



CABINET

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To: Councillors Miah (Leader), Hamilton (Deputy Leader), Ashcroft, Blackshaw, A. Gray, Jadeja, Jones and Tillotson (for attention)

All other members of the Council
(for information)

You are requested to attend the meeting of the Cabinet to be held in Committee Room 1, at the Council Offices, Southfields, Loughborough on Thursday, 14th December 2023 at 6.00 pm for the following business.

Chief Executive

Southfields
Loughborough

1st December 2023

AGENDA SUPPLEMENT – TO FOLLOW REPORTS

- | | | |
|----|---|---------|
| 7. | <u>DRAFT GENERAL FUND AND HRA 2024-25 BUDGETS</u> | 3 - 20 |
| | A report of the Head of Finance. | |
| | <i>Key Decision</i> | |
| 8. | <u>DRAFT CAPITAL PLAN (2024-25 TO 2026-27)</u> | 21 - 30 |
| | A report of the Head of Finance. | |

Key Decision

9. CAPITAL PLAN AMENDMENT REPORT

31 - 40

A report of the Head of Finance.

Key Decision

CABINET – 14th DECEMBER 2023
Report of the Head of Finance
Lead Member: Councillor Ian Ashcroft

Part A

DRAFT 2024/25 GENERAL FUND AND HRA BUDGETS

Purposes of the Report

To advise members of the projected base budget position for 2024/25 including service pressures and savings put forward for the year and provide the basis for the budget consultation.

Recommendations

1. That the Cabinet endorses for consultation the draft General Fund and HRA Revenue Budgets for 2024/25 as set out in Tables 2A, 2B and 4 in Part B of this report.
2. That the Cabinet endorses for consultation the Loughborough Special Expense Budget and Levy for 2024/25 as set out at Appendix 2 to this report.

Reasons

1. To provide the opportunity for consultation on the General Fund and HRA budgets for the 2024/25 financial year.

Policy Justification

The Council's Budgets are fundamental to the delivery of all services and underpins all Corporate Plan objectives.

Implementation Timetable including Future Decisions and Scrutiny

Cabinet is asked to endorse the Budget proposals contained in and appended to this report as a basis for consultation. These proposals will be subject to consultation over the period from 15th December 2023 to 14th January 2024. Both the Scrutiny Commission and the Budget Scrutiny Panel will have the opportunity to scrutinise this report before it is presented to Cabinet.

As set out in Part B, the nature of the 'Provisional Settlement' -which will determine the level of Government funding that the Council will receive - Updates will be provided to Scrutiny on the Settlement as and when it is published by Government.

It may be noted that the Scrutiny Commission will also have the opportunity to scrutinise the final report to Cabinet on 8th February 2024. In addition, consultation will be undertaken with:

- Trade Unions
- Local Businesses and Commercial Ratepayers

- Key partners, including town and parish councils.
- Loughborough Area Committee, re the Loughborough special expenses budget

Proposals on the General Fund and HRA Budgets and Council Tax will return to Cabinet on 8th February 2024 for recommendation to Council on 26th February 2024.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no direct financial implications from approving this report for consultation. However, if the final report is approved then there will be financial implications for the Council, and these are set out in Part B of this report.

Risk Management

Risks identified in respect of the Draft Original Budget are tabulated below:

<i>Risk Identified</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Overall</i>	<i>Risk Management actions</i>
Failure to take account of the spending plans of the Council.	Unlikely (2)	Minor (1)	Very Low (2)	Robust budget planning and Budget Monitoring process are in place.
Further exceptional spending being required during the financial year.	Likely (3)	Major (3)	Moderate (9)	It is considered that the Working Balance reserve (and other revenue reserves) remain sufficient to manage normal and one-off events for 2024/25

Equality and Diversity

There are no specific Equalities and Diversity issues affecting the recommendation in this report, although any such issues affecting particular service pressures and savings will be considered prior to proposals being implemented.

Key Decision: No

Background Papers: None

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Part B

Background and context

The general economic background and outlook for local government funding in the autumn of 2023 (when this report was drafted), can be considered a continuation of pre-existing trends and conditions.

Although falling, inflation remains well over the Bank of England's two percent target rate, interest rates are at levels not seen for fifteen years, economic growth forecasts are anaemic, and cost of living challenges remain for many residents of the UK.

Once again, the Council is faced with a single year financial settlement, aligning to the last year of the Comprehensive Spending Review (CSR) period, which combined with the forthcoming general election (due by January 2025 at latest) severely restricts the Council's ability to make robust forecasts and plans for financial sustainability in the medium or longer term. The settlement for the 2024/25 financial year is predicted as relatively benign overall, in that some increase in spending power in cash terms is likely, but whether funding increases offset inflation to the extent that spending power increases in real terms is very much a moot point.

Whilst a reasonable idea as to the overall local government settlement for 2024/25 can be discerned from the Chancellor's recent (November 2023) Autumn Statement, the Council will not have a clear idea as to its individual settlement until the 'Provisional Financial Settlement' is circulated; this is expected in mid-December, prior to the Christmas holidays. It has therefore been necessary to prepare this draft budget in advance of the detailed financial settlement based on estimated government grant funding and business rate retention parameters, in order to meet the Council's standard reporting guidelines and allow for an appropriate period of consultation on the budget proposals.

The potential shortfall between the estimated, and the as yet unknown at time of drafting actual, financial settlement is a key risk within the budget numbers presented.

Looking forward, analysis of public finances and the recent Autumn Statement suggest a very gloomy outlook for local government financial settlements in the next CSR period. The recent spate of local authority 'Section 114' notices – where a Council effectively declares itself bankrupt – has led some commentators to suggest that the restricted future funding of local authorities implied by the Autumn Statement is unsustainable. Given the proximity of the next general election however, and the reality that future settlements will be the responsibility of the next government, it is very difficult to look beyond the 2024/25 financial year with any degree of confidence.

The background and context for local government finance, and the Council specifically, will be considered in more detail within the Medium Term Financial Outlook, due for publication and approval at Cabinet and then Council in February 2024.

As noted previously, at the time of drafting, key information around the 'Provisional Financial Settlement' - which provides the detail of the government funding that the Council will receive - is not available. This information will likely be released immediately preceding the Christmas holidays and any significant differences between the actual award and estimates set out in this report will be reflected in the final budget due for presentation to Cabinet, and then Council, in February 2024.

Scope of the budget

The budget incorporates both the General Fund and Housing Revenue Account.

Approach to budget setting

The approach to setting the 2024/25 budget has been to recognise the structural financial deficit outlined in extant and previous versions of the Medium Term Financial Strategy but have regard to the uncertainty surrounding those projections and the desire to maintain and enhance the Council's portfolio of services as far as possible. This is particularly in respect of the climate change agenda, and in enabling the offer of support to communities in response to the cost of living crisis. The general approach is therefore to reduce the reliance on reserves on a year by year basis and move toward financial sustainability across the life of the 2023 – 2027 Council.

In this draft budget the Council has been able to recognise funding contributions from the Leicester and Leicestershire Business Rates Pool which has enabled the use of reserves to be minimised. In particular, it may be noted that no use of the General Fund Working Balance is proposed within the 2024/25 financial year.

This draft budget may fairly be regarded as 'Part One' of the budget setting process given that government funding remains, a major unknown, in the absence of the Provisional Financial Settlement information.

Features of the budget

Salient features of the draft budget include:

- **Use of General Fund Working Balance:** no use of the Working Balance is projected within the draft budget; this would leave the Working Balance at £5.4m at 31 March 2025, well above the £2.5m minimum level currently assessed by the Section 151 officer
- **Council tax:** the general Borough council tax increase is restricted to three percent; this increase is below the rate previously allowed under the historical 'capping rules' which are expected continue into 2024/25
- **Loughborough Special Expenses:** the Loughborough Special Expenses council tax increase is to be set at 1.99%, in line with previous years.
- **Community grants:** A £100,000 grants pot is to be created to enable community groups working with residents struggling with the cost of living, £25,000 of which is to be specifically allocated to the Citizens Advice Bureau

- **Garden waste collection charges:** the charge for garden waste collections is to be frozen for 2024/25

With respect to the Housing Revenue Account (HRA):

- The budget assumes a **'break even' position.**
- **Investment in stock:** some £7.2m within the HRA is earmarked for investment in the housing stock; £4.3m arising from the depreciation charge and a specific allocation of £2.9m
- **Rent increases:** rentals are planned to increase by CPI+1% in accordance with national guidelines; this equates to a 7.7% increase, although around three-quarters of tenants will be insulated from this increase due to Housing Benefit and Universal Credit payments.
- **Reserves:** the HRA reserve will be maintained at £110 per house in line with historical precedent whilst the HRA financing fund, available for both investment in the stock or repayment of HRA debt, will be maintained at above £13m

Further detail of the HRA is set out in subsequent paragraphs and tabulated at Table 3.

General Fund savings and pressures

Senior officers have developed a portfolio of options for change for additional income generation and cost savings over a range of Council activities. The total potential savings from this portfolio exceeds £1m with the view that £0.4m can be implemented and realisable within the 2024/25 financial year.

