

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CABINET – 9 FEBRUARY 2016**

Title of Report	<b>CAPITAL PROGRAMMES – GENERAL FUND, COALVILLE SPECIAL EXPENSES AND HOUSING REVENUE ACCOUNT (H.R.A). PROJECTED OUTTURN 2015/16 AND PROGRAMMES 2016/17 TO 2020/21</b>
Key Decision	a) Financial Yes b) Community Yes
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Purpose of Report	To advise Members of the likely Capital Outturn and the relevant financing for 2015/16 for the General Fund, Coalville Special Expenses and the H.R.A.  To seek approval to the General Fund, Coalville Special Expenses and H.R.A Capital Programmes for 2016/17 and associated funding.
Reason for Decision	To enable projects to be included in the Programmes and proceed.
Council Priorities	The projects in the Capital Programmes help the Council achieve all its priorities.
Implications	
Financial / Staff	As contained in the report.

Links to relevant CAT	The Capital programmes are potentially relevant to all Corporate Action Teams (CATs).
Risk Management	The Capital Programmes are monitored at project level to ensure they are delivered on time and within budget.
Equalities Impact Screening	No impact at this stage.
Human Rights	None identified.
Transformational Government	The Programmes attached are integral to delivering better services.
Comments of Head of Paid Service	The report is satisfactory
Comments of Deputy Section 151 Officer	As author the report is satisfactory.
Comments of Monitoring Officer	The report is satisfactory
Consultees	Policy Development Group 06/01/2015, CLT and Budget Holders. Leicestershire, Northamptonshire and Rutland Federation of small businesses.
Background Papers	<p><a href="#">“Capital Programmes – General Fund, Coalville. Special Expenses and Housing revenue Account (HRA). Projected outturn 2013/14 and Proposed Programmes 2014/15 to 2017/18”</a> – Cabinet 11 February 2014</p> <p><a href="#">“Capital Programmes - General Fund, Coalville Special Expenses and Housing Revenue Account (H.R.A). Projected Outturn 2014/15 and Programmes 2015/16 to 2019/20”</a> – Cabinet 10 February 2015</p> <p><a href="#">“New Build Proposals for Council Housing”</a> – Cabinet 10 November 2015</p> <p><a href="#">“Housing Asset Management Strategy”</a> – Cabinet 10 October 2015</p>
Recommendations	<b>A. THAT THE ESTIMATED GENERAL FUND, COALVILLE SPECIAL EXPENSES AND H.R.A. CAPITAL OUTTURN FOR</b>

	<p><b>2015/16 AND PLANNED FINANCING BE NOTED.</b></p> <p><b>B. THAT COUNCIL BE RECOMMENDED TO APPROVE EXPENDITURE IN 2016/17 AS PER:</b></p> <ul style="list-style-type: none"> <li>• <b>APPENDIX “A” GENERAL FUND AND SPECIAL EXPENSES CAPITAL SCHEMES</b></li> <li>• <b>APPENDIX “B” FOR HRA CAPITAL SCHEMES</b></li> </ul> <p><b>AND IN 2017/18 THESE SCHEMES ONLY:</b></p> <ul style="list-style-type: none"> <li>• <b>£630,000 FOR THE VEHICLE REPLACEMENT PROGRAMME, AS DETAILED IN PARAGRAPH 3.2</b></li> </ul> <p><b>C. THAT CABINET NOTES THE PROPOSED PROCUREMENT ROUTES AND DELEGATES THE AUTHORITY TO AWARD THE CONTRACTS, AND ANY ASSOCIATED AGREEMENTS IN FURTHERANCE OF THE PROJECTS, AS DETAILED IN SECTION 7 (PROCUREMENT ROUTES) OF THIS REPORT.</b></p>
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## 1.0 INTRODUCTION

- 1.1 Appendix “A” shows the proposed General Fund and Special Expenses Capital Programme for 2016/17 to 2020/21.
- 1.2 Appendix “B” shows the H.R.A. proposed Capital Programme for 2016/17 to 2020/21.
- 1.3 The Appendices also present the estimated outturn for the current year for approval.

