

Question Number	Question asked by:	Subject
CABINET MEMBER FOR CROYDON RENEWAL Councillor Stuart King		
CQ031-20	Councillor Simon Brew	Review of the Capital Programme

CQ031-20 from Councillor Brew

Councillor Stuart King

[“Paragraph 5.7, Item 4 on The Croydon Renewal Improvement Plan – Update report, Cabinet 14 December 2020 states:](#)

The review of capital programme covers all future and current capital projects as well as the asset investment strategy, to reduce and delay projects in order to ensure annual borrowing costs are kept at an affordable level. Capital expenditure has been reduced by £155m (45%) in-year against a programme totalling £343m.

It seems astonishing that it is apparently possible to effect such a major change in the capital programme over a relatively short period; such reductions cannot fail to have consequences. Could you please advise:

- 1. What items totalling £155M have been removed from the capital budget?*
- 2. What will be the consequences for residents of such investments being withheld?*
- 3. What criteria did you use to determine which investments would be cut?*
- 4. If it is possible to make such major cuts in such a short period, why was it not done earlier?*
- 5. Why the publication of the capital programme review has now been delayed twice?”*

Reply

1. This information is set out in the table below which was presented to Cllr Brew and other Members at Full Council on 28 September 2020:

	£'000
Asset Acquisition Prog	100,000
Affordable Housing Prog moved to HRA	40,000
Reduction -TFL LIP funding	2,462
Sustainability Prog	1,875
Uniform ICT upgrade	3,600
New Addington Wellbeing Centre	1,525
Grounds Maintenance Insourcing	1,500
Devolution Initiatives	912
Growth Zone	8,327
Highways	299
Increase in S106 schemes	-4,973
	155,527

2. As the table sets out, the 2 largest items relate to the Asset Acquisition fund and a reallocation of the affordable housing programme to the Housing Revenue Account. By not proceeding with these investments the council was

able to reduce the level of borrowing and subsequent repayment and interest costs that are a pressure on the Council's Revenue Budget. The overall saving achieved as a result of this review was £1.7m.

The proposed investment in affordable housing was not cancelled but moved to the Housing Revenue Account, so there would be no consequence for residents.

3. The key criteria for the review of the Capital Programme was its affordability in the context of the council's financial position and the desire to identify potential savings in the in year programme. As has been explained, the in year review was able to identify £1.7m in savings to the council's revenue budget.
4. The review of the capital programme was undertaken in a timely manner alongside other in year projects to reduce costs.

A capital programme report is being considered at the cabinet meeting taking place on 18 January 2021. The delay in bringing the report to cabinet has arisen as a result of competing priorities for the key staff involved in the report's preparation. Those officers have been rightly focusing their time and effort on our response to the Report in the Public Interest, development of our Capitalisation Direction Request and other key pieces of work associated with the Croydon Renewal Plan.