Options for change under consideration include a review of the Council's car parking provision, digitisation of billing processes, asset utilisation (particularly the Council's own office accommodation) and service reviews across a number of identified services.

In common with public and private sector organisations of all types, the Council has suffered from cost inflation and loss of income streams that can be attributed to economic conditions.

Pressures include:

- Pay award – as yet undetermined for 2024/25 but budgeted to add £0.75m to the pay bill
- Additional costs within financial services relating to External Audit fees (increased by 151%) and additional vendor ICT charges of £0.1m
- Loss of rental incomes relating to the retrenchment of the County Council from Council offices; approximately £0.1m per annum
- Reduced management fees from our leisure provider

Further detail of savings and pressures are tabulated at appendix 1

Business Rate Pool receipts

The Leicester and Leicestershire Business Rates Pool (BRP) arrangement allows business rates that would otherwise have been remitted to central government to be retained in Leicestershire. The County and City Councils, and all Leicestershire Districts are party to this arrangement.

Historically, disbursement of BRP receipts has been undertaken by the Leicester & Leicestershire Economic Partnership (LLEP) but the cessation of this body has resulted in an agreement that BRP receipts will be distributed directly to participating local authorities for the purpose of revenue or capital expenditure under the broad heading of 'economic priorities'.

It is fair to say that the negotiation process to agree the distribution amongst individual local authorities was somewhat extended, but agreement has been reached in respect of the 2020/21 and 2021/22 BRP receipts and £1.3m being the Council share of these has been received. Additionally, a sum in respect of 2022/23 – estimated at £0.4m - should be received by the end of the 2023/24 financial year. This has enabled the Council to support the budget for 2024/25 and future years as tabulated below showing the planned use of reserves.

TABLE 1: USE OF BUSINESS RATE POOL RESERVE

Business Rates Pool Reserve	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Balance B/f	0	72	(1,496)	(505)
Monies received*	0	(1,302)	0	0
Estimated 2022/23	0	(400)	0	0
Economic Development resources	72	135	141	78
Contribution to Capital Plan	0	0	850	0
Balance C/f	72	(1,496)	(505)	(427)

*2020/21 and 2021/22

It may be noted that much of the reserve carried forward and available for future years has been earmarked to support the Council's economic development and regeneration functions.

Principal budgetary risks

There are number of risks and issues that can impact on the budget as set out. These include:

- **Grant funding** allocated within the Provisional Financial Settlement falling short of amounts estimated within the budget
- Material **shortfall in significant income streams** such as planning fees or garden waste income
- Service demand – **homelessness** provision is a particular risk

- **Supported living** – rent increases by charitable organisations offering supported living services that do not operate under the auspices of a Registered Provider may result in significant additional losses in unrecoverable housing benefit payments

A more detailed discussion of risk will be included in the Medium Term Financial Outlook report which will be published for the respective Cabinet and Council meetings in February 2024.

Report of the Chief Financial Officer ('Section 25' report)

Note only – Draft budget

The Local Government Act 2003 (Section 25) requires that when a local authority is agreeing its annual budget and precept, the Chief Finance Officer must report to it on the following matters:

- The robustness of the estimates made for the purposes of the calculations
- The adequacy of the proposed financial reserves.

The authority must have due regard to the report when making decisions on the budget and precept.

The report of the Chief Financial Officer will be included within the final budget following the consultation period and receipt of key details within the Provisional Financial Settlement. However, it is envisaged that the Chief Financial Officer will be able to conclude positively on the robustness of estimates and the adequacy of financial reserves.

Draft General Fund budget 2024/25

The summary draft General Fund budget for 2024/25 is set out at Table 2, below.

TABLE 2A: DRAFT GENERAL FUND BUDGET 2024/25

Actual 2022/23	General Fund Budget Summary	Original Budget 2023/24	Draft Budget 2024/25	Variance 2023/24 v 2024/25
£000		£000	£000	£000
18,829	Net General Fund Service Expenditure	19,220	21,627	(2,407)
0	Less MRP & Interest & Commercial Reserve	(929)	0	(929)
0	Net Options for Change (Saving)/Pressure	0	(366)	366
0	Service Savings (Ongoing)	(417)	(124)	(293)
0	Service Savings (One-off)	0	(72)	72
0	Community Grants	0	100	(100)
0	Service Pressures (Ongoing)	1,931	309	1,622
0	Service Pressures (One-off)	579	122	456
18,829	Net Service Expenditure	20,383	21,597	(1,214)
85	Revenue Contributions to Capital	0	0	0
1,302	EZ LLEP Contribution	0	0	0
0	MRP Charge	604	611	(7)
280	Interest Paid	230	58	173
(1,076)	Less: Interest on Balances	(1,500)	(1,300)	(200)
19,420	Total Borough Expenditure	19,717	20,965	(1,248)
5	Contribution (from)/to Reinvestment Reserve	500	274	227
77	Contribution (from)/to Working Balance	(1,297)	1	(1,297)
0	Contribution (from)/to Business Rates Pool	0	(141)	141
122	Contribution (from)/to Collection Fund	0	0	0
(35)	Contribution (from)/to Capital Plan Reserve	0	(850)	850
200	Contribution (from)/to Commercialisation Reserve	325	26	299
(142)	Contribution (from)/to Other Reserves	0	0	0
0	Contribution (from)/to Growth Support Fund	0	0	0
19,647	Precept Requirement	19,245	20,274	(1,029)
174	Revenue Support Grant	329	353	(24)
6,604	NNDR	6,400	6,800	(400)
0	Funding Guarantee	0	3,000	(3,000)
7,981	Council Tax Receipts	8,314	8,711	(397)
1,346	Loughborough Special Levy	1,367	1,410	(43)
1,631	New Homes Bonus	373	0	373
0	Lower Tier Services Grant/Tranche 5 one off	0	0	0
1,790	General Government Grants	2,462	0	2,462
122	Collection Fund Surplus/(Deficit)	0	0	0
19,647	Precept Income	19,245	20,274	(1,029)

TABLE 2B: DRAFT GENERAL FUND BUDGET 2024/25 – Revenue Balances

Actual 2022/23	Revenue Balances	Final Budget 2023/24	Draft Budget 2024/25	Variance 2023/24 v 2024/25
£000		£000	£000	£000
(6,567)	Working Balance at 1 April	(6,211)	(6,766)	555
0	Use of reserve committed in 2023/24	0	1,295	(1,295)
(199)	Transfer (from)/to General Fund	1,297	(1)	1,297
0	Transfer (from)/to Reinvestment Reserve	500	0	500
(6,766)	Balance at 31 March	(4,414)	(5,472)	1,057
(495)	Reinvestment Reserve Balance at 1 April	(328)	(500)	172
0	Allocated balance	328	418	(90)
(5)	Transfer (from)/to General Fund (Cap Plan Rs??)	(500)	(274)	(227)
(500)	Balance at 31 March	(500)	(356)	(144)
(1,909)	Capital Plan Reserve Balance at 1 April	(1,695)	(1,874)	179
0	Contribution (from)/to Business Rates Pool	0	(850)	850
35	Transfer (from)/to General Fund	0	850	(850)
(1,874)	Balance at 31 March	(1,695)	(1,874)	179
(3,051)	NDR Deficit COVID Reserve at 1 April	(3,052)	(1,477)	(1,575)
1,574	Funding of NDR COVID Deficit	3,052		3,052
(1,477)	Balance at 31 March	0	(1,477)	1,477
0	Business Rates Pool Reserve at 1 April	0	0	0
0	Monies received in year	0	(1,702)	1,702
0	Use of reserve – as table 1	0	347	(347)
0	Transfer (from)/to Capital Plan reserve	0	850	(850)
0	Balance at 31 March	0	(505)	(850)
(3,344)	Other Revenue Reserve Balances at 1 April	(3,343)	(3,403)	60
(59)	Transfer (from)/to General Fund	(325)	(26)	(299)
(3,403)	Balance at 31 March	(3,668)	(3,429)	(239)
(14,020)	TOTAL BALANCES	(10,277)	(13,111)	2,434

Loughborough Special Expenses

The proposed increase to the Loughborough Special Levy is 1.99% to a rate of £82.72 per band D property (2023/24: £81.11).

It should be noted that costs within Loughborough Special Expenses sit within the overall General Fund Working Balance. The Loughborough Special Expenses budget was due for presentation to the Loughborough Area Committee on 6 December 2023.

The budget and movement of the budgets from 2023/24 to 2024/25 are provided at Appendix 2 (table 1 and 2) to this report.

General Fund reserves and balances

Working balance

It is a requirement to ensure that the level of balances is appropriate for the Council's commitments and current level of expenditure. The recommended minimum working balance set by the Section 151 Officer is £2.5m, representing six weeks net expenditure, in line with good practice. The draft original budget balance on this fund at the end of March 2025 is projected at £5.4m.

Reinvestment Reserve

This is used for three purposes, these being:

- For items that produce a payback to the Council.
- To fund costs that lead to appreciable service improvements.
- To fund one-off costs.