## 2.0 GENERAL FUND - ESTIMATED OUTTURN 2015/16

- 2.1 The projected outturn for 2015/16 on General Fund schemes totals £2,078,759. This is a managed decrease of £51,241 on the original budget for the year of £2,130,000.
- 2.2 This managed decrease is caused by the following:

<b>Schemes carried forward from 2014/15</b>	<b>£</b>	<b>£</b>
Network Upgrade,	89,360	
Improving Customer Experience (ICE),	5,000	
Disabled Facilities Grant,	165,000	
Refuse Vehicle and Refuse Kerbsider,	168,000	
Car Park(Retention Element)	1,585	
South Street Car Park Ashby - Resurfacing	19,900	
Hermitage Recreation Grounds – AWP access area	11,500	
Coalville Market Upgrade (Phase 1a)	1,500	
Coalville Market Upgrade (Phase 2)	100,000	
Materials Separating Technology – Linden Way Depot	8,018	
<b>Total</b>		<b>569,863</b>

<b>Additional Approved Schemes 2015/16</b>		
Improving Customer Experience (ICE 2), Information Management	200,000	
Additional Disabled Facilities Grant	62,000	
<b>Total</b>		<b>362,000</b>
<b>Planned Slippage 2015/16</b>		
Disabled Facilities Grant – Slippage into 2016/17	(283,000)	
Refuse Vehicle - Slippage into 2016/17	(168,000)	
Digger - Slippage into 2016/17	(126,000)	
Well Being Centre - Slippage into 2016/17	(400,000)	
Hermitage Recreation Grounds – AWP access area – Slippage into 2016/17	(11,500)	
<b>Total</b>		<b>(988,500)</b>
Various small Over/Underspends identified		5,396
<b>Total Managed Decrease</b>		<b>(51,241)</b>
<b>Funded by:</b>		
Disabled Facilities Grant	62,000	
S106 Contributions	(400,000)	
Revenue Contributions to Capital	10,629	
Value For Money Reserve	309,518	
Other Reserves	(18,000)	
Internal Borrowing	(15,388)	
		<b>(51,241)</b>

The total planned financing of the General Fund expenditure totalling £2,078,759 in 2015/16 is as follows:

	<b>£</b>
Disabled Facilities Grant	298,050
S106 Contributions	0
Revenue Contributions to Capital	159,959
Value for Money Reserve	378,018
Other Reserves	206,620
Internal Borrowing	1,036,112
<b>Total</b>	<b>2,078,759</b>

2.3 There were sufficient funds identified prior to this capital spend being committed.

2.4 The carried forward schemes shown in paragraph 2.2 above represents expenditure which was originally expected and budgeted for in 2014/15 but which has slipped into 2015/16 and for which the budgeted financing has also been carried forward.

### **3.0 GENERAL FUND CAPITAL PROGRAMME 2016/17 TO 2020/21 – INDIVIDUAL SCHEMES**

3.1 The programme for 2016/17 to 2020/21 detailed in Appendix A provides for a continuation of the current Disabled Facilities Grants Scheme and the Vehicle Replacement Programme. The following new schemes are included in the programmes for approval to commence in 2016/17:

#### **3.1.1 Desktop Equipment Upgrade (£42,000)**

The Council's desktop PCs are currently on average over 5 years old and reaching the end of their economic life. Some work has been done in 2015-16 to replace the oldest equipment and to extend the life of existing equipment through investment in a virtual desktop computing environment. The virtual environment reduces the load on the desktop equipment and simplifies management by running software on high-power servers in the computer room instead of on the desktop PCs.

This scheme will further extend the virtual desktop environment and replace 100 of the oldest PCs with solid state thin client devices. As well as providing a more stable and reliable desktop computing environment, this investment will simplify any future move to remote or home working since the solid state thin client devices are easily supported remotely.

