

CABINET - THURSDAY, 13TH JULY 2023

Report of the Head of Finance Lead Member Finance, Customer & Support Services, Revenues and Benefits: Cllr Ashcroft

Part A

CAPITAL PLAN OUTTURN REPORT (2022/23)

Purpose of Report

This report shows the total expenditure on the Capital Plan for the year 2022/23 compared with the current budget, which was reported to Cabinet in the Capital Plan Amendment Report on 9th February 2022 (minute 59) and 9th March 2022 (minute 68) In addition, the report details those schemes that require carry forward of budget to 2023/24 and the financing of the Capital Plan.

Recommendations

1. That the outturn position for 2022/23 be recommended to Council and that slippage of capital budgets totalling £9,755,421 being General Fund £6,080,121 and Housing Revenue Account £3,675,300 be carried forward into 2023/24 and added to the Capital Plan.
2. That the financing of the Plan set out in Table 2 be recommended to Council.

Reasons

1. To enable projects to be completed.
2. To indicate how the Plan is to be financed.

Policy Justification and Previous Decisions

The Capital Plan is fundamental to all strategic aims of the Council.

Implementation Timetable including Future Decisions

The decision will come into effect immediately (subject to Call-in).

The Scrutiny Commission will have the opportunity to consider this report for pre-decision scrutiny at its meeting on 3rd July 2023, if it so wishes.

Report Implications

The following implications have been identified for this report.

Financial Implications

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

Risk Management

There are no specific risks associated with this decision.

Equality and Diversity

None identified

Climate Change and Carbon Impact

None identified

Crime and Disorder

None identified

Links to the Corporate Strategy

Caring for the Environment	Yes
Healthy Communities	Yes
A Thriving Economy	Yes
Your Council	Yes

Key Decision: Yes

Date included on Forward Plan 07/06/2023

Background Papers: None

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Part B

Background

1. The Capital Plan amendment report was reported to Cabinet on the 9th February 2022 and 9th March 2022 for the HRA, the current budget is £22.9m of which £9.7m has been requested as slippage into 2023/24.
2. Table 1 below shows the total capital spend for 2022/23 of £7,794k, overall being 34% of the budget. Capital expenditure on General Fund projects was £3,804k being 35% of the budget, the major area of General Fund spend on the Live Schemes being 71%, the HRA expenditure of £3,990k being 33% of the budget.
3. The slippage amounts below are detailed in Appendix 1, these have been requested by the officers responsible for the schemes and will be added to the Capital plan for 2023/24 (subject to approval of this report).

Table 1

Capital Outturn Summary 2022/23

	Current Budget	Actual Spend 31/3/23	% Spend	Slippage into 2023/24 Requested
	£	£	£	£
General Fund				
Live schemes	2,769,200	1,952,503	70.51%	666,579
Block Sums/ (Provisional schemes)	4,507,500	782,183	17.35%	2,934,621
3rd Party/S106 Schemes	3,662,700	1,069,670	29.20%	2,478,921
Total General Fund	10,939,400	3,804,356	34.78%	6,080,121
HRA				
Live schemes	12,034,200	3,990,271	33.16%	3,675,300
Total HRA	12,034,200	3,990,271	33.16%	3,675,300
Overall Total	22,973,600	7,794,627	33.93%	9,755,421

The Major Capital Schemes in 2022/23 are detailed below:-

4. Enterprise Zone - This budget was amended as part of the Treasury Management Strategy report 9th February 2022, from £13m to £10m and reprofiled into 2023/24. The fund was created to allow “forward funding” of buildings or infrastructure within the Zone financed by future business rate receipts. £2m was paid over as a grant to the Leicester & Leicestershire Economic Partnership to support a grant in respect of the Loughborough Charnwood Campus Site in 2021. This was internally borrowed by Charnwood Borough Council and will be re paid back over a 4-year period. The balance of £10m is a provisional budget for 2023/24. 9th March 2023 Cabinet report approved a new EZ agreement with Charnwood Campus of up to £5m, any additional new schemes in 2023/24 will be reported to Cabinet.
5. Bedford Square Project - Delegated Decision 182, 15th October 2021 approved a revised total budget of £3.869m funded by Town Deal £1.7m,

External Funding £708k, Capital Receipts £1.461m. This scheme is complete, the final costs are yet to be determined. Leicestershire County Council, require final works to be inspected for snagging and a cost for this is still to be determined, cost to date is £3.985m, in addition some costs are being reclaimed with two contractors.