It is planned that this reserve receive a 'top-up' of £0.3m for 2024/25

Capital Plan Reserve

This revenue reserve is earmarked to finance General Fund capital expenditure, although there are no restrictions on this reserve, and it can be used for revenue purposes. This reserve is forecast at £1.9m at 31 March 2025.

Business Rate Pool reserve

This is a new reserve set up from the BRP distributions. Further detail was set out previously and at Table 1 and Table 3a of this report.

Other Earmarked Revenue Reserves

There are nineteen other Earmarked Reserves which may be used in line with the purpose of the reserve fund or for general purposes.

TABLE 3: DRAFT – PROJECTED GENERAL FUND RESERVES AND BALANCES

Reserve Balances	Balance as at 1st April 2024	Used or Transferred to Other Reserves in 2024/25	Balance as at 31st March 2025
	£'000	£'000	£'000
Working Balance	6,766	(1,295)	5,471
Reinvestment Reserve	500	(144)	356
Capital Plan Reserve	1,874	0	1,874
NDR Reserves	1,477	0	1,477
Business Rates Pool Reserve	0	505	505
Earmarked Reserves	3,402	26	3,428
Total Revenue Reserves	14,019	(908)	13,111

Housing Revenue Account (HRA)

The draft original budget position for 2024/25 is breakeven. The 2024/25 budget funds the capital programme through a contribution of £2.9m Revenue Contribution to HRA Capital and the Major Repairs Reserve through a £4.3m Depreciation Charge. There are Service pressures of £0.8m which are £0.4m inflationary pressures (Appendix 3 - Table 1) and ongoing additions of £0.4m (Table 4).

Rents have been increased by CPI+1% in accordance with national guidelines which is a 7.7% increase. The rent increase will be covered by Housing benefit and Universal Credit, subject to benefit eligibility. There are approximately 1,344 tenants (as on 21 November 2023) thought not to be in receipt of these benefits.

HRA balances (reserves)

Principal HRA reserve

The Section 151 Officer recommends a minimum level of working balances for the HRA of £110 per property. There are 5,428 properties anticipated on 31st March 2025 (anticipating 22 right to buy sales); working balances have been adjusted to reflect this projection at £0.6m (precisely £597,000).

HRA Financing Fund

The HRA Financing Fund was set up to set aside monies to cover future HRA expenditure. Cabinet have approved a facility whereby a further £0.5m can be drawn down from the Financing Fund each year. (Recommendation 2 - Landlord Services Capacity - 1 June 2023). The budget as presented excludes this additional £0.5m which is held in reserve until required. The anticipated balance of the HRA Financing Fund on 31 March 2025 is £13.8m although this will reduce to £13.3m if it is drawn down during 2024/25.

Major Repairs Reserve

The Major Repairs Reserve is a statutory fund and can only be used to finance capital expenditure and debt repayment. The anticipated balance on 31 March 2025 is zero. This is because the anticipated brought forward balance of £4.5m will be used to fund the 2024/25 capital programme alongside a £1m loan payment to the Public Works Loan Board. This is the first of the loans maturing from the £79m self-financing settlement of 2012.

The HRA draft Capital Programme for 2024/25 is £13.3m. This is fully funded from Depreciation £4.3m, HRA Revenue contribution to Capital (RCCO) £2.9m, and the HRA financing fund £2.2m, the Major Repairs Reserve £3.5m and £0.4m from 1-for-1 capital receipts (HRA Right to buy sales).

Total HRA balances at 31 March 2025 is anticipated to be £14.4m.

TABLE 4: DRAFT HRA BUDGET 2024/25

2022/23 Actual	Housing Revenue Account	2023/24 Original Budget	2024/25 Original Budget
£000		£000	£000
	Expenditure		
6,052	Supervision and Management	6,512	7,118
7,626	Repairs and Maintenance	7,429	8,385
505	Rents, Rates and Other Charges	291	408
13	Provision for Bad Debts & Other Charges	118	333
3,991	Depreciation	3,942	4,278
(331)	Net Revaluation non-current assets increase	0	0
22	Debt Management Expenses	16	22
17,878	Expenditure Sub-total	18,308	20,544
	Income		
(21,001)	Dwelling Rent Income	(22,711)	(24,582)
(398)	Shops, Land and Garages Rent	(402)	(387)
(47)	Warden Service Charges	(49)	(53)
(316)	Central Heating, Cleaning and Communal Charges	(328)	(361)
(198)	Leasehold Flat and Shop Service Charges	(160)	(198)
(24)	Hostel Service Charges	(23)	(25)
(8)	Council Tax Recharged	(8)	(8)
(21,992)	Income Sub-Total	(23,681)	(25,614)
(4,114)	Net (income)/Cost of service	(5,373)	(5,070)
(80)	Transfer from General Fund – Grounds Maintenance	(90)	(97)
2,737	Interest Payable	2,738	2,737
(501)	Investment Income and Mortgage Interest	(506)	(517)
(1,958)	Net Operating Expenditure/(Income)	(3,231)	(2,947)
0	Revenue Contribution to Capital	3,231	2,947
(605)	Pension Adjustment	0	0
18	Accumulated Absence Adjustment	0	0
331	Reversal of Gain on Revaluation	0	0
(256)	Appropriations	3,231	2,947
(2,214)	(Surplus)/Deficit for the year	0	0
HRA Balances:			
(606)	HRA Balance at beginning of year	(603)	(598)
(2,214)	(Surplus)/Deficit for the year	0	0
2,217	Transfer to/from Reserves	(882)	1
0	Adjustments to 2023/24 Budget	887	0
(603)	HRA Balance at end of year	(598)	(597)
(14,576)	HRA Financing Fund beginning of year	(16,793)	(15,911)
(2,217)	Transfer to/from Reserves	882	1
0	Revenue Contribution to Capital	0	2,151
(16,793)	HRA Financing Fund at end of year	(15,911)	(13,759)
(4,475)	Major Repairs Reserve at end of year	(4,475)	0
(21,871)	Overall HRA balances end of the year	(20,984)	(14,356)

Appendices

Appendix 1 - General Fund Pressures and Savings

Appendix 2 - Loughborough Special Expense budget 2024/25

Appendix 3 - Housing Revenue Account Pressures and Savings

Table 1 - Inflation

Head of Service	Service	Account	Amount	Description
Head of Governance and Human Resources	Corporate Management	Professional Fees	7,000	Inflationary increases for professional fees
Head of Governance and Human Resources	Civic Expenses	Mayoral Allowance	500	Mayoral allowance increases in line with salary increases
Head of Transformation, Strategy and Performance	HR	Software Annual Charges	7,000	Inflationary increases for software charges
Head of Transformation, Strategy and Performance	HR	Leicester County Council	11,000	SLA HR increases in line with salary increases
Head of Governance and Human Resources	Audit & Risk	Consultant Fees	2,600	SLA H&S Consultant with LCC increases in line with salary increases
Head of Governance and Human Resources	Audit & Risk	Internal Auditors	10,000	SLA NWLDC increases in line with salary increases
Head of Governance and Human Resources	Legal Services	Software Annual Charges	7,300	Inflationary increases for software charges
Head of Governance and Human Resources	Register of Electors	Software Annual Charges	2,000	Inflationary increases for software charges
Head of Governance and Human Resources	Democratic Svs	Member Allowance	18,700	Members allowances increases in line with salary increases
Head of Governance and Human Resources	Emergency Planning	Emergency Planning	1,700	Local Resilience Forum (salary time) increases in line with salaries
Customer Experience	ICS	Software Annual Charges	18,500	5% inflationary increase to Annual Software charges
Customer Experience	ICS	Azure Overage Costs	28,000	5% inflationary increase to Azure Overage in costs
Head of Strategic Housing	Private Sector Alarm System	Oadby and Wigston BC Contract Income	(400)	Additional income through charge rises
Head of Strategic Housing	Private Sector Alarm System	Private Lifeline Charges	(16,100)	Additional income through charge rises
Total Inflation Pressure			90,800	

Appendix 1**Table 2 - Ongoing Pressures**

Head of Service	Service	Account	Amount	Description
Head of Regulatory and Community Safety	Beehive Lane Multi Storey Car Park	Season Tickets-Car Park	11,400	Following COVID and how lifestyles have changed since
Head of Regulatory and Community Safety	Southfields Car Parks	Staff Car Parking Charges	9,000	Following COVID and how lifestyles have changed since
Head of Regulatory and Community Safety	Southfields Car Parks	Capita Car Park Charges	2,000	Following COVID and how lifestyles have changed since
Head of Regulatory and Community Safety	Granby Street Shoppers Car Park	Parking Penalty/Fine	1,000	Following COVID and how lifestyles have changed since
Head of Contracts: Leisure,Waste and Environment	Refuse Collection	Environmental Services Variation	30,000	Contract variation to comply with new EA Legislation on POPs (soft furnishing)
Head of Finance	External Financial Overheads	Bank Charges	40,000	Increasing charges due to the way CBC collect receipts
Head of Contracts: Leisure,Waste and Environment	Leisure Services		216,000	
Total Ongoing Pressures			309,400	

