

REPORT

SUBJECT: Adjustments to the Capital budget during 2015/16

MEETING: Cabinet

DATE: 2nd December 2015

DIVISION/WARDS AFFECTED: Not applicable

1. PURPOSE

To consider adjustments to the capital budget in 2015/16 to be recommended to Council.

2. RECOMMENDATIONS

2.1 That Cabinet resolve the extent of funding/works for improvements to the public realm in Abergavenny Town Centre and recommend to Council the creation of a capital budget of up to £1,050,000 in 2015/16, the budget to be taken from the £3,433,000 capital released when the decision was taken not to build a new library in Abergavenny (Council, 26th February 2015). The funding of which is proposed to be capital receipts.

2.2 That the creation of a capital budget of £275,000 in 2015/16 for the development of a car park off Rockfield Road be recommended to Council. The budget to be created by prudential borrowing funded from car park income over a period of 10 or 20 years – to be agreed with finance colleagues.

2.3 That the creation of a capital budget of £45,000 in 2015/16 for the development of a car park at Rogiet Playing field (adjacent to Severn Tunnel Junction) be recommended to Council. The budget to be created by prudential borrowing funded from car park income over a period of 10 or 20 years – to be agreed with finance colleagues

2.4 That the creation of a capital budget of £1,100,000 for various works at Usk HQ be recommended to Council. The budget to be created by prudential borrowing (£500,000) funded from the reduction in office costs elsewhere as and when staff transfer to J and E blocks and by top slice of the property planned maintenance budget (600,000).

3. KEY ISSUES

- 3.1 In February 2015 the Council decided not to proceed with the building of a new library in Abergavenny. However the Council anticipated that recommendations would be forthcoming from cabinet for capital budgets for improvements to the public realm in Abergavenny Town Centre and the creation of a community hub within Abergavenny Town.

- 3.2 Since that time work has progressed on both projects. However in order to complete the design and undertake the works to improve the public realm prior to the Eisteddfod in July 2016 the contract needs to be let by the end of December. Meetings have been held with Team Abergavenny to discuss the design and extent of the works. The project has also been tendered and a preferred contractor selected although the letting of the contract awaits capital budget approval.
- 3.3 The scheme includes for new surfaces to the highway and public open spaces along with new street furniture, infrastructure for services (electricity points, public wifi). The extent of the scheme is shown in appendix 1 and for this scheme a budget of £1,050,000 is required. Whilst this scheme is being developed in conjunction with Team Abergavenny members will be familiar with the capital budget pressures that exist. There are options to adjust the scheme should members be minded to reduce the budget commitment. The capital budget may be reduced by limiting the extent of the scheme, simplifying the surface finishes and cheaper street furniture. However to reduce below £700,000 would render the scheme unviable. Members may recall that a budget had been allocated in the 14/15 highways capital budget to undertake refurbishment works to the pedestrianized area in Abergavenny but this budget was reprioritized to reinstatement of roads following the various landslips encountered during the previous winter period. The budget of £450,000 in 2014/15 was for largely 'like for like' works whereas the proposed design extends the scheme to improve the final scheme and improve its long term appearance. It also enhances the centre of the town in preparation for the Eisteddfod in July 2016.
- 3.4 Where the Community Hub may be situated in Abergavenny Town is still being developed and any recommendations to create a capital budget will be the subject of a separate report.
- 3.5 As part of the review of car parking provided by Monmouthshire County Council it was highlighted that additional car parking is required in Monmouth Town.
- 3.6 When the review first came to the select committee the creation of a car park off Wyebridge st and the creation of a car park off Rockfield Road were highlighted. However when the capital budget was approved for 2015/16 only the Wyebridge scheme was scheduled and approved. In order to allow the creation of the Rockfield Road car park to proceed a capital budget of £270,000 must be approved by Council.
- 3.7 The cost of the new car park will be funded from prudential borrowing, as proposed in the wider review of car parking reported to Cabinet in September 2014.
- 3.8 The review approved by cabinet included the creation of a new car park order that incorporates various changes to the car parking regime and which includes a statutory consultation process and period. The new car park order will be published for consultation in January. If agreed the new car park regime will generate additional income to invest in improvements to the

car parks (better signage, new machines, better layout) plus income to fund borrowing to create additional parking space.

