

CABINET – 9TH JULY 2020

Report of the Head of Finance and Property Services

Lead Member: Councillor Barkley

Part A

ITEM 7 CAPITAL PLAN OUTTURN REPORT 2019/20

Purpose of Report

This report shows the total expenditure on the Capital Plan for the year 2019/20 compared with the current budget, which was reported to Cabinet in the Capital Plan Amendment Report on 3rd July 2019 (minute 17), plus subsequent reports on 19th September 2019 (minute 30) and 16th December 2019 (minute 59). In addition, the report details those schemes that require carry forward of budget to 2020/21 and 2021/22 also the provisional arrangements for the financing of the Plan.

Recommendations

1. That the outturn position for 2019/20 be noted and that slippage of capital budgets totalling £9,292,200 be carried forward into 2020/21 be approved, (General Fund £8,404,100 and HRA £886,100) and the slippage will be added to the new 3 Year Capital Plan.
2. That the provisional financing of the Plan set out in Table 2 be noted.

Reasons

1. To enable projects to be completed.
2. To indicate how the Plan is likely 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 and Scrutiny

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 on 6th July 2020.

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

The risks associated with the decisions Cabinet is asked to make and proposed actions to mitigate those risks are set out below:

There are no specific risks associated with this decision.

Key Decision: Yes

Background Papers: None

Officers to Contact: Lesley Tansey
Head of Finance and Property Services
01509 634828
lesley.tansey@charnwood.gov.uk

Part B

Background

1. The Capital Plan for 2019/20 was reported to Cabinet on the 3rd July 2019 and, following amendments between September 2019 and December 2019, the final budget was £19,874k, which is £10.3m higher than the original budget (52% higher).
2. Table 1 below shows the expenditure by directorate. The total capital spend of £10,444k was 53% of the final budget, compared to 83% in 2018/19. Expenditure on General Fund projects was £2,236k in 2019/20 being 20% of budget, compared with 74% of budget in 2018/19. It may be noted that the outturn result for the General Fund is somewhat skewed by the addition in the year of £5,000k to the capital plan to take advantage of opportunities to purchase commercial property; however, no purchases were completed. The HRA expenditure of £8,208k was 90% of budget compared to 89% in 2018/19.
3. The carry forwards detailed in Appendix 1 have been requested by the officers responsible for the schemes.

Table 1

Capital Outturn 2019/20 Directorate	Budget £'000	Actual Spend £'000	Under/ (Over) Spend £'000	Slippage into 2020 Cfwd £'000	Net Saving/ (Over spend) £'000
Community Wellbeing	1,857	949	908	880	28
Corporate Services Housing, Planning, Regeneration and Regulatory - General Fund	5,211	204	5,007	5,007	0
	3,712	1,083	2,629	2,517	112
General Fund Total	10,780	2,236	8,544	8,404	140
Housing - HRA	9,094	8,208	886	886	0
Total Capital Plan	19,874	10,444	9,430	9,290	140

4. Over the four years to 31 March 2020 the Council has invested £12.3m in Capital General Fund projects and £26m in Housing Revenue Account (HRA) schemes, making a total investment in the Borough of £38.3m, being an average annual investment of £9.6m. This is lower than the four-year average to 31 March 2019 of £10.1m by 5%.
5. The net amount of £9,290k requested to be carried forward into 2020/21 and a reduction of £2k for the IT budget in 2021/22 is detailed on a scheme by scheme basis in Appendix 1 and includes the following major items:
6. Investment in Commercial Property (£5m) - This budget is set up for investment in Commercial Properties, this was not spent in 2019 and would require borrowing, it is available should there be a need to do so in 2020.