#### **3.1.2 ICT Security Infrastructure (£63,000)**

The Council's network is currently secured using separate products from three different resellers. This scheme will replace the Council's security infrastructure with a single unified threat management solution which is scalable to support the Council's future demands. A direct cost saving in the ICT revenue budget of £19,000 per annum from 2017-18 onwards will be realised as a result of this investment.

#### **3.1.3 HR / Payroll System (£50,000)**

The current HR/Payroll system contract (Selima) is due to expire in March 2017. This scheme and purchase of a new/upgraded system will require time for implementation, testing and dual running. The potential timescales for this project requires that we go out to tender in Jan/Feb 2016 with contract award likely to be around July/August 2016.

#### **3.1.4 Access Road, High Street Car Park, Measham - Resurfacing (£25,000)**

Proposed resurfacing of the NWLDC-owned part of the private access road serving NWLDC's public car park situated off High Street, Measham – to address defects and maintain an acceptable surface condition.

#### **3.1.5 Hermitage Recreation Grounds – Surface Dressing (£11,500)**

This scheme was originally agreed as “Hermitage Rec Grounds AWP Access Area, Whitwick - Resurfacing” in the 2014/15 Capital Budget presented to Cabinet on 11 February 2014. The original scheme was to resurface selected parts of the access area. The scheme has been expanded to incorporate surface dressing of the Lakeside Pavilion access and car park, the (original) access road leading to the All Weather Play

Area and the access road leading to the slipway at Hermitage Lake – to seal and protect the surfaces from the weather, extend their life and improve their appearance.

3.1.6 Hood Park Leisure Centre Car Park, Ashby - Resurfacing (£15,000)

Resurfacing of the main vehicular route / traffic aisle through the long axis of the car park. Resurfacing is required to address the defects and maintain an acceptable surface condition.

3.1.7 North Service Road Car Park, Coalville (£32,250)

Proposed improvements to the site to address defects, maintain the vehicular and pedestrian surfaces in an acceptable condition and to potentially improve the layout and appearance (subject to detailed design).

3.1.8 Coalville Park – Reconfigure Depot and replace building (£95,000)

As part of the annual Property Services building survey, a garage at the Coalville Park depot has reached its end of life and requires urgent replacement. In addition, following annual increases in business, the size of the team, vehicles and equipment it is necessary to reconfigure and create more space and appropriate working environments at the depot. The cost at this stage is an estimate awaiting formal costings.

3.1.9 Hood Park Leisure Centre Fitness Suite Air Conditioning (£15,000)

Replacement of three 10 year old wall mounted Air Conditioning Units within the fitness suite. The units use refrigerant R22 which from the end of 2015 will be illegal to use. Consequently, within 6 months the units will effectively become obsolete and unusable. The three new units will not only use the legal, non ozone depleting refrigerant R410a, but they will also have internal inverters thus reducing energy consumption and significantly improving efficiency.

3.1.10 Hood Park Leisure Centre Wellbeing Centre (£400,000)

The last major facility improvement to Hood Park Leisure Centre was completed in 2001 with the addition of an indoor swimming pool, fitness studio, squash courts and ancillary facilities. Since this time, demand for health and fitness facilities has increased and housing developments in the Ashby area have been approved and built. Through the planning process, S106 requests were made for leisure and recreation facilities to ensure that the leisure centre could continue to provide adequately for the health and fitness needs of residents. The Council has to date received just over £390,000 from developments in order to develop a Health & Wellbeing Centre at Hood Park Leisure Centre.

The proposed facility area to be converted into the Health & Wellbeing Centre is the existing male and female dry side changing rooms. These changing rooms are part of the original building dating back to the 1970's. They were built to service the sports hall usage but the 2001 development has added further 1st floor changing room capacity and squash change capacity which it is felt could accommodate displaced usage.

