

ADDENDUM REPORT

TITLE OF REPORT: CAPITAL PROGRAMME 2016/17 ONWARDS

REPORT OF THE STRATEGIC DIRECTOR OF FINANCE, POLICY & GOVERNANCE
EXECUTIVE MEMBER: COUNCILLOR T.W. HONE

1. SUMMARY

- 1.1 To inform Members of four capital schemes which were omitted from the Capital budget papers approved by Cabinet on 26 January 2016 and which have been picked up during reconciliation with Corporate Priority projects.
- 1.2 To make the necessary adjustments to recommendations and associated paragraphs of the report referred from Cabinet.

2. RECOMMENDATIONS

- 2.1 That the inclusion of all the capital investment proposals, listed in Appendix C, which total £13.33million overall (£3.575million profiled in 2016/17) in the proposed capital programme be approved.
- 2.2 That the provisional Capital Programme for 2016/17 to 2019/20 of £19.674million, as detailed at Appendix A and Appendix B, be adopted; and
- 2.3 That authority be delegated to the Strategic Director of Finance, Policy and Governance, in consultation with the Executive Member for Finance and IT, to seek a capitalisation direction of up to £2.5million to enable a contribution to be made to the Pension fund as soon as possible to improve the revenue position of the General Fund

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the capital programme meets the Council's objectives and officers can plan the implementation of the approved schemes.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None.

5. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 5.1 All Members were given opportunity to comment on the Capital Investment Proposals at Member Budget Workshops held in November 2015. Notes of the comments and questions raised were provided to Cabinet in December.
- 5.2 Members will be aware that consultation is incorporated into project plans of individual capital schemes as they are progressed.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision to be taken at this meeting that was first notified to the public in the Forward Plan on the 29 October 2015.

7. BACKGROUND

- 7.1 The referral from Cabinet details capital investment proposals totalling £13.043million overall (£3.293million profiled in 2016/17). It also seeks adoption of the Provisional Capital Programme for 2016/17 to 2019/20 of £19.4million.

8. ISSUES

- 8.1 Whilst checking to ensure all capital schemes approved during the year had been included as projects in the Corporate Plan, it has come to light that the following Bancroft schemes which were approved by Cabinet on 10 November 2015 were omitted from the provisional Capital Programme considered by Cabinet at its December and January meetings.

Project	Cost (£)
Demolish 4 disused tennis courts and landscape to grass and planted area at Bancroft Recreation Ground, Hitchin Industrial Properties	35,000
Renew pathways at Bancroft Recreation Ground, Hitchin	50,000
Bancroft Recreation Ground, Hitchin, Multi Use Games Area (MUGA)	170,000
Total	255,000

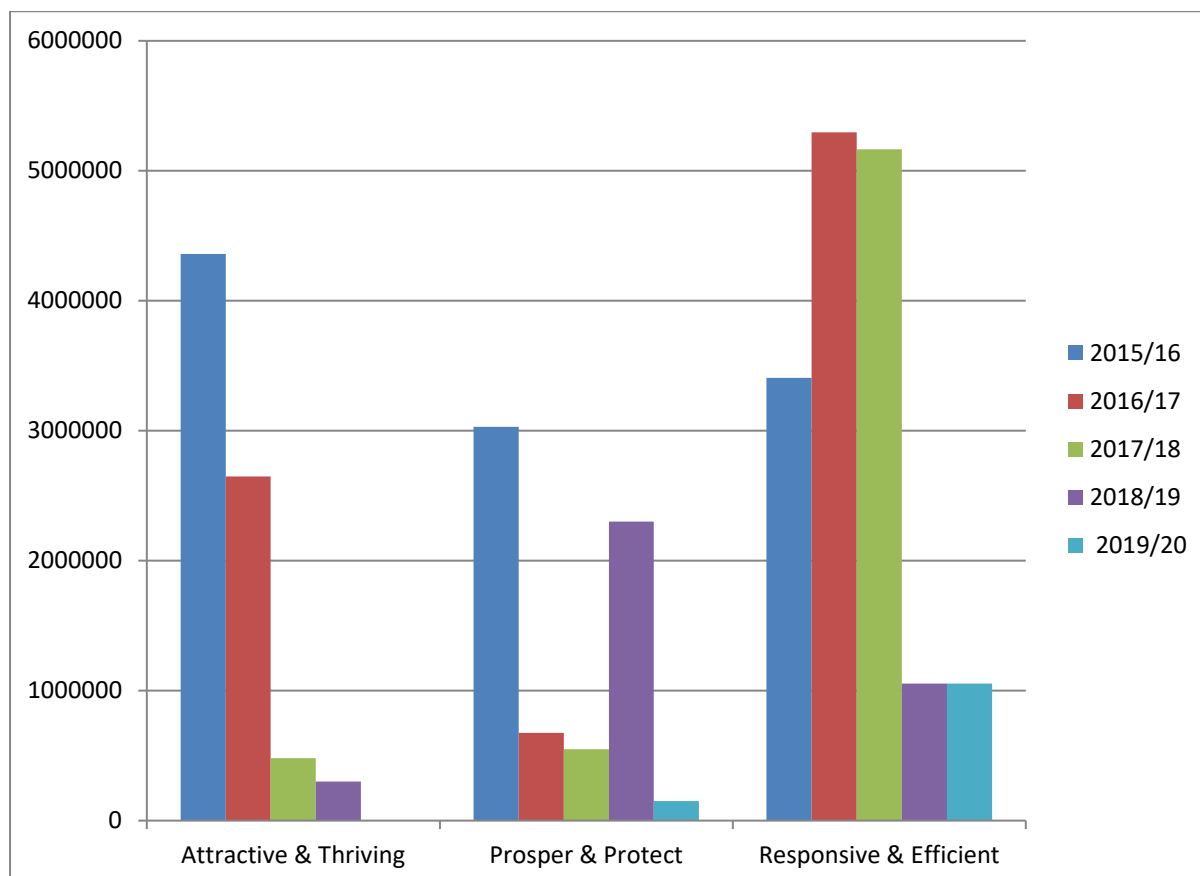
- 8.2 In addition, the following scheme listed in the 2014-2019 adopted Green Space Management Strategy as a project for 2016/17 was also omitted

