

City Executive Board – 11 February 2016

Capital Strategy

Suggested City Executive Board response to Finance Panel recommendation provided by the Board Member for Finance:

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<i>Recommendation</i>	<i>Agreed? (Y / N / In part)</i>	<i>Comment</i>
<p>That an evaluation should be undertaken of how the Council can make best use of its grant funding for infrastructure at Oxpens. This should include evaluating the risks and benefits of using all or part of the grant in the interim in order to fund other things or generate a return, potentially substituting this grant funding with prudential borrowing at a later date in the event that it was needed to fund infrastructure at Oxpens.</p>	<p>N</p>	<p>The Council and its partner Nuffield college have only just exchanged contracts on the land purchase from LCR. The grant from the Local Enterprise Partnership is conditional on the Council providing the infrastructure for the development and consequently the Council will either have to fund this itself or ensure it is carried out by the developer to meet the requirement of the grant. There is a long stop date when the infrastructure needs to be in place of 31/12/2027 or the grant repaid to the Local Enterprise Partnership. It is too early to say at this point whether the Council can secure external funding to pay for the infrastructure and therefore at this stage it is safer to put the grant into an earmarked reserve backed by a long term investment to attract a higher rate of return. This would at least improve the Council's revenue position as opposed to spending the money, only to find that it was required for the infrastructure at a later date. The position will be reviewed as the project develops and as the risk of the council having to fund the infrastructure is lowered then it can be released into the capital programme to fund other projects which meet the council's objectives.</p>

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