

# Report to Cabinet Member for Resources and Cabinet Member for Planning and Environment

---

**Decision to be taken on or after 19 March 2019**

**Decision can normally be implemented at least  
3 working days after decision has been signed.**

**Cabinet Member Report No. R04.19**

<b>Title:</b>	<b>Budget Amendments to the Approved Capital Programme</b>
<b>Date:</b>	11 March 2019
<b>Author:</b>	Sue Palmer – Capital Programme Manager
<b>Contact officer:</b>	Sue Palmer – Capital Programme Manager Tel: 01296 387369 Email: <a href="mailto:sjpalmer@buckscc.gov.uk">sjpalmer@buckscc.gov.uk</a>
<b>Local members affected:</b>	All members

*For press enquiries concerning this report, please contact the media office on 01296 382444*

Is the report confidential? No

## **Summary**

To approve budget amendments to the Council's Approved Capital Programme in 2019/20.

## **Recommendations**

- 1. To add to the approved 2019/20 capital programme a budget of £1.898m to cover the cost of purchase of plant and equipment required for the continued operation of the Household Recycling Centres (HRCs).**

**2. To finance this expenditure using a ring-fenced waste reserve that was created to cover essential costs of this nature.**

**A. Narrative setting out the reasons for the decision**

1. The existing plant and equipment used at the Household Recycling Centres has reached the end of its useful economic life. To ensure the continual effective operation of the centres provision now needs to be made for purchase of new plant and equipment.

**B. Other options available, and their pros and cons**

2. Without the investment in plant and equipment there is a significant risk that the operation of the Household Recycling Centres could be disrupted and the Council would not be able to meet its statutory waste disposal authority compliance duties.
3. Consideration has been given to either leasing or purchasing the plant and equipment and it has been agreed that purchasing provides the most economically efficient option over the useful life of the assets.

**C. Resource implications**

4. Sufficient resources are available in the ring-fenced waste reserve to cover this expenditure. Consideration of the repairs and maintenance costs, as well as depreciation costs, have been made and included in the revenue budget.

**D. Value for Money (VfM) Self Assessment**

5. Overall the capital purchase option represents better value for money than an annual lease hire option. Over the expected 7 year life of the vehicles, it is estimated that leasing would be circa. £500k more than the cost of a capital purchase.
6. The annual lease hire option has the advantage of flexibility in relation to negotiation with a future provider. However, our current market intelligence suggests that these assets will continue to be required for any future service model.
7. The capital investment option has the advantage of having an asset that can either continue to be used, or be disposed of to realise the residual value at the end of the contract with the current supplier. This is flexible and applies to any future service model. The Council is also able to take advantage of lower financing costs in the public sector. The risk of this option is that the residual value is not achieved.

**E. Legal implications**

8. The Financial Regulations Capital Virements require the approval of the Cabinet Member for Finance & Resources and the Director of Finance & Procurement, in consultation with the relevant Cabinet Members, if the virement involves a change to the approved use of resources in the Capital Programme or if they result in an addition of the Capital Programme in current and future years.

**F. Property implications**

9. Not applicable

**G. Other implications/issues**

10. Not applicable

**H. Feedback from consultation, Local Area Forums and Local Member views**

11. There has been consultation with Cabinet Members for Planning & Environment and Finance & Resources. The Cabinet Member for Planning & Environment was briefed twice in February and there was a combined briefing for both Members in early March.

**I. Communication issues**

12. Not applicable

**J. Progress Monitoring**

13. Capital budgets are monitored monthly with quarterly reports presented to Cabinet.

---

**Background Papers - none**

---

***Your questions and views***

*If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.*

*If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Democratic Services Team by 5.00pm on 18 March. This can be done by telephone (to 01296 382343), or e-mail to [democracy@buckscc.gov.uk](mailto:democracy@buckscc.gov.uk)*