

Wards Affected:

All Wards

REVISIONS TO CAPITAL PROGRAMME AND SPEND APPROVALS

Responsible Cabinet Member: Councillor Rob Middleton (Resources and Innovation)

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Executive Summary:

Before spending on any scheme can begin within the Capital Programme, project documentation has to be updated and appraised through a formal review process to ensure projects will deliver required outcomes, are fully funded and provide value for money for the Council.

This review point is the spend approval stage, where following officer scrutiny, Cabinet approval is requested to allow spending against allocated resources for individual projects. Once spend approval has been agreed, any changes to either the funding or spending of resources need to be reported to Cabinet for approval in line with the Council's Constitution.

This report requests spend approval for schemes in the 2018/19 Capital Programme and makes amendments to existing schemes. The proposed changes are summarised in tables 1 and 2 of Annex A.

The changes outlined in this report result in a revised Capital Programme for 2018/19 of £141.40m. Against this programme, £115.37m of spend approval has been given to enable individual projects to commence or continue.

The Council is responsible for the management of the Milton Keynes Tariff, which is a forward funding mechanism to deliver infrastructure in the expansion areas of the borough. Should the recommendations included in this report be approved, the impact will be a revised Tariff Programme for 2018/19 of £39.84m; with the total spend approval for these contributions at £22.15m.

1. Recommendations

- 1.1 That the additions and amendments to resource allocation and spend approval for the 2018/19 capital programme be approved.
- 1.2 That the overall funding position for the 2018/19 capital programme be noted.
- 1.3 That the amendments to resource allocation and spend approvals for the 2018/19 tariff programme be approved.
- 1.4 That the current position of the 2018/19 tariff programme be noted.

2. Amendments to the Capital Programme

2.1 In finalising the outturn position of the 2017/18 Capital Programme, a number of adjustments were made (as detailed in **Annex D**):

- Funding from future years needed to be taken back into 2017/18 to fund additional project expenditure. These changes have decreased the funding available in 2018/19 by £2.411m.
- Some schemes from the 2017/18 Capital Programme were delayed and as a result will be completed in 2018/19. This re-phasing of both the schemes and associated resources increases the 2018/19 Capital Programme by £13.52m.

2.2 There are a number of schemes that were not included in the original 2018/19 capital programme but have now completed the officer review process. Cabinet approval for resource allocation and spend approval is now sought to include new capital projects (summarised in **Annex B**) in the 2018/19 capital programme.

2.3 The new schemes submitted for inclusion in the 2018/19 capital programme are shown below:

- CMK Passenger Transport (resource allocation and spend approval of £0.168m in 2018/19) to upgrade bus stops in Central Milton Keynes, two on Avebury Boulevard and three on Midsummer Boulevard are included within this project. Works will include new shelters, installation of Real Time Information screens and DDA compliant access. This project is funded from a S106 contribution.
- Monkston play area Improvements (resource allocation and spend approval of £0.168m in 2018/19) to upgrade the play facilities at the main play area off Parkminster in Monkston. Including the provision of new play equipment and appropriate safer surface. This project is funded from Parish Council funding and a contribution from WREN.
- Bancroft play area Improvements (resource allocation and spend approval of £0.168m in 2018/19) to upgrade the play facilities at Bancroft. Including the provision of new play equipment and appropriate safer surface. This project is funded from a single capital pot grant, Parish Council funding and a contribution from WREN.
- Brownswood Neighbourhood Park and Play provision (resource allocation and spend approval of £0.168m in 2018/19) to create a Neighbourhood park and play area for the Walton Grange development. As the development at Walton Grange is lacking suitable open space to create the Neighbourhood Park the Sports Ground at Brownswood has been chosen through consultation with Councillors and Community Council as a suitable site to upgrade. This project is funded from a S106 Contribution.

- 2.4 Approval is sought to amend the resource allocation and spend approval for existing projects previously allocated resources within the 2018/19 capital programme, as detailed in **Annex B**.
- 2.5 Existing projects requesting spend approval, which have been allocated resources within the 2018/19 Capital Programme, as detailed in **Annex B**.
- 2.6 A summary of proposed revisions to the capital programme for 2018/19 is shown in **Annex A, Table 1**. These revisions are set out in detail in **Annex B**.
- 2.7 The revised 2018/19 capital programme by project is available on the Council website at <http://www.milton-keynes.gov.uk/finance>.
- 2.8 **Table 2** in **Annex A** shows the revised funding position for the 2018/19 capital programme.

3. Spend Approvals Across Multiple Years

- 3.1 Some major capital schemes require spend approval for more than the current financial year. In approving spend approval for the project resources are effectively being committed for the future. This is usually for major schemes which could not be completed in a single financial year, or where the most effective timing of a project crosses financial years e.g. opening a school in September.
- 3.2 There are currently ten projects with spend approval phased across multiple years. These projects are fully funded with all of their funding having been confirmed as available from 2018/19. A summary of these projects along with the phasing of the spend approvals is shown in **Annex A, Table 3** and detailed in **Annex C**.

4. Tariff Programme

- 4.1 The 21 February 2018 report to Full Council outlined the resource allocation for the 2018/19 Tariff schemes.
- 4.2 Approval is sought to amend the resource allocation and spend approval for existing projects previously allocated resources within the Tariff Programme, as detailed in **Annex B**.
- 4.3 Existing projects requesting spend approval, which have been allocated resources within the 2018/19 tariff programme, as detailed in **Annex B**.

5. Annexes to this Report

ANNEX A	Summary of changes to the Capital Programme and Financing
ANNEX B	Detailed list of changes to the 2018/19 Capital Programme and the 2018/19 Tariff Programme
ANNEX C	Detailed list of projects with Multiple Years Spend Approval
ANNEX D	Detailed list of 2017/18 Outturn and Re-phasing to 2018/19

6. Implications

6.1 Policy

The recommendations of this report are consistent with the Council's Medium Term Financial Plan.

6.2 Resources and Risk

Capital implications are fully considered throughout the report. Revenue implications may arise from capital schemes in respect of:

- a) Borrowing to fund capital expenditure (principal and interest),
- b) Running costs associated with capital schemes, and
- c) Efficiency savings (e.g. reduced maintenance costs).

These are built into the Council's debt financing and other revenue budgets as appropriate through the Medium Term Planning process.

Y	Capital	Y	Revenue	N	Accommodation
Y	IT	Y	Medium Term Plan	N	Asset Management

6.3 Carbon and Energy Management

All capital schemes consider Carbon and Energy Management implications at the capital appraisal stage before they are added to the capital programme. There are no further implications as a result of this report.

6.4 Legal

Legal implications may arise in relation to specific capital schemes. In particular a capital scheme may be needed to meet a specific legal requirement. These implications are addressed in the individual project appraisals.

There are no significant legal implications arising as a result of this report.

6.5 Other Implications

There are no other implications arising as a result of this report.

N	Equalities/Diversity	Y	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder

Background Papers: Officer Working Papers, report to all Members
 Previous reports to both Cabinet and Council as mentioned
 within the body of the report