Project	Cost (£)
Clothall Road boundary fence and gate	15,000

- 8.3 The appendices to this addendum report have now been updated to include these schemes and the recommendations of this report reflect the changes. The Capital investment proposals in Appendix C now include the schemes as C33 to C36 and total £13.33million overall (£3.575million profiled in 2016/17).
- 8.4 The strategic summary in Appendix A and scheme by scheme detail in Appendix B have been amended to reflect the provisional capital programme for 2016/17 to 2019/20 which now totals £19.674million.
- 8.5 The estimated capital spend in 2016/17 is £8.619million and includes the £0.810million of new proposed investment schemes bought forward in the 2016/17 Corporate Business Planning process and listed in Appendix C.

- 8.6 The new capital investment proposals detailed in Appendix C (those not highlighted in bold) total an investment of £4.56million over the period 2016/17 to 2019/20. All proposals have been linked to Council priorities.
- 8.7 The capital programme includes a total investment in these three priorities, over the period 2016/17 to 2019/20, of £19.674million. This is demonstrated in Chart 1.

Chart 1: Distribution of capital spend on the Council's priorities



- 8.8 Over the period 2016/17 to 2019/20 the total demand on useable and set aside capital receipts is now estimated to be £17.75million. At an average interest rate of say, 1%, this money would have generated the general fund approximately £178k per annum.
- 8.9 Following the inclusion of the four additional schemes in Appendix C, a total of £1.1million of third party contributions and grants is expected to be applied in 2016/17.
- 8.10 The Authority operates a 10% tolerance limit on capital projects and on this basis over the next four-year programme (2016/17 - 2019/20) it should be anticipated that the total spend over the period could be £1.97million higher than the estimated £19.674million. The authority will need to continuously review the affordability of the capital programme in the light of the asset disposal programme, availability of third party funds and impact on the general fund, including the on-going revenue liabilities arising from new capital schemes. The asset disposal programme has to be carefully reviewed in the light of market conditions while considering the demands for resources from the capital programme.

9. LEGAL IMPLICATIONS

9.1 As per the Cabinet report.

10. FINANCIAL IMPLICATIONS

10.1 The main financial implications are covered in sections 8 and 10 of the Cabinet referral report and are updated by section 8 of this report to reflect the addition of the 4 schemes totalling £270K outlined in paragraphs 8.1 and 8.2 of this addendum report.

11. RISK IMPLICATIONS

11.1 As per the Cabinet report.

12. EQUALITIES IMPLICATIONS

12.1 As per the Cabinet report.

13. SOCIAL VALUE IMPLICATIONS

13.1 As per the Cabinet report.

14. HUMAN RESOURCE IMPLICATIONS

14.1 As per the Cabinet report.

15. APPENDICES (Revised to take account of the changes in this addendum)

15.1 Appendix A - Capital Programme Summary.
Appendix B - Capital Programme Detail.
Appendix C - Capital Investment Proposals for 2016/17 and onwards.

16. CONTACT OFFICERS

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