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TRAFFORD COUNCIL

AGENDA PAPERS FOR EXECUTIVE

Date: Monday, 24 July 2017

Time: 6.30 pm

Place: Committee Room 2 and 3, Trafford Town Hall, Talbot Road, Stretford M32
0TH

AGENDA	PART I	Pages
1. ATTENDANCES		
To note attendances, including officers, and any apologies for absence.		
2. DECLARATIONS OF INTEREST		
Members to give notice of any interest and the nature of that interest relating to any item on the agenda in accordance with the adopted Code of Conduct.		
3. MINUTES		1 - 10
To receive and, if so determined, to approve as a correct record the Minutes of the meeting held on 26 th June, 2017.		
4. MATTERS FROM COUNCIL OR OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)		
To consider any matters referred by the Council or by the Overview and Scrutiny Committees.		
5. CAPITAL INVESTMENT FUND		11 - 20
To consider a joint report of the Executive Members for Investment and for Corporate Resources, and of the Chief Finance Officer.		

NOTE: A related report is to be considered in Part II of this agenda.

6. BUDGET MONITORING 2017/18 - PERIOD 2 (APRIL TO MAY 2017) 21 - 32

To consider a report of the Executive Member for Corporate Resources and Chief Finance Officer.

7. AGMA COMBINED AUTHORITY / EXECUTIVE BOARD: FORWARD PLANS AND DECISIONS

None currently to be reported.

8. URGENT BUSINESS (IF ANY)

Any other item or items which by reason of:-

- (a) Regulation 11 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Chairman of the meeting, with the agreement of the relevant Overview and Scrutiny Committee Chairman, is of the opinion should be considered at this meeting as a matter of urgency as it relates to a key decision; or
- (b) special circumstances (to be specified) the Chairman of the meeting is of the opinion should be considered at this meeting as a matter of urgency.

9. EXCLUSION RESOLUTION

Motion (Which may be amended as Members think fit):

That the public be excluded from this meeting during consideration of the remaining items on the agenda, because of the likelihood of disclosure of "exempt information" which falls within one or more descriptive category or categories of the Local Government Act 1972, Schedule 12A, as amended by The Local Government (Access to Information) (Variation) Order 2006, and specified on the agenda item or report relating to each such item respectively.

10. CAPITAL INVESTMENT FUND 33 - 60

To consider a joint report of the Executive Members for Investment and for Corporate Resources, and of the Chief Finance Officer.

NOTE: A related report is to be considered in Part I of this agenda.

THERESA GRANT
Chief Executive

COUNCILLOR SEAN ANSTEE
Leader of the Council

Executive - Monday, 24 July 2017

Membership of the Committee

Councillors S.B. Anstee (Chairman), A. Williams (Vice-Chairman), S.K. Anstee, Mrs. L. Evans, D. Hopps, J. Lamb, P. Myers, J.R. Reilly and M. Whetton

Further Information

For help, advice and information about this meeting please contact:

Jo Maloney,

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This agenda was issued on **14 July 2017** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH.

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EXECUTIVE

26 JUNE 2017

PRESENT

Leader of the Council (Councillor Sean Anstee) (in the Chair),
Executive Member for Investment (Councillor A. Williams),
Executive Member for Adult Social Care (Councillor Stephen Anstee),
Executive Member for Children and Families (Councillor M. Whetton),
Executive Member for Communities and Partnerships (Councillor Mrs. L. Evans),
Executive Member for Highways, Parks and Environmental Services (Councillor John Reilly),
Executive Member for Housing and Strategic Planning (Councillor D. Hopps).

Also present: Councillor Adshead, Bowker, Brotherton, Butt, Carter, Cordingley, Fishwick, Harding, Hynes, Lloyd, Taylor, A, Western, D. Western, Ward and M. Young.

In attendance:

Chief Executive (Ms. T. Grant),
Corporate Director, Transformation and Resources (Ms. J. Hyde),
Corporate Director, Children, Families and Wellbeing (Ms. J. Colbert),
Director of Legal and Democratic Services (Ms. J. Le Fevre),
Director of Growth and Regulatory Services (Mr. R. Roe),
Interim Director, One Trafford Partnership (Mr. P. Helsby) (part only),
Head of Financial Management (Mr. G. Bentley),
Democratic and Scrutiny Officer (Mr. J.M.J. Maloney).

NOTE: On behalf of the Executive the Leader of the Council welcomed incoming Members of the Executive (Councillors Stephen Anstee, Hopps and Whetton) and expressed his thanks to the outgoing Member (Councillor Hyman).

APOLOGIES

Apologies for absence were received from Councillors J. Lamb and P. Myers.

93. DECLARATIONS OF INTEREST

No declarations were made by Executive Members.

94. MINUTES

RESOLVED – That the Minutes of the meeting held on 27th March 2017 be approved as a correct record.

95. MATTERS FROM COUNCIL OR OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)

The Executive received for its consideration, and for the agreement of formal responses, two reports from Scrutiny, as set out in the following Minutes.

96. SCRUTINY REVIEW – EDUCATION, HEALTH AND CARE PLAN (EHCP) PROCESS

Councillor M. Young, as Chairman of the Scrutiny Committee, noted that the review, carried out by the Scrutiny Committee Task and Finish Group into the Education, Health and Care Plan (EHCP) Process in Trafford, had now been formally presented to the Executive for its consideration. A formal response was to be agreed by the Executive at this meeting; and this would be considered in detail by the Scrutiny Committee at its meeting on 5th July, 2017.

97. EHCP - EXECUTIVE RESPONSE

The Executive Member for Children and Families submitted a report which set out a proposed response to the Scrutiny Committee's review of the Education, Health and Care Plan process. It was noted that the Executive Member was to attend the forthcoming meeting of Scrutiny Committee at which the Executive's agreed response was to be considered.

RESOLVED -

- (1) That the content of the Scrutiny review report be noted.
- (2) That the recommendations set out in detail in the report be accepted; and that the actions taken, as detailed in section 2 of the report, be noted.

98. SCRUTINY REVIEW – JOINT VENTURE CONTRACT, TRAFFORD / AMEY

Councillor M. Young, as Chairman of the Scrutiny Committee, noted that the review, carried out by the Scrutiny Committee Task and Finish Group into the Joint Venture Contract between Trafford Council and Amey, had now been formally presented to the Executive for its consideration. A formal response was to be agreed by the Executive at this meeting; and this would be considered in detail by the Scrutiny Committee at its meeting on 5th July, 2017.

