



Report of: Councillor Adam Stokes  
Cabinet Member for Finance

Report to:	<b>Council</b>
Date:	<b>26<sup>th</sup> July 2018</b>
Subject:	<b>Proposed amendment to Budget Framework – Grounds Maintenance 2018/19 (CFM463)</b>

<b>Decision Proposal:</b>	Budget Framework Proposal
<b>Relevant Cabinet Member:</b>	Councillor Adam Stokes Cabinet Member for Finance
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<b>Reviewed by:</b>	Alison Hall-Wright Financial Accountant Team Leader <a href="mailto:Alison.Hall-Wright@southkesteven.gov.uk">Alison.Hall-Wright@southkesteven.gov.uk</a> 01476 406208 Date: 11 <sup>th</sup> July 2018
<b>Signed off by:</b>	Debbie Muddimer – Strategic Director of Resources <a href="mailto:Debbie.muddimer@southkesteven.gov.uk">Debbie.muddimer@southkesteven.gov.uk</a> 01476 406301 Date: 13 <sup>th</sup> July 2018
<b>Approved for publication</b>	Councillor Adam Stokes, Cabinet member for Finance Date: 13 <sup>th</sup> July 2018

**SUMMARY**

This report sets out the proposed changes to the budget framework for 2018/19 in order to enable the necessary budget allocations to be made during the financial year.

## **RECOMMENDATION**

Council is asked to approve:

- the amendment to the 2018/19 capital budget framework in respect of the procurement of equipment for the Grounds Maintenance service £450,000.
- The amendment to the 2018/19 revenue budget framework in respect of the setting up costs, including premises of £40K.

## **1. BACKGROUND TO REPORT**

- 1.1** The 2018/19 budget framework was approved by Council at its meeting on 1<sup>st</sup> March 2018.

Since that time Cabinet has approved the establishment of a company model that will deliver the grounds maintenance service. The details are contained in the agenda for the Cabinet meeting held on 12<sup>th</sup> July 2018

(<http://modern.gov.southkesteven.gov.uk/ieListDocuments.aspx?CId=164&MId=3624&Ver=4>)

- 1.2** A summary of the decision is provided below:

The grounds maintenance service is currently provided through a contract with an external provider which expires in February 2019. The contract covers grounds maintenance services for all the District Council owned parks, gardens, public amenity grass areas and the Council's housing related stock.

The Council has had the opportunity to review and consider the options available as to how it provides the service in the future. The Environment Overview and Scrutiny Committee considered the options at their 20<sup>th</sup> June meeting. Its preferred option was to deliver the service through a local authority owned company. Cabinet also considered the options at its 12<sup>th</sup> July meeting. The key options and a suggested framework by which the different options could be evaluated was considered. The Cabinet recommended that the service should be delivered through a local authority owned company.

Whilst the service will be delivered through a new wholly owned local authority company arrangements need to be made now to facilitate the financing of the capital investment required to purchase the required plant and machinery ready for the new service to commence in March 2019. It will also be necessary to establish suitable premises to house the new service which will require the leasing of an alternative depot site for the staffing and equipment. This is anticipated to be required from December 2018 in readiness for March 2019 and a provisional sum of £40K is requested. In the event the sum cannot be diverted from existing budgets the sum will be funded from the local priorities reserve.

- 1.3** Proposed Budget Amendments

In order to facilitate the progression of the company and to prepare for the new delivery model to commence in March 2019 it is necessary for the Council to

procure the necessary equipment. This has been costed at approximately £450,000 and will be funded from the local priorities reserve.

The breakdown of the capital requirement is shown below:

Mowers	£218K
Trailers/shredders	£28K
Vehicles	£176K
Small equipment/tools	£28K
<b>Total</b>	<b>£450K</b>

A summary of the reserves position is provided at appendix A.

The equipment will then be transferred to the company upon its inception at the full purchase price.

## 2. OTHER OPTIONS CONSIDERED

2.1 N/A

## 3. RESOURCE IMPLICATIONS

3.1 The resource implications are considered in the report.

## 4. RISK AND MITIGATION

4.1 Risk has been considered as part of this report and any specific high risks are included in the table below:

Category Risk	Action / Controls
None identified	

## 5. ISSUES ARISING FROM IMPACT ANALYSIS (EQUALITY, SAFEGUARDING etc.)

5.1 N/A

## 6. CRIME AND DISORDER IMPLICATIONS

6.1 N/A

## 7. COMMENTS OF FINANCIAL SERVICES

7.1 These are considered in the report.

## 8. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

8.1 The in-year change to the budget for 2018/19 is proposed to be approved by Council in accordance with Budget and Policy Framework Procedure Rules.

## 9. COMMENTS OF OTHER RELEVANT SERVICES

9.1 None

## **10. APPENDICES**

- 10.1 Appendix A – Updated General Fund Capital Programme and Reserves Statement 2018/19

## **11. BACKGROUND PAPERS**

<http://moderngov.southkesteven.gov.uk/ieListDocuments.aspx?CId=164&MId=3624&Ver=4>