
Report To:	Policy & Resources Committee	Date:	6 February, 2018
Report By:	Chief Financial Officer	Report No:	FIN/08/18/AP/CM
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Reduction in Revenue Implications of the Capital Programme Budget		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek Committee approval for the proposal to reduce the Revenue Implications of the Capital Programme budget by £87,000 as part of the 2018/20 Budget.

2.0 SUMMARY

- 2.1 As part of its budget setting process the Council has previously agreed to allocate resources to fund the Revenue Implications of Capital Projects.
- 2.2 The sum allocated has not been getting fully used and the previous decision of the Policy & Resources Committee agreed that any unallocated sum be transferred to the Repairs & Renewals fund at the year end and earmarked for use to support the Leisure Strategy and in particular the refurbishment of 3G pitches.
- 2.3 As part of the 2018/20 Revenue Budget, the Corporate Management Team would propose that the Revenue Implications of the Capital Programme budget be reduced by £87,000 to £70,000 and the Council agreed in September, 2017 that this be subject to a separate report to Committee in the New Year.
- 2.4 In examining the current 2017/20 Capital Programme the only project which is expected to have a net revenue implication is the expansion of the Council's Cemeteries and officers believe that the remaining allowance of £70,000 should be sufficient to meet this cost. On the basis that the saving is taken then this would mean that future Capital Projects which have revenue implications would need to either be contained in the relevant Directorate budget or be subject to a report to the Policy & Resources Committee prior to the project being added to the Capital Programme.
- 2.5 As regards the Leisure Strategy Repairs & Renewals Fund then the latest projections are that by 2022/23 this Fund will be fully exhausted and as such the Education & Communities Committee has been advised that provision requires to be made in future Capital Programmes to meet the investment required to maintain the number of 3G pitches which currently exist. It should be noted that this investment excludes those pitches which form part of the School Estate, the maintenance/refurbishment of which is contained within the SEMP Model.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee approve this saving proposal in principle, prior to consideration by the Council as part of the budget setting process.
- 3.2 It is recommended that the Committee note that officers have developed a 3G pitch AMP in order that an appropriate allowance can be built into the Capital Programme proposals from 2019/20.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 As part of its budget setting process the Council has previously agreed to allocate resources to fund the Revenue Implications of Capital Projects. This was done as a general allocation against which the Revenue Implications of Capital Projects could be scored subject to Policy & Resources Committee approval.
- 4.2 The sum allocated has not been getting fully used and the decision of the Policy & Resources Committee was that any unallocated sum be transferred to the Repairs & Renewals fund at the year end and earmarked for use to support the Leisure Strategy and in particular the refurbishment of 3G pitches. As at 31 March 2017 the balance on the Leisure Repairs & Renewals Fund was £1.05million.
- 4.3 The latest projections show that the Leisure Strategy Repairs & Renewals Fund will be exhausted by 2022/23 as the amount being allocated from underspends in the Revenue Implications of Capital Projects will be significantly outstripped by the projected costs of refurbishment and renewal of the Council's extensive 3G pitch estate.

5.0 PROPOSALS

- 5.1 As part of the 2018/20 Revenue Budget, the Corporate Management Team proposed that the Revenue Implications of the Capital Programme budget be reduced by £87,000 to £70,000 and the Council agreed that this be the subject of a separate report to the relevant Committee in the New Year.
- 5.2 The remaining unallocated balance in the Revenue Implications of Capital Budgets budget is currently £157,000 and there is only one existing project in the 2017/20 Capital Programme with significant revenue implications, the expansion of the Council's Cemeteries. Therefore a saving of £87,000 can be made without any impact on current plans.
- 5.3 On the basis that the saving is taken then this would mean that future Capital Projects which have revenue implications would need to either be contained in the relevant Directorate budget or be subject to a report to the Policy & Resources Committee prior to the project being added to the Capital Programme.
- 5.4 A 3G Pitch Estate Asset Plan has been developed and considered by the Education & Communities Committee which will be considered as part of future years Capital Programme development.

6.0 IMPLICATIONS

6.1 Finance

The proposals in this report remove another area of flexibility within the Council's Budget but in the context of the significant financial challenges faced by the Council is one the CMT would recommend is taken.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
Miscellaneous	Other Expenditure	2018/19	(87)		

6.2 Legal

There are no legal implications arising from this report.

6.3 Human Resources

There are no HR implications arising from this report.

6.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

6.5 Repopulation

There are no repopulation implications arising from this report.

7.0 CONSULTATIONS

7.1 The MBWG have considered this saving and would support the saving being taken.

8.0 LIST OF BACKGROUND PAPERS

8.1 None