

Funding the Corporate Plan

On 9 October 2012 Full Council met to debate the Corporate Plan. The minutes show that:

‘During the ensuing discussion Members expressed their unanimous support for the recommendation contained in the report, and it was:-

RESOLVED – *that, subject to the agreed changes, Council approves the final draft of the Corporate Plan 2012-17 to enable the document to be translated and published.*’

The Corporate Plan set out an ambitious intention to invest in key projects in the county. The proposed expenditure is shown below:

Project	DCC Funded	Other Funds
21C Schools	£37m	£37m
Modernising Education	£21m	
Extra Care Housing	£7m	£14m
Cefndy	£0.5m	
Highways	£6m	£4.4m
Economy	£2m	
Modernisation	£4m	
TOTAL	£77.5m	£55.4m

This shows that the Council needs to raise £77.5m over the next 5 years to achieve its ambitions. It is proposed to do this in 2 ways – Cash (use of reserves, balances, surplus cash and capital receipts) and borrowing.

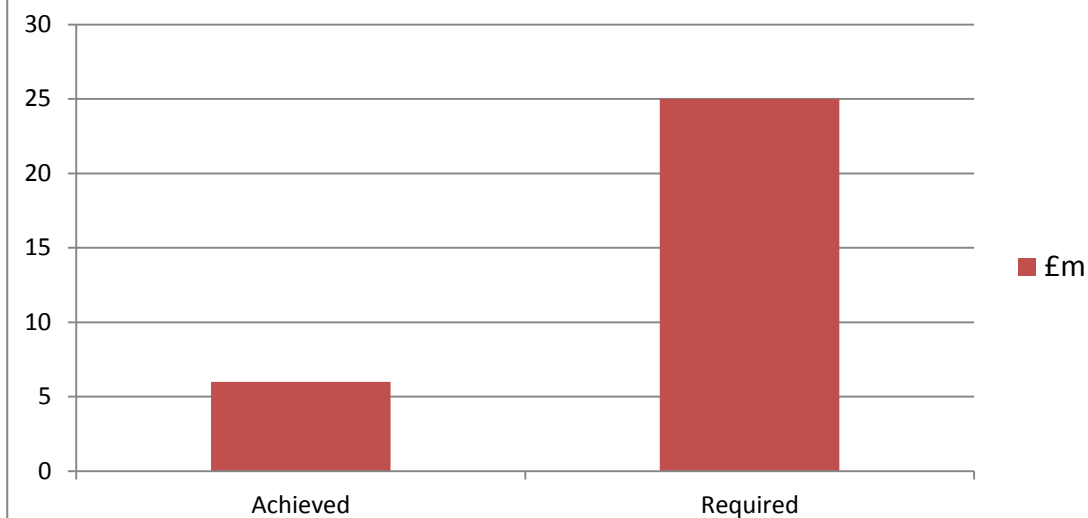
It is clear that this is a big task and the target for cash is about £25m or one third of the total, with £52m (two thirds) being funded through borrowing. The borrowing obviously has to be repaid and needs a revenue budget of around £3m to enable this. As part of the 2013/14 budget the Council set aside some budget to support this and some savings from school reorganisations will also be used.

Neither of these amounts is easy to achieve and the Council should not let itself become distracted from delivering its priorities. Once the cash begins to build up it is possible that we will be asked to spend this money on other projects. However, we have clearly and publicly stated our intention to deliver on the plan. Should we deviate from this we would have to clearly and publicly also state why we have changed and which projects within the Corporate Plan would be scrapped.

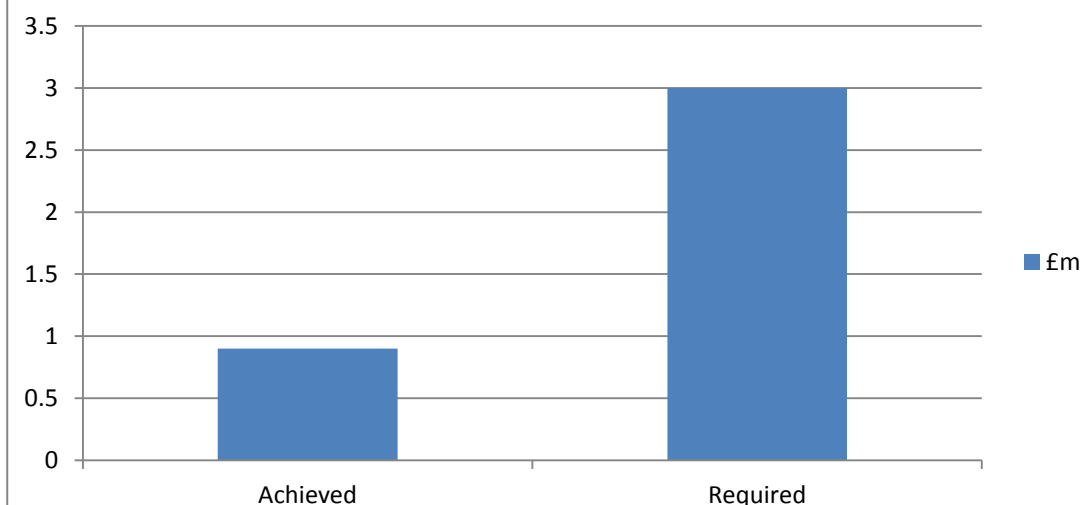
With the 21 Century Schools, Extra Care Housing and Highways there are also match funding elements. So, assuming the one third / two thirds split - £1 cash allows a further £2 borrowing which would lever in a further £3 match funding. So any reduction in the cash allocation would actually lose 5 times that amount from any project.

The two graphs overpage show the current shortfall in cash and budget to achieve the plan. The final table shows a notional split of current resources across the elements within the corporate plan.

£m Cash Required to Fund the Corporate Plan



£m Budget Required to Support the Corporate Plan Borrowing



Project	Target £m	Cash £m	Borrowing £m	Total £m
21C Schools	37	3.4	6	9.4
Modernising Education	21	1.6	0.0	1.6
Extra Care Housing	7	0.4	6.0	6.4
Cefndy	0.5	0.5	0.0	0.5
Highways	6	0.0	1.0	1.0
Economy	2	0.2	0.0	0.2
Modernisation	4	0.3	0.0	0.3
TOTAL	77.5	6.4	13.0	19.4