

FINANCE & PERFORMANCE SCRUTINY COMMITTEE

28TH NOVEMBER 2023

Report of the Head of Finance

Lead Member: Cllr Ashcroft

CAPITAL MONITORING REPORT: PERIOD 7 OCTOBER 2023

Purpose of Report

This report is to inform Finance and Performance Scrutiny of the General Fund and Housing Revenue Account (HRA) Capital spend position at Period 7, 31st October 2023 compared with the profiled budget to date.

Recommendation

That the Capital Monitoring Summary position for Period 7, 31st October 2023 for the General Fund and Housing Revenue Account be noted as per Table1. The detailed Capital Monitoring Report is included in Appendix 1.

Reasons

To enable the information to be used as a monitoring tool and when considering the future 3-year Capital Plan and Capital Strategy.

Policy Justification and Previous Decisions

Financial resources are required to carry out all the aims and strategies of the Council.

Report Implications

The Capital Programme is fully funded and there are no financial implications identified for this report.

Risk Management

There are no specific risks associated with this decision.

Key Decision: No

Background Papers: None

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Part B

Executive Summary

1. The General Fund full year capital budget is £24,892k with a Period 7 profiled budget of £14,521k. Spend to Period 7 is £8,962k which represents 62% of budget and an underspend of £5,559k to this date.
2. The HRA Full year capital budget is £13,769k with Period 7 profiled budget of £8,032k. The spend to the end of Period 7 was £3,956k, representing 49% of the profiled budget and an underspend of £4,076k.

Table 1

Capital Summary	Full Year Budget	Period 7			
		Budget	Actual Spend	Variance under/(over) spend	% Spend against budget
General Fund	24,892	14,521	8,962	5,559	62
HRA	13,769	8,032	3,956	4,076	49
Total	38,661	22,552	12,917	9,635	57
General Fund Split					
Live	7,671	4,476	4,016	460	90
Provisional	15,087	8,801	4,161	4,640	47
3rd Party	2,134	1,245	785	460	63
Total	24,892	14,521	8,962	5,559	62

General Fund

3. In delivering the Capital Plan the Council focusses on 'Live' schemes, where schemes have been fully developed and can be reasonably be expected to be delivered within the budget period. Ov
4. Delivery of the General Fund capital plan is reasonable at 90%, but it may be noted that this figure is somewhat skewed by overspends on Bedford Square (more detail in paragraph below) and timing differences versus budget profile on the Shepshed Town Centre improvement project, adjusting for which would see delivery fall to around 60%.
5. The major underspends are in the 'block' amounts set aside for property maintenance (£351k) and carbon neutral initiatives (£344k). Expenditure of these funds will be influenced by the ongoing accommodation review. It is likely that unspent funding will be requested as carry forward into future financial years.

Housing Revenue Account

6. Delivery of the HRA Capital Programme has been significantly hampered in recent years due to issues with contractors. There is initial evidence

that the 'run rate' on individual programmes has now increased such that delivery is in line with funding with expenditure increasing for the second half of the year. However, it is unlikely that the shortfall in the first half of the year will be recovered and an underspend versus the total budget will be expected. Usual practice is that the underspend rolls forward into HRA reserves where it is available for future capital schemes and/or repayment of HRA debt.

7. More detail on Major Capital schemes is set out below:

Enterprise Zone - This budget is a provisional budget of £10m in 2023/24. The fund was created to allow "forward funding" of buildings or infrastructure within the Zone financed by future business rate receipts. On 9th March 2023 Cabinet report approved a new Enterprise Zone agreement with Charnwood Campus of £4.1m, this was paid over in October 2023 and will be reclaimed over a 15-year period. The remaining budget of £5.8m is likely to be carried forward into 2024/25.

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 near complete and is currently in the construction defects period. Leicestershire County Council, require final works to be inspected for snagging and a cost for this is still to be determined. Some costs may be mitigated via claims on contractors. The latest projected overspend is estimated to be in the region of approximately £700k.

Regeneration Projects - As part of the Treasury Management Strategy report 9th February 2022, £5m was set aside for Regeneration Schemes, and to date there have been no projects identified. Any project would be subject a Capital Appraisal and could be expected to be supported by a Cabinet report.

Lanes and Links – Town Deal Project (including Hope Bell)

The budget for 2023/24 is £509k, and profiled budget is £297k against spend of £64k, 13% spend to date. Festive lights proposal is to install permanent multi-coloured lighting on catenary lines along Bleach Yard, quotes are now being sought. This is lighting that can be used all year-round, with the ability to change colours for different seasons, including seasonal colours at Christmas. Hope Bell quotes have been secured and planning application submitted. The project is due to be completed towards the end of 2023/24.

Living Loughborough – Town Deal Project

The budget for 2023/24 is £1,568k, and profiled budget is £915k against spend to date £741k, 47% spend to date. Planning application has been submitted for the Granby Street Car Park Gateway. Work has commenced on developing the BID's digital business support training package. Design of the Southfields Park canopy has been reviewed and the costs are now within budget. DLUCH has confirmed that Living Loughborough has passed the performance review process and the release of further funding can be expected at the end of October 2023.

Disabled Facilities Grants

The budget for 2023/24 is £1.3m, and the profiled budget is £764k up to Period 7. Actual spend up to Period 7 is £648k, representing 50% of the profiled budget. An independent consultant has been appointed to carry out an options review for the delivery of disabled facilities grants within Charnwood. The review is currently underway and the Housing Grants Policy is due to be completed by 31st March 2024. One of the main objectives of the review is to identify ways to enable adaptation delivery (or other projects) in line with the grant funding received.

Shepshed Town Centre Development and Public Realm - The total budget for phase one scheme is £2.475m, as per 13th April Cabinet Report 2022, actual spend to date £2,131k, 86% spend to date. The scheme is now progressing well following long delays with the current contractors and Leicestershire County Council. No progress has been made to secure an agreement with City Fibre to recover £30k costs incurred to facilitate the laying of their cables across the site area.

HRA Capital Schemes

Acquisition of Affordable Housing to meet Housing Needs –

The budget for 2023/24 is £3.86m, to date 1 property has been purchased for £207k and several properties are under consideration plus 2 assets have been gifted. The current Housing Acquisition policy is being reviewed to enable further purchases to be made.

Sheltered Accommodation Scheme -The total budget is £2m, spend to date is £200k, the balance of the budget will be spent in 2024/25. The scheme comprises of building 9 bungalows, significant engagement, and communication with stakeholders, including the church adjacent to the site has taken place. An open day in June 23 was held to talk to residents. A specification for a contractor to deliver the work is in development. Subject to planning permission work (i.e., demolition) is expected to start in early 2024 / calendar year.

Further detail on schemes is tabulated at Appendix 1.