

Agenda Item 7, Budget Monitoring 2025/26 Quarter 1

Officer Revised Recommendation

Overview and Scrutiny Board Meeting

13 August 2025

(Revisions shown in bold text)

Revised Recommendation:

Recommendations for Overview and Scrutiny Board

- 1.1 That the Overview & Scrutiny Board notes the Council's forecast revenue outturn position and makes any comments and/or recommendations to the Cabinet.
- 1.2 That the Overview & Scrutiny Board notes the updates to the Capital Investment Plan and the revised budget for 2025/26 and make any comments and/or recommendations to the Cabinet.

Recommendations for Cabinet

- 1.3 That the Cabinet notes the forecasted revenue outturn position and amendments made to the published 2025/26 Capital Investment Plan.
- 1.4 That, subject to Council approving the additional capital as set out in paragraph 2.6 below, the Director of Finance be given delegated authority to agree appropriate terms and grant a capital loans up to **£2.5m** ~~£4m~~ to SWISCo for fleet modernisation.

Recommendations for Council

- 1.5 That Council approves the revisions to the Capital Investment Plan, as per Appendix 1.
- 1.6 That Council approve the additional borrowing of **up to £2.5m** ~~£4m~~ to facilitate a capital loans to SWISCO to enable them to modernise their fleet.

Background for the changes

Following conversations with the Cabinet member for Finance, concerns have been raised about increasing the Councils borrowing levels beyond the 1/4/28 – given the uncertainty of Local Government reorganisation. This would currently be the case with the proposed fleet replacement taking place over the next 6 years.

It was therefore felt more appropriate to restrict replacement purchases to the next 30 months, up until 31/3/28, reducing the amount of loan required.

This has resulted in changes being required to the relevant paragraph within the report and to the recommendations, as highlighted within this paper.

Changes to paragraph 5.2

SWISCo are currently repaying a loan for the purchase of fleet, where there was an approved business case for purchasing vehicles rather than leasing. A further business case has been prepared and reviewed by Finance, which would provide an additional loan arrangement to support a phased replacement of ageing vehicles in order to avoid expensive repairs and hire costs. ~~The loan will allow SWISCO to draw down a maximum of £4m over the next 10 years, whilst meeting the repayment and interest costs from their revenue budget. The newer fleet would also be more environmentally friendly and provide savings in fuel costs.~~

SWISCo are now wishing to embark on the first phases of replacement which will entail the draw down of loans as required over the next 30 months, up to a maximum value of £ 2.5 million. SWISCo will repay the loans, including interest from their revenue budget over a 7 year period from each drawdown

The newer vehicles will be more environmentally friendly and provide savings in fuel cost as well as contributing to carbon reduction.