



Agenda Item 9

Meeting	Full Council
Date	22 June 2022
Report Title	Draft Medium Term Financial Plan for Capital Ear Marked Funds
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1.0 PURPOSE OF REPORT

1.1. To present Councillors with a draft 5-Year Medium Term Financial Plan for Capital Ear Marked Funds (C/EMFs) for the period 2022 to 2027, for this Committee to consider for adoption as recommended by the Finance Sub Committee (FSC) at its meeting on 22 March 2022.

2.0 INTRODUCTION AND BACKGROUND INFORMATION

2.1 The Finance Sub Committee considered a draft 5-year Medium Term Financial Plan for C/EMFs at its meeting on 22 March 2022 and recommends that Full Council adopts it at this meeting.

2.2 This report sets out the financial assumptions for income and expenditure on C/EMFs, however it will be for the various Committees (ACL, S&R, NPSG, CEEAG) to determine the specific C/EMF projects to be included in the annual budget setting process for each year.

3.0 DRAFT 5-YEAR MEDIUM TERM FINANCIAL PLAN FOR C/EMFS

3.1 The assumptions included in the draft 5-Year plan are:

- The current balance of C/EMFs at the end of March 2022 is £2,254k;
- A £275k budget surplus was transferred to C/EMFs from Income & Expenditure at the end of the last financial year (2021/22);
- 8 projects and the purchase of the Leasehold to the Town Hall Annexe and Unit 9 from last year's C/EMF budget have been carried forward into this year (2022/23). These are:
 - Compostable Toilet for Monkton Park £28k
 - Open Space Enhancement (Monkton Park) £15k
 - Museum Maintenance £10k
 - Town Hall Maintenance £8k
 - Public Toilets Maintenance £4k
 - Play area enhancements £30k
 - Stanley Park Depot £70k
 - Telephony £12k
 - Purchase of the Leasehold to the Town Hall Annexe £175k;
- CIL income for last year 2021/22 was better than previously thought, with £375k received v £300k that had previously been assumed for the year. A baseline of £375k

CIL has been included in the plan, however, it is expected that the Neighbourhood Plan will be agreed before the start of the 2023/24 financial year. At this point, the Council will receive a 25% share of CIL income, rather than the current 15%. CIL income is then expected to increase to £625k pa as a result;

- Routine Capex/Maintenance budget remains at £470k in line with the last two budgets;
- Major project expenditure is between £300k and £400k each year of the plan. Two major projects have been agreed for this financial year (2022/23), namely Environmental Enhancements to Buildings (£200k) and a Neeld Development project (£200k);
- £50k is allowed each year for project/programme management resource in order that projects are delivered to timescale;
- All capital expenditure priority recommendations from ACL, S&R, NPSG and CEEAG will be considered by the FSC each year as part of the budget setting process and the C/EMF budget for the year will be determined based on the latest financial information (e.g. level of CIL income, C/EMF balances, prior year I&E budget surpluses or shortfalls etc.);
- This 5-year plan would allow for the completion of £0.3m of outstanding projects from last financial year, routine capital expenditure over the 5-year period of £2.3m and £1.9m to be spent on major projects over the 5-year period.
- In the budget setting for 2022/23 it was expected that £1m would remain in C/EMFs at the end of the year, however in this draft 5-year plan the Council would now end the 5-year period with £1m still remaining in C/EMFs.

5.0 CONTRIBUTION TO CORPORATE PLAN PRIORITIES

5.1 Corporate Priority 5 - Effective and efficient use of resources.

6.0 STAFFING IMPLICATIONS

6.1 There are no staffing implications.

7.0 FINANCIAL IMPLICATIONS

7.1 For Councillors to consider the financial implications within the draft 5-Year Medium Term Financial Plan for C/EMFs .

8.0 LEGAL IMPLICATIONS

8.1 There are no legal implications.

9.0 RECOMMENDATIONS

9.1 It is recommended that Councillors:

- i) adopt the 5-Year Medium Term Financial Plan for Capital Ear Marked Funds for the period 2022 to 2027
- ii) approve the use of £50k pa of C/EMFs for expenditure on Project/Programme Management resource