

Record of Decision

Capital Plan Budget 2016/2017 to 2019/2020

Decision Taker

Mayor on 03 February 2016

Decision

That it be recommended to the Council:

- (i) that the latest position for the Council's Capital expenditure and funding for 2015/16 be noted;
- (ii) that 2016/17 Capital Strategy (set out at Appendix 1 to the submitted report) be approved;
- (iii) that prudential borrowing of £10 million for an Investment Fund to enable acquisition of properties for investment purposes to be funded from future rental income be approved and that purchases within the Fund to be subject to specific criteria:
 - Rate of Return expected to exceed 6% per annum net of costs;
 - Property assessed as an asset life in excess of 50 years (or repayment period);
 - Tenants assessed as reasonable credit quality and pre lets agreed if possible;
 - Independent valuation of asset to support purchase price
 - Any UK property to be considered subject to no more than 50% in any county area;
 - Any sale proceeds of assets purchased to be reinvested in fund;

and that the allocation of the Fund, if the criteria is met, be agreed by Executive Director of Operations and Finance in consultation with the Chief Finance Officer and the Mayor and Group Leaders with the Overview and Scrutiny Co-ordinator being notified in advance of any decisions;

- (iv) that prudential borrowing of £3 million for essential capital repair works be approved with the cost of borrowing to be included in future year revenue budgets and that the allocation of the budget be agreed by the Executive Head – Business Services in consultation with the Chief Finance Officer and the Mayor and Group Leaders with the Overview and Scrutiny Co-ordinator being notified in advance of any decisions;
- (v) that prudential borrowing of £0.350 million to upgrade and update the Council's CCTV equipment be approved with the cost of borrowing to be included in future year revenue budgets offset by any future external contributions and any resulting revenue savings;
- (vi) that prudential borrowing of £1.0 million for an IT Investment Fund for 2016/17 to 2019/20 be approved with the cost of borrowing to be included in future year revenue budgets and that the allocation of the Fund be agreed by Executive Director of Operations and Finance consultation with the Chief Finance Officer, the Executive Head – Customer Services and the Executive Lead for Customer Services;

- (vii) that the reallocation of £0.5m within the existing schools capital allocation to provide two mobile accommodation buildings at Paignton Community Sports Academy be approved to meet an immediate need for pupil places;
- (viii) that the allocation of £0.350m to improvements at The Strand in Torquay in line with the proposed Corporate Plan Delivery Plans be approved and that the Council determine whether this is funded from:
 - Option 1: prudential borrowing when the scheme is deemed to be self financing; or
 - Option 2: the Comprehensive Spending Review Reserve;
- (ix) that the Council will not take up the option in 2016/17 of using capital receipts to fund one off revenue costs of transformation to meet future budget reductions;
- (x) that, subject to approval of (iii) to (ix) above, the budget forecast for 2016/17 to 2019/20 at Appendix 2 to the submitted report be approved as the Capital Plan;
- (xi) that the Corporate Asset Management Plan for 2015 – 2019 (as set out in Appendix 4 to the submitted report) be approved.

Reason for the Decision

The Council has a statutory obligation to set a budget each year. The approval of the 2016/2017 to 2019/2020 capital budget will assist the Council in delivering its key objectives and meet its statutory obligations.

For the Mayor to respond to the recommendations of the Overview and Scrutiny Board.

Implementation

The recommendation of the Mayor will be considered at the adjourned meeting of Council to be held on 11 February 2016.

Information

Further to the Mayor's provisional capital budget proposals issued on 23 November 2015 for consultation, the submitted report outlined the basis of the Mayor's Capital Budget proposals for 2016/2017 to 2019/2020 and provided a summary of the approach for developing the proposals.

In addition to the Capital Budget proposals for 2016/2017 to 2019/2020 the report also encompassed the following:

- Capital Plan Update – Quarter 3 – 2015/2016;
- Capital Strategy
- Asset Management Plan (incorporating the Community Asset Transfer Policy)

Due to the scale of the reductions faced by the Council, extensive consultation had been undertaken on the budget proposals. The report had been compiled taking into account the findings and conclusions reached by the Priorities and Resources Review Panel which had considered the draft Capital Plan, Capital Strategy and Asset Management Plan.

At the Council meeting on 3 February 2016, the Mayor made a statement on the Capital Budget 2016/2017 to 2019/2020 and responded to the Priorities and Resources Panel, as outlined in paragraph 4.1 of the submitted report.

Alternative Options considered and rejected at the time of the decision

Alternative options were set out in the report and not discussed at the meeting.

Is this a Key Decision?

Yes – Reference Number: I021319

Does the call-in procedure apply?

No

Declarations of interest (including details of any relevant dispensations issued by the Standards Committee)

None

Published

8 February 2016

Signed: _____
Mayor of Torbay

Date: 3 February 2016