6. Regeneration Projects - This budget was amended as part of the Treasury Management Strategy report 9th February 2022, which reduced this provisional budget down from £15m to £5m and reprofiled into 2023/24. Major projects will be coming forward where the Regeneration capital funds may be required – those include the 2 Town Deal projects, “Lanes and Links” and “Living Loughborough”. Whilst Town Deal funding will be available, these projects may incur extra costs or their scopes may be expanded, if it proves beneficial to do so.
7. Disabled Facilities Grants – The total budget is £2.496m block sum in 2022/23 includes carry forward balances from previous years and is fully funded by the Better Care grant. Mandatory and Discretionary grants are approved in line with the Private Sector Housing Grant Policy, spend in 2022/23 is £645k and the slippage requested for this scheme is £1.851m, to cover commitment of DFG approvals and will be profiled over the next two years. Further resource has recently been added to the Housing Team which will help improve the level of spend on the grants in the future.
8. Acquisition of Affordable Housing to meet Housing Need - The budget in 2022/23 is £3.303m, the Council signed an agreement with the Government to retain Right to Buy receipts on the basis that this funding will be used to increase the supply of affordable homes for rent. If the budget is not carried forward and spent, the Council would need to return the receipts to the Government, with interest. The Council purchased 4 properties in 2022/23 and gifted 1 through S106 Agreement. (10 properties purchased and 1 gifted in 2021/22). Slippage of the budget into 2023/24 is £2.739m towards acquisition of affordable housing.
9. Shepshed Town Centre Development and Public Realm - The total budget for this scheme is £2.475m, as per 13th April Cabinet Report 2022, spend to date is £395k, and a further Cabinet report was approved on 9th June 2022, giving approval to commence procurement and provided a detailed plan of the project. Phase one of the project (Market Place) will be undertaken in 2023 and phase two of the project will be undertaken in 2024, update reports are taken to the Senior Leadership Capital Board on a quarterly basis. Slippage of the budget into 2023/24 is £792k.
10. HRA Capital Schemes
After a significant round of procurement, all HRA planned maintenance contracts are now in place. Major adaptations, kitchens, bathrooms, heating, and roofing contracts have all mobilised and improvements are being delivered to tenants’ homes. Some contracts mobilised earlier than others and this is reflected in the spend, which is expected to increase significantly in 2023/24.

11. The funding arrangements for 2022/23 are detailed in Table 2 below.

Table 2

<u>Funding the Capital Programme 2022/23</u>	<u>Amount</u>
	<u>£'000</u>
Grants, Contributions, S106 Contributions	2,532
Capital Receipts	1,413
Revenue Contribution to Capital	86
HRA Major Repairs Reserve	3,764
	7,795

12. After allowing for the funding of the Capital spend, slippage and funding all known future schemes up to 2024/25 there will be a balance left of £8.7m of Capital receipts available for future General Fund projects, we will have to monitor the Housing Pooling to ensure that retained receipts are spent within the allowable period. The Capital Plan Reserve has balance £1.8m, also for General Fund projects, a total of £10.5m. In addition, the HRA Revenue Contribution to Capital is used each year to fund HRA Capital schemes.
13. The Capital Plan is subject to amendment within the financial year via the Capital Plan amendment reports presented to Cabinet.

Appendices

Appendix 1 - Capital Plan 2022/23 Detailed 'scheme by scheme' Outturn.