The Authority has also been in discussion with Leicestershire Partnership Trust (NHS) who wish to relocate some of its services, such as physiotherapy, from the closure of Ashby Hospital to the Leisure Centre. The Authority feels that this would be beneficial to residents and presents a pathway from rehabilitation into on-going physical activity in a one-stop-shop health environment. The NHS have indicated they will pay for the relevant capital works and enter into a lease arrangement with revenue contributions

for their spatial requirements. They are keen to progress this arrangement as a priority and proposals are at an advanced stage with the focus from both parties currently on facilitating this within the existing female dryside changing room in early to mid 2016.

Once the potential arrangement with LPT has been resolved, focus will then turn towards NWLDC's element of the Wellbeing Centre. This development, if progressed, could include new fitness equipment tailored for targeted groups including the elderly, people with disabilities, GP referrals and young children. The equipment will also be suitable for those who are starting out for the first time in a gym environment.

By developing our facility, it will free up capacity in the fitness suite which is experiencing significant demand at peak times. This was reinforced through the Wigan Leisure Trust commissioned 'Latent Demand' report which highlighted that if the centre had increased fitness facilities, it would increase its usage and membership base leading to increased income generation.

### 3.1.11 Fleet Replacement Programme

With regard to the Fleet Replacement Programme, each year a number of vehicles either come to the end of their lease period or their lease extensions are reviewed. Each vehicle is reviewed based on its age, condition, mileage, potential risk of major repairs (due to being out of warranty) and a decision is made whether to extend the lease or replace the vehicle.

These decisions are made in the previous year in order to allow a suitable lead-in period from order to delivery in April, particularly for large items such as refuse vehicles. Many of these vehicles are built to order and these orders have to be placed before October for delivery the following April. Therefore, although they are actually acquired in April a commitment has to be made in the previous year.

Approval is sought to amend the 2016/17 Fleet budget from £1,039,000 to £1,333,000, an increase of £294,000. The slippage of two vehicles (Refuse Vehicle £168,000 and Digger £126,000 as represented in the table in Paragraph 2.2) from the 2015/16 fleet programme to the 2016/17 programme. The total fleet budget for 2016/17 is therefore £1,333,000.

The changes in the 2016/17 budget, due to slippage are reflected in the table below:

<b>Vehicle</b>	<b>Original Budget</b>	<b>Revised Budget</b>
Refuse Kerbsider ( End of Lease )	344,000	344,000
Refuse (3x refuse vehicles. End of Lease and End of Life )	325,000	493,000
Market Vehicles/Cars ( End of Life )	19,000	19,000
Vans - Small ( 4x End of Lease but Reduced to 2)	22,000	22,000
Vans - Medium ( 2x End of Lease )	28,000	28,000
Vans - Pickup ( End of Life )	19,000	19,000
Bin Lifter ( New for refuse vehicle )	20,000	20,000
Tractor Plant & Digger ( End of Life Baler, loading shovel and Tractor )	215,000	341,000
Mowing Machines ( 2x End of Lease )	47,000	47,000
<b>TOTAL</b>	<b>1,039,000</b>	<b>1,333,000</b>

- 3.2 In order to progress with the 2017/18 purchases approval is sought for the following vehicles:

	£
Refuse (1 x refuse vehicle. End of Life )	170,000
1 x HGV mechanical sweeper (End of lease)	120,000
1 x 7.5T caged vehicle (End of life)	40,000
2 x mini-sweepers (End of life)	130,000
Vans Medium – 12 x transit, 1 x caged (end of life or lease)	170,000
<b>Total</b>	<b>630,000</b>

3.2.1 Waste Services HGV's and LGV's (approx £460,000)

The existing Heavy Goods waste vehicles, including one waste collection vehicle, one mechanical sweeper, one 7.5 tonne caged tipper and two mechanical mini-sweepers are to be replaced as part of the annual vehicle replacement programme to ensure reliability of waste and street cleansing service delivery.

