

TELFORD & WREKIN COUNCIL

COUNCIL – 11 SEPTEMBER 2014

2014/15 FINANCIAL MONITORING REPORT AND UPDATE

**REPORT OF THE ASSISTANT DIRECTOR: FINANCE, AUDIT &
INFORMATION GOVERNANCE (CHIEF FINANCIAL OFFICER)**

LEAD CABINET MEMBER: CLLR BILL McCLEMENTS

PART A) – SUMMARY REPORT

1.0 SUMMARY OF KEY ISSUES

- 1.1** The Financial Monitoring report to Cabinet in July provided an update on progress relating to the capital programme. The report also highlighted some new capital allocations, virements and funding changes which require formal approval by Full Council.
- 1.2** Since the Financial Monitoring Report to Cabinet in July the Council has completed a procurement for the Council's solar farm at Wheat Leasowes. Delegated authority was granted by Cabinet in September 2013 to the Managing Director in consultation with the Cabinet Member for Finance and Enterprise and the Cabinet member for Neighbourhood Services & Employment and Skills, to procure and negotiate contracts for the design, build, operation and maintenance of the solar farm.
- 1.3** Following completion of the procurement process and confirmation of costs we are now in a position to update the capital programme to incorporate the solar farm as reported to Cabinet in July and detailed in the Table at 1.4 below. Financial modelling projects that the solar farm will generate a cumulative operating surplus of £4.4m over the 25 years of the project after all financing and other costs.
- 1.4** Since the Financial Monitoring Report to Cabinet in July the Managing Director, in consultation with the Cabinet Member for Resources and Service Delivery have used delegated power, granted by Cabinet on the 28th June 2012, to approve an Invest to Save bid for works to Telford Ice Rink. The bid requires a capital investment of £180,000 to undertake refurbishment and improvements to the ice rink and approval to the capital allocation and associated borrowing is requested. Once the works are completed the Authority will enter into a 10 year income share agreement with the Telford Tigers ice hockey club which is projected to make a revenue return to the Council. Concurrently, the two parties will enter in a lease agreement which will transfer an element of the ongoing maintenance liabilities for the team changing room, the bar and a newly constructed shop to the Telford Tigers, who will also take responsibility for increasing advertising. The net revenue benefits of this investment over the 10 years of the agreement are estimated to be £85,000 (after borrowing costs of £207,476) and these will be reflected within future years budget savings proposals

1.4 SUMMARY

The detailed approvals required by Council are:

Virements	Service Area	2014/15 £
Brookside	Development Business & Employment	100,000
Asset Management Plan - General Works & Survey	Development Business & Employment	- 100,000
Newport Fitness Facility	Neighbourhood & Leisure Services	75,000
Asset Management Plan - General Works & Survey	Development Business & Employment	- 75,000
Brookside	Development Business & Employment	- 6,000
Brindleyford	Neighbourhood & Leisure Services	6,000
Every Day Telford-Pride in your community	Neighbourhood & Leisure Services	- 1,000,000
Every Day Telford- Pride Hollinswood Centre	Development Business & Employment	1,000,000
Building Schools for Future	Education and Corporate Parenting	300,000
All Other School Schemes	Development Business & Employment	- 300,000
Building Schools for Future	Education and Corporate Parenting	36,000
Asset Management Plan - General Works & Survey	Development Business & Employment	- 36,000
Total		0
New Allocations		
Scheme	Service Area	14/15 £
Housing	Development Business & Employment	4,752,900.00
Housing	Development Business & Employment	100,000.00
Loan Contingency Grant	Development Business & Employment	- 7,754.74
Social Care Capital Grant	Adult Care & Support	424,782.00
Brindleyford	Neighbourhood & Leisure Services	41,664.32
Youth	Development Business & Employment	- 75,000.00
All Other School Schemes	Development Business & Employment	19,063.00
All Other School Schemes	Development Business & Employment	732,785.25
Building Schools for Future	Education and Corporate Parenting	350,000.00
Building Schools for Future	Education and Corporate Parenting	-245,043.00
Telford Ice Rink – Invest to Save	Neighbourhood and Leisure Services	180,000.00
Solar Farm		3,796,201.00
	Cooperative Council	
Total		10,069,597.83
Capital Programme Funding		
£32.445m budgeted capital receipts, the majority of which may not be received this year but may slip into later years. The funding of the capital programme will be updated to reflect this.		

2.0 RECOMMENDATIONS

2.1 Members are asked to approve the changes to the capital programme shown in section 1 above.

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Delivery of all priority objectives depend on the effective use of available resources.
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/DELIVERY DATE	The capital programme will be immediately updated to reflect the new approvals.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	Financial impacts arising from this report will be reflected in future financial monitoring reports and built in to the service and financial planning strategy for 2015/16 and beyond
LEGAL ISSUES	No	None directly arising from this report. The S151 Officer has a statutory duty to monitor income and expenditure and take action if overspends /shortfalls emerge.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	Borough Wide

4.0 PREVIOUS MINUTES

- 27/02/14 – Full Council, Service & Financial Planning Strategy
- 24/07/14 – Cabinet, 2014/15 Financial Monitoring
- 24/07/14 – Cabinet, Procurement Update
- 19/09/13 – Cabinet, Solar Farm
- 28/06/12 - Cabinet, Service & Financial Planning Update

PART B) – ADDITIONAL INFORMATION

There is no additional information.

5.0 BACKGROUND PAPERS

2014/15 Budget Strategy / Financial Ledger reports

Report Prepared by:

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