99. JOINT VENTURE - EXECUTIVE RESPONSE

The Executive Member for Highways, Parks and Environmental Services submitted a report which set out a proposed response to the Scrutiny Committee's review of the Joint Venture Contract between Trafford Council and Amey. It was noted that the Executive Member was to attend the forthcoming meeting of Scrutiny Committee at which the Executive's agreed response was to be considered.

RESOLVED -

- (1) That the content of the Scrutiny review report be noted.
- (2) That the response to recommendations proposed by Scrutiny Committee, as set out in section 2 to the report, be approved.

*Executive (26.6.17)***100. WARRENER STREET SITE, SALE MOOR**

The Executive Member for Housing and Strategic Planning submitted a report seeking approval, in the light of an Options and Feasibility study, for the optimum delivery approach in relation to the car park site and adjoining third party land, particularly in the context of the Council's Investment Strategy.

RESOLVED -

- (1) That the preferred option of the Warrener Street Options and Feasibility Study will form the Council's strategy to take forward the Warrener Street site.
- (2) That authority be delegated to the Director of Growth and Regulatory Services to progress the delivery strategy for the site and enter discussions with third party land owners.
- (3) That the site be added to the Land Sales Programme once the delivery strategy is confirmed.

101. LAND SALES PROGRAMME 2017/8 AND BEYOND

The Executive Member for Investment submitted a report which advised Members of the outcome of the 2016/17 Land Sales Programme, proposed a programme for the disposal of land and buildings during the financial year 2017/18 and sought the necessary delegations. A related report, setting out additional financial information relating to the Land Sales Programme, was considered in Part II of this meeting. (Minute 116 below refers.) In response to a question, it was agreed that further detail would be supplied of the site at Britannia Road, Sale, referred to in the report.

RESOLVED -

- (1) That the outcome of the 2016/17 Land Sales Programme be noted.
- (2) That approval be given to the Land Sales Programme for 2017/18 as set out in the public report, and associated report considered in Part II of the agenda.
- (3) That authority be delegated to the Chief Executive to:
 - a. negotiate and accept bids.
 - b. engage external resources where this will assist in implementing the programme.
 - c. submit an application for planning permission on any properties included in the programme where this will assist in marketing.
 - d. offset eligible disposal costs against capital receipts in accordance with capital regulations up to a maximum of 4% of the value of the capital receipt.
 - e. advertise the intention to dispose of a site in the event that it comprises open space as defined by the Town and Country Planning Act 1990, in accordance with the relevant statutory procedure, and if any objections are received refer to the relevant portfolio holder

for consideration in consultation with the Executive Member for Highways, Parks and Environmental Services.

- f.
 - i) add to or substitute sites into the programme during the year.
 - ii) hire security services or arrange for the demolition of any property.
 - iii) authorise alternative methods of disposal where appropriate.
- (4) That the Director of Legal and Democratic Services in consultation with the Chief Executive and, where appropriate, the Chief Finance Officer be authorised to finalise and enter into all legal agreements required to implement the above decisions.

102. ALTRINCHAM TOWN CENTRE NEIGHBOURHOOD BUSINESS PLAN - REGULATION 18 - PUBLICATION OF THE EXAMINER'S REPORT AND MODIFICATIONS AND DECISION TO PROCEED TO REFERENDUM

The Executive Member for Housing and Strategic Planning submitted a report which provided a summary of the Examiner's report and proposed modifications to the Altrincham Town Centre Neighbourhood Business Plan (ATCNBP). The report sought approval of the Examiner's modifications in order to ensure that the ATCNBP met the Basic Conditions which a draft neighbourhood plan must meet if it is to proceed to referendum. The report also sought approval that the ATCNBP should proceed to referendum and for the proposed area in which the referendums (for both the residents and businesses) were to take place. Members were advised that, in relation to the Referendum, all of the proposed delegation arrangements set out below would be exercised under the auspices of the Council's Chief Executive in her capacity as Chief Counting Officer.

RESOLVED -

- (1) That approval be given to each of the proposed modifications to the text of the ATCNBP contained within the Examiner's report (Appendix 2 to the report).
- (2) That the proposed modification to the ATCNBP area made by the Examiner (see PM7 in Appendix 2 and the Plan at Appendix 3 to the report) be approved.
- (3) That it be approved that the ATCNBP proceed to referendum and that authority be delegated to the Director of Growth and Regulatory Services and the Director of Legal and Democratic Services to carry out any action to enable the ATCNBP to proceed to referendum.
- (4) That the referendum boundary as recommended by the Examiner (detailed in Appendix 3 to the report) be approved.

*Executive (26.6.17)***103. AGREEMENT FOR DELIVERY OF CYCLE CITY AMBITION GRANT WORKS (ROUND 2)**

The Executive Member for Highways, Parks and Environmental Services submitted a report seeking approval to authorise the signing of the legal document between the GMCA, TfGM and Trafford Council, associated with the implementation of the second round of the Cycle City Ambition Grant.

RESOLVED -

- (1) That the Director of Legal and Democratic Services be authorised to execute and complete the necessary Agreement and documentation to enable the delivery of the project.
- (2) That the Director of Legal and Democratic Services be authorised to execute and complete any subsequent Deeds of Variation to enable the delivery of the project.

104. REGIONAL ADOPTION AGENCY (RAA) PROPOSAL (ADOPTION COUNTS)

The Executive Member for Children and Families submitted a report outlining changes to the previous proposal and recommendations relating to the Council's involvement with the Regional Adoption Agency (RAA).

RESOLVED -

- (1) That the changes made to the financial model be noted and that support be reaffirmed for the establishment of a Regional Adoption Agency between Stockport, Manchester, Trafford, Salford and Cheshire East local authorities as outlined in the report dated 23rd January 2017.
- (2) That the agreement of the terms of the proposed Partnership Agreement as outlined in the report be delegated to the Corporate Director, Children, Families and Well-being in consultation with the Director of Legal and Democratic Services; and that the Corporate Director, Children, Families and Well-being be authorised to enter into the Agreement on behalf of the Council.
- (3) That this decision be deemed to be urgent, for the reasons set out in paragraph 5.0 of the report, and not subject to call-in.

105. TRAFFORD FOSTER CARE ALLOWANCES

The Executive Member for Children and Families submitted a report which proposed increases to the Council's current fostering allowance rates, to encourage recruitment and retention, assist in achieving the directorate's transformation targets, and mitigate additional risks set out in the report.