3.2.2 Medium Vehicles (approx £170,000)

Thirteen medium / small vehicles are to be replaced across the fleet for 2017/18 as part of the annual vehicle replacement programme. These include three transit vans for the Waste Services Team and nine transit vans and one caged vehicle for the Housing Team. These are essential for service delivery and to control maintenance costs of increased repairs to ageing vehicles.

- 3.3 The General Fund Capital Programme (2016/17) will be funded by:

	£
Disabled Facilities Grants	298,050
S106 Contributions	400,000
Revenue Contribution	135,920
Reserves	282,790
Internal Borrowing	1,681,750
<b>Total</b>	<b>2,798,510</b>

**4.0 COALVILLE SPECIAL EXPENSES – ESTIMATED OUTTURN AND INDIVIDUAL SCHEMES**

- 4.1 The Projected outturn for 2015/16 is £172,606. This is all slippage from 2014/15 on the following projects

	£
Cropston Drive BMX Track	9,783
Thringstone Miners Social Centre	4,913
Urban Forest Park - Footway & Drainage Improvements	39,025
Owen Street – Floodlights	779
Owen Street – Changing Rooms	115,564
Thringstone Bowls Club – Toilet Block	2,542
<b>Total</b>	<b>172,606</b>

- 4.2 There are no new schemes agreed at present for 2016/17.



## 5.0 H.R.A. CAPITAL PROGRAMME – ESTIMATED OUTTURN 2015/16 AND 2016/17 - 2020/21

5.1 The HRA Capital programme (Appendix “B”) covers in detail the capital schemes for the period 2016/17 to 2020/21.

5.2 Planned spend in 2016/17 and onwards mainly consists of:

### 5.2.1 Maintaining Decency Programme

The Decent Homes standard was introduced by Government to drive up the quality of social housing across the country. The standard sets a range of indicators for different elements of tenants’ homes.

After the Authority successfully completed its Decent Homes Improvement Programme and achieved 100% decency across the housing stock in March 2015, there is no further Government Grant available for the foreseeable future.

The Authority is forecast to spend £6.154 million in 2015/16 and will continue to invest in the Maintaining Decency Programme to maintain the level of decency across the Housing Stock

The Maintaining Decency Programme for 2016/17 will invest £2.947 million in improving tenants’ homes, with an additional £1.327 million of other planned investment in improvements to our properties also taking place.

### 5.2.2 Other Planned Investment Programme

In addition to delivering the Maintaining Decency Programme, there are a wide range of other investments required to maintain and enhance the housing stock and associated services and assets, which are outside the Governments definition of Decent Homes works.

### 5.2.3 New Build/Affordable Housing Programme

In Autumn 2014, the Authority commissioned Housing Quality Network (HQN) to undertake an options appraisal on how the Authority could increase the number of council-owned homes through new build and acquisitions. The HQN report was concluded in January 2015 and a number of recommendations from the report were subsequently approved by Cabinet on 10 November 2015. The Authority has committed to build new homes at three different sites:

Brownfield site, Coalville (if acquired)	- 12 homes
Greenacres, Coalville	- 10 homes
Willesley Estate, Ashby	- <u>8 homes</u>
Total	- 30 homes

### 5.2.4 Other Schemes / Miscellaneous

There are various other schemes in the Housing Capital Programme as per Appendix B .

A new line of Disposal of High Value Assets has been included in Appendix B. This is due to the Government’s new Housing and Planning Bill currently going through Parliament. The introduction of ‘Right to Buy’ for Housing Tenants Association tenants

will require contributions from local authorities to subsidise Housing Associations and support the discount to be granted to those tenants.

It is currently suggested that local authorities must make a payment to the Government based on the market value of high value housing likely to become vacant during the year, less any allowable deductions. The amount will be formula based and payable in advance. There are, as yet, no firm details of the formula to be applied and as a result, an indicative amount of £500,000 per annum has been included in the capital programme going forward.

