

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

16 October 2019

Joint Report of the Director of Finance and Transformation and

Director of Central Services and Deputy Chief Executive

Part 1- Public

Matters for Recommendation to Council

1 LARKFIELD LEISURE CENTRE MECHANICAL, ELECTRICAL AND ROOFING WORK CAPITAL SCHEME - VIREMENT

Summary

This report sets out a virement between revenue and capital budgets in relation to the mechanical, electrical and roof work capital scheme at Larkfield Leisure Centre.

1.1 Background

- 1.1.1 Members will be aware that in this year's capital plan there is a scheme being undertaken at Larkfield Leisure Centre which involves replacement of the barrel vault roof and ventilation ductwork in the leisure pool hall, replacement of two gas fired boilers, refurbishment of the air handling unit serving the leisure pool hall, replacement of the air handling unit serving the kitchen and café and painting of the leisure pool hall steel roof trusses.
- 1.1.2 The contractor commenced their site setup on 30th September and works will commence internally on 7th October.

1.2 Budget Provision and Virement

- 1.2.1 Several reports on the scheme have been presented to the Finance, Innovation and Property Advisory Board. The report presented to the Board on 5th June 2019 detailed the financial provisions required to deliver the project.
- 1.2.2 The report stated that £1.0m had been set aside in a revenue budget to meet the anticipated loss of income claim that the Leisure Trust would be able to submit under the terms of their management agreement with the Council, following closure of the leisure pool hall, and that the latest indicative figure had increased to £1.368m. The latest estimated capital cost was £2,149,000 (including expenditure to date of £120,000) compared to the current budget provision of £1,650,000.

1.2.3 Full Council subsequently approved an additional £867,000 of funding to deliver the scheme, some of which would be added to the revenue budget to meet the loss of income claim, whilst the remaining amount would be added to the capital budget to meet the cost of the works.

1.2.4 The above figures have been revised in the lead up to the commencement of works where the estimated loss of income claim has reduced by £230,000 to £1,138,000 and the capital cost increased by an equivalent sum to £2,379,000.

1.2.5 As a result Members are asked to approve a virement of £230,000 between the appropriate revenue and capital budgets.

1.3 Legal Implications

1.3.1 Under the Council's Financial Procedure Rules a virement(s) in excess of £50,000 are to be approved by full Council.

1.4 Financial and Value for Money Considerations

1.4.1 As set out above.

1.5 Risk Assessment

1.5.1 There are no identified risks associated with the virement of funds between the revenue and capital budgets.

1.6 Equality Impact Assessment

1.6.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.7 Policy Considerations

1.7.1 None.

1.8 Recommendations

1.8.1 It is **RECOMMENDED** that Council approve a virement of £230,000 between the appropriate revenue and capital budgets in respect of the major programme of works at Larkfield Leisure Centre detailed above.

Background papers:

Nil

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