

Addendum to Council 17 July 2014, Agenda Item 23: UNIVERSITY COLLEGE SHREWSBURY – TOWARDS A UNIVERSITY OF SHROPSHIRE FOR SHROPSHIRE

The following changes are required to the report

RECOMMENDATIONS

Replace the existing recommendation 3 with the recommendation detailed below, the change is indicated by **Bold** print.

3. Approves a project budget of up to £1,000,000 to be spent **and financed** as outlined in section 4 of this report with authority delegated to the Chief Executive to approve spend against this budget with the Leader of the Council.

4. Financial and Legal Considerations

Replace the third paragraph as follows, the changes are indicated by **Bold** print

It is expected that costs will be incurred carrying out a number of activities which will include **(but is not limited to)**:

- Costs to cover pre-contract/construction activity including feasibility, initial design development, outline planning, consultation and development of a cost plan together with associated site investigations, surveys and fees
- Decant costs from buildings required for academic use
- Refurbishment costs to a building to accommodate public facing Council staff
- Rental costs to accommodate staff
- Dedicated Project Manager and Marketing Officer

It is estimated that the costs associated with these activities can be funded by identifying and allocating a specific budget to the project at a value of £1m. The Council has an existing Transformation Fund (£1.345m per annum reduced to £0.345m in 2014/15) that has been underspent over the last two years, with a one-off balance carried forward into 2014/15. The Transformation Fund carry forward balance was reviewed as part of the council's closedown procedures and a number of commitments have now been removed or re-prioritised (over the period 2014 to 2016) enabling up to £1m to be allocated to a Project Budget on a one-off basis.

Cabinet is due to receive an update to the Council's Business Plan and Financial Strategy at the meeting scheduled for 30 July 2014. At this stage it is too early to identify the financial implications of the proposed development of a University within Shrewsbury over the council's Medium Term Financial Plan. However, it is anticipated that the options and proposals provided in this report will be advanced, resulting in the development of a Business Case for Council approval on 25 September 2014. This will enable the financial implications to be reflected within an updated Medium Term Financial Plan and Capital Strategy, and taken to Council for approval (as necessary) as an update to the Council's Business Plan and Financial Strategy and Treasury Strategy, at the same time.