Table 3 - One-Off Pressures

Head of Service	Service	Account	Amount	Description
Head of Contracts: Leisure,Waste and Environment	Loughborough Cemetery	Sub contractors	31,000	Memorial Testing
Head of Regulatory and Community Safety	Beehive Lane Multi Storey Car Park	Car Parks charges	50,800	Pending Car Park Review Strategy
Head of Regulatory and Community Safety	Browns Lane (Leisure Centre) Car Park	Car Parks charges	6,400	Pending Car Park Review Strategy
Head of Regulatory and Community Safety	Southfields Car Parks	Car Parks charges	3,800	Pending Car Park Review Strategy
Head of Regulatory and Community Safety	Granby Street Shoppers Car Park	Car Parks charges	16,800	Pending Car Park Review Strategy
Head of Regulatory and Community Safety	Southfields Extension Car Park	Car Parks charges	13,500	Pending Car Park Review Strategy
Total One-Off Pressures			122,300	

Table 4 - Ongoing Savings

Head of Service	Service	Account	Amount	Description
Head of Regulatory and Community Safety	Street Management Team	LCC Reimbursement	(22,500)	Net increase for LCC street management reimbursement
Head of Contracts: Leisure,Waste and Environment	Loughborough Cemetery	fees	(31,000)	Cemetery income based on current figures
Head of Assets and Property	Southfields Offices	Southfields Office Rent	(3,500)	Increase in floor space at Southfields from Oct23 - Nov25
Director Commercial and Economic Development	Market Street Commercial Property	Commercial Properties Rent	(34,200)	Tenancy agreed from 25/03/2024
Head of Strategic Housing	Housing Standards Licensing Scheme	Housing Standards Licences (Metastreet)	(33,000)	Licence Fee income relating to Housing Standards Licence Scheme
Total Ongoing Savings			(124,200)	

Table 5 - One-Off Savings

Head of Service	Service	Account	Amount	Description
Head of Strategic Housing	Housing Standards Licensing Scheme	Housing Standards Licences (Metastreet)	(51,700)	Licence Fee income relating to Housing Standards Licence Scheme
Head of Strategic Housing	Head of Strategic Housing	Dept Communities and Local Government	(11,100)	Additional grant to cover salaries
Head of Strategic Housing	Housing Standards	Dept Communities and Local Government	(8,800)	Additional grant to cover salaries
Total One-Off Savings			(71,600)	

LOUGHBOROUGH SPECIAL EXPENSES

Appendix 2 - Table 1

2023/24		2024/25		
Loughborough Special Expenses £	Service	Loughborough Special Expenses £	2023/24 to 2024/25 Difference £	% Variance
96,800	Loughborough CCTV	119,100	22,300	18.7%
65,500	Community Grants - General / Fearon Hall / Gorse Covert	65,500	0	0.0%
38,000	Marios Tinenti Centre / Altogether Place / Community Hubs	39,000	1,000	2.6%
6,700	Charnwood Water Toilets	6,600	(100)	-1.5%
39,700	Voluntary & Community Sector Dev Officer post (75% LSX)	41,900	2,200	5.3%
126,200	Contribution towards Lough Open Spaces Grounds Maintenance	138,300	12,100	8.7%
(9,400)	November Fair	(14,200)	(4,800)	33.8%
	<u>Parks:</u>			
352,700	Loughborough - including Loughborough in Bloom	371,800	19,100	5.1%
72,200	Gorse Covert and Booth Wood	78,300	6,100	7.8%
	<u>Sports Grounds:</u>			
117,500	Derby Road	130,800	13,300	10.2%
44,800	Lodge Farm	49,900	5,100	10.2%
96,600	Nanpantan	104,800	8,200	7.8%
18,600	Park Road	15,400	(3,200)	-20.8%
24,800	Shelthorpe Golf Course	49,100	24,300	49.5%
56,800	Loughborough Cemetery	71,400	14,600	20.4%
50,400	Allotments - Loughborough	57,900	7,500	13.0%
9,200	Carillon Tower	10,500	1,300	12.4%
55,300	Festive Decorations and Illuminations	51,200	(4,100)	-8.0%
105,000	Town Centre Management	102,000	(3,000)	-2.9%
1,367,400		1,489,300	121,900	8.2%
	Adjustments from Year 2022/23	(78,891)		
-275	Adjustments from Year 2021/22			
1,367,125	AMENDED SUB TOTAL	1,410,409		
Divided by 16,855.20	Council Tax Base	Divided by 17,050.40		
<u>81.11</u>	Special Council Tax	<u>82.72</u>		

Analysis of Budget Movement

Appendix 2 - Table 2

Service	2023/24 £	Employees £	Operating Costs £	NNDR £	MOS Contract £	Enviromental Services Contract £	Support Services £	Income £	2024/25 £
Loughborough CCTV	96,800	13,900	(1,100)				8,800	700	119,100
Community Grants - General / Fearon Hall / Gorse Covert	65,500								65,500
Marios Tinenti Centre / Altogether Place / Community Hubs	38,000			1,000					39,000
Charnwood Water Toilets	6,700		(100)						6,600
Voluntary & Community Sector Dev Officer post (75% LSX)	39,700	2,200							41,900
Contribution towards Lough Open Spaces Grounds Maintenance	126,200				12,100				138,300
November Fair	(9,400)						(4,800)		(14,200)
<u>Parks:</u>	-								-
<i>Loughborough - including Loughborough in Bloom</i>	352,700		(10,000)		15,800	6,000	7,300		371,800
<i>Gorse Covert and Booth Wood</i>	72,200				5,600		500		78,300
<u>Sports Grounds:</u>	-								-
<i>Derby Road</i>	117,500				6,300	1,200	1,800	4,000	130,800
<i>Lodge Farm</i>	44,800				1,800	300	1,300	1,700	49,900
<i>Nanpantan</i>	96,600			(200)	2,400	700	4,300	1,000	104,800
<i>Park Road</i>	18,600				400	500	900	(5,000)	15,400
<i>Shelthorpe Golf Course</i>	24,800			(600)	3,700	700	1,300	19,200	49,100
Loughborough Cemetery	56,800	9,000	31,000	2,200	4,800		7,600	(40,000)	71,400
<i>Apotments - Loughborough</i>	50,400				1,100		6,400		57,900
<i>Scyllon Tower</i>	9,200	1,500	(1,000)				800		10,500
<i>Festive Decorations and Illuminations</i>	55,300						(4,100)		51,200
Town Centre Management	105,000	3,800			200		(7,000)		102,000
	1,367,400	30,400	18,800	2,400	54,200	9,400	25,100	(18,400)	1,489,300

Appendix 3 - Table 1 HRA Inflation
£

Head of Service	Service	Account	Amount	Description
Head of Landlord Services	Responsive Repairs	HRA - General Repairs	326,300	Materials, deliveries, labour and contractor inflationary cost increases.
Head of Landlord Services	Tenancy & Estate Management	Contract Cleaning	18,000	Inflationary costs recovered by a higher service charge.
Head of Landlord Services	Housing Income Team	Software Annual Charges	19,300	For software covering rental analytics which supports the identification of rent arrears cases that income officers need to focus on. It was introduced in 2020 and rent collection and arrears performance has improved year on year since.
			<u>363,600</u>	

Appendix 3 - Table 2 HRA - Pressures Ongoing
£

Head of Service	Service	Account	Amount	Description
Head of Landlord Services	Responsive Repairs	Door Entry Maintenance	15,000	Demand led service which is expected to increase.
Head of Landlord Services	Responsive Repairs	Legal Costs / Court Fees	200,000	Disrepair costs rapidly increasing due to Barrister charges. Nationally, there has been an increase in disrepair claims.
Head of Landlord Services	Responsive Repairs / Capital Team	Salaries	129,900	Three additional resident liaison officers are needed to both prevent and support the response to complaints and improve the customer experience around repairs. The context is a national increase in housing repairs complaints of around 78%, and a relatively new requirement under the Housing Ombudsman's Complaint Handling Code to respond to each complaint formally in writing
Head of Landlord Services	Housing Income Team	Salaries	43,300	To make permanent a temporary post - Universal credit Officer. This post was introduced several years ago to support tenants to transfer on to and claim Universal Credit successfully and therefore to sustain rental income and prevent evictions. The government roll out of Universal Credit has been intermittent, however continues. The post has been resourced on an annual basis from underspends, with the duration of the post each year. This pressure clarifies the correct budget for the continuation of the post.
Head of Landlord Services	Tenancy & Estate Management	Estate Maintenance	38,100	Demand led service - more items are being discarded in communal areas at Council accommodation. The Council must keep these areas clear to comply with its fire safety duties.
Head of Landlord Services	Business Support	Salaries	12,600	To strengthen the resilience of the Leaseholder service. Spend to save.
			<u>438,900</u>	

Total
802,500

CABINET – 14th DECEMBER 2023

Report of the Acting Head of Finance

Lead Member: Councillor Ashcroft

Part A

DRAFT CAPITAL PLAN 2024/25 TO 2026/27

Purpose of Report

To consider the Draft Capital Plan 2024/25 to 2026/27 as well as possible sources of funding and to begin a period of consultation.

Recommendation

That Cabinet endorses for consultation the Draft Capital Plan for 2024/25 to 2026/27 for the recommended General Fund and HRA schemes as set out at Appendix 1.