7. Shepshed Bull Ring (£600k) - The scheme is proposed to address the disparate elements of Shepshed Town Centre. The Bull Ring is identified as failing to provide a sense of arrival, denying the town a recognisable town centre. The scheme aims to widen pavements and narrow carriageways to improve pedestrian safety and comfort and to introduce specific features to create a sense of arrival, assisting in defining the town centre.
8. Disabled Facilities Grants (£575k) - The budget is fully funded by the Better Care Fund. Mandatory and Discretionary grants are approved in line with the Private Sector Housing Grant Policy. The Policy was recently reviewed, and the discretionary Disabled Facility grant levels increased to reduce potential costs to residents, particularly with large adaption schemes for children. Means testing has temporarily been removed for discretionary grant applications, up to £5k required, to facilitate the discharge of residents from hospital.
9. Acquisition of Affordable Housing to meet housing need (£501.2k) - The purchase of two properties was delayed in 2019/2020, due to Covid 19 lockdown. Conveyancing work had commenced on two other properties due for completion in 2020/2021. 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, and it will not be possible to meet the Corporate Indicator target of purchasing between 10 and 20 properties.
10. Bedford Square Gateway (£447.7k) – The design contract has been awarded for the works to commence from October 2020. The scheme is proposed to improve footfall and assist in maintaining the long-term vitality and viability of the southern quarter of the town centre. The scheme will include the widening of pavements and narrowing of existing carriageways to enhance the comfort and safety of pedestrians. It will improve connectivity to the Granby Street Car park and an enhanced crossing point at the junction of Devonshire Square with Granby Street to emphasise the connection between the pedestrianised zone and the remainder of the town centre.
11. There were net underspends on various schemes during the year (as detailed in Appendix 1) amounting to net £1.178k.
12. Underspends ranged from a few pounds to £130k. These underspends are a result of schemes being completed for less than budget. The net funds saved are returned to appropriate central funding and will be used for other schemes in the future.
13. Overspends ranged from a few pounds to just under £475k which was on HRA Fire Safety. This is funded from the savings on other HRA capital schemes which spent less than the budget.
14. The provisional funding arrangements for 2019/20 are detailed in Table 2 below. These will be finalised subject to audit approval.

Table 2

<u>Funding the Capital Programme 2019/20</u>	<u>Amount</u> <u>£'000</u>
Grants and Contributions	1,641
Capital Receipts	1,120
General Fund and HRA Revenue Contributions including use of Capital Plan and other Reserves	3,872
HRA Major Repairs Reserve	3,811
	10,444

15. After allowing for the funding shown above, the cost of the carry forwards and funding all known future schemes to 2022/23 there will be £1.9m of capital receipts available for future General Fund projects plus £1.3m in the Capital Plan Reserve, also for General Fund projects.
16. The Capital Plan is subject to amendment within the financial year via the Capital Plan amendment reports presented to Cabinet.
17. A revised capital plan (alongside an interim budget) is considered necessary due to the deterioration of the Council's financial position created by COVID19. It is envisaged that reports will be presented to Cabinet and Council in autumn 2020, and in the case of the capital plan, will also consider a revised form of presentation in order that underlying underspends can be better identified.

Appendices

Appendix 1 - Capital Plan 2019/20 Detailed 'scheme by scheme' Outturn.