#### 5.2.5 Future Funding

Since its inception, the long term HRA business plan has had a core assumption that future rents will increase by 2.5% (notwithstanding the annual 1% rent reductions from 2016 for four years) and this was a standard, benchmark assumption across most social housing landlords. In view of government policy and the outlook for inflation, it is now considered prudent to change this assumption to 1.5%. This has a significant impact on future rental income flows, and additional efficiencies and savings will have to be identified within the Housing Service going forward.

Changing this core assumption required a fundamental re-modelling of the HRA business plan, with a particular focus on identifying areas where expenditure can be reduced or additional income can be generated.

#### 5.2.6 Capital Programme Proposals

The capital Programme can be adjusted by either generating additional income from the disposal of poorly performing assets (properties or land), or reducing / re-profiling the expenditure planned over the lifetime of the Business Plan. Our proposals are detailed below:

**Sale of sites and empty properties** - to generate income and reduce the need for significant investment in properties with high repairs needs, a programme of selective sales is being recommended. We propose that £900,000 is raised through disposing of properties or sites (including decommissioned sheltered blocks and/or garages) in 2016/17, and in each of the following two years. Projected sales income then falls to £750,000 from 2019/20 onwards. The properties will be selected based on their Net Present Value (NPV), which measures the financial value of a property over a period of time by comparing rental income with investment needs. High performing properties need little investment and generate an excess of rental income, whilst low performing properties require significant improvement work and, by comparison, generate insufficient rental income. We propose to sell those empty homes with the lowest NPV, and target 3 bedroom properties, of which we have a disproportionately high number compared to 1 and 2 bedroom properties. The latter are the type of properties for which there is the highest demand from home-seekers on the waiting list.

**Re-profiling of capital improvements expenditure 2018/19 to 2024/25** – For non-decency improvements (i.e. parking schemes, paths, driveways, walls / fencing, outbuildings) a planned programme of works for future years had been outlined in the Asset Management Strategy which was approved by Cabinet on 20 October 2015. Peaks of expenditure had originally been planned in the years over 2019 - 2023, which

coincides with other significant budget pressure to re-pay two loans of £10m and £3m in March 2022. By re-profiling some of the capital expenditure back from these years, and spreading it over subsequent periods, we have ensured the business plan has a smoother expenditure profile, and also has capacity to repay the two loans in full.

By making these adjustments, it means that we can maintain the predicted level of expenditure required to maintain all homes at or above the Decent Homes standard in future. As a result, we are aiming to ensure that no properties fail to meet the Decent Homes standard going forward.

**Aids and Adaptations budget** – significant investment was made through the Decent Homes programme in installing level access showers instead of like for like bathroom replacements in many ground floor flats and bungalows. It is therefore projected that the budget requirement for this work will reduce over time. Furthermore, as more properties have received adaptations in recent years as part of this programme, more efficient utilisation of these properties by existing and future tenants will reduce the need to carry out new works. We have therefore reduced the projected budget allocation for future years, although we are still aiming to invest £250,000 per annum in this area by 2020.

**Programme Delivery Costs** – a provision is made within the capital programme to fund the staff responsible for delivering the programme. Previously, the budget assumed one full time post would be required to support our new build programme, after the successful completion of the three pilot schemes. In view of the future need to dispose of sites, the future new build programme may now be less ambitious than originally envisaged. Furthermore, any future new build schemes would require us to borrow funds, although there is available headroom within the Housing Revenue Account to do so. Therefore, the costs associated with new build delivery have been reduced to 0.5 of a full time post.

## 6.0 CAPITAL RESOURCES

6.1 The resources estimated to be needed to finance the General Fund programme 2016/17 to 2020/21 totals £6,805,560 and is as follows:

	£
2016/17	2,798,510
2017/18	1,175,970
2018/19	1,801,970
2019/20	228,000
2020/21	801,110
<b>Total</b>	<b>6,805,560</b>

6.2 Details of the planned funding of the programmes are included in Appendix A. Funding is in place in 2016/17 for the Disabled Facilities Grants Scheme (£716,760) and Wellbeing Centre (£400,000) consisting of £298,050 Disabled Facilities Grants, £282,790 of reserves and £135,920 of Revenue Contribution and £400,000 of S106 Contributions. The remaining schemes (£1,681,750) can be funded through either leasing or borrowing depending on value for money and provision has been made in the 2016/17 Revenue Budget.