Reason

To enable consultation on the Draft Capital Plan, so that it can become the basis for capital spending by the Council.

Policy Justification

The Council's Capital Plan is an integral element of all policies.

Implementation Timetable including Future Decisions and Scrutiny

The final Capital Plan will be submitted to Cabinet on 8th February 2024, and it will then be considered by Council on 26th February 2024. The opportunity is available to the Scrutiny Commission to consider the draft and final reports for pre-decision scrutiny.

Provided it is approved, the new Capital Plan will come into effect on 1 April 2024. Any changes to the Plan will then be considered by Cabinet, and Council, if necessary, as part of the Capital Plan Amendment process. These reports are also available for scrutiny by the Budget Scrutiny Panel and the Finance & Performance Scrutiny Committee.

Cabinet is asked to endorse the draft Capital Plan contained in and appended to this report as a basis for consultation. These proposals will be subject to consultation over the period from 15 December 2023 to 14 January 2024.

Consultation will be with:

- Trade Unions
- Formal consultation with key partners, including Towns and Parishes
- Budget Scrutiny Panel

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no direct financial implications from approving this report for consultation. However, if the final report is approved then there will be financial implications for the Council, and these are set out in Part B of this report. Overall, it is envisaged that the Capital Plan will be fully funded by revenue and capital resources.

Risk Management

There are no specific risks associated with the decision Cabinet is being asked to make. However, Part B of the report identifies risks associated with the eventual adoption of the new Capital Plan.

Equality and Diversity

There are no specific Equalities & Diversity issues affecting the recommendation in this report, though any such issues affecting schemes will be considered as part of those schemes' formal appraisal.

Sustainability

As with other items above, there are no direct sustainability issues affecting the recommendation, but any affecting specific schemes will be considered as part of the appraisal of those schemes.

Key Decision:	Yes
Background Documents:	None
Officers to Contact:	Neil Whittall Acting Head of Finance 01509 632515 Neil.whittall@charnwood.gov.uk

Part B

Background

1. The Council operates the Capital Plan on a three-year basis to reflect the longer-term nature of capital expenditure and in accordance with best practice. Heads of Service held discussions with their Lead Members and Directors before submitting Capital Appraisals to the Senior Leadership Team (SLT) for initial appraisal. These appraisal forms cover areas such as enhancements of an existing asset, planned improvements to existing assets and scheme affordability. Schemes are categorised as either Live, Provisional, Major or Third-Party. Live schemes are project managed by Charnwood Borough Council with relatively known costings and timescales, Provisional schemes are committed in principal but with no known costings and timescales, Major schemes are separately categorised for presentational purposes to avoid dilution of performance alongside more 'business as usual' schemes (although no new schemes are categorised as such). Third-Party schemes are fully funded by external resources.
2. New schemes have been originated either by Members, in line with manifesto commitments, or by senior officers responsible for the maintenance and upgrade of existing Council assets.
3. New schemes have been reviewed by the Senior Leadership Team, with informal approval from relevant Lead Members prior to schemes being put forward for consultation. Following this appraisal process a New Draft Capital Plan for 2024/25 to 2026/27 was produced for the General Fund and HRA as set out at Appendix 1.
4. Notable schemes coming forward in this plan for approval are:

Housing

- A 'warm homes' fund of £0.25m to be created for Council tenants (HRA project)
- Additional funding of over £2m to be allocated within the HRA to purchase 'off plan' homes from developers to add to our housing stock

Climate change

- Delivery support for carbon neutral projects - £0.2m to be set aside for additional resource to facilitate delivery of the Council's climate change agenda
- Solar array – £0.25m to be allocated for a feasibility study re the creation of a solar array. A solar array has various practical challenges, including

that of connectivity to the National Grid, but the feasibility study will investigate in detail whether such challenges can be overcome and will also look at other options for solar power related to existing Council assets.

5. It should be noted that only limited information is available at present on many schemes, and the costings are presented on a 'best estimate' basis. Firm quotations or tender prices have not been obtained in most cases, but in any event would need updating as and when approval for the new Capital Plan is achieved.

New Draft Capital Plan 2024/25 to 2026/27

6. The tables below show a summary of the new schemes, split between General Fund and Housing Revenue Account schemes, and the anticipated funding positions.

Table 1 – GENERAL FUND

	2024/25	2025/26	2026/27	TOTAL
	£'000	£'000	£'000	£'000
<u>General Fund New 3 Year Plan</u>				
Total Gross Cost of Schemes	1,026	1,701	1,659	4,386
External Funding	99	720	1,127	1,946
CBC Capital Receipts	927	981	532	2,440
Total Funding	1,026	1,701	1,659	4,386

7. Table 1 shows total proposed schemes of £4.4m requiring council capital receipts funding of £2.4m, and external funding of £1.9m. As at 31 March 2027 there will be approximately £11.4m Usable Capital Receipts estimated in balances, therefore the draft 3-year Capital plan is affordable from current resources. This assumes that there are no major asset disposals, apart from council house sales, during the next three years of the plan.
8. Anticipated External Funding is in respect of grants and capital contributions which are expected over the next three years. It should be noted that the grants are scheme specific and cannot be used to fund other schemes.

9. In addition to the Council's Usable Capital Receipts, the Council also maintains a Capital Plan Reserve which is available to support either Capital or Revenue one-off expenditure. This fund will be supplemented by Business Rate Pool receipts and will be used to fund projects which can be viewed as having 'regeneration' or 'economic development' characteristics.

Table 2 – HOUSING REVENUE ACCOUNT

	2024/25	2025/26	2026/27	TOTAL
	£'000	£'000	£'000	£'000
<u>Housing Revenue Account</u>				
Total Gross Cost HRA Schemes	6,210	12,528	10,829	29,567
Capital Receipts	0	449	449	898
Revenue Contribution to Capital Major Repairs Reserve/HRA Finance Fund	2,947	2,947	2,947	8,841
	3,263	9,132	7,433	19,828
Total Funding	6,210	12,528	10,829	29,567

10. Appendix 1 shows all the new HRA schemes for the capital plan period.
11. The Major Repairs Reserve, or equivalent, effectively represents the amount set aside for depreciation each year and this becomes a cash amount that will be spent on capital works. The draft Housing Revenue Account report shows that in 2024/25 the depreciation budget is £4,278k and the RCCO budget is £2,947k. It can be reasonably assumed that these levels will continue for 2025/26 and 2026/27 so the plan is fully funded.
12. The level of capital expenditure will be set to ensure that the housing stock is kept in good repair and at a level that allows the Council to service the £79.19m borrowing that it undertook to pay the government in March 2012. Between 2024/25 and 2026/27, £5m of this borrowing is due to be repaid or refinanced as the debts taken out in 2012 reach maturity. The £1m maturing in 2024/25 is budgeted to be paid in full from the Major Repairs Reserve, whilst decisions on the other loans maturing over this three-year period will be based on the impact of actual spend on the level of HRA reserves and the Council's Treasury Management policy and interest rates at that time. As such, the HRA Capital Plan will be adequately funded over the three years.
13. Further detail of schemes within the new Capital Plan are set out at Appendix 1.

14. It should be noted that the current (2022/23 – 2024/25) Capital Plan is still extant. Once approved the new Capital Plan (2024/25 – 2026/27) will be merged with the current Capital Plan (as may be amended via the usual Capital Plan amendment and Outturn reports) for the 2024/25 financial year.

Prudential Code

15. To comply with the Prudential Code capital expenditure must be affordable in the long term, and therefore sustainable, which requires that the decision-making process must be prudent. The revenue impact of the capital expenditure must be contained within the forward plans of the authority which provides a level of Council Tax that the Council considers acceptable. Implementation of the proposed General Fund Capital Plan would result in net revenue savings and therefore is in line with the proposed Revenue Budget and the Medium-Term Financial Strategy.
16. Consideration has been given to undertaking prudential borrowing to fund General Fund capital expenditure. However, this would incur additional revenue costs for both interest and repayments which the council would have to be able to fund as well as the savings programme which is required to continue to fund services in the light of reduced central government funding. In view of this and as set out in the current Medium Term Financial Strategy, the Council does not intend to undertake any such material borrowing in the medium term.

Risk Management.

17. The risks associated with any future decision to approve the proposed Capital Plan and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
Insufficient funding	Remote (1)	Major (4)	Low (4)	The funding of the Capital Plan is regularly monitored, and any apparent shortfalls are brought to the attention of Cabinet with suggested solutions
General Risks associated with capital expenditure	Unlikely (2)	Serious (3)	Moderate (6)	The Capital Plan is controlled through Capital Monitoring & Senior Leader Team and Cabinet.

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned

Appendices

A list of Capital Plan schemes is attached at Appendix 1.

