

REFERENCE FROM CABINET – 21 OCTOBER 2015

CAPITAL PROGRAMME SECOND CAPITAL REVIEW 2015/2016 (INCLUDING TREASURY MANAGEMENT)

Report of the Head of Law and Governance

1. Purpose of the Report

- 1.1 To advise the Committee of the approval by Cabinet of variations to the capital programme to include additional schemes with an estimated cost in excess of £250,000, which will also be reported to Council for information.

2. Background and Current Position

- 2.1 The Cabinet, at its meeting held on 21 October 2015, gave consideration to a report of the Director of Finance. The report sets out:-

- reprofiling of projects since the First Capital Review for 2015/2016 was approved in June 2015;
- the inclusion of additional schemes and revisions to costs and resourcing for 2015/2016 since the First Capital Review was reported;
- the progress in implementing the Treasury Management Strategy for 2015/2016.

- 2.2 The Cabinet was asked

- In respect of the second capital review for 2015/2016 to approve the inclusion of additional schemes or variations to existing schemes for 2015/2016 detailed at Appendix A, as a variation to the Capital Programme which will be reported to Scrutiny and Council for noting where necessary, and
- To approve a capital grant of £50,700 to Holley Park Academy for the purpose set out at paragraph 4.3.2 in accordance with Financial Procedure Rules.

In relation to the Treasury Management Strategy and Prudential Indicators, Cabinet is asked:

- To note the positive progress made in implementing the strategy for 2015/2016

- To approve and recommend to Council the revised 2015/2016 Prudential Indicators for both the Authorised Borrowing Limit for External Debt of £516.048m and the Operational Boundary for External Debt Limit of £442.196m.
- 2.3 Copies of the 21 October 2015, Cabinet Agenda have been made available to all Members of the Council.
- 2.4 In accordance with the Council's Financial Procedure Rules, Cabinet may authorise variations to the Capital Programme provided such variations are within available resources and consistent with Council policy.

The attached Appendix A sets out the relevant extracts from the Cabinet Report which outlines the variation to schemes with an estimated cost in excess of £250,000 in 2015/2016 and future years.

3. Recommendation

- 3.1 The Scrutiny Committee is invited to note the proposed variation to the Capital Programme for 2015/2016 and 2016/2017 to include additional schemes with an estimated cost in excess of £250,000.

4. Background Papers

- 4.1 Cabinet Agenda, 21 October 2015.
- 4.2 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/8593/Committee/1890/Default.aspx>

Contact Elaine Waugh

Officer: 0191 561 1053

elaine.waugh@sunderland.gov.uk

Sonia Tognarelli

0191 561 1805

sonia.tognarelli@sunderland.gov.uk

Appendix A

Capital Programme Second Capital Review 2015/2016 (including Treasury Management)

Cabinet Meeting 21 October 2015

Extract of Report

2015/2016 Additional Schemes and Variations in Existing Schemes in excess of £250,000 - Fully Funded	£000
Cabinet Secretary	
<p>Port Capital Equipment – invest to save</p> <p>The Port have recently secured a new contract with Spartan UK to manage steel cargoes and also a 3 year extension with Sodra to handle wood pulp through the Port. To support this activity a new 32 tonne forklift truck has been purchased to mitigate current hire costs and necessary shed lighting improvement works are being procured to support the management of wood pulp through the Port. The cost of £0.250m will be met on an invest-to-save basis to be repaid over 3 years.</p>	250
Children's Services	
<p>School Asset Management Programme</p> <p>The EFA/DfE have allocated £1.786m per year for the School Condition grant (formerly Schools Capital Maintenance) for 3 years from 2015/2016. The programme of works has therefore been reviewed and progressed to escalate works where appropriate, resulting in an increase in the capital programme in 2015/2016 for that year's allocation of £1.786m. The planned works include various general improvements to schools across the city, major works to Castletown Primary School to facilitate an increase in the pupil admission numbers and a new extension build at South Hylton Primary to respond to bulge year groups currently on roll at the school.</p>	1,786
Health, Housing and Adult Services	
<p>Hetton Downs Regeneration</p> <p>The Hetton Downs Delivery Plan has been fully delivered following acquisition and demolition of properties to regenerate that area. The HCA provided funding in advance of delivery of the project. However, due to the downturn in the housing market since 2009, the Council was able to successfully acquire sites at lower values than estimated when the Plan was originally prepared. The delivery plan was therefore able to be fully delivered at less cost than originally anticipated. In accordance with the terms of the funding agreement, £1.952m grant has therefore been repaid to the HCA and the Capital Programme is accordingly reduced.</p>	(1,952)
<p>Disabled Facilities Grants</p> <p>Additional funding of £0.508m has been received from Health partners to help address demand pressures for the provision of Disabled Facilities Grants in 2015/2016.</p>	508
Public Health, Wellness and Culture	
<p>Arts Centre Washington Improvements</p> <p>The Arts Centre Washington has successfully secured £0.258m funding from the Arts Council for capital works to the theatre and gallery as well as for other general improvements to the building. The total cost of works is £0.303m and the Council has provided £0.045m match funding via prudential borrowing. The works must be complete by the end March 2016.</p>	303