

## CABINET – 14<sup>th</sup> 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 14<sup>th</sup> 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 14<sup>th</sup> 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 10<sup>th</sup> February 2021. The Capital Outturn report, including slippage, was approved by Cabinet on the 13<sup>th</sup> 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

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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:

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

<b>Funded by:</b>	<b>£</b>
<b>General Fund:</b>	
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
<b>Total General Fund</b>	<b>25,151,400</b>
<b>HRA:</b>	
S106 Contributions	1,200
MRA or equivalent	12,222,800
Contributions from Capital Receipts	1,545,000
<b>Total HRA</b>	<b>13,769,000</b>
<b>Total Funding for 2023/24</b>	<b>38,920,400</b>

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

<b>Queniborough Parish Council – play equipment – King George V Playing Field</b>	<b>£9,700</b>
To add a new scheme for the provision of youth and adult recreation facilities – fully funded by S106 contributions.	
<b>Carillon Tower – Re-imaging Loughborough’s Iconic Tower</b>	<b>£249,300</b>
To add a new scheme for the redevelopment of the Carillon Tower War Memorial Museum – funded by UK Share Prosperity Fund.	
<b>Redevelopment Sheltered Accommodation – St Michael’s Court, Thurmaston</b>	<b>£1,600,000</b>
To re-profile £1.6m from 2023/24 to 2024/25, due to works expected to start early 2024.	
<b>Carbon Monoxide Alarms</b>	<b>£149,800</b>
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.	
<b>Electrical Upgrades</b>	<b>£405,300</b>
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.	
<b>Bedford Square Gateway</b>	<b>£700,000</b>
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