

Report of	Assistant Director of Corporate and Improvement services	Author	Paul Cook ☎ 505681
Title	Amendments to the Capital Programme		
Wards affected	All		

1 Executive Summary

- 1.1 To approve amendments to the Capital Programme.

2 Recommended Decision

- 2.1 To make an increased allocation of £1.5m to the Colchester Northern Gateway North project.
- 2.2 To make an increased allocation of £350k to the Colchester Northern Gateway South project
- 2.3 the Council maximises its available capital resources, supporting the Council's Treasury Management Strategy and associated statutory requirements.
- 2.4 Members have assurance that the key risks associated with the capital programme are being managed to ensure efficient and effective delivery of the programme.
- 2.5 To hold Service Managers and Portfolio Holders accountable for budgets and project delivery.

3 Reason for Recommended Decisions

- 3.1 To allocate additional resources to enable these strategic projects to be completed

4 Alternative Options

- 4.1 If the additional allocations were not made it would not be possible to complete the projects to the agreed scope.

5 Background Information

- 5.1 These projects constitute a significant element of the Capital Programme as set out in the table. The table sets out spend from 2019/20 onwards and includes the proposed additional allocations.

Capital Programme Summary £k		
1	Lending to Council Housing Company	28,800
2	Colchester Northern Gateway North	24,317
3	HRA - Housing Improvement Programme	8,663

4	HRA - Purchase of properties	7,400
5	Equity investment in Council Housing Company	7,300
6	Mercury Theatre Redevelopment Phase 2	6,631
7	Colchester Northern Gateway South	5,844
8	Colchester Northern Gateway Heat Network	4,089
9	Other Schemes	26,565
10	Total all schemes	119,609

- 5.2 Since the revised 2019/20 programme approved by Budget Council capital allocations have been increased for some projects with significant changes set out in the table below. These additional allocations are recommended to 11 March 2020 Cabinet

Scheme	Need for increased allocation	19/20 £k	20/21 £k
Colchester Northern Gateway North	Additional Highway Works, revised costs where provisional sums included in the original contract, establishment of additional contract contingency		1,500
Colchester Northern Gateway South	Tenders exceed programme allocation	-310	660

- 5.3 The full year capital financing cost of the additional £1.850m is £111k assuming that it is met in full by borrowing. (3.5% interest cost and 2.5% minimum revenue provision.) This additional cost can be contained within the borrowing headroom identified in the November 2019 budget report to Cabinet.
- 5.4 It is expected that part of the additional costs can be met by S106 receipts if received and this will reduce the borrowing requirement.
- 5.5 The capital programme and its funding will be fully revised in setting the 2021/22 Capital programme in October 2020.

5 Strategic Plan

- 5.1 The capital programme supports the Council's Strategic Plan

6 Financial implications

- 6.1 As set out within this report

7 Environmental and Sustainability Implications

- 7.1 The Capital Programme reflect the Council's declaration of a Climate Emergency and its commitment to becoming carbon neutral by 2030. The environmental and sustainability

implications of individual programmes will be thoroughly assessed with reference to the definition of sustainable development set out in the National Planning Policy Framework.

- 7.2 The proposed additional allocations will ensure full walking and cycling access to the new Sports Hub.

8 Equality and Diversity Implications

- 8.1 Equality and diversity issues for individual projects are assessed in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

9 Risk management implications

- 9.1 Risk management issues are considered as part of individual capital projects. Currently the key risk within the capital programme as reported relates to the finalisation of funding arrangements to enable key schemes primarily within the RIF to progress. Relevant officers are endeavouring to formalise funding arrangements where necessary. The position is being continuously monitored.

10 Other standard references

- 10.1 There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.

Background papers None