RESOLVED -

-
- (1) That the weekly fostering allowance for carers of children in younger age ranges, age 0-10 years be increased by 50% so that they are comparable to those in neighbouring local authorities with effect from 1st October 2017.
 - (2) That the weekly fostering allowances for carers of older children age 11-17 years be increased by 20% so that they are comparable to those in neighbouring local authorities and independent agencies with effect from 1 October 2017.
 - (3) That this decision be deemed to be urgent, for the reasons set out in paragraph, 5.0 in the report, and not subject to call-in.

106. DISCRETIONARY RELIEF AND EXEMPTION POLICIES

The Executive Member for Corporate Resources submitted a report which proposed a number of amendments in relation to the Council's policies covering discretionary discounts for Council Tax and Business Rates, including a proposal to introduce a full exemption for all care leavers up to their 25th birthday.

RESOLVED -

- (1) That from 1st April 2017 all Care Leavers receive a full exemption from Council Tax up until their 25th birthday.
- (2) That the Executive notes and approves the proposed amendments to the existing policies to take account of new guidance and case law, as well as the wider changes to the welfare system and new business rates discretionary funding.
- (3) That Exchequer Services amalgamates all its discretionary policies and has one combined policy, separated by sections for each function, but with amalgamated decision making and appeal scheme of delegation governance.

107. ACQUISITION OF A COMMERCIAL PROPERTY WITH DEVELOPMENT POTENTIAL

The Executive Member for Investment submitted a report which sought approval for the Council to acquire a commercial property in Old Trafford, which had the potential for redevelopment. In connection with this item, the Executive received, in Part II of this meeting, a related presentation (Minute 117 refers) which identified the site in question and provided a summary of financial aspects of the proposal, the site's development potential, and risk evaluation which had been undertaken or was planned. It was noted that further information would be made available to Members in due course.

RESOLVED -

- (1) That the detail of the proposed acquisition of a commercial property in Trafford ("the Site") as set out in the presentation made to the Executive Meeting on 26 June 2017 be noted.

Executive (26.6.17)

- (2) That approval be given to the principle of the acquisition of the Site for investment purposes.
- (3) That it be noted that it may be appropriate for the acquisition to be made jointly with a third party and that approval be given to the principle of the acquisition by the council acting in partnership with a third party.
- (4) That it be noted that both (2) and (3) above are conditional upon a satisfactory business case (independently reviewed) and commercial terms being approved by the Executive Member for Investment in consultation with the Chief Executive and under advisement from the Chief Finance Officer.
- (5) That authority be delegated to the Executive Member for Investment in consultation with the Chief Executive, and under advisement from the Director of Legal and Democratic Services and the Chief Finance Officer, to finalise the terms of the proposed acquisition and the terms of the partnering arrangement (if required) to support the acquisition.
- (6) That authority be delegated to the Director of Legal and Democratic Services in consultation with the Interim Corporate Lead – Property & Investment to agree the terms of and to enter into any documents required to implement the above recommendations.

108. FUTURE OF THE S.48 AGMA GRANTS SCHEME

The Executive Member for Communities and Partnerships submitted a report which requested that formal consideration be given to the closure of the current AGMA Grants Scheme established under S48 Local Government Act 1985, with a view to its replacement by a new scheme under the Greater Manchester Combined Authority (GMCA).

RESOLVED -

- (1) That it be noted that initial consideration has been given to the case for closure of the Section 48 AGMA Grants programme and that a consultation on closure of the scheme is to be undertaken by AGMA to inform a final decision on closure to be taken at a later date.
- (2) That the development be supported of a new funding programme for culture, under the GMCA, as a potential replacement for the Section 48 Scheme.
- (3) That it be noted that it is intended to run the consultation for a new CA programme for culture at the same time as the consultation on closure of the Section 48 scheme.

109. APPOINTMENTS MADE BY THE EXECUTIVE TO OUTSIDE, INDEPENDENT AND EXECUTIVE BODIES

The Chief Executive submitted a report seeking the Executive's agreement to the appointment of representatives to those bodies whose activities related to Executive functions.

RESOLVED -

- (1) That approval be given to the appointment of representatives to those outside, independent and Executive bodies set out in the Appendix to the report.
- (2) That authority be delegated to the Chief Executive, in consultation with the Leader of the Council and Opposition Group Leader(s) if necessary, to appoint members to any vacancy that remains or arises after the meeting and to any additional bodies to which the Executive may be required to make appointment(s).

110. ANNUAL DELIVERY PLAN 2016/17 (FOURTH QUARTER) PERFORMANCE REPORT

The Executive Member for Corporate Resources submitted a report which provided a summary of year-end performance against the Council's Annual Delivery Plan 2016/17. An opportunity was provided for Members to ask questions on the report's content, and these concentrated on recycling rates and green waste issues, the domestic violence Behaviour Change Programme, delayed transfers of care and staff sickness rates. It was agreed that further information on these issues would be provided to Members in appropriate forums.

RESOLVED – That the content of the Annual Delivery Plan Fourth Quarter Performance Report be noted.

111. BUDGET MONITORING 2016/17 - PERIOD 12 OUTTURN (APRIL 2016 TO MARCH 2017)

The Executive Member for Corporate Resources and Chief Finance Officer submitted a report which informed Members of the 2016/17 draft outturn figures relating to both Revenue and Capital budgets and the level of General and Service Reserves. It also summarised the final unaudited position for Council Tax and Business Rates within the Collection Fund. An opportunity was provided for Members to raise questions in relation to the report's content.

RESOLVED –

- (1) That the pre-audited revenue budget outturn be noted.
- (2) That the levels of General & Service Reserves and Collection Fund balances and commitments are noted and confirmed.

Executive (26.6.17)

- (3) That the outturn position on the Capital Programme and Prudential Indicators be noted.

112. TREASURY MANAGEMENT ANNUAL PERFORMANCE 2016/17 REPORT

The Executive Member for Corporate Resources and Chief Finance Officer submitted a report which provided details of the principal treasury management activities undertaken during 2016/17, noting that the report was also to be referred to Council. An opportunity was provided for Members to raise questions in relation to the report's content.

RESOLVED – That the Executive advise the Council:

- (1) of the Treasury Management activities undertaken in 2016/17;
- (2) that no prudential limits were breached during 2016/17;
- (3) that there was full compliance with both the CIPFA Code of Practice on Treasury Management and CIPFA Prudential Code for Capital Finance.

113. AGMA COMBINED AUTHORITY / EXECUTIVE BOARD: FORWARD PLANS AND DECISIONS

The Executive received for information details of decisions taken by the GMCA, and by the GMCA and AGMA Executive jointly, on 31st March 2017.

RESOLVED – That the content of the decision summaries be noted.

