Business Planning / MTFS Options 2020/21 - 2024/25

Title of Option: Increased capitalisation of staff time and project costs John O'Keefe **Priority:** Economy **Responsible Officer:** Affected Service(s) Peter O'Brien Contact / Lead: Liz Skelland / David Lee and AD:

Description of Option:

•What is the proposal in essence? What is its scope? What will change?

•What will be the impact on the Council's objectives and outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes, and Borough Plan Evidence Packs)

•How does this option ensure the Council is still able to meet statutory requirements?

•How will the proposal deliver the benefits outlined?

[Proposals will be mapped to the new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

As of 19/20, the service has rapidly increased its capitalisation of costs, which is now high in all Area Regeneration budgets (North and South Tottenham, and Wood Green.)

The proposal is to capitalise further, utilising an increased capital budget for Tottenham Hale. A bid to increase the existing Streets & Spaces and Green & Open Spaces capital lines (Schemes 401 and 402) has been submitted, on the grounds of construction inflation and increased capitalisation requirements. In the meantime the source of further capitalisation is not clear, and it should be noted targets for capitalisation in 19/20 are already challenging.

Financial Benefits Summary

Savings	2020/21	2021/22	2022/23	2023/24	2024/25	Total
All savings shown on an incremental	£000s	£000s	£000s	£000s	£000s	£000s
New net additional savings	75	-	-	-	-	75
Capital Implementation Costs	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Capital Implementation Costs	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	Total £000s

20/25-EC05

Financial Implications Outline

•How have the savings above been determined? Please provide a brief breakdown of the factors considered.

• Is any additional investment required in order to deliver the proposal?

•If relevant, how will additional income be generated and how has the amounts been determined?

The proposal is to apply further capital funding streams to realise a sustainable yearly savings in LBH revenue costs; however until the Tottenham Hale capital bid is confirmed this cannot be achieved.

Delivery Confidence

At this stage, how confident are you that this	2
option could be delivered and benefits	
realised as set out?	
(1 = not at all confident;	
5 = very confident)	

Indicative timescale for implementation

	N/A		01/04/2020
Est. start date for consultation DD/MM/YY		Est. completion date for implementation DD/MM/YY	
Is there an opportunity for implementation			
before April 2020? Y/N ; any constraints?			

Implementation Details

How will the proposal be implemented? Are any additional resources required?
Please provide a brief timeline of the implementation phase.
How will a successful implementation be measured? Which performance indicators are most relevant?

No consultation would be required. New capital funding sources could be required.

Impact / non-financial benefits and disbenefits

What is the likely impact on customers and how will negative impacts be mitigated or managed? List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes)

Positive Impacts

None

Negative Impacts

Potential for reduced ability to obtain new external funding due to a lack of match funding.

What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected?

List both positive and negative impacts.

Positive Impacts

None

Negative Impacts

None - no reduction in activities

How does this option ensure the Council is able to meet statutory requirements?

N/A

Risks and Mitigation

Is a full EqIA required?

What are the main risks associated with this option and how could they be mitigated?(Add rows if required)

Risk	Impact (H/M/L)	Probability (H/M/L)	Mitigation
Lack of eligible costs	Н	н	Capitalisation already high; areas delivering capital projects approaching maximum proportions
Lack of capital codes with capacity to shoulder costs	Н	н	Identifying capitalisation already required is challenging as capital projects must be delivered within budgets
Cumulative risk with other savings proposals	Н	М	Some activities must be revenue-funded, and this proposal could create complications
Has the EqIA Screening Tool been completed for this proposal?			Yes
EqIA Screening Tool			

No