

**EXECUTIVE
COMMITTEE**

1st November 2016

BUDGET SCRUTINY WORKING GROUP - PROPOSALS

| | |
|--------------------------|------------------------------------------------------------------------|
| Chair of Scrutiny Group | Councillor Jane Potter |
| Relevant Head of Service | Jayne Pickering, Executive Director of Finance and Corporate Resources |
| Ward(s) Affected | No specific ward relevance. |
| Non-Key Decision | |

1. SUMMARY OF PROPOSALS

This report details proposals from the Budget Scrutiny Working Group concerning future versions of the Council's Capital Programme.

2. RECOMMENDATIONS

The Committee is asked to RECOMMEND that

the Council should have a robust four year funded Capital Programme for the period 2017/18 to 2020/21, to include estimates across each year of the budget;

and to RESOLVE that

the report be noted

3. KEY ISSUES

Background

- 3.1 Budget scrutiny has formed a key part of the work of the Committee in recent years but Members felt that this process could be improved. The Budget Scrutiny Working Group was therefore established by the Overview and Scrutiny Committee at the start of the 2016/17 municipal year to scrutinise the Council's budget in more detail.
- 3.2 The Working Group provides an opportunity for Members to get more involved in the Council's budget setting process. This helps to address proposals about the need to enhance Member involvement that have been made by the external auditors.
- 3.3 In February 2016 Members approved the contents of a Capital Programme for the Council for the period 2016/17 to 2018/19. This capital programme formed one part of the Council's Medium Term Financial Plan.
- 3.4 The Budget Scrutiny Working Group reconsidered the content of the existing Capital Programme during a meeting in August 2016.

- 3.5 In some cases the group found that capital funding had been allocated to a particular project in each year of the three year programme. This was particularly evident with some of the larger projects that have regularly required capital funding in previous years, such as vehicle purchase and cleansing works.
- 3.6 In other cases funding had been allocated for a single year only; 2016/17. Members agreed that where funding had been agreed for a single year it was likely that this was for one off projects.
- 3.7 The group discovered that there were no cases in the current programme where capital funding had been requested on a one off basis for either 2017/18 or 2018/19. However, Members agreed that it was likely capital funding would be required for specific one off projects in those two years.
- 3.8 Members are mindful of the fact that, like many local authorities, the Council is facing challenging economic circumstances. In this context the group believes that it would be helpful to the Council's financial position for consideration to be given in advance to capital funding requirements in all of the years covered by the programme and not just in the first year.

Financial Implications

- 3.9 In previous years the Capital Programme has covered a three year period in line with the standard timeframes for the Council's Medium Term Financial Plan.
- 3.10 The group is proposing that the length of time covered by the Capital Programme should be increased to four years to complement the timeframes for the Efficiency Statement that the Council is preparing and future versions of the Medium Term Financial Plan. In addition officers should consider the impact of their service need in relation to capital assets over a four year period to ensure all financing and other costs are included in the budget.

Legal Implications

- 3.11 There are no specific legal implications directly relating to this report.

Service / Operational Implications

- 3.12 There are no direct service or operational implications that have been identified for this report.

Customer / Equalities and Diversity Implications

- 3.13 No direct customer or equality and diversity implications have been identified for this report.

4. RISK MANAGEMENT

No specific risks have been identified.

5. APPENDICES

Appendix 1 – Capital Programme 2016/17 to 2018/19

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