114. URGENT BUSINESS (IF ANY)

(a) Health and Social Care Integration Update

[NOTE: The Leader of the Council agreed to the consideration of this item as Urgent Business in order to synchronise the issuing into the public domain and to staff members of information which was also to be considered by the CCG's Board.]

The Executive Member for Health and Wellbeing submitted a report which set out the partnership work to be undertaken by Trafford Council and Trafford CCG on the path to integration.

RESOLVED – That the information regarding the approach to integration, including the commencement of the initiatives detailed in the report, be noted.

115. EXCLUSION RESOLUTION

RESOLVED - That the public be excluded from this meeting during consideration of the remaining items on the agenda, because of the likelihood of disclosure of "exempt information" which falls within one or more descriptive category or categories of the Local Government Act 1972, Schedule 12A, as amended by The Local Government (Access to Information) (Variation) Order 2006, and specified on the agenda item or report relating to each such item respectively.

116. LAND SALES PROGRAMME 2017/8 AND BEYOND

The Executive Member for Investment submitted a report setting out additional financial information relating to the Land Sales Programme for 2016/17 and 2017/18. All details of resolutions agreed in Part I of the meeting in relation to this matter are set out earlier in these Minutes. (Minute 101 refers.)

117. ACQUISITION OF A COMMERCIAL PROPERTY WITH DEVELOPMENT POTENTIAL

The Executive Member for Investment delivered a presentation in relation to the proposed acquisition of a commercial property in Old Trafford discussed earlier on the agenda (Minute 107 refers). The presentation identified the site in question and provided a summary of financial aspects of the proposal, the site's development potential, and risk evaluation which had been undertaken or was planned. The formal agreement and resolutions in relation to this matter were as set out at Minute 107 above.

The meeting commenced at 6.30 p.m. and finished at 8.25 p.m.

TRAFFORD COUNCIL

Report to: Executive 24 July 2017
Council 26 July 2017

Report for: Decision

Joint Report of: Executive Member for Investment, Executive Member for Corporate Resources and the Chief Finance Officer

Capital Investment Fund

Summary

At Budget Council on 22 February 2017 a fund of £20m was established to support the acquisition of assets that will support local regeneration and/or yield future sustainable revenue streams for the Council and also cover borrowing costs. This report seeks approval to increase this fund in line with the Investment Strategy detailed in the Part B confidential appendices to this report. The Investment Strategy is designed to move the Council into a more sustainable budget position. This would enable the Council to fund projects which will deliver significant economic development and regeneration benefits for the area and/or increase the Council's income generating capacity which would support and maintain the provision of services in future years.

The Council is required to set prudential indicators in accordance with the CIPFA Prudential Code which are designed to support and record decisions taken on affordability, sustainability and professional good practice and these are outlined within the Part B section to this report.

Recommendations

That the Executive recommends that Council:-

1. approves and adopts the Summary Investment Strategy as detailed in the Part B appendices
2. approves the increase to the Capital Investment Programme in 2017/18 as detailed in the associated Part B appendices
3. approves the governance structure and reporting and monitoring arrangements proposed for an Investment Management Board (IMB) as detailed in Paragraphs 15
4. approves the setting up of an Investment Management Company to manage investments where appropriate and delegates authority to the Director of Legal and Democratic Services in consultation with the Chief Executive and the Executive Member for Investment to take all necessary steps to establish a company with the powers to invest and manage investments in line with the

Summary Investment Strategy;

5. delegates decision making in accordance with the provisions of the Summary Investment Strategy to the IMB
6. approves the amendment to the MRP policy as outlined in Paragraph 19
7. approves the changes to the Prudential Borrowing indicators as set out in the appendices in the Part B report.
8. approves the changes to the Treasury Management investment counterparty limits as detailed in Part B appendices to this report.

Contact person for access to background papers and further information:

Name: Graeme Bentley

Telephone No: 0161 912 4336

Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	Low Council Tax and Value For Money / Economic Growth and Development
Financial	The Capital Investment Fund budget included in the Capital Programme will increase in line with the Investment Strategy and included in the Part B section to this report. Proposals to utilise the fund will be subject to the appropriate level of due diligence and be capable of providing a sustainable revenue stream to the Council and to cover any related borrowing costs.
Legal Implications	As detailed in the report
Equality/Diversity Implications	None as a result of this report
Resource Implications e.g. Staffing / ICT / Assets	None as a result of this report
Risk Management Implications	The appointment of CBRE as investment advisors will enable an objective assessment of the risk levels within each investment and over the portfolio as a whole. The approach to risk is set out in more detail in the investment strategy.
Health & Wellbeing Implications	None as a result of this report
Health and Safety Implications	Not Applicable

BACKGROUND

1. Two reports have previously been presented to Executive in December 2016 and February 2017 setting out a proposed approach to securing and developing investment opportunities which will generate sustainable income streams to support

the Council's revenue budget. A sum of £20m was approved by Council in February 2017 as part of the the Capital Programme to support this approach.

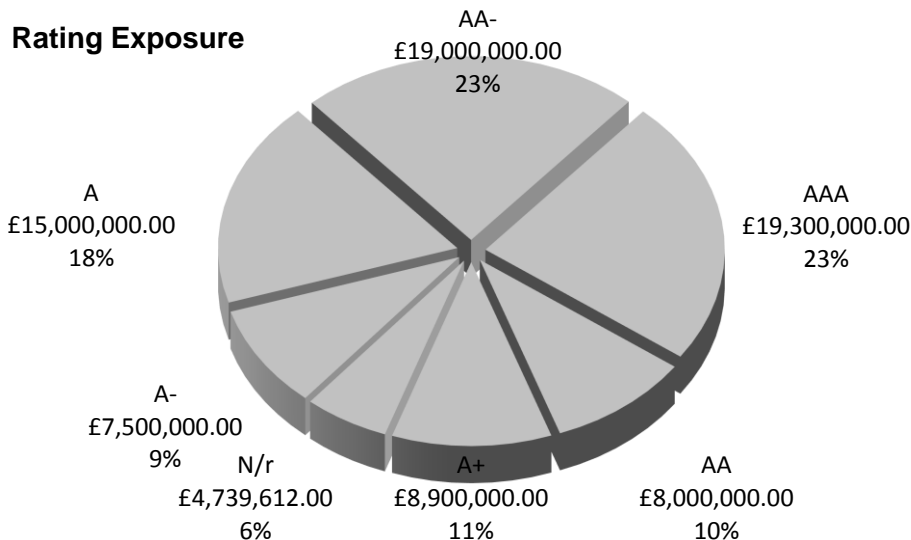
2. Since those reports a great deal of work has been undertaken to further refine our approach to investment and earlier this month CBRE were appointed as investment advisors to support the Council in developing its investment strategy and to manage its future investments.
3. It has also become apparent that given the range and scale of the programmes the Council is considering investing in to promote the economic development and regeneration of the area and the size of the financial challenge the Council will face to balance the budget in future years and avoid having to make significant cuts to essential services, together with the need to ensure we have a balanced portfolio of investment assets, that the size of the overall investment fund should be increased substantially.
4. Going forward the Investment Strategy will only be one element of the Council's budget strategy and service savings and efficiencies will continue to be sought in future years, albeit that it is expected that the reliance on generating sustainable, low risk revenue streams will play an increasing role given the extent of savings already delivered since 2010/11.

