

# **Cherwell District Council**

## **Council**

**19 July 2021**

## **Capital Programme Amendments**

### **Report of Director of Finance**

This report is public

#### **Purpose of report**

To seek Council's approval to amend the Capital Programme for 2021/22 in line with the Financial Regulations.

#### **1.0 Recommendations**

The meeting is recommended:

- 1.1 to approve the inclusion of the Public Sector Decarbonisation Scheme into the Capital Programme at a cost of £5.987m funded by Government grant.
- 1.2 to approve the inclusion of the Garden Town scheme for Banbury Road Roundabout into the Capital Programme at a cost of £4.550m funded by Government grant.
- 1.3 to vire £75k from the Finance System Project to the iTrent payroll project.

#### **2.0 Introduction**

- 2.1 The Council's Financial Regulations require changes to the Capital Programme of over £50,000 to be approved by Council. This report sets out proposed changes to the Capital Programme recommended by the Executive.

#### **3.0 Report Details**

- 3.1 This report proposes to update the 2021/22 Capital Programme to reflect additional grant income the Council has or anticipates it will receive and for minor changes between projects.

### 3.2 Public Sector Decarbonisation Scheme

3.2.1 The Council has been successful in being awarded grant funding of £5.987m for the Public Sector Decarbonisation Scheme. This will allow the Council to install a range of measures across the following 10 sites:

- Bicester Leisure Centre
- Spiceball Leisure Centre
- Kidlington Leisure Centre
- Woodgreen Leisure Centre
- Thorpe Lane Depot
- Banbury Museum
- Franklins House
- Drayton Sports Pavilion
- Stratfield Brake Spots Pavilion
- Whitelands Way Sports Pavilion

3.2.2 The measures that will be incorporated can be split into two categories:

- Fairly straightforward works such as hand dryer, lighting, door replacements, solar film, insulation, ventilation, etc., which are pretty sound in terms of their potential works and subsequently clear with a high degree of assurance in terms of energy savings.
- Technologies that would involve design work, and in some cases planning (i.e. heat pumps, heat recovery, building controls, solar PV, etc). As such we have incorporated 2 gate reviews allowing for managerial decision to proceed, first following completion of a design stage and second following return of tenders to manage risks (not least the budget risks).

3.2.3 The Public Sector Decarbonisation Scheme was approved by the Executive at its meeting on 5 July 2021.

### 3.3 Garden Town

3.3.1 The Ministry of Housing, Communities and Local Government (MHCLG) has made £14.349m available for the Garden Town infrastructure projects:

- Ploughley Road Junction
- Pioneer Road Roundabout
- Banbury Road Roundabout

<b>Project</b>	<b>Grant Phase 1 £m</b>	<b>Grant Phase 2 £m</b>	<b>Total £m</b>
Ploughley Road Junction	0.981	2.819	<b>3.800</b>
Pioneer Road Roundabout	1.015	4.044	<b>5.059</b>
Banbury Road Roundabout	0.950	4.550	<b>5.500</b>
<b>Total</b>	<b>2.946</b>	<b>11.413</b>	<b>14.359</b>

3.3.2 The phase 1 and phase 2 grants for Ploughley Road Junction and Pioneer Roundabout were completed in 2020/21 were spent in 2020/21. The phase 1 grant of £0.950m was spent on the Banbury Road Roundabout in 2020/21.

3.3.3 MHCLG will provide the Council with the Phase 2 grant of £4.550m for works at Banbury Road Roundabout subject to achieving the milestones of completing feasibility work and receiving planning consent.

### 3.4 **Minor Changes**

3.4.1 The iTrent Payroll project has £25k of capital budget remaining. However, there are further works that are required for phase 2 of the project. The Finance System implementation is expected to underspend by £75k. Therefore it is recommended that £75k is transferred from the Finance System project to the iTrent Payroll project to enable it to be fully implemented.

## 4.0 **Conclusion and Reasons for Recommendations**

4.1 It is recommended to amend the 2021/22 Capital Programme to incorporate these three changes. There will be no net additional costs to the Council as two of the projects are fully grant funded and the third involves a transfer of budget between schemes.

## 5.0 **Consultation**

None required, however the proposals have been considered and were recommended to Council by Executive at their 5 July 2021 meeting.

## 6.0 **Alternative Options and Reasons for Rejection**

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Do not approve the changes to the Capital Programme. However, this would mean that the schemes would not be able to progress. For those with Grant funding, the grant would have to be returned/declined and Cherwell would not benefit from the schemes. If the iTrent Payroll adjustment is not made then the Council will not be able fully benefit from the new system.

## 7.0 **Implications**

### **Financial and Resource Implications**

7.1 The two major schemes, Garden Town and Public Sector Decarbonisation, are fully grant funded and there will be no net costs to the Council. The transfer of budget from the Finance System to the iTrent Payroll project will mean the overall increase in costs compared to the current financial plans.

Comments checked by:

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## **Legal Implications**

- 7.2 The grant received must be spent in line with the grant conditions. There are no other legal implications associated with this report.

Comments checked by:

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## **Risk Implications**

- 7.3 Projects must be managed well so that they are completed within their overall budget allocations. The above projects will be included in project/operational risks and escalated to the leadership risk register as and when necessary.

Comments checked by:

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## **Equalities and Inclusion Implications**

- 7.4 There are no equalities and inclusion implications arising directly from this report, however, the each of the schemes requested to be added to the Capital Programme will be expected to complete an Equality Impact Assessment to ensure any implications are identified and suitable mitigation activity is put in place.

Comments checked by:

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## **Sustainability Implications**

- 7.5 The Public Sector Decarbonisation Scheme will assist the Council in delivering its carbon neutral commitment. There are no other sustainability implications to adding the projects to the Capital Programme. Sustainability implications will need to be picked up as part of specific reports about individual projects.

Comments checked by:

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## **8.0 Decision Information**

**Key Decision** N/A

**Financial Threshold Met:** N/A

**Community Impact Threshold Met:** N/A

**Wards Affected**

All

**Links to Corporate Plan and Policy Framework**

All

**Document Information****Appendix number and title**

- None

**Background papers**

None

**Report Author and contact details**

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