Scheme Details	2024/25	2025/26	2026/27
	New Plan £	New Plan £	New Plan £
SUMMARY OF CAPITAL PLAN			
<u>Live Schemes</u>			
Commercial & Economic Development	210,000	65,000	70,000
Finance, Governance & Contracts	100,000	0	0
Customer Experience	345,000	450,000	220,000
Housing & Wellbeing - General Fund	148,700	833,200	1,240,000
Housing & Wellbeing - HRA	5,680,100	9,905,200	9,206,200
Sub-total Live Schemes	6,483,800	11,253,400	10,736,200
<u>Provisional Schemes</u>			
Commercial & Economic Development	50,000	200,000	0
Finance, Governance & Contracts	172,000	152,500	128,500
Housing & Wellbeing - HRA	530,000	2,623,000	1,623,000
Sub-total Provisional Schemes	752,000	2,975,500	1,751,500
GF Total	1,025,700	1,700,700	1,658,500
HRA Total	6,210,100	12,528,200	10,829,200
Grand Total	7,235,800	14,228,900	12,487,700
Commercial & Economic Development			
<u>Live Schemes</u>			
CG Replacement Loughborough Christmas Lights	150,000	0	0
JH Delivery Support - Carbon Neutral Projects	60,000	65,000	70,000
Sub-total Live Schemes	210,000	65,000	70,000
<u>Provisional Schemes</u>			
JH Solar Farm - Feasibility to delivery	50,000	200,000	0
Sub-total Provisional Schemes	50,000	200,000	0
Commercial & Economic Development - Total	260,000	265,000	70,000
Finance, Governance & Contracts			
<u>Live Schemes</u>			
MB Sports Pavilion - Nanpantan Sports Grounds	100,000	0	0
Sub-total Live Schemes	100,000	0	0
<u>Provisional Schemes</u>			
MB (Wheelchair) Accessible Parks Programme	50,000	100,000	50,000
MB Green Spaces Refurbishment Programme	122,000	52,500	78,500
Sub-total Provisional Schemes	172,000	152,500	128,500

Scheme Details	2024/25	2025/26	2026/27
	New Plan £	New Plan £	New Plan £
Finance, Governance & Contracts - Total	272,000	152,500	128,500
Customer Experience			
<u>Live Schemes</u>			
AK Z085 Hardware Replacement Programme	45,000	90,000	90,000
AK Z354 Infrastructure Development	0	30,000	30,000
KB Revenue and Benefits - IT Systems	250,000	0	0
GH Z744 Beehive Lane Car Park Improvements and refurbishment scheme	50,000	100,000	100,000
GH Loughborough Parking Equipment Upgrade	0	150,000	0
GH Car Parks Pay Machines	0	80,000	0
Sub-total Live Schemes	345,000	450,000	220,000
Customer Experience - Total	345,000	450,000	220,000
Housing & Wellbeing - General Fund			
<u>Live Schemes</u>			
VG Z348 Charnwood Community Facilities Grants	0	50,000	50,000
VG Z427 Members Grants - Members Choice	50,000	63,000	63,000
KM Z210 Disabled Facilities Grants - Block Sum	98,700	720,200	1,127,000
Sub-total Live Schemes	148,700	833,200	1,240,000
Housing & Wellbeing - General Fund - Total	148,700	833,200	1,240,000
Housing & Wellbeing - HRA			
<u>Live Schemes</u>			
NG Z761 Major Adaptations	0	450,000	450,000
DB Z301 Minor Adaptations	0	50,000	50,000
AM Z302 Stairlifts	0	60,000	60,000
DB Z762 Major Void Works	0	280,000	280,000
<u>Compliance</u>			
AM Z434 Asbestos Removal	140,000	200,000	200,000
NG Z771 Communal Area Improvements	0	75,200	75,200
AM Z742 Communal Area Electrical Upgrades	0	68,000	68,000
NG Z773 Fire Safety Works	0	50,000	50,000
<u>Stock Maximisation</u>			
NG Z375 Garages	100,000	10,000	10,000
<u>Decent Homes</u>			
NG Z763 Kitchens	1,681,600	1,794,100	1,794,100
NG Z764 Bathrooms	2,225,900	1,876,800	1,876,800
AM Z765 Electrical Upgrades	0	100,000	100,000
NG Z766 Window Replacement	121,200	955,000	245,000
AM Z767 Central Heating & Boiler Installation	460,400	1,199,000	1,446,000
DB Z743 Sheltered Housing Improvements	190,000	190,000	190,000

			2024/25	2025/26	2026/27
Scheme Details			New Plan	New Plan	New Plan
			£	£	£
NG	Z768	Door Replacement	0	700,000	700,000
NG	Z769	Roofing Works	350,000	600,000	600,000
NG		Insulation	250,000	50,000	50,000
NG	Z770	Major Structural Works	0	250,000	250,000
General Capital Works					
NG	Z776	Estate and External Works	15,000	200,000	200,000
BD	Z857	Housing Capital Technical Costs	0	438,100	438,100
NG	Z378	Door Entry Systems	46,000	159,000	73,000
PO		Create a 'Warm Homes' Fund - HRA tenants	100,000	150,000	0
Sub-total Live Schemes			5,680,100	9,905,200	9,206,200
Provisional Schemes					
KM	Z760	Acquisition of Affordable Housing to meet housing need	0	1,123,000	1,123,000
SR		Replacement of the Lifeline Priority Notification Centre ('PNC')	30,000	0	0
PO		Create fund to purchase 'Off Development' properties	500,000	1,500,000	500,000
Sub-total Provisional Schemes			530,000	2,623,000	1,623,000
Housing & Wellbeing - HRA - Total			6,210,100	12,528,200	10,829,200

CABINET – 14th December 2023

Report of the Head of Finance Lead Member: Cllr Ashcroft

Part A

CAPITAL PLAN AMENDMENT REPORT

Purpose of the Report

This report requests Cabinet to consider and approve changes to the 2023-2026 Capital Plan and its financing.

Recommendations

1. That the current Capital Plan for 2023/24-2025/26, as amended by the changes shown in Appendix 1, in the budgeted sum of £52,742,400 be approved.
2. A virement of £15k from Town Hall additional seating to Loughborough Town Hall – new website commissioning in 2023/24, to enable the budget to be available for the new scheme.
3. To increase the budget for Disabled Facilities Grants by £98.3k in 2023/24, due to additional funding received from the Department for Levelling Up, Housing and Communities.
4. To add a new scheme – Carillon Tower – Re-imaging Loughborough's Iconic Tower totaling £249.3k, for the redevelopment of the Carillon Tower War Memorial Museum – funded by UK Share Prosperity Fund..
5. To reduce Carbon Monoxide Alarms by £149.8k and Electrical Upgrades by £405.3k in 2024/25, due to a review of budgets in the new three year Capital Plan 2024-2027.
6. ***That it be recommended to Council*** to increase the budget for Bedford Square Gateway by £700k in 2024/25, due to increasing costs of completion, funded by capital receipts
7. ***That it be recommended to Council*** to re-profile £1.6m from 2023/24 to 2024/25 - for the Redevelopment Sheltered Accommodation – St Michael's Court, Thurmaston scheme, due to works expected to start early 2024.
8. To note additional decisions taken by Officers, in relation to new S106 schemes added to the Capital Programme, also included in Appendix 1.
9. To note amendments to the Capital Programme since 14th September 2023 minute 28.

Reasons

1. To enable the current Capital Plan to be the basis for capital spending by the Council and so that schemes may proceed.
2. To enable the Loughborough Town Hall – new website commissioning budget to be available in 2023/24
3. To confirm that the Disabled Facilities Grants be increased by £98.3k in 2023/24, funded by grant.
4. To enable the Carillon Tower – Re-imagining Loughborough’s Iconic Tower budget to be available in 2023/24, funded by UK Share Prosperity Fund.
5. To confirm that the Carbon Monoxide Alarms and Electrical Upgrades schemes be reduced.
6. To confirm that the Bedford Square be increased by £700k so that the scheme may be completed.
7. To enable the Redevelopment Sheltered Accommodation – St Michael’s Court, Thurmaston budget to be available in 2024/25.
8. To ensure members are aware of additional decisions taken by Officers, in relation to new S106 schemes added to the Capital Programme, also included in Appendix 1.
9. To ensure members are aware of amendments to the Capital Programme since Cabinet 14th September 2023 minute 28.

Policy Justification and Previous Decisions

The Capital Plan is an integral element of all policies. The new three-year Capital Plan was approved by Council on 10th February 2021. The Capital Outturn report, including slippage, was approved by Cabinet on the 13th July 2023 minute 58.

Implementation Timetable including Future Decisions and Scrutiny

This report will be available for scrutiny by the Scrutiny Commission in accordance with usual arrangements.

Report Implications

The following implications have been identified for this report.

Financial Implications

The financial implications are covered in the body of this report.

Risk Management

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risk Management

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

<i>Risk Identified</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Overall Risk</i>	<i>Risk Management Actions Planned</i>
Insufficient funding	Remote (1)	Major (4)	Low (4)	The funding of the Capital Plan is regularly monitored and serious funding shortfalls would be brought to the attention of Cabinet with suggested solutions
Expenditure associated with commercial property, Town Deal projects, regeneration or forward funding of the Enterprise Zone	Unlikely (2)	Serious (3)	Moderate (6)	All such expenditure will require fulfillment of additional governance processes prior to approval
General risks associated with capital expenditure	Unlikely (2)	Serious (3)	Moderate (6)	The Capital Plan is controlled through regular monitoring via the Senior Leadership Team with periodic reports presented to Cabinet.