EXISTING INVESTMENTS

5. The Council undertakes investments on a daily basis as part of the Treasury Management function which operates within an investment strategy and already owns a portfolio of investment assets. The table below details the value of all these investments as at 31 March 2017:-

Investment type	Value £m	2016/17 Return £m	2016/17 Return %
Treasury Management Cash Investments	77.7	0.7	0.67
Treasury Management Property Investments (See Para 7)	4.7	0.2	4.61
Investment Property	34.4	2.1	6.1
Total	116.8	3.0	2.6

6. The Treasury Management activity involves investing temporarily surplus balances arising from monies received in advance of spend and other balances and reserves. This generates income in the form of investment interest. A breakdown of the Council's investments at 31 March 2017 is shown below:-



7. Whilst the majority of funds are invested through the money markets the Council does hold a long term treasury investment of £5m with the Church Commissioners Local Authority Property fund; a fund which is only available to public sector organisations. The objective of the fund is to generate long-term capital growth whilst generating returns in the form of annual dividends by investing in commercial property throughout the UK. A major advantage of the Fund is that, unlike other property investments, it does not need to be accounted for in the capital programme.
8. The Council also owns an existing property portfolio valued at £34.4m including an investment in airport land together with a number of leasehold interests in the town centres such as Stretford Mall and Stretford Arndale. In addition to this the Council also receives income through its shareholding in the airport and over the past few years this has generated between £2.5m and £3.5m per annum in shareholder dividends.
9. It is important that any future investment strategy considers the potential to maximise returns from the current investments.

INVESTMENT STRATEGY DEVELOPMENT

10. It is crucial that in developing an investment strategy appropriate guidance is followed. DCLG Guidance on Local Government Investments considers three key areas. The Strategy:-
 - should set out the authority's policies for prudent management of its investments and for giving priority firstly to security of investments and secondly liquidity followed by yield.
 - Should identify the procedures for monitoring, assessing and mitigating risk of loss of the invested sums
 - should be approved by full Council.
11. A copy of the Summary Investment Strategy can be found in the Part B annex to this report.

12. A full version of the Investment Strategy will be brought back to the Executive and Council at the September meetings

GOVERNANCE

13. CBRE have been appointed as the Council's investment advisors and will assist the Council with developing the Investment Strategy and will also identify investment opportunities aligned with the objectives and strategy and make recommendations for investments and may assist in due diligence on any purchases.
14. It is crucial that the Council is able to act quickly in order to secure investments and therefore will need to procure a technical team capable of supporting the completion process including legal, building surveyors and environmental consultants.
15. As part of the decision making process it is recommended that an Investment Management Board is established to oversee the approval of new acquisitions and to undertake a performance management role. It is proposed that the Board will comprise the Leader of the Council and the Leaders of the two Opposition Groups, the Executive Member for Investment, the Chief Executive and the Corporate Director for Economic Growth Environment and Infrastructure (represented during the current vacancy in that role by the Interim Corporate Lead for Property and Investment). The IMB will act under advisement from the Director of Legal and Democratic Services, Chief Finance Officer and CBRE. This process will be supported by appropriate independent external advice on each acquisition and also a robustness statement from the Chief Finance Officer.
16. The financial performance of the investment portfolio and of each property within the portfolio will be measured and reported on on a quarterly basis by an officer group to the IMB and subsequently to Executive. Performance measurement will be based on external revaluations and net yield generated and reporting will be undertaken with a view to making recommendations concerning sales or purchases and any amendments to the adopted strategy to ensure that the main objectives continue to be achieved.

FINANCE CONSIDERATIONS

17. The budget gap for 2018/19 and 2019/20 reported to Council in February 2017 was £13.2m and £6.1m respectively and these budget reductions need to be seen in the context of savings of £128m which have been made since 2010/11. To help to address this gap the Council has the opportunity to undertake investments which satisfy the investment objectives outlined above and with the aim of generating a revenue return to the Council.
18. All opportunities for investment will be subject to high levels of due diligence and must have a robust business case demonstrating a sustainable income stream sufficient to cover interest costs associated with any borrowing, property management costs and debt repayment provisions, known as minimum revenue provision (MRP).

19. All future acquisitions will be financed through prudential borrowing but the extent that MRP is accounted for will be determined on a case by case basis and be a function of the life and condition of the asset, the lease term of any tenant and estimated residual asset value. The Council is required to charge a prudent provision for debt repayment annually and based on a strategy of acquiring assets with strong residual values the level of MRP is likely to be relatively low. Each year the Council approves its MRP strategy and a further update will be required for the MRP approach for investment property as referred to above.
20. If the properties are to be held directly by the Council then there should be no Corporation Tax or Capital Gains Tax issues arising. If a separate trading company was to be established taxation issues would have to be taken into account in estimating overall returns in respect of investments undertaken through that body. There will be various VAT implications to ensure the optimum arrangement are put in place.
21. Stamp Duty Land Tax will be payable on all purchases.

RISK MANAGEMENT

22. A rigorous assessment of all risks is required for each investment in order firstly to value each property and then to check its suitability for inclusion in the portfolio. The risks fall into two categories, firstly economic and property market risks in specific property market sub-sectors and locations and secondly asset-specific risks including:-
 - Location of property
 - Building specification quality
 - Length of lease unexpired
 - Financial strength of tenant(s)
 - Rental levels payable relative to current open market rental values
 - Residual value
23. Reputational risks will also be considered particularly in relation to the types of commercial properties to be acquired and the type of tenant.

LEGAL IMPLICATIONS

24. Local authorities have broadly drawn powers allowing them to invest and to borrow, in each case either for purposes relevant to the performance of any of their functions or generally for the prudent management of their financial affairs (s1 and s12 of the Local Government Act 2003). They may also acquire property by agreement located either inside or outside of their borough for the purposes of any of their functions, including their investment functions, or otherwise for the benefit, improvement or development of their area (s120 of the Local Government Act 1972). In addition, they may also take any action (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions, which would again include their investment functions (s111 of the Local Government Act 1972).

