

REFERENCE FROM CABINET – 13 JANUARY 2016

CAPITAL PROGRAMME - THIRD CAPITAL REVIEW 2015/2016, PROVISIONAL RESOURCES 2016/2017 AND TREASURY MANAGEMENT REVIEW 2015/2016

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 with an estimated cost variance of £250,000 or more, which will also be reported to Council for information.

2. Background and Current Position

- 2.1 The Cabinet, at its meeting held on 13 January 2016, gave consideration to a report of the Director of Finance. The report sets out the:-

- re-profiling of projects since the Second Capital Review for 2015/2016 was approved in October 2015;
- the inclusion of additional schemes and revisions to costs and resourcing for 2015/2016 since the Second Capital Review was reported;
- the allocation of capital resources for 2016/2017, subject to any adjustments required when final resource announcements are made;
- the progress in implementing the Treasury Management Strategy for 2015/2016.

- 2.2 The Cabinet was asked

- In respect of the third capital review for 2015/2016, to approve the inclusion of additional schemes or variations to existing schemes for 2015/2016 detailed at Appendix A of the report, as a variation to the Capital Programme which would be reported to Scrutiny and Council for information where necessary;
- In relation to the Capital Programme for 2016/2017, Cabinet was asked to note
 - that the allocation of resources as set out will be subject to final resource announcements;
 - that Cabinet Members will consider proposals for new starts based on resource allocations to be confirmed in due course in order to incorporate proposed new starts in the Capital Programme to be presented to Cabinet in February 2016.
- 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.

- 2.3 Copies of the 13 January 2016, 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 variations to the capital programme with an estimated cost variance of £250,000 or more in 2015/2016.

3. Recommendation

- 3.1 The Scrutiny Committee is invited to note the proposed variation to the Capital Programme for 2015/2016 with an estimated cost variance of £250,000 or more.

4. Background Papers

- 4.1 Cabinet Agenda, 13 January 2016.

- 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/8596/Committee/1890/Default.aspx>

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Appendix A

Capital Programme - Third Capital Review 2015/2016, Provisional Resources 2016/2017 And Treasury Management Review 2015/2016

Cabinet meeting 13 January 2016

Extract of Report

2015/2016 Additional Schemes and Variations to Existing Schemes of £250,000 or more - Fully Funded	£000
Leader	
<p>Vaux Phase 1 -. The project is the first phase of development on the Vaux site to provide 5,481m² (c.59,000 sq ft) of lettable business space along with strategic infrastructure including roads, utilities, parking, landscaping, public realm and external works. The total cost of the scheme is estimated at £25.4m.</p> <p>As part of North East Growth Deal announced in January 2015, the Vaux Phase 1 project was granted an indicative Local Growth Fund allocation of £10.8m. In addition a full application has been submitted for ERDF funding of £4m. Formal confirmation in relation to both external funding streams is anticipated by February 2016.</p> <p>The balance not funded externally is to be funded through available council resources. Funding to meet this cost was approved in November 2013 as part of the proposals considered for the establishment of Siglion, and is provided for within the Council's budget planning framework.</p> <p>Siglion will undertake the development of the building, with construction commencing in 2016 and completion by the end of 2017. The estimated spend in 2015/2016 is £1.592m, with £12.916m in 2016/2017 and £10.905m in 2017/2018.</p>	1,592
City Services	
<p>Sunderland City Centre Cycle Permeability Scheme – approved by Cabinet 16th December 2015, The project is to deliver a network of high quality shared surfaced routes into Sunderland's city centre for cyclists and walkers. It will include operational enhancements and safety improvements at all road crossings and junctions.</p> <p>The total project cost of £0.880m is to be funded by £0.800m Local Sustainability Transport Fund grant from the NECA, with a 10% local contribution from the Local Transport Programme grant of £0.080m. This is to be spent by March 2017.</p>	392