Key Decision:

Yes

Background Papers:

None

Officer to Contact:

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Part B

Background – Capital Plan

1. The Capital plan amendment report provides a breakdown of the new/amended schemes for 2023/24 budgets, and detailed budgets are set out in Appendix 1 for 2023/24 to 2025/26.
2. The net effects of these changes on the 2023/24 Capital Plan are as follows:

2023/24 Capital Plan	£
Approved 2023/24 Capital Plan	40,163,100
Net new/amended schemes	(1,242,700)
Amended 2023/24 Capital Plan	38,920,400

Funded by:	£
General Fund:	
External Borrowing	15,000,000
Grants, S106 Contributions and Revenue	5,453,900
Contributions from Capital Plan Reserve	167,400
Contributions from Reinvestment Reserve	37,700
Contributions from Capital Receipts	4,492,400
Total General Fund	25,151,400
HRA:	
S106 Contributions	1,200
MRA or equivalent	12,222,800
Contributions from Capital Receipts	1,545,000
Total HRA	13,769,000
Total Funding for 2023/24	38,920,400

- 3 A full list of the decisions and amendments are listed in Appendix 1. A detailed explanation for the changes is given in the table below.
- 4

New/Amended Schemes	£
Loughborough Town Hall – New website commissioning	£15,000
A virement of £15k from Town Hall additional seating to Loughborough Town Hall.	
Disabled Facilities Grants	£98,300
To increase the budget in 2023/24, due to additional funding received from the Department for Levelling Up, Housing and Communities.	

Queniborough Parish Council – play equipment – King George V Playing Field	£9,700
To add a new scheme for the provision of youth and adult recreation facilities – fully funded by S106 contributions.	
Carillon Tower – Re-imaging Loughborough’s Iconic Tower	£249,300
To add a new scheme for the redevelopment of the Carillon Tower War Memorial Museum – funded by UK Share Prosperity Fund.	
Redevelopment Sheltered Accommodation – St Michael’s Court, Thurmaston	£1,600,000
To re-profile £1.6m from 2023/24 to 2024/25, due to works expected to start early 2024.	
Carbon Monoxide Alarms	£149,800
To reduce the scheme in 2024/25 due to a review of budgets as part of the new three year capital plan for 2024-2027.	
Electrical Upgrades	£405,300
To reduce the scheme in 2024/25, due to a review of budgets as part of the new three year capital plan for 2024-2027.	
Bedford Square Gateway	£700,000
To increase the scheme in 2024/25, due to issues and costs arising in the completion of works. Further details are outlined in the paragraphs below.	

4. Bedford Square – additional detail

- Expenditure to date on the scheme has exceeded available funding by approximately £0.5m; of this, around half can be attributed to delays created by utility companies failing to complete works for which they were responsible to agreed timings with most of the balance attributed to additional service diversions and other unexpected construction requirements;
- A requirement to fund additional snagging costs has also been identified; the £0.2m includes an amount set aside for the legal costs of seeking to obtain compensation from utility companies and a £60k contingency.

5. The Capital Plan is fully funded as per the table in paragraph 2 of this report.

Appendices

Appendix 1 – Details of Capital Plan Amendments

Appendix 2 – Capital Plan 2023/24-2025/26

CAPITAL PLAN AMENDMENT REPORT 2023/24

Appendix 1

	2023/24	2024/25	2025/26
	£	£	£
Capital Plan Amendment Report - 14th September 2023- Minute 28	40,163,100	11,670,300	406,800
<u>Email M Bradford - 30th August 2023</u>			
Town Hall - additional seating	(15,000)		
Loughborough Town Hall - new website commissioning	15,000		
<u>DCLG - Disabled Facilities Grant 2023/24 - Additional Funding</u>			
Disabled Facilities Grants - Block Sum	98,300		
<u>Delegated Decision (DD177 2023) - 25th September 2023</u>			
Queniborough Parish Council - play equipment - King George V Playing Field - funded by S106	9,700		
<u>M Bradford - Email 4th October 2023</u>			
Carillon Tower - Re-imaging Loughborough's Iconic Tower	249,300		
<u>P Oliver - Email 12/10/23</u>			
Carbon Monoxide Alarms		(149,800)	
Electrical Upgrades		(405,300)	
Redevelopment Sheltered Accommodation - St Michael's Court, Thurmaston	(1,600,000)	1,600,000	
<u>SLT - Notes 15/1123</u>			
Bedford Square Gateway		700,000	
Update Report - Total	38,920,400	13,415,200	406,800
Total of 3 Year Capital Plan (2022/23 to 2024/25)			52,742,400

CAPITAL PLAN 2023/24 & 2024/25

Appendix 2

Scheme Details	2023/24			2024/25	2025/26
	Current Budget £	Actual Spend 31/7/23 £	Balance £	Current Budget £	Current Budget £
SUMMARY OF CAPITAL PLAN					
<u>Live Schemes</u>					
Chief Executive	0	0	0	0	0
Commercial & Economic Development	3,270,500	161,957	3,108,543	1,269,200	0
Finance, Governance & Contracts	2,317,700	65,552	2,252,148	73,600	0
Customer Experience	2,269,700	301,432	1,968,268	970,000	0
Housing & Wellbeing - General Fund	63,000	500	62,500	63,000	0
Housing & Wellbeing - HRA	13,769,000	1,037,866	12,731,134	7,690,000	0
Sub-total Live Schemes	21,689,900	1,567,307	20,122,593	10,065,800	0
<u>Provisional Schemes</u>					
Chief Executive	0	0	0	0	0
Commercial & Economic Development	5,000,000	0	5,000,000	0	0
Finance, Governance & Contracts	10,000,000	0	10,000,000	0	0
Customer Experience	0	0	0	0	0
Housing & Wellbeing - General Fund	87,000	0	87,000	87,000	0
Housing & Wellbeing - HRA	0	0	0	0	0
Sub-total Provisional Schemes	15,087,000	0	15,087,000	87,000	0
<u>Third Party Schemes</u>					
Chief Executive	0	0	0	0	0
Commercial & Economic Development	0	0	0	0	0
Finance, Governance & Contracts	826,800	0	826,800	913,100	0
Customer Experience	0	0	0	0	0
Housing & Wellbeing - General Fund	1,316,700	288,339	1,028,361	2,349,300	406,800
Housing & Wellbeing - HRA	0	0	0	0	0
Sub-total Third Party Schemes	2,143,500	288,339	1,855,161	3,262,400	406,800
GF Total	25,151,400	817,780	24,333,620	5,725,200	406,800
HRA Total	13,769,000	1,037,866	12,731,134	7,690,000	0
Grand Total	38,920,400	1,855,646	37,064,754	13,415,200	406,800
<u>Chief Executive</u>					
<u>Live Schemes</u>					
Sub-total Live Schemes	0	0	0	0	0
Chief Executive - Total	0	0	0	0	0
<u>Commercial & Economic Development</u>					
<u>Live Schemes</u>					
JH Z832 Feasibility Work - New Council Offices	138,400	0	138,400	0	0
CG Z861 Town Deal - Living Loughborough	1,568,000	92,297	1,475,703	1,149,200	0
IB Z310 Planned Building Improvements - Block Sum	655,000	11,598	643,402	120,000	0
JH Z796 Carbon Neutral Action Fund - Block Sum	909,100	58,062	851,038	0	0
Sub-total Live Schemes	3,270,500	161,957	3,108,543	1,269,200	0
<u>Provisional Schemes</u>					
JH Z817 Regeneration Projects	5,000,000	0	5,000,000	0	0
Sub-total Provisional Schemes	5,000,000	0	5,000,000	0	0
<u>Third Party Schemes</u>					
Sub-total Third Party Schemes	0	0	0	0	0
Commercial & Economic Development - Total	8,270,500	161,957	8,108,543	1,269,200	0

