

Reference	
Executive Director	Donna Ball
Cabinet Member	Cllr Quinn

Section A

Service Area	Engineering Services
Budget Option Description	Capitalisation of Staff salaries

Budget Reduction Proposal – Detail and Objectives

Engineering Services performs a wide range of statutory duties, including being the Highway Authority for the Borough. This means that the service has a significant role to play in ensuring that development and regeneration initiatives are realised for the benefit of the entire Borough.

Bury Council is driving forward a significant growth and regeneration programme that will generate a significant number of major and complex planning applications in the coming years, including:

- Northern Gateway - one of the largest employment sites in the country that will create thousands of jobs within the Borough and bring transformational change to the Borough's economy and to the life chances of our residents;
- Strategic residential developments, that will provide much needed new and affordable homes for our growing population and facilitate strategic infrastructure investment including at Elton and Northern Gateway (Simister); and
- Large scale redevelopments and regeneration of the Borough's key town centres in Bury, Radcliffe, Prestwich, Whitefield and Ramsbottom (including strategic transport and Levelling Up projects).

These projects coincide with a considerable highways capital funding programme from both the Council's capital funding and the CRSTS funding from TfGM.

The service has the opportunity, in accordance with financial regulations, to capitalise salaries to on-going active capital projects.

The existing staff budget for Engineering Services of £1,300,699 includes £168,000 of capitalised costs in 2022/23. Analysis of work in support of the above areas of capital funded activity has identified that a further £189,000 can be capitalised from 2023/24.

	2023/24	2024/25	2025/26
Budget Reduction (£m) – See above	£0.189		
Staffing Reduction (FTE)	None		

Section B

What impact does the proposal have on:

Property
None.
Service Delivery
Charging of additional staff time or Council overhead to capital projects will need to be balanced against the capital available for project delivery and therefore should primarily be built into externally funded rather than Council funded projects.
Organisation (Including Other Directorates/Services)
This restructure will support the priorities of both BGI and the Council.
Workforce – Number of posts likely to be affected.
None
Communities and Service Users
None
Other Partner Organisations
None

Section C

Key Risks and Mitigations

Risks	Mitigations
-------	-------------

Capital budgets are under considerable pressure at present due to unprecedented construction material and labour price inflation. Further capitalisation may result in project overspends which may require further capital funds/scope change/project closure.	Proactive capital monitoring of each major project and use of value engineering where appropriate. Additional capital may be required to fund overspends should value engineering be unsuccessful.
Capital/regeneration funding ends and the posts are therefore not funded.	Currently capital funding streams are confirmed for the coming 5 years and indications from TfGM are that they are currently working on funding proposals for the 5 years after that. Regeneration schemes are Council priorities and therefore the risk of them not coming to fruition is minimal.

Key Delivery Milestones

Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Capitalisation will require journaling of salary costs against capital expenditure codes on a monthly or quarterly basis	Oct 2022 – Mar 2023

Section D

Consultation Required?	No consultation required
------------------------	--------------------------

	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Equality Impact

Is there potential for the proposed budget reduction to have a disproportionate/ adverse impact on any of the following?

Disabled people	No
Particular Ethnic Groups	No
Men or Women (including impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation	No
People who are proposing to undergo, undergoing or undergone a process or part of a process of gender assignment	No
People on low incomes	No
People in particular age groups	No
Groups with particular faiths and beliefs	No

EIA Required?	No EIA required
----------------------	------------------------

Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
None

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?
Sufficient external capital programmes and grants to manage this and there is no reason to expect this not to be the case in 2023/24 and future years but this will require careful in year monitoring and close scrutiny of all future bids to ensure every opportunity is maximised