



**NORWICH**  
City Council

**Committee Name:** Council

**Committee Date:** 22/11/2022

**Report Title:** Capital Programme update

**Portfolio:** Councillor Kendrick, resources

**Report from:** Executive director of corporate and commercial services

**Wards:** All Wards

## **OPEN PUBLIC ITEM**

### **Purpose**

This report seeks approval to changes in the Council's capital programme.

### **Recommendation:**

- 1) To approve the removal budgets in relation to the Greater Norwich Growth Board (GNGB) Riverside Walk Access Improvements and Community Centre Upgrades shown in Table 1 totalling £0.172m.

***Subject to cabinet agreement on 16 November, to the Q2 Assurance report***

- 2) To approve the removal of budgets from the general fund capital programme set out in Table 1 totalling £0.015m. (marked as \*\*\* in Table 1)
- 3) To approve the removal of budgets from the housing revenue account capital programme set out in Table 2 totalling £3.155m.

***Subject to cabinet agreement on 16 November, to the contract award report for works at St, Andrews car park***

- 4) To approve an increase to the general fund capital programme, as set out in paragraphs 6 – 9.

## **Policy Framework**

The Council has five corporate priorities, which are:

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

The capital programme supports all these corporate priorities.

## **Report Details**

### **Background**

1. The council set its capital programme for the period 2022 – 2027 in February this year. Any change to the capital programme must be approved by full council unless it is a new scheme or an increase to an existing scheme which is fully matched by external resources; in which case cabinet can approve the change.
2. Maintaining an accurate profile of capital expenditure supports the budget management process and assists in understanding the treasury management implications of programme delivery.

### **Report details**

3. The council's regular budget management processes consider the extent to which capital schemes are progressing and where there are variances against the approved capital budget. As the council's capital programme spans several financial years it is common for expenditure to need to move between years and for there to be a variance between the initial and final scheme cost.
4. In the quarter 1 assurance report (considered by cabinet on 19 October) and the quarter 2 assurance report (being considered by cabinet on 16 November) recommendations were made for council to consider and agree changes to both the general fund and housing revenue account capital programmes.
5. The relevant schemes and amounts together with a brief explanation for the changes are set out in tables 1 and 2 below.

Table 1 – General Fund projects – removal

<b>Scheme ref.</b>	<b>Scheme title</b>	<b>Comments</b>	<b>Budget £000</b>
AA1184	Community Centre Upgrades	The budget for 2022/23 was approved to facilitate any upgrades required to community centres, following minimum energy efficiency standard surveys. However, no upgrade work has been identified and the budget is not now required.	60
AD5202	Greater Norwich Growth Board (GNGB) Riverside Walk Access Improvements	Access improvements to Riverside Walk have been delayed and will not now take place in this financial year. As its not known when the project will proceed, it has been agreed with the GNGB that the project and budget should be removed from our programme and any future application will be fast-tracked through the GNGB process.	112
AB1197	Cadge Road Community Centre Lighting Upgrade ***	Scheme no longer required.	7
FL5201	Bunkers Hill Entrance (S106 project) ***	Project complete – residual budget no longer required.	8

\*\*\* subject to approval at cabinet on 16 November.

Table 2 – Housing Revenue Account (HRA) projects – removal

[All the following schemes are subject to approval at cabinet on 16 November.]

<b>Scheme ref.</b>	<b>Scheme title</b>	<b>Comments</b>	<b>Budget £000</b>
5120	Whole house improvements	Scheme is not achievable within financial year and budget can therefore be reduced. Existing approved budget for 2023/24 is sufficient for planned works.	2,261
BB0000	Community Centre Assets – HRA impact	Following surveys, no work required in this financial yr.	25
AA5100	Demolition & Site Maintenance	Budget re-profiled to reflect anticipated expenditure with remaining budget to be removed.	160
AB5100	New Build Opportunities	Budget re-profiled to reflect anticipated expenditure with no further opportunities anticipated.	500
AA5215	New Housing – 165 Springbank	Work completed; remaining budget not required.	21
AM0000	Capital Grants to Housing Associations	Budget re-profiled to reflect anticipated expenditure; no further opportunities to provide grants in this financial year have been identified.	188