CAPITAL PLAN 2023/24 & 2024/25

Appendix 2

Scheme Details	2023/24			2024/25	2025/26	
	Current Budget £	Actual Spend 31/7/23 £	Balance £	Current Budget £	Current Budget £	
<u>Finance, Governance & Contracts</u>						
<u>Live Schemes</u>						
MB Z484	Closed Churchyard Wall	8,100	0	8,100	0	0
MB Z757	Town Hall Roof Upgrade	17,200	0	17,200	0	0
MB Z784	Loughborough Cemetery - New Burial Provision	28,000	0	28,000	0	0
MB Z791	Shelthorpe Golf Course - Fencing	77,100	0	77,100	0	0
MB Z798	Town Hall - Victoria Room - Air Handling	23,500	0	23,500	0	0
MB Z799	Town Hall - additional seating	140,000	0	140,000	0	0
MB Z881	Loughborough Town Hall - new website commissioning	15,000	0	15,000	0	0
MB Z802	Allotment Improvements	10,000	2,834	7,166	0	0
MB Z805	Queens Park Aviary Improvements	20,000	0	20,000	0	0
MB Z806	Playing Pitch Strategy Action Plan	36,300	0	36,300	0	0
LT Z810	Unit4 Agresso Upgrade	32,800	0	32,800	0	0
AW Z870	Audio Visual Equipment - Loughborough Town Hall	75,000	0	75,000	0	0
MB Z824	Shepshed Public Open Space Enhancement	61,400	0	61,400	0	0
MB Z828	Queens Park - Improvements to Childrens Play Provision & Adult Recreation Provision	203,200	0	203,200	0	0
MB Z831	Loughborough Playground Improvement Plan	100,000	0	100,000	0	0
MB Z854	Lodge Farm Public Open Space Enhancements	31,200	0	31,200	0	0
MB Z855	Cemetery Ashes Plots	40,000	0	40,000	0	0
MB Z856	Cemetery Gates	15,000	0	15,000	0	0
MB Z859	Syston Riverside Walk	45,200	4,990	40,210	0	0
MB Z862	Leisure Centre barrier and entry control	50,000	0	50,000	0	0
MB Z873	Town Deal - Lanes and Links	509,400	57,728	451,672	73,600	0
MB Z875	Town Hall - Main Auditorium Air Handling Equipment	90,000	0	90,000	0	0
MB Z878	Refuse Collection Vehicles	440,000	0	440,000	0	0
MB Z882	Carillon Tower - Re-imaging Loughborough's Iconic Tower	249,300	0	249,300	0	0
Sub-total Live Schemes		2,317,700	65,552	2,252,148	73,600	0
<u>Provisional Schemes</u>						
SJ Z818	Enterprise Zone	10,000,000	0	10,000,000	0	0
Sub-total Provisional Schemes		10,000,000	0	10,000,000	0	0
<u>Third Party Schemes</u>						
MB Z500	Birstall Cedars Academy all weather pitch	50,000	0	50,000	0	0
JT Z697	Bell Foundry Pocket Park - Phase 1 & 2	32,200	0	32,200	0	0
MB Z699	Shelthorpe Public Open Space Enhancements	111,700	0	111,700	0	0
MB Z778	Syston Community Garden	21,600	0	21,600	0	0
MB Z825	Loughborough Police Station Centre - Front Enquiry Desk	98,800	0	98,800	0	0
MB Z830	Holt Drive PA Enhancements	11,000	0	11,000	0	0
MB Z850	Sileby Parish Council - improvement and provision of additional youth/adult facilities at Sileby Memorial Park	174,600	0	174,600	0	0
MB Z860	Radmoor Road Public Open Space Enhancements	53,600	0	53,600	0	0
MB Z864	Hathern Village Hall - additional community space	3,900	0	3,900	0	0
MB Z874	Barrow Parish Council - Youth/Adult Recreation - new facilities at Willow Road Park, Barrow Upon Soar	41,500	0	41,500	0	0
MB Z876	Anstey Parish Council - Jubilee Hall, Staddon Rd, Anstey - extension & redevelopment	90,900	0	90,900	0	0
RB Z877	Hathern Community Woodland Project - planting and enhancement	44,200	0	44,200	0	0

CAPITAL PLAN 2023/24 & 2024/25

Appendix 2

Scheme Details	2023/24			2024/25	2025/26
	Current Budget £	Actual Spend 31/7/23 £	Balance £	Current Budget £	Current Budget £
MB Z879 Sileby Memorial Park	83,100	0	83,100	390,000	0
MB Z880 Halstead Road Sport & Recreation Scheme, Mountsorrel Queniborough Parish Council - play equipment - King George V	0	0	0	523,100	0
MB Z846 Playing Field	9,700	0	9,700	0	0
Sub-total Third Party Schemes	826,800	0	826,800	913,100	0
Finance, Governance & Contracts - Total	13,144,500	65,552	13,078,948	986,700	0
Customer Experience					
<u>Live Schemes</u>					
AK Z085 Hardware Replacement Programme	90,000	34,821	55,179	45,000	0
AK Z354 Infrastructure Development	50,000	(549)	50,549	30,000	0
RB Z787 Bedford Square Gateway	462,800	157,231	305,569	700,000	0
AK Z812 Server Redesign	70,000	0	70,000	0	0
AK Z813 Cloud Implementation	60,000	0	60,000	0	0
AK Z816 Northgate - Single Use System	15,200	0	15,200	0	0
RB Z835 Shepshed Public Realm	1,092,200	109,929	982,271	0	0
GH Z863 DNO Connections and Electric Vehicle Charge Points for car parks	150,000	0	150,000	0	0
GH Z388 CCTV	181,600	0	181,600	45,000	0
GH Z744 Beehive Lane Car Park Improvements and refurbishment scheme	65,100	0	65,100	0	0
GH Z786 Car Parks Resurfacing and Improvements	32,800	0	32,800	150,000	0
Sub-total Live Schemes	2,269,700	301,432	1,968,268	970,000	0
<u>Provisional Schemes</u>					
Sub-total Provisional Schemes	0	0	0	0	0
Customer Experience - Total	2,269,700	301,432	1,968,268	970,000	0
Housing & Wellbeing - General Fund					
<u>Live Schemes</u>					
VG Z348 Charnwood Community Facilities Grants	50,000	0	50,000	50,000	0
VG Z427 Members Grants - Members Choice	13,000	500	12,500	13,000	0
Sub-total Live Schemes	63,000	500	62,500	63,000	0
<u>Provisional Schemes</u>					
KM Z346 Private Sector Housing Grants - Block Sum	87,000	0	87,000	87,000	0
Sub-total Provisional Schemes	87,000	0	87,000	87,000	0
<u>Third Party Schemes</u>					
KM Z210 Disabled Facilities Grants - Block Sum	1,309,700	288,339	1,021,361	2,349,300	406,800
KM Z363 Fuel Poverty Scheme	7,000	0	7,000	0	0
Sub-total Third Party Schemes	1,316,700	288,339	1,028,361	2,349,300	406,800
Housing & Wellbeing - General Fund - Total	1,466,700	288,839	1,177,861	2,499,300	406,800
Housing & Wellbeing - HRA					
<u>Live Schemes</u>					
NG Z761 Major Adaptations	611,200	56,384	554,816	450,000	0
DB Z301 Minor Adaptations	50,000	(56)	50,056	50,000	0
AM Z302 Stairlifts	60,000	26,593	33,407	60,000	0
DB Z762 Major Void Works	656,000	(30,488)	686,488	280,000	0

CAPITAL PLAN 2023/24 & 2024/25

Appendix 2

Scheme Details		2023/24			2024/25	2025/26	
		Current Budget £	Actual Spend 31/7/23 £	Balance £	Current Budget £	Current Budget £	
<u>Compliance</u>							
AM	Z434	Asbestos Removal	200,000	92,345	107,655	60,000	0
NG	Z771	Communal Area Improvements	350,000	1,465	348,535	75,200	0
AM	Z742	Communal Area Electrical Upgrades	68,000	0	68,000	68,000	0
AM	Z772	Carbon Monoxide Alarms	50,000	1,761	48,239	0	0
NG	Z773	Fire Safety Works	100,000	0	100,000	100,000	0
<u>Stock Maximisation</u>							
NG	Z375	Garages	50,000	0	50,000	0	0
<u>Decent Homes</u>							
NG	Z763	Kitchens	1,396,000	143,363	1,252,637	112,500	0
NG	Z764	Bathrooms	1,743,800	59,989	1,683,811	675,000	0
AM	Z765	Electrical Upgrades	150,000	2,873	147,127	100,000	0
NG	Z766	Window Replacement	426,000	1,910	424,090	223,800	0
AM	Z767	Central Heating & Boiler Installation	543,000	7,885	535,115	831,600	0
DB	Z743	Sheltered Housing Improvements	239,800	16,420	223,380	0	0
		Redevelopment Sheltered Accommodation - St Michael's Court,					
PO	Z871	Thurmaston	400,000	79,875	320,125	1,600,000	0
NG	Z768	Door Replacement	700,000	16,036	683,964	700,000	0
NG	Z769	Roofing Works & Insulation	650,000	18,719	631,281	250,000	0
NG	Z770	Major Structural Works	400,000	215,061	184,939	250,000	0
<u>General Capital Works</u>							
NG	Z776	Estate and External Works	300,000	186,309	113,691	200,000	0
BD	Z857	Housing Capital Technical Costs	438,100	0	438,100	438,100	0
NG	Z378	Door Entry Systems	200,000	(74,320)	274,320	27,000	0
KM	Z760	Acquisition of Affordable Housing to meet housing need	3,862,500	211,542	3,650,958	1,123,800	0
KM	Z851	Acquisition of Dwellings - S106	1,200	0	1,200	0	0
NG	Z775	Mobility Scooter Storage	30,000	0	30,000	15,000	0
DB	Z867	Delivery of Stock Condition Survey and Associated Costs	60,200	0	60,200	0	0
AS	Z869	Digital Filing - HRA Software	33,200	4,200	29,000	0	0
Sub-total Live Schemes			13,769,000	1,037,866	12,731,134	7,690,000	0
Housing & Wellbeing - HRA - Total			13,769,000	1,037,866	12,731,134	7,690,000	0