

REFERENCE FROM CABINET – 19 JUNE 2013

**CAPITAL PROGRAMME OUTTURN 2012/2013 AND FIRST CAPITAL REVIEW  
2013/2014 (INCLUDING TREASURY MANAGEMENT)**

**Report of the Head of Law and Governance**

**1. Purpose of the Report**

- 1.1 To set out for advice and consideration of this Committee an aspect of the report on the Capital Programme Outturn 2012/2013 and First Review 2013/2014 (including Treasury Management), namely requesting the Council to approve the variations in of the capital programme for both years to include additional schemes with an estimated cost in excess of £250,000.
- 1.2 Members' views will contribute to the consultation process.

**2. Background and Current Position**

- 2.1 The Cabinet, at its meeting held on 19 June 2013, gave consideration to a report of the Executive Director of Commercial and Corporate Services. The report sets out:-
- the Provisional Capital Programme Outturn for 2012/2013;
  - the outcome of the First Capital Programme Review for 2013/2014 taking account of the Capital Programme Outturn;
  - changes made to the Capital Programme 2013/2014 since its approval;
  - an update on the outturn position for 2012/2013 and progress in implementing the Treasury Management Borrowing and Investment Strategy for 2013/2014.
- 2.2 The Cabinet was asked to approve, and where necessary recommend to Council, the inclusion of additional schemes or variations to existing schemes for 2012/2013 and 2013/2014 detailed in the extracts, as a variation to the Capital Programme.
- 2.3 Copies of the 19 June 2013, Cabinet Agenda have been made available to all Members of the Council.
- 2.4 In relation to the Capital Programme outturn for 2012/2013 Cabinet agreed to:
- approve, and where necessary recommend to Council, the inclusion of additional expenditure for 2012/2013 as included at Appendix A and
  - note the overall Provisional Capital outturn position for 2012/2013 and authorise the Executive Director of Commercial and Corporate Services to finalise any outstanding capital financing issues in consultation with the Leader and Cabinet Secretary

In relation to the Capital Programme first review for 2013/2014 Cabinet agreed to:

- approve amendments in resourcing the Capital Programme since it was approved by Council in March 2013, and

- approve and where necessary recommend to Council, the inclusion of additional expenditure for 2013/2014 detailed at and B, and
- approve a contract variation in excess of £250,000 for the Customer Service Network Platform.

In relation to the Treasury Management Strategy Cabinet agreed to note the positive progress in implementing the 2013/2014 Treasury Management Strategy and Prudential Indicators.

- 2.5 The proposed variations to the Capital Programmes to include additional schemes costing over £250,000 is also being referred to Scrutiny Committee for its advice and consideration, prior to seeking Council approval.

The attached Appendix A sets out the relevant extracts from the Cabinet Report which outlines the additional schemes with an estimated cost in excess of £250,000 in 2012/2013 and 2013/2014.

### **3. Conclusion**

- 3.1 The report is referred to Scrutiny Committee, for advice and consideration in the context of inclusion of the additional schemes for 2012/2013 and 2013/2014 costing over £250,000 which are set out in the relevant extracts at Appendix A). Comments from the Scrutiny Committee will be reported direct to Council on **24 July 2013**.

### **4. Recommendation**

- 4.1 The Scrutiny Committee is invited to give advice and consideration to Council on the proposed variation to the Capital Programme for 2012/2013 and 2013/2014 to include additional schemes with an estimated cost in excess of £250,000..

### **5. Background Papers**

- 5.1 Cabinet Agenda, 19 June 2013.
- 5.2 A copy of the Agenda is available for inspection from the Head of Law and Governance or can be viewed on-line at:-

<http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8003/Committee/1636/Default.aspx>

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**Capital Programme Outturn 2012/2013 And First Capital Review 2013/2014  
(Including Treasury Management)**

**Cabinet Meeting 19<sup>th</sup> June 2012**

*Extract of Report*

	<b>£000</b>
<b>Variations to the 2012/2013 Capital Programme in excess of £250,000</b>	
<b>Health, Housing and Adults</b>	
DECC Fuel Poverty Fund – fully funded by DECC grant Following a successful bid, the Department of Energy and Climate Change announced in January 2013 new funding to address fuel poverty by delivering thermal efficiency improvements in hard to reach properties in Southwick, Millfield and Hendon. This funding was to be spent in 2012/2013, and the amount allocated to Sunderland was £0.505m, with £0.015m of this to be spent on revenue items and £0.490m on capital.	490
<b>Further Technical Adjustment</b>	
Equal pay capitalisation Direction received on 3 <sup>rd</sup> June 2013 from DCLG which gives consent to the council to treat certain Equal Pay liabilities up to £18.819m as capital expenditure in 2012/2013	18,819
<b>Variations to the 2013/2014 Capital Programme in excess of £250,000</b>	
<b>Leader</b>	
Crowtree Redevelopment Prior to demolishing the Crowtree Leisure Centre a survey was undertaken to establish potential costs of demolition. Required works not originally planned for, such as DDA compliance for the walkway, and other costs have led to an increase of £1.118m in 2013/2014 compared to that programmed. This cost can be fully funded from prudential borrowing and slippage elsewhere in the Capital Programme. All works are scheduled for completion by March 2014.	1,118
<b>Cabinet Secretary</b>	
Seafront Strategy – fully funded from BIG Communities Grant and Reserves An award of £2.000m in February 2013 from the BIG Coastal Communities Fund will enhance and accelerate works identified within the Seafront Regeneration Strategy. Additionally final tenders for phase 2 of the Seafront Strategy were £0.325m higher than anticipated. An examination of the capital programme has enabled these costs to be fully funded from underspendings on the former Vaux Site Advanced Works.	2,325
<b>Responsive Services and Customer Care</b>	
Customer Service Network Platform – fully funded from Reserves Investment in the Customer Service Network Platform of £0.465m in 2013/2014, has been provided to deliver improved and more efficient services. The developments include enhanced telephony functionality that will consist of an automated switchboard, enhanced voicemail linked to safeguarding and voice recording, whilst ensuring full compliance with statutory requirements, combined with greater accessibility via the web and delivery of mobile working. This can be fully funded from reserves set aside for this purpose.	465