- 6.3 The following resources are budgeted to be available for financing the Housing Revenue Account Programme in 2016/17. An estimated surplus of £644,000 can be carried forward to 2017/18.

	£
Usable Balances	1,531,000
Retained Right to Buy Receipts	238,534
Right to Buy Receipts – Attributable debt	658,722
Use of Right to Buy ‘One for One’ reserve	496,919
Major Repairs Allowance	4,983,603
Asset Disposals (Capital Allowance)	900,000
<b>Total Resources</b>	<b>8,808,778</b>
Less Budgeted Expenditure	8,164,778
<b>Surplus to be carried forward to 2017/18</b>	<b>644,000</b>

## 7.0 PROCUREMENT ROUTES

- 7.1 Where the authority is required to enter into a contract which has a value of £100,000 or more, Cabinet authority is sought prior to award of the contract. As Cabinet is considering the budgetary implications of the Capital Programmes, it is efficient for Cabinet to consider the award of subsequent high-value contracts at the same time. Cabinet is also asked to address a request for a waiver to the Contract Procedure Rules (CPR) for a particular selection of contract opportunities. Each will be considered in turn.

- 7.2 Although the procurement processes may be commenced sooner, the contract award will not take place before Council has approved the budget for the Capital Programmes. The authority’s procurement documentation gives it a right not to award a contract, should Council not approve the budget.

- 7.3 **Waste Services, Vans, Cars, Plant and Equipment**  
As part of the Fleet, Plant and Equipment Replacement Programme, replacements will need to be made to some of the Council’s vehicles, equipment and plant. Officers will select the most appropriate public sector framework for each item, considering which offers value for money for the Council at the time of procurement.

Cabinet is asked to delegate award of the subsequent contracts for vehicles, equipment and plant to the Director of Services in consultation with the Portfolio Holder.

- 7.4 **Car Park Resurfacing**  
The Council will need to resurface four car parks/roads in the 2016/17 financial year, Access Road to High Street Car Park, Measham; Hermitage Recreation Grounds; Hood Park Leisure Centre Car Park and North Service Road Car Park, Coalville.

Where we are purchasing similar goods, works or services, we are under an obligation to aggregate the value so as to ensure, where that value is above the thresholds (for services contracts, the threshold is £172,514), the opportunity is advertised to potential European bidders. The aggregate value of these contract opportunities is £83,750, so below the thresholds which would require the authority to advertise the opportunity in Europe. At this value, it is a Band D contract requiring a formal tender process, pursuant to CPR 5.16.

To assist officers with scheduling the pre-procurement work and on-site delivery of the larger resurfacing schemes before winter, Cabinet is requested to grant a waiver to the CPR so the contract opportunities can be disaggregated. Each contract would then be procured in accordance with the CPR, according to its own value. This would bring all four schemes into Band B (Small) Contracts, all requiring three written quotations be sought and opening up the opportunities in the first instance to suitable businesses registered on the Buy Local portal.

Pursuant to CPR 3.2, Cabinet is asked to grant a waiver to CPR 5.16 so that each of the four resurfacing programmes can be treated as individual contract opportunities and procured in accordance with the CPR relevant to their particular value. Cabinet is asked to delegate award of the subsequent contracts to the Director of Services in consultation with the Portfolio Holder.

## **8.0 CONSULTATION**

- 8.1 The Cabinet's draft Capital Programmes were presented to the Policy Development Group at its meeting on 6 January 2016. Consultation with the business community was by letter through the Leicestershire, Northamptonshire and Rutland Federation of Small Businesses. The comments of Policy Development Group are included in the minutes attached at Appendix C.