sector. A total of £0.573 million was allocated to Wiltshire Council.
8. As with Disabled Facilities grants the funding was given as an unringfenced grant so this funding could be applied to any capital scheme.
9. Officers have identified a number of schemes that could be undertaken during 2013/2014, utilising these additional funds to support the implementation of this programme. These could include works at Bellfield Maintained Nursery, Holbrook School Rainbow Nursery, Converting a bungalow at Sarum Academy for places on Bemerton Heath, extension works at the children's centre in Westbury and extension of 2 year old places at Woodlands Charter.

Options available Disabled Facilities Grants

10. Members are asked to recommend one of the following options;
 1. Allocate the grant in full to the Disabled Facilities Grants capital budget and increase the budget in full for this change.
 2. Allocate to Disabled Facilities Grants but make a corresponding reduction in the amount of additional support through borrowing that the council makes.
 3. Allocate to another priority capital scheme or to the general capital programme funding.
11. Option 1 has no financial impact, as the grant is an unexpected windfall. If options 2 or 3 were undertaken this would generate a saving on the revenue costs of borrowing. For Disabled facilities grants this would broadly equate to an ongoing revenue saving of £0.032 (10% per annum).

Options available Early Years Education

12. Members are asked to recommend one of the following options;
 1. Allocate the Grant in full to Early Years capital budget and increase the budget in full for this change
 2. Allocate to another priority capital scheme or to the general capital programme funding.
13. Option 1 above has no financial implications as is a windfall grant. If option 2 was selected then this would save the council from the revenue cost of borrowing on other schemes, so would broadly save £0.057 million per annum (10%).

Environmental Impact of the Proposal

14. No Environmental impacts have been identified arising from this report.

Equality and Diversity Impact of the Proposal

15. No equality and diversity issues have been identified arising from this report

Risk Assessment

16. The grants have been given as unringfenced grants but with the intention of supporting the programmes requested by Central Government. There are some reputational risks involved if the funds are not allocated in full to the chosen programmes.

Financial Implications

17. As detailed in the report, there are no additional cost implications arising from using the grant in full on the schemes suggested by government as they are windfall amounts. There are some savings available if the alternative is undertaken and using this grant reduces the amount of borrowing undertaken on other schemes.

Legal Implications

18. None have been identified as arising directly from this report.

Michael Hudson

Service Director Finance

Report Author: Stephen MacDonald, Principal Accountant (Capital).

Unpublished documents relied upon in the preparation of this report: NONE

Environmental impact of the recommendations contained in this report: NONE