CAPITAL PLAN 2019/20

Appendix 1

Scheme Details	2019/20				Slippage into 2020/21 and 2021/22 Requested £
	Current Budget £	Actual Spend 31/3/20 £	Balance £	Under/ (Overspend) £	
SUMMARY OF CAPITAL PLAN					
<u>Directly Delivered Schemes</u>					
Community Wellbeing	860,600	239,369	621,231	28,431	592,800
Corporate Services	5,210,500	204,501	5,005,999	(1,701)	5,007,700
Housing, Planning & Regeneration & Regulatory Services - General Fund	446,000	123,425	322,575	15,075	307,500
Housing, Planning & Regeneration & Regulatory Services - HRA	9,094,500	8,208,381	886,119	19	886,100
Sub-total Direct Delivery	15,611,600	8,775,676	6,835,924	41,824	6,794,100
<u>Indirectly Delivered Schemes</u>					
Community Wellbeing	996,400	709,308	287,092	(8)	287,100
Corporate Services	0	0	0	0	0
Housing, Planning & Regeneration & Regulatory Services - General Fund	3,265,700	959,057	2,306,643	97,643	2,209,000
Housing, Planning & Regeneration & Regulatory Services - HRA	0	0	0	0	0
Sub-total Indirect Delivery	4,262,100	1,668,365	2,593,735	97,635	2,496,100
GF Total	10,779,200	2,235,660	8,543,540	139,440	8,404,100
HRA Total	9,094,500	8,208,381	886,119	19	886,100
Grand Total	19,873,700	10,444,041	9,429,659	139,459	9,290,200
Community Wellbeing					
<u>Direct Delivery</u>					
JT Z478 Shortcliffe Community Park	15,300	0	15,300	0	15,300
JT Z697 Bell Foundry Pocket Park - Phase 1 & 2	8,400	(7,589)	15,989	7,589	8,400
JT Z494 Public Art Provision - Loughborough & Shepshed	75,100	65,468	9,632	32	9,600
JR Z388 CCTV	92,100	0	92,100	0	92,100
SW Z785 Old Rectory Museum Toilet	12,000	11,930	70	70	0
SW Z392 Public Realm and Art Improvements	0	(3,245)	3,245	3,245	0
SW Z421 Carillon Tower Restoration Project	0	(846)	846	846	0
SW Z426 Loughborough Market - Replacement Tug and Trailer	21,500	26,640	(5,140)	(5,140)	0
KS Z746 Charnwood Museum Public Toilets Refurbishment	0	171	(171)	(171)	0
NB Z748 Loughborough Festive Lights and Street Dressing	30,900	6,116	24,784	9,984	14,800
NB Z749 Loughborough Market Improvements	24,000	16,001	7,999	7,999	0
RK Z757 Town Hall Roof Upgrade	32,500	7,993	24,507	5,107	19,400
MB Z394 Provision of Neighbourhood Notice Boards	1,900	525	1,375	(25)	1,400
MB Z739 Green Spaces Programme	97,700	6,885	90,815	15	90,800
JT Z747 Dishley Pool Access Works	20,200	6,079	14,121	21	14,100
MB Z784 Loughborough Cemetery - New Burial Provision	0	50,317	(50,317)	(17)	(50,300)
SR Z750 Loughborough Old Cemetery Green Flag Site Development	40,000	0	40,000	0	40,000
SR Z752 Mountsorrel Castle Park Green Flag Site Development	40,000	0	40,000	0	40,000
MB Z753 The Outwoods Country Park - Septic tank system replacement	17,000	13,382	3,618	18	3,600
MB Z754 The Outwoods Country Park - Visitor Centre and Café	186,800	7,257	179,543	43	179,500
MB Z782 Outwoods Country Park	14,300	14,056	244	244	0
MB Z755 Shortcliffe Park Access Bridges	15,200	0	15,200	0	15,200
AG Z503 Charnwood Sites Access and Security	6,700	8,088	(1,388)	(1,388)	0
MB Z791 Shelthorpe Golf Course - Fencing	89,000	10,141	78,859	(41)	78,900
AG Z792 Community Tree Planting Programme	20,000	0	20,000	0	20,000
Sub-total Direct Delivery	860,600	239,369	621,231	28,431	592,800
<u>Indirect Delivery</u>					
JR Z348 Community Facilities Grants	176,800	28,410	148,390	(10)	148,400
JR Z427 Members Grants	26,000	25,951	49	49	0
Thorpe Acre Residents Association - contribution towards					
JR Z488 Community Hub building	25,900	0	25,900	0	25,900
JR Z499 Syston Town Council - contribution towards Cemetery in Syston	77,200	77,262	(62)	(62)	0
JR Z292 Hallam Fields Community Hall	475,500	475,512	(12)	(12)	0
JR Z500 Birstall Cedars Academy all weather pitch	50,000	0	50,000	0	50,000
JR Z783 Thurmaston Parish Council - Silverdale and Elizabeth Park	32,300	32,265	35	35	0
Rothley Parish Council - additional recreation & play area facilities at Mountsorrel Lane					
JR Z789	29,900	29,908	(8)	(8)	0
JR Z794 Queniborough Parish Council - new community/scout hall	40,000	40,000	0	0	0

