

**THE OVERVIEW AND SCRUTINY COMMITTEE****17 September 2012****Minute Extract****260. CAPITAL STRATEGY AND PROGRAMME 2012/13 – 2015/16**  
(Report CAB2378 refers)

The Committee noted that at its meeting held on 12 September 2012, Cabinet had approved the recommendations of the Report as set out, including those for recommendation to Council, subject to the Committee considering under its powers of call-in the approval of a supplementary capital estimate to support improvements to the Council's shared IT infrastructure.

Councillor Godfrey introduced the Report and drew particular attention to those areas of the Strategy and Programme that had been updated since the programme's original approval in February 2012. He explained the Council's current Capital Financing Requirement, the use of reserves, including funding from asset sales, and the potential to utilise borrowing to support some unfinanced capital expenditure. Attention was drawn to Cabinet's approval of changes to the Strategy and Programme to support improvements to the Council's shared IT infrastructure, and also the implications of Housing Finance Reform and changes to the rules with regard to Right to Buy capital receipts. Investment in shared IT infrastructure was likely to create further efficiencies over time.

During discussion, Councillor Godfrey explained that it was necessary to take a long-term view with regard to options for repairs and improvements to the River Park Leisure Centre or its replacement with a new facility and that the Council would continue to work closely with its contractor, DC Leisure, to bring forward a satisfactory solution. Sources of finance, including possible private sector contributions, would need to be investigated.

It was also recognised that that urgent investment in City Offices was also required. The Chief Executive explained that it was likely that a report on the matter would be brought forward by the end of the calendar year, subject to ongoing in-depth discussions.

The Head of Finance clarified that changes to financing rules since 1 April now meant that relevant capital receipts previously retained in the Housing Revenue Account (HRA) to support the Sewage Treatment Works Programme could now be allocated to the General Fund. Councillor Godfrey was satisfied that sufficient flexibility was retained for the future but the more pressing need was for such receipts to be allocated for General Fund purposes given the wider scope the HRA had to meet its own requirements as a consequence of Housing Finance Reform.

Councillor Godfrey also updated the Committee on the latest position with regard to possible capital investment in new youth facilities being investigated by North Winchester Youth & Community Action. The Chief Executive advised that the conclusion of a community planning project in Weeke and Harestock would influence this work.

At the conclusion of discussion, the Committee noted that the Capital Programme to be approved next year was likely to feature projections of the significant investment necessary by the Council in River Park Leisure Centre, City Offices and also the improvements to shared IT infrastructure.

**RECOMMENDED:**

**1. THAT COUNCIL BE ADVISED THAT THE COMMITTEE HAD NO ISSUES THAT IT WISHED TO DRAW TO ITS ATTENTION IN RESPECT OF THE DRAFT CAPITAL STRATEGY AND UPDATED CAPITAL PROGRAMME.**

**2. THAT THE DECISION OF CABINET ON 12 SEPTEMBER 2012 TO RECOMMEND TO COUNCIL THE APPROVAL OF A SUPPLEMENTARY ESTIMATE OF £217,000 OVER 4 YEARS FOR INCLUSION IN THE PROGRAMME IN RESPECT OF A SHARED IT INFRASTRUCTURE, BE NOT CALLED-IN FOR REVIEW.**

**RESOLVED:**

That the Portfolio Holder for Finance and Administration have regard to the comments of the Committee raised during the discussion.