

MAJOR PROJECTS AND CONTINGENCIES FUNDS

**ITEM 6
OSCPR 20 09 06**

Lead Officers: Sue Borwick
Cover Report Author: Catherine Nicholson

MAJOR PROJECTS FUND

- 1.1 The Major Projects Fund (MPF) was established in February 1999, as part of the budget strategy proposed for 1999/2000.
- 1.2 At this time it was proposed to reduce balances to £1.2 million, as District Audit (now Audit Commission) regarded this level as the lowest prudent level, and one, which should not be further reduced.
- 1.3 It was recommended that all future under spends should be held in a separate fund. This would then be used to finance future capital spend.
- 1.4 The contributions to the fund and the expenditure made or committed is shown in detail in Appendix A.
- 1.5 As at the time of writing, the current balance available on the fund is £156,790

CONTINGENCIES FUND

- 2.1 A contingency can be described as something dependant on a possible future event. Each year an amount is built into the total approved budget these possibilities.
- 2.2 During the financial year, events may occur that were not foreseen at budget setting time, and so requests have to be made to use the Contingency budget to finance the expenditure.
- 2.3 An analysis of the Contingency budget for the financial year 2005/06 is included in Appendix B.
- 2.4 As at the time of writing, the remaining balance on the Contingency Fund is £62,627.

CAPITAL RECEIPTS FROM THE SALE OF ASSETS

- 3.1 The list below shows all the receipts we have received from the sale of assets over the last few years. A capital receipt is defined as anything over £10,000. Anything below this amount is classed as de minimus and recorded as revenue.

ASSET	Receipt £
2004/05	
Ginns depot – deposit only and part refundable if scheme does not go ahead	60,300
East Road Dairy – Egremont	71,500
2005/06	
Whitehouse, Strand Street, Whitehaven	47,000
19/20 Irish Street	320,000
23 Roper Street	132,000
2006/07 – completed to date	
Unit 1 Frizington	35,100
Cambridge Road, Hensingham	99,000
Whitehaven Golf Course	235,000
Plots A and B Red Lonning, Whitehaven	50,000

- 3.2 The current policy is to use these receipts in the year to finance the capital programme spend within the year. Legislation only allows us to use capital receipts for this purpose.
- 3.3 There is no requirement to identify specific sales to specific expenditure. The amount in the year is allocated as a total.
- 3.4 During 2005/06, not all the capital receipts were used. A balance of receipts of £168,891.14 remains. This is because not all the approved capital programme was spent in the year. Executive approval has been given to carry this forward.
- 3.5 Any surplus receipts will be considered as part of the budget process for 2007/08.

Appendices: A (income and expenditure)
 B