CAPITAL PLAN 2019/20

Appendix 1

						2019/20				
Scheme Details						Current Budget £	Actual Spend 31/3/20 £	Balance £	Under/ (Overspend) £	Slippage into 2020/21 and 2021/22 Requested £
JR	Z795	Syston Town Council - redevelopment of sports pavilion at Memorial Park	40,500	0	40,500	0	40,500	0	40,500	
MB	Z778	Syston Community Garden	22,300	0	22,300	0	22,300	0	22,300	
Sub-total Indirect Delivery			996,400	709,308	287,092		(8)		287,100	
Community Wellbeing - Total			1,857,000	948,677	908,323		28,423		879,900	
Corporate Services										
Direct Delivery										
AK	Z085	Replacement Hardware Programme - Block Sum	80,000	97,437	(17,437)		(37)		(17,400)	
AK	Z354	Infrastructure Development - Block Sum	28,000	26,991	1,009		1,009		0	
AK	Z780	Wireless connectivity including presentation facilities	0	(3,050)	3,050		3,050		0	
KB	Z423	Call Secure System - PCI Compliance	35,900	20,625	15,275		(25)		15,300	
DC	Z415	Southfields Offices - Roofing	0	(355)	355		355		0	
DC	Z493	Fearon Hall	12,500	44,059	(31,559)		(31,559)		0	
DW &										
DC	Z759	Woodgate Chambers - high level roof and windows improvements	30,000	4,447	25,553		25,553		0	
AK	Z793	ITrent Upgrade & New Flexi Time System	24,100	14,347	9,753		(47)		9,800	
SJ	Z676	Investment in Commercial Property	5,000,000	0	5,000,000		0		5,000,000	
Sub-total Direct Delivery			5,210,500	204,501	5,005,999		(1,701)		5,007,700	
Corporate Services - Total			5,210,500	204,501	5,005,999		(1,701)		5,007,700	
Housing, Planning & Regeneration & Regulatory Services - General Fund										
Direct Delivery										
AT	Z744	Beehive Lane Car Park Improvements and refurbishment scheme	75,200	5,384	69,816		16		69,800	
AT	Z781	Beehive Lane Car Park fire & safety evacuation systems	125,000	102,608	22,392		10,392		12,000	
AT	Z786	Car Parks Resurfacing and Improvements	170,000	150	169,850		(50)		169,900	
DC	Z738	Carbon Management Schemes	55,800	(780)	56,580		780		55,800	
RB	Z468	Planning and Regeneration Essential Technology Refresh	1,100	0	1,100		1,100		0	
AS	Z424	Choice Based Lettings Software	18,900	16,063	2,837		2,837		0	
Sub-total Direct Delivery			446,000	123,425	322,575		15,075		307,500	
Indirect Delivery										
DH	Z366	Loughborough University Science & Enterprise Park	350,000	0	350,000		0		350,000	
DH	Z367	Bleach Yard	5,900	0	5,900		0		5,900	
DH	Z787	Bedford Square Gateway	520,000	72,328	447,672		(28)		447,700	
DH	Z835	Shepshed Bull Ring	600,000	0	600,000		0		600,000	
DH	Z745	Leicestershire Superfast Broadband Phase 3	100,000	0	100,000		0		100,000	
DH	Z126	Loughborough Eastern Gateway	0	7,000	(7,000)		(7,000)		0	
RB	Z396	Public Realm - Shepshed Town Centre	31,800	13,397	18,403		3		18,400	
RS	Z210	Disabled Facilities Grants - Block Sum	1,432,200	856,855	575,345		45		575,300	
RS	Z346	Private Sector Housing Grants - Block Sum	173,900	9,237	164,663		104,663		60,000	
RS	Z141	Regional Housing Pot Grant	42,900	0	42,900		0		42,900	
RS	Z363	Fuel Poverty Scheme	9,000	240	8,760		(40)		8,800	
Sub-total Indirect Delivery			3,265,700	959,057	2,306,643		97,643		2,209,000	
Housing, Planning & Regeneration & Regulatory Services - General Fund - Total			3,711,700	1,082,482	2,629,218		112,718		2,516,500	
Housing, Planning & Regeneration & Regulatory Services - HRA										
Direct Delivery										
PO	Z761	Major Adaptations - Fortem	585,000	560,782	24,218		24,218		0	
PO	Z301	Minor Adaptations	50,000	12,143	37,857		37,857		0	
PO	Z302	Stairlifts	80,000	71,367	8,633		8,633		0	
PO	Z762	Major Void Works - Fortem	252,900	130,806	122,094		122,094		0	