- 3.9 The design and planning application for the Rockfield Road car park has been completed and the new car park order will be reported to cabinet in the new year after the consultation process. The capital budget approval for the Rockfield car park is sought on the basis of the new car park order being approved and sufficient income being generated to fund the prudential borrowing (to fund £270,000 requires a revenue contribution of £31k per annum over 10 years or £20k per annum over 20 years).
- 3.10 The adequacy of car parking at Severn Tunnel Junction has been highlighted as a problem for several years. A solution already examined (but not funded) would be a new road access to a new park and ride car park but such a development will cost several millions. In the meantime informal car parking has been created close to the station for commuters to use (Rogiet playing field and hard standing in the nature reserve). However at some time in 2016 Network Rail will replace the bridge that accesses the nature reserve so this car park area will be lost for up to twelve months.
- 3.11 To compensate for the loss of parking and address the nuisance of commuter on street parking in residential areas short term options to create additional parking have been investigated. Officers have been in discussion with Rogiet CC and have developed a plan to increase the car parking area available at Rogiet Playing field. To achieve this works will be required and it is proposed that this be funded by a charge being introduced for parking on the playing field car park.
- 3.12 The proposed car park creates 70 spaces which, at a charge of £2 per day (paid by season ticket or pay by phone) with 50% occupancy (6 days per week), generates approximately £22,000 per annum. This will solely fund the development cost initially but following repayment of capital (estimated at £45,000) the income (after administrative costs) will be split 50/50 with Rogiet CC (Rogiet CC owns the playing field).
- 3.13 Opportunities to reduce overhead costs by reducing office costs has been acted upon through the agile working policy. More recently the feasibility of moving staff from Magor and other satellite offices to Usk HQ has been examined. Decisions about what staff may work where are yet to be finalized but vacating Innovation House in Magor and transferring staff to Usk HQ has featured heavily in discussions so far.
- 3.14 Refurbishment and fit out work is required to allow staff to occupy buildings in Usk (blocks J and E) and to create additional parking to accommodate staff. At present staff are developing options for member consideration but currently no capital budget exists to fund works in 2015/16.
- 3.15 The budget required will depend upon the extent and design of works finally approved. However a design for works to J and E blocks plus the creation of additional parking has been prepared which indicates a cost of £1,100,000.

- 3.16 The budget will be funded by prudential borrowing (£500,000) plus allocating £200,000 from the remaining Property maintenance capital budget in 2015/16 and top slicing £400,000 from the same budget in 16/17.

4. REASONS

- 4.1 The four projects described above represent amendments to the Council's approved capital budget. To approve additional capital expenditure and hence a change to the capital budget, requires a decision of council. This report seeks a recommendation from cabinet to Council to approve a revised capital budget in 2015/16.

5. RESOURCE IMPLICATIONS:

- 5.1 The capital budget for the Abergavenny Public realm project (£1,050,000) is taken from the budget released when the decision was taken in February 2015 to no longer build a new library in Abergavenny (£3,433,000). The expenditure will be split over 2015/16 and 2016/17 at this time officers estimate that the split of funding between these years is £450,000 and £600,000 respectively.
- 5.2 The funding assessments for both the Wyebridge street car park and Rockfield Road car park were included within the report to Cabinet in September 2014 (see link below to the relevant appendix)

<http://democracy.monmouthshire.gov.uk/Data/Cabinet/20140903/Agenda/Full%20Cabinet%20Agenda.pdf>

However the costs need to be revised from £250,000 (as reported in September 2014) to £275,000 for the Rockfield Road development (based upon the detailed design and estimates). The higher capital budget remains affordable by extending the prudential borrowing period (say from 10 years to 15 years) or by absorbing the increased revenue spend from the assumed increased surplus of £37,788 (as reported in September 2014).

Members are reminded that the expenditure and income profile reported in September 2014 assumed the adoption of a revised car park order. The new order, including the outcome of the consultation, will be reported to members in February 2016 but in the event of there being significant change to the proposals in the draft order then this may impact upon the ability to pay for the new car parks (and other improvements). If this is the case it is recommended that the Head of Operations and Head of Finance review the funding assumptions as described in the link above and prioritise works accordingly, this to be done in consultation with the Cabinet members for Resources and Community Development on the assumption that it remains cost neutral and prudential borrowing remains affordable.

The expenditure will be incurred in 2015/16 assuming progress with the new car park order.

5.3 The Rogiet Playing field car park can be developed for £45,000. It will generate income estimated at £22,000 per annum. Whilst custom will be affected when the bridge is replaced the cost of parking at Rogiet playing field coupled with the growing number of passengers travelling by rail from Severn Tunnel Junction suggests that custom levels will remain sufficient to fund the investment and thereafter offer revenue sufficient to justify the car park being created.

The £45,000 budget will be funded by prudential borrowing although the period of borrowing (and hence revenue implication) will be ascertained by accountancy staff.

It is anticipated that all works will be completed in 2015/16 assuming no delay in relation to authority to proceed and the adoption of the new car park order.

5.4 The cost of refurbishment of offices at Usk HQ and the creation of extra parking is dependant upon the final approved design.

5.5 Funding is through prudential borrowing (£500,000 with a revenue implication of £34,000 over 20 years, generated by the rationalisation of office accommodation). The remaining £600,000 will be taken from the property maintenance capital budget £200,000 in 2015/16 and £400,000 in 2016/17.

The expenditure will be split over 2015/16 and 2016/17 at this time officers estimate that the split of funding between these years is £700,000 and £400,000 respectively.

6. FUTURE GENERATIONS and EQUALITY ASSESSMENT

See appendix 2

SAFEGUARDING ASSESSMENT:

There are no safeguarding implications associated with the recommendations within this report.

7. CONSULTEES:

SLT

Cabinet members

Head of Community delivery

Head of Property services and FM

8. BACKGROUND PAPERS:

9. AUTHORS

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