

North East Derbyshire District Council

Cabinet

31 August 2016

Medium Term Financial Plan

**Report of Councillor P R Kerry, Portfolio Holder with Responsibility for Economy,
Finance and Regeneration**

Purpose of the Report

To secure the agreement of Cabinet to utilise the proceeds of the sale of Ridgeway Craft Centre to fund the previously approved enhancement work at Eckington/ Dronfield Leisure Centres in order to protect the level of financial balances available within the Invest to Save Reserve.

1 Report Details

- 1.1 For a number of years one of the key elements in allowing the Council to address the impact of the austerity agenda has been the utilisation of the Invest to Save Reserve. By using this Reserve to fund a variety of projects the Council has secured a combination of either increased income or reduced costs. Key projects that have been funded have included restructures, investing in transformation, or in projects to increase the level of income generated often through the Council's Leisure services. The use of the Invest to Save reserve has helped enable the Council to maintain a position where the underlying level of income and expenditure has been kept in line, while the level of services to local residents has been protected or in certain cases enhanced.
- 1.2 As part of this ongoing strategy at the meeting of 29 June 2016 Cabinet agreed to support further investment in both the Council's Leisure facilities and in ensuring the timely production of the Local Plan. These decisions (together with existing commitments) meant that the Invest to Save Reserve which stood at a figure of £2.5m as at April 2016 is now effectively fully committed. Given the importance of the Invest to Save Strategy to the effective operation of the Council it is crucial that funding is identified and agreed at the earliest opportunity to support projects such as that in respect of the land feasibility work which appears elsewhere on this agenda.
- 1.3 At the meeting on 29 June 2016 the expenditure that was agreed in respect of enhancing the Council's Leisure facilities constitutes capital expenditure and therefore can be funded from capital resources. At the end of July 2016 the Council received the capital receipt in respect of Ridgeway Craft Centre which after allowing for the payment of clawback to the original grant funders, provides the Council with additional resources of some £0.475m. It is recommended that this capital receipt is used to replace Invest to Save resources in the funding of work on the

enhancement of the Council's Leisure facilities. This will then leave an uncommitted balance of a corresponding amount (£0.475m) within the Invest to Save reserve. This balance will be available to support Invest to Save projects going forward and will help the Council to meet its financial targets of securing revenue savings in excess of £1m over the next three financial years.

2 Conclusions and Reasons for Recommendation

- 2.1 That the net capital receipt of £0.475m in respect of Ridgeway Craft centre be utilised to fund previously approved work at the Council's Leisure Centres thereby providing a corresponding level of uncommitted funding within the Council's Invest to Save reserve. This proposal is necessary in order to provide the Council with the investment funding that will assist in reducing its underlying level of expenditure or increasing its underlying level of income.

3 Consultation and Equality Impact

- 3.1 There are no consultation or equality issues arising directly out of this report.

4 Alternative Options and Reasons for Rejection

- 4.1 The main option is to reject this approach which be to do nothing leaving the Invest to Save reserve fully committed. Given that this would remove the Council's main source of investment funding for transformation change this is not considered to be an appropriate option.

5 Implications

5.1 Finance and Risk Implications

- Financial implications are covered throughout the report.

5.2 Legal Implications including Data Protection

- 5.2.1 There are no Legal or Data Protection issues arising directly from this report.

5.3 Human Resources Implications

- 5.3.1 There are no HR issues arising directly from this report

6 Recommendations

- 6.1 That Cabinet agrees to allocate the net receipt of £0.475m received from the sale of Ridgeway Craft Centre to fund currently approved capital work at the Council's Leisure centres, in order to free up an equivalent level of resource within the Council's Invest to Save Reserve.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is an executive decision results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No – it is concerned with the internal allocation of resources.
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Affected	None Directly
Links to Corporate Plan priorities or Policy Framework	Ensuring the availability of an Invest to Save fund is a key to achieving ball of the Corporate Plan priorities.

8 Document Information

Appendix No	Title
N/A	
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
None	
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