6. The cabinet is scheduled to consider a tender award report at its meeting to be held on 16 November relating to edge protection works at St. Andrews car park. Based on the most economically advantageous tender proposed for acceptance at that meeting, the cost of this scheme has increased from the original estimated sum included in the capital programme for 2022/23 by £0.998m.
7. The current construction of the car park does not meet modern safety standards and the council has consulted with partners, including the emergency services and industry experts over the last 12 months to identify the most appropriate method of improving the design of the car park to meet these standards. There is a need to complete these urgent works over an 8 week period stipulated in the tender documents, starting in early 2023.
8. Increases to the council's capital programme, except where they are fully matched by external funding, can only be made by full council. The increase in

budget can be financed through unapplied capital receipts already held by the council.

9. To facilitate the prompt delivery of these urgent works the council is being asked to approve the increase in budget, financed by unapplied capital receipts, subject to the tender report being agreed by cabinet at their meeting on 16 November.

## **Consultation**

10. The service has consulted with emergency services, Norfolk County Council, NUA and the Crown Prosecution Service on its proposals to enhance the edge protection at St Andrews car park

## **Implications**

### **Financial and Resources**

11. The removal of scheme budgets from both the general fund and the Housing Revenue Account (HRA) frees up resources previously earmarked for those schemes to be used to finance other capital programme expenditure.
12. There are sufficient unapplied capital receipts to finance the additional project costs of £0.998m, for the St. Andrews car park scheme.

## **Legal**

13. In relation to the proposed reduction in resources set out in Tables 1 and 2, only the council has the power to vary the level of capital programme budgets, unless it relates to a scheme where external funding which fully matches any increase is available in which case the cabinet can approve the change to the programme.
14. In relation to the increase in budget for the St. Andrews car park scheme the council has a duty in terms of the Health and Safety at Work Act 1974, and the Occupiers Liability Acts of 1957 and 1984, to ensure that its properties are safe for our employees and for users of our car parks. The proposals considered by cabinet on 16 November and the consequent request in this report for an amendment to the council's 2022/23 capital programme, will ensure that the council is fulfilling these duties.

## Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	n/a – but see also cabinet report (Contract award report – St. Andrews CP)
Health, Social and Economic Impact	n/a – but see also cabinet report (Contract award report – St. Andrews CP)
Crime and Disorder	n/a – but see also cabinet report (Contract award report – St. Andrews CP)
Children and Adults Safeguarding	n/a – but see also cabinet report (Contract award report – St. Andrews CP)
Environmental Impact	n/a – but see also cabinet report (Contract award report – St. Andrews CP)

## Risk Management

Risk	Consequence	Controls Required
Financial	Capital resources are not effectively used.	Budget management identifies variances and informs appropriate management actions.
Reputational and other risks	See contract award report (St. Andrews car park)	See contract award report (St. Andrews car park)

## Other Options Considered

15. No other options have been considered for the removal of capital project resources set out in Tables 1 and 2.
16. The cabinet will consider the options considered for the St. Andrews car park scheme at its meeting on 16 November. Subject to their agreement to the tender report the only other options considered are the source of financing to be used in support of the increased cost. The Chief Financial Officer has considered the financing options available and concluded that unapplied capital receipts best meets the scheme requirements.

**Reasons for the decision/recommendation**

17. Where capital resources are no longer required it is appropriate to propose a reduction to the budget and the capital programme to facilitate effective budget management and support the best use of the council's capital resources.
18. Only the Council can approve the proposed increase in resources to support delivery of the St. Andrews car park scheme. That recommendation is subject to cabinet initially approving the tender award report for those works.

**Background papers:**

Contract award capital works at St. Andrews car park (Cabinet 16 November meeting)

**Appendices:** None

**Contact Officers:**

Name: Neville Murton

Telephone number: 01603 987766

Email address: [nevillemurton@norwich.gov.uk](mailto:nevillemurton@norwich.gov.uk)