

Report to Cabinet Member for Resources and Cabinet Member for Transportation

Decision to be taken on or after 30 August 2019

Decision can normally be implemented at least
3 working days after decision has been signed.

Cabinet Member Report No. R08.19

Title: Budget Adjustments to the Approved Capital Programme
Date: 21 August 2019
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Local members affected: Steven Lambert (ADEPT project)

Summary

To approve changes to the approved Capital Programme to allow;

- the refurbishment of Moorcroft Farm House to be undertaken in the current financial year.
- the BUCKS-Aylesbury Garden Town Live Lab project funded by the Department of Transport to progress.

Recommendation

To vire £100k from the Agricultural Estate Capital Maintenance Budget and £200k from the Council's Capital Contingency Budget to allow the refurbishment of Moorcroft Farm House to be undertaken in the current financial year.

To add to the approved capital programme an expenditure budget of £4.49m for the BUCKS-Aylesbury Garden Town Live Lab Project (ADEPT) which will be financed by grant funding received from the Department of Transport for the trial of various new infrastructure technologies.

A. Narrative setting out the reasons for the decision

Moorcroft Farm House

1. Following the death of the former tenant of the entire Moorcroft Farm holding in December 2015, a review was undertaken and it was agreed to dispose of the farmhouse. This decision was based upon the costs of renovation as it was in a poor, uninhabitable, and therefore unlettable condition. It was also agreed that the remainder of the adjacent farm holding would be retained.
2. The property was extensively marketed during 2017/18 at a guide price of £645k. In the summer of 2018 an offer for the property was received and accepted at £560k. This was subsequently reduced to £475k following a building survey and withdrawn earlier this year. There has been no subsequent interest.
3. Given the lack of interest, the time which has elapsed since the original decision and the property's location adjacent to the farm holdings, a review of the decision and other opportunities has been undertaken.
4. As a result the preferred option is now to retain the farmhouse because of the potential long-term strategic opportunities, and to refurbish the farmhouse so that a rental income can be obtained in the short to medium term.

BUCKS-Aylesbury Garden Town Live Lab

5. The Council is one of the nine successful bidders in SMART Places Live Labs competition and has been awarded £4.49m of £22.9m available to test and implement a range of integrated new infrastructure technologies (SMART Materials, SMART Communications, SMART Energy and SMART Mobility).
6. The grant funding provides the opportunity for the Council to test new technologies in real situations at minimal financial risk to the Council. The results will be used to inform future investment decision.
7. The technologies will be installed and tested on Fairford Leys which was chosen as it was a self-contained community hub where the infrastructure assets were coming up for renewal

B. Other options available, and their pros and cons

Moorcroft Farm House

8. The only other option is continue to market the property and accept an offer below its long-term strategic value.

BUCKS-Aylesbury Garden Town Live Lab Project

9. The Council could decide not to proceed with the project, which would result in the Council having to fund the replacement of some infrastructure assets from other capital budgets.

C. Resource implications

Moorcroft Farm House

10. Renovation of the farmhouse is expected to require an investment of up to £300k and, once complete, the building is likely to achieve a rental income of £2,500 per month. The works will increase the value of the asset should there be a future decision to dispose of the building.

11. Based on a current expected disposal value of £450k, the expected annual return on the total of £750k investment post refurbishment is 4%. Whilst this is lower than normal expected annual rate of return the Council seeks to achieve the potential long-term strategic value needs to be considered.

Aylesbury Garden Town Living Lab

12. There are no financial impacts as the project will be fully funded by the Department of Transport grant.

D. Value for Money (VfM) Self Assessment

13. Tenders for the work will be undertaken in accordance with Council's normal procurement rules and the Public Contract Regulations 2015

E. Legal implications

14. This report seeks approval for budget amendments to the Councils Approved Capital Programme for the current financial year.
15. Part 4 of the Council's Standing Orders, Financial Regulations Capital Virements require the approval of the Cabinet Member for Finance and Resources and the Director of Finance and Procurement, in consultation with the relevant Cabinet Members, if the virement involves a change to the approved use of resources in the Capital Programme or if they result in an addition to the Capital Programme in current or future years.
16. B4.2 allows Cabinet Member for Finance and Resources, following advice from the Director of Finance and Procurement, having regard to any statutory and non statutory obligations imposed by any conditions of the award and after discussion with the relevant Cabinet Members and Executive Directors to approve the proposed change in the Capital Programme.
17. Officers will adhere to all conditions of the grant funding from the Department of Transport.

F. Property implications

18. None other than identified above.

G. Unitary Council

19. There are no implications for the new unitary council arising from this decision.
20. Any decisions on the long-term future of the Moorcroft Farm House and the adjacent holding will be made by the new unitary council.

H. Other implications/issues

None

I. Feedback from consultation, Local Area Forums and Local Member views

Moorcroft Farm House

Not applicable

BUCKS-Aylesbury Garden Town Live Lab Project

- 21.** Communications strategy is being developed, and members will be provided with updates at Transport Portfolio Board. Members will be informed of work due to be undertaken in their ward. Any documentation review or proposed scope changes will be reviewed by the Transport Portfolio Board.

J. Communication issues

Not applicable

K. Progress Monitoring

Progress will be monitored by the service and through the monthly capital budget monitoring.

The Council will report on progress and outcomes of the BUCKS-Aylesbury Garden Town Live Lab Project to the Department of Transport.

L. Review

Not applicable

Your questions and views

If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.

If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Democratic Services Team by 5.00pm on 29 August 2019. This can be done by telephone (to 01296 382343), or e-mail to democracy@buckscc.gov.uk