CAPITAL PLAN 2019/20

Appendix 1

Scheme Details		2019/20				Slippage into 2020/21 and 2021/22 Requested £
		Current Budget	Actual Spend 31/3/20	Balance	Under/ (Overspend)	
		£	£	£	£	
<u>Compliance</u>						
PO Z434	Asbestos Removal	150,000	345,035	(195,035)	(195,035)	0
PO Z771	Communal Area Improvements - Fortem	150,000	174,142	(24,142)	(24,142)	0
PO Z742	Communal Area Electric	200,000	170,856	29,144	29,144	0
PO Z772	Carbon Monoxide Alarms	90,000	9,922	80,078	80,078	0
PO Z401	Fire Safety	0	474,729	(474,729)	(474,729)	0
PO Z773	Fire Safety Works	100,000	(3,124)	103,124	103,124	0
PO Z774	Cavity/Loft insulation - Fortem	0	(24,497)	24,497	24,497	0
<u>Stock Maximisation</u>						
PO Z375	Garages	10,000	0	10,000	10,000	0
<u>Decent Homes</u>						
PO Z763	Kitchens - Fortem	379,200	239,788	139,412	12	139,400
PO Z764	Bathrooms - Fortem	1,034,000	1,275,603	(241,603)	(241,603)	0
PO Z765	Electrical Upgrades - Fortem	54,000	18,818	35,182	35,182	0
PO Z766	Windows - Fortem	20,000	0	20,000	20,000	0
PO Z767	Central Heating and Boiler Installation - Fortem	460,000	410,450	49,550	49,550	0
PO Z743	Sheltered Housing Improvements inc heating & equipment	140,000	49,960	90,040	90,040	0
PO Z768	Door Replacement - Fortem	534,400	268,886	265,514	20,014	245,500
PO Z769	Re-roofing - Fortem	650,000	538,371	111,629	111,629	0
PO Z770	Major Structural Works - Fortem	250,000	276,329	(26,329)	(26,329)	0
<u>General Capital Works</u>						
PO Z776	Estate and External Works - Fortem	410,000	440,841	(30,841)	(30,841)	0
PO Z857	Housing Capital Technical Costs	312,000	181,587	130,413	130,413	0
PO Z378	Door Entry Systems	300,000	265,092	34,908	34,908	0
AS Z760	Acquisition of Affordable Housing to meet housing need	2,804,800	2,303,642	501,158	(42)	501,200
AS Z788	Barkby Road, Queniborough - acquisition of 27 dwellings	27,100	9,603	17,497	17,497	0
PO Z775	Mobility Scooter Storage - Fortem	30,000	0	30,000	30,000	0
PO Z470	Job Management System	21,100	7,250	13,850	13,850	0
Sub-total Direct Delivery		9,094,500	8,208,381	886,119	19	886,100
Housing, Planning & Regeneration & Regulatory Services - HRA - Total		9,094,500	8,208,381	886,119	19	886,100