25. The Council also has powers under the general power of competence contained in section 1 of the Localism Act 2011 (2011 Act) to do anything that individuals generally may do. However, this is not an unfettered power and there is a requirement under Section 4 of the 2011 Act to act through a company where the authority is exercising the general power for a "commercial purpose". "Commercial purpose" is not defined, but it is likely that an investment made solely with a view to a profit would constitute a commercial purpose, even where that investment entailed fulfilling some wider strategic or altruistic purpose.
26. This would mean that if the Council was seeking to invest for commercial purposes, rather than as a result of the exercise of its powers under the Local Government Acts it would be necessary for it to do so through a company. It will therefore be important that any investments acquired pursuant to the strategy are wherever possible acquired relying upon the powers in S1 and S12 Local Government Act 1972.
27. However, in order to facilitate investments made for commercial purposes, authority is also sought for the establishment of a wholly owned investment company. The Council would then be able to engage in investment activity which is not aligned to the exercise of other local authority functions, and which must therefore be deemed to be for a commercial purpose, through the proposed company. This will enable the Council to maximise its access to investment opportunities and to secure opportunities where the sole benefit to be derived from that investment will be a commercial return.
28. The Council will need to ensure that in exercising its investment and borrowing functions to expand its property portfolio, that any actions are reasonable and proportionate and for proper purposes consistent with the Council's prudential regime and its investment strategy. Investment decisions also need to be taken mindful at all times the council's fiduciary duties to ensure the sound management of the public finances.
29. Notwithstanding this judicial discussion, if the purpose of the proposed investment is objectively characterised as a commercial purpose and the Council is relying on the general power of competence in the 2011 Act, rather than any of its other functions then pursuant to s4(2) of the 2011 Act, the Council should only act through the use of a company.
30. Legal due diligence will be required on all property acquisitions, to include a review of title and ownership, and searches and enquiries of the vendor, in order to ascertain relevant liabilities and restrictions connected with the subject property. The results of the legal enquiries, and any associated risks, should be considered prior to any decision to enter into contract.
31. On any sale of an investment property the Council will be required to obtain best consideration in accordance with s123 of the Local Government Act 1972. Usually this will be achieved by placing the property onto the open market or otherwise, in respect of a sale agreed off market, demonstrating by way of professional valuation that it is achieving no less than market value for the property.

PRUDENTIAL INDICATORS

32. There are no overall limits on what a council can borrow but the overall Treasury Management function is governed by Cipfa's Treasury Management and Prudential Codes. Under the latter the Council is required to set indicators that are designed to support and record decisions taken on affordability and sustainability. There is also a requirement to impose *limits* on the Council's treasury management activities to ensure decisions are made in accordance with professional good practice and risks are appropriate (These are included in the Treasury Management Strategy Report). The Chief Finance Officer monitors these and reports on them at appropriate times whilst the Council can revise these indicators and limits at any time.
33. Increasing the Investment Fund has a significant impact on the Council's prudential indicators and updated figures are included in the appendices at Part B to this report. The main changes to the indicators are as follows:-
- An increase to the Capital Programme in 2017/18
 - An increase to the Authorised and Operational Limits
 - An increase to the Capital Financing Requirement
34. It is worth noting that two important indicators relating to the impact of the decision on the council tax level and the financing costs to net revenue stream do not increase as a result of this proposed investment.
35. Other changes to the Treasury Management Investment Strategy around counterparty limits are required to give capacity to invest any surplus short term funds that may be available before investment property acquisitions are made are included within the appendices at Part B to this report.

Other Options

The Council could choose not to increase the Capital Programme but this would limit the opportunities which the Council is able to take in order to support economic growth and regeneration in the Borough and restrict the resources available to acquire a balanced portfolio of investment assets. It would also mean that the ability to generate new sustainable income streams would be missed and the potential to reduce the budget deficit through increased income would be lost.

Consultation

No consultation is required at this stage; each proposal will be subject to appropriate levels of due diligence and assessed to determine any impact and therefore the consultation required.

Reasons for Recommendations

To increase the level of the Investment Fund to allow the Council to invest to support its functions and to secure a balanced portfolio of investment assets which will help in mitigating risk and maximising returns.

Key Decision: No

If Key Decision, has 28-day notice been given?

Finance Officer Clearance (NB)

Legal Officer Clearance (JLF)

Corporate Directors Signature



To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

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TRAFFORD COUNCIL

Report to: Executive

Date: 24 July 2017

Report for: Discussion

Report of: The Executive Member for Corporate Resources and the Chief Finance Officer

Report Title:

Budget Monitoring 2017/18 – Period 2 (April to May 2017).

Summary:

The purpose of this report is to inform Members of the current 2017/18 forecast outturn figures relating to both Revenue and Capital budgets. It also summarises the latest forecast position for Council Tax and Business Rates within the Collection Fund.

Recommendation(s)

It is recommended that:

- a) the Executive note the report and the changes to the Capital Programme as detailed in paragraph 17.

Contact person for access to background papers and further information:

David Muggeridge, Finance Manager, Financial Accounting Extension: 4534

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Revenue and Capital expenditure to be contained within available resources in 2017/18.
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

Other Options

Not Applicable

Consultation

Not Applicable

Reasons for Recommendation

Not Applicable

Finance Officer ClearanceGB...
Legal Officer ClearanceDA.....

CORPORATE DIRECTOR'S SIGNATURE 

REVENUE BUDGET

Budget Monitoring - Financial Results

1. The approved budget agreed at the 22 February 2017 Council meeting is £160.83m. In determining the budget an overall gap of £25.37m was addressed by a combination of additional resources of £9.80m, including projected growth in business rates, council tax and use of general reserve and £15.57m of service savings and additional income.
2. Based on the budget monitoring for the first 2 months the year end forecast outturn is an underspend of £0.874m. This position reflects the active process of prudent budget management as managers are acutely aware of the overall budget position of the Council. At this stage caution should be exercised as the projections are based on a number of assumptions including delivery of the significant savings programme in year (See Para 9), the ongoing risk to business rate income (See Para 15) and the stability of demographic pressures in social care which at this stage are forecast to be contained within budget.
3. Detailed below in Table 1 is a summary breakdown of the service and funding variances against budget, with Table 2 providing an explanation of the variances:

Table 1: Budget Monitoring results by Service	2017/18 Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)	Percentage
Children's Services	32,015	32,015	0	0.0%
Adult Services (Inc. Public Health)	58,156	58,156	0	0.0%
Economic Growth, Environment & Infrastructure	38,585	38,165	(420)	(1.1)%
Transformation & Resources	17,174	16,667	(507)	(3.0)%
Total Directorate Budgets	145,930	145,003	(927)	(0.6)%
Council-wide budgets	14,895	14,948	53	0.4%
Net Service Expenditure variance	160,825	159,951	(874)	(0.5)%
Funding				
Business Rates (see para. 15)	(67,462)	(67,462)	-	
Council Tax (see para. 13)	(88,630)	(88,630)	-	
Reserves	(3,058)	(3,058)	-	
Collection Fund surplus	(1,675)	(1,675)	-	
Funding variance	(160,825)	(160,825)	0	0.0%
Net Revenue Outturn variance	0	(874)	(874)	(0.5)%
Dedicated Schools Grant	125,218	125,227	9	0.0%
Public Health	12,178	12,178	0	0.0%

Budget Virements

4. The following budget virements have been made, under delegated powers, since the February 2017 Budget Report:
- Children’s Services/ Adult’s Services – Safeguarding Development Manager post moved from Children’s to Adult’s Services, £55k;
 - Economic Growth, Environment & Infrastructure/Council Wide – Insurance charge from EG&I to Council Wide £6k;
 - Transformation & Resources/Council Wide – Liability Order Income moved from T&R to Council-wide £639k;

Main variances, changes to budget assumptions and key risks

5. The main variances contributing to the projected underspend of £0.874m, any changes to budget assumptions and associated key risks are highlighted below:

Table 2: Main variances	Forecast Variance (£000's)	Explanation/Risks
Children’s Services	Nil	The overall Children’s position is that its projected outturn will be within its current budget. However this is predicated on the service achieving its saving target of £2.5m, of which £0.8m has been achieved to date. The number of children in care as at the end of May 2017 is 377, a reduction of 7 from the end of March 2017.
Adult Services / Public Health	Nil	The overall Adult position is that its projected outturn will be within its current budget. However this is predicated on the service achieving its saving target of £8.4m, of which £3.5m has been achieved to date.

<p>Economic Growth, Environment & Infrastructure</p>	<p>(420)</p>	<p>The projected underspend includes:</p> <ul style="list-style-type: none"> • £500k potential waste disposal cost pressures in the year. This includes for a continuation of additional residual waste disposal costs from 2016/17 and for new risks associated with the ongoing review of waste disposal at GM level. This pressure has been mitigated by £600k additional income from earlier than expected take up levels of the paid garden waste collection service introduced this year with customer demand originally profiled over three years. This income is, hence, an acceleration of the approved saving and is therefore a one-off benefit this year; • Additional rental income from investment properties, £170k, with a further £106k from Oakfield Road car park remaining open due to the updated phasing of the Altair scheme. Planning income is £82k above target but has effectively been reinvested to provide for additional planning staff to help meet demand and support economic and housing growth in the Borough. • Underspend of £186k predicted from vacant staff posts, which is being partly addressed through a review of structures to improve the ability to appoint and retain staff and better meet service delivery needs (e.g. in the Housing and Growth teams). • Other running costs are £177k above budget and include rental costs which the Council is responsible for associated with the move to a new depot, commercial waste collection and also miscellaneous property maintenance. • Other income (e.g. parking, licencing, highways, building control) is expected to be £47k below budget.
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Transformation & Resources	(507)	<p>Forecast staff costs are £427k less than budget across the Directorate based on actual and projected vacancies, which is 2.1% of the total staffing budget. This is lower than the average level experienced in 2016/17 of 4.6%, and reflects the ongoing efforts to fill outstanding vacant posts.</p> <p>Additional SLA income of £110k within HR mainly related to traded services with schools and other favourable income of £11k is offset by a number of smaller income shortfalls across the Directorate, including legal services income from capital schemes £40k, CCTV project rephasing £24k, Bereavement Services demand £53k.</p> <p>Running costs are currently projected to be £76k below budget.</p>
Council-wide budgets	53	<p>The projected underspend includes:</p> <ul style="list-style-type: none"> • Housing Benefit Overpayment recovery above budget, £762k. This figure reflects the successful recovery of previous years' housing benefit overpayments and is one-off in nature. This achievement has enabled the creation of a new earmarked reserve which will be used to smooth the budget reductions required in the 2018/2019 budget • Overpayment recovery of previous years' Council Tax Benefit, £49k; • Treasury Management savings of £32k mainly as a result of additional interest generated from the £4m loan to LCCC for the hotel project being made earlier than originally planned; • There is a projected shortfall in the savings associated with the 'Advance contributions to GM Pension Fund' project of £165k (see para, 9 below). • Apprenticeship Levy saving against budget of £31k.
Dedicated Schools Grant	9	<p>There is a small projected overspend in costs within the high needs block of the DSG of £52k. This is offset by minor savings within the Schools and Early Years blocks of £39k and £4k respectively. The level of reserve brought forward from 2016/17 is £724k.</p>

Progress against Locality Plan

- A key element of the Health and Social Care devolution agenda is the submission of a Locality Plan setting out the Council and CCG vision for the greatest and fastest possible improvement in the health and wellbeing of our residents by 2020. This improvement will be achieved by supporting people to be more in control of their lives by having a health and social care system that is geared towards wellbeing and the prevention of ill health; access to health services at home and in the community; and social care that works with health and voluntary services to support people to look after themselves and each other
- Work is ongoing on the locality plan and it is anticipated that further work will be required in the coming months to understand how any budget gaps will be addressed. Financial performance against the locality plan is highlighted below in Table 3.

Table 3: Locality Plan Update	2017/18 Budget (£000's)	Outturn (£000's)	Variance (£000's)	Percentage
Public Health	12,178	12,178	0	0.0%
Adult Social Care	57,180	57,180	0	0.0%
Children and Families	31,960	31,960	0	0.0%
Total	101,318	101,318	0	0.0%

MTFP Savings and increased income (Vision 2031 Portfolio)

- The 2017/18 budget is based on the achievement of permanent base budget savings and increased income of £15.57m (see para. 1 above). In addition a number of savings initiatives which underachieved in 2016/17 have been rolled over to the 2017/18 programme totalling £1.36m, giving a total savings target of £16.93m.
- The latest forecast indicates that total savings of £16.74m have been or are projected to be delivered by 31 March 2018. This represents an underachievement against target of £195k and includes £8.30m already achieved (49.6%) and £8.44m (50.0%) still to be achieved. At this stage the current reported monitored position assumes that these savings will be delivered in full, albeit this represents a risk to the overall monitoring position until all management actions to deliver the savings are complete. Full details are included in the latest Transformation Programme Board Report dated 21 June 2017

RESERVES

- The pre-audited General Reserve balance brought forward is £6.00m, the approved minimum level agreed by Council in February 2017.
- Service balances brought forward from 2016/17 were a net £4.11m and are largely allocated to support Vision 2031 Portfolio projects in 2017/18 and later

years, however before making firm commitments to utilise these resources consideration will be given to the overall projected outturn position in each directorate.

