

**Cabinet Meeting: Monday, 08 July 2024**

**Question from: Councillor Leigh**

**Question to: Councillor Dacre, Cabinet Member with responsibility for Resources**

The report regarding the New Refuse Collection Fleet is a matter of considerable concern as it confirms, “In view of the Council’s overall financial position, any revenue funding approved for the scheme may require compensatory savings to be identified elsewhere within the Council’s revenue budget in future years.” How does the Cabinet plan to accommodate the repayments from this capital spending in the revenue budget? At the last Budget Council meeting, we saw further cuts across services, and now, if you go ahead with this borrowing, further cuts could be necessary.

### **Response**

It is important that appropriate investment is made in our assets and the infrastructure required to deliver good quality services.

The overall cost of our waste provision includes the cost of capital for new vehicles, which are now exceeding their useful life. Rather than this renewal cost being passed on through the contract, the council are purchasing the vehicles to be used to collect household waste.

This will ensure a more efficient and productive service, minimise the risk of vehicle breakdowns and high maintenance costs in repairs. Internally budget provision will move between contracted cost of vehicles to cost of borrowing.

The report identifies an estimated cost of borrowing based upon a loan over 8 years. In reality, the council operates its borrowing requirements in line with its Treasury Strategy and as such, the actual cost to the council overall is likely to be less when taken into play the overall Capital Financing Requirement, the use of internal borrowing and a prudent approach to the timing of new borrowing.

The Medium-Term Financial Plan is reviewed annually to take account of all operating factors, which will include forecasting the future cost of our waste management duties in line with government policy, local priorities, the preferred delivery model and the overall funding available.

Each year Budget Council sets the budget for the forthcoming year and agrees provisional budgets for the following two years – which are inevitably subject to change.