Table 4: Service balances	b/f April 2017 (£000's)
Communities, Families & Wellbeing	(793)
Economic Growth, Environment & Infrastructure	(1,205)
Transformation & Resources	(2,113)
Total (Surplus)/Deficit	(4,111)

12. A new earmarked reserve has been established which will be used to hold the Housing Benefit Overpayments recovered during the year in excess of budget. This reserve will be specifically utilised to support future years' budget pressures.

COLLECTION FUND

Council Tax

13. The 2017/18 surplus on the Council Tax element of the Collection Fund is shared between the Council (84%), the Police & Crime Commissioner for GM (12%) and GM Fire & Rescue Authority (4%). The total surplus brought forward as at 1 April 2017 was £2.54m.
14. Council Tax collection rate as at 31 May 2017 was 21.1%, the same as the targeted collection rate.

Business Rates

15. The 2017/18 budget included anticipated growth in retained business rates and related S31 grants of £5.46m and at this stage it is still anticipated that this will be achieved in year. However, there still remains significant risk from an increase in business rate appeals but until a more detailed understanding is reached with the Valuation Office Agency on existing appeals, no further increase in the appeals provision over that already assumed in the budget has been made.
16. Business Rates collection rate as at 31 May 2017 was 20.17% compared to a targeted collection rate of 19.50%.

CAPITAL PROGRAMME

17. The value of the indicative 2017/18 Capital Programme set in February 2017 was £65.74m. Taking into account re-phasing from 2016/17, changes to government grant allocations and new external contributions the budget is currently estimated at £71.71m. The changes to the budget are detailed below and are summarised as follows:

Table 5 - Capital Investment Programme 2017/18	Approved Programme £m	Changes £m	Current Programme £m
Service Analysis:			
Children, Families & Wellbeing	14.01	1.29	15.30
Economic Growth, Environment & Infrastructure	41.21	8.99	50.20
Transformation & Resources	10.52	(4.31)	6.21
Total Programme	65.74	5.97	71.71

➤ **Rephasing from 2016/17 - £5.48m**

As reported in the Capital Outturn Report a number of schemes did not complete in 2016/17 as expected and the budgets have been re-phased into 2017/18 and later years.

➤ **Changes to government grant allocations - £216k**

These include an increase in the Better Care Fund allocation for disabled facilities grants of £253k and minor reductions to schools capital maintenance and devolved formula capital grants.

➤ **New schemes and increases to existing budgets - £275k**

A new front-end scanning system is to be introduced, at a cost of £131k, to process invoices digitally, promptly and with more automation which will provide efficiencies across the organisation as well as reduce errors.

Contributions of £137k have been secured from TfGM to support two casualty reduction schemes at Sevenways roundabout, Stretford and Kings Road / Upper Chorlton Road, Old Trafford and the provision of cycle parking facilities at various locations across the borough.

18. Resourcing of the capital investment programme is made up of both internal and external funding. Details of this are shown in the table below.

Table 6 - Capital Investment Resources 2017/18	Approved Programme £m	Changes £m	Current Programme £m
External:			
Grants	17.46	2.38	19.84
Contributions	4.65	4.99	9.64
Sub-total	22.11	7.37	29.48
Internal:			
Receipts	15.13	0.74	15.87
Borrowing	28.18	(2.68)	25.50
Reserves & revenue	0.32	0.54	0.86
Sub-total	43.63	(1.40)	42.23
Total Resourcing	65.74	5.97	71.71

Status and progress of projects

19. On average outturn performance over the last 4 years has been £30m and appears to highlight that delivery of the current Capital Programme is un-attainable. This section aims to give certainty about delivery and the level of outturn performance that can be expected.
20. There are a number of large value initiatives included in the current programme which are planned to be delivered in year. These include:
 - **Capital Investment Fund:** A total budget of £20m phased across 2 years with £15m planned for 2017/18.
 - **Metrolink extension into Trafford Park:** £20m contribution to TfGM of which £7m is included in 2017/18 and has now been paid.
 - **New depot facilities:** A budget £5.01m for the purchase and redevelopment of new depot facilities. Purchase of the site has been completed and work is now underway. Completion planned for October 2017.
 - **Schools expansion schemes:** Projects with a value of £13.09m are included to continue the expansion programme, with £7.60m of this planned for 2017/18. Contracts have been let for 3 schemes, whilst design and consultation with other schools is being undertaken.
21. Since the budget was set in February 2017 a report detailing planned projects totalling £7.42m covering highways, corporate landlord and greenspace to be undertaken during the year has been agreed and all schemes are programmed to be undertaken in 2017/18.
22. As part of the monitoring process a record of the “milestones” reached by each project is kept to show the progress of the scheme from inclusion in the Programme through to completion. The table below shows the value of the programme across the milestone categories:

Table 7 - Status on 2017/18 Projects	Current Budget £m	Percentage of Budget
Already complete	2.77	4%
On site	30.12	42%
Programmed to start later in year	18.58	26%
Not yet programmed	20.24	28%
Total	71.71	100%

23. The first three categories give a good indication as to the level of confirmed expenditure to be incurred during the year. As can be seen £51.47m (72%) of the budget has now been committed or is programmed to start in the year.
24. Schemes with a value of £20.24m are classed as “Not yet programmed” and relates to budgets where specific projects have not yet been agreed or budgets that have yet to have a start date.
25. A number of other schemes are classed as “Not yet programmed” and relate to budgets where final business cases are still being developed. The outcome of these business cases will determine progress and delivery but it is intended that these projects will be delivered in year. These include:
- City Cycle Ambition Grant Works - £913k: Executive approval has recently been granted and a programme of works can now be agreed.
 - Leisure Services Assets – Improvement Programme - £905k.
 - ICT – SAP development - £400k.
 - New Recycling Bins - £300k.
 - Waste - Tri Bin: “Recycling on the Go” - £261k.

Issues / Risks

26. The main risk in the area of the capital programme is the timely delivery of the programme and this situation will continue to be closely monitored and any issues will be reported as and when they arise.

Recommendations

27. That the Executive note the report and the changes to the Capital Programme as detailed in paragraph 17.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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