

Report of the Portfolio Holder for Resources and Personnel Policy

CAPITAL PROGRAMME 2023/24 – CAPITAL BUDGET VARIATIONS1. Purpose of report

To approve a number of necessary revisions to the Council's Capital Programme for 2023/24.

2. Recommendation

Cabinet is asked to RESOLVE that the capital budget variations for 2023/24, as set out in the appendix, be approved.

3. Detail

The Capital Programme for 2023/24 to 2025/26 was approved by Council on 1 March 2023 following recommendation by Cabinet on 7 February 2023. The total value of the original Capital Programme for 2023/24 was £36.244m (£32.982m excluding 'reserve items'). A number of new capital schemes and variations to the Capital Programme have since been approved by Cabinet.

A number of capital schemes require re-profiling to the budgets to more accurately reflect expectations in the current financial year. In all cases the capital financing will not be adversely affected, with schemes either being funded by capital grants or through previously agreed prudential borrowing which will now be moved back into later periods to match spends.

These schemes include Disabled Facilities Grants, an element of the Housing Delivery Programme, Economic Regeneration Projects (including Towns Fund, Levelling Up Fund and UK Shared Prosperity Fund) and ICT and Business Transformation. These are set out in the appendix including the amendments identified in the current Capital Programme together with likely financing which will be confirmed at the end of the 2023/24 financial year.

Any further changes to the Capital Programme will be reported to Cabinet as necessary for approval.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

The financial implications are included in the report narrative and appendices.

5. Legal Implications

The comments from the Head of Legal Services and Deputy Monitoring Officer were as follows:

There are no direct legal implications that arise from this report.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no Union comments in relation to this report.

8. Climate Change Implications

The Council's response to Climate Change is a key consideration as part of the budget setting process.

9. Data Protection Compliance Implications

This report does not contain any [OFFICIAL(SENSITIVE)] information and there are no Data Protection issues in relation to this report.

10. Key Decision

This is not a key decision.

11. Updates from Scrutiny

This has not been a topic for scrutiny.

12. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

13. Background Papers

Nil.

APPENDIX

CAPITAL PROGRAMME 2023/24 – PROPOSED CAPITAL BUDGET CHANGES1. Disabled Facilities Grants (DFG) and Warm Homes on Prescription (WHOP)

The approved Capital Programme for 2023/24 included an £800,000 budget for Disabled Facilities Grants (including Warm Homes on Prescription). This scheme provides grants to improve facilities for disabled people living in private sector dwellings. The budget is financed by Nottinghamshire County Council through the Better Care Fund (BCF). A further £656,900 (DFG) and £25,750 (WHOP) was approved for carry forward from unspent budgets in 2022/23.

The Council has since received confirmation of the DFG budget for 2023/24. An allocation from the BCF of £904,154 is expected (after NCC retain £79,150 as the Council's contribution to the handyperson scheme managed by the County on behalf of all the Nottinghamshire districts). The finalised budget brought forward from 2022/23 is £646,584 (DFG £611,117 and WHOP £35,467). The Council has also recently received an additional £85,861 from central government (via NCC) and this will be added onto the DFG budget.

This gives a total budget of £1,636,599, with the proposed budget split of £1,536,600 for DFG and £100,000 for WHOP. The additional £153,950 will be recognised in the Capital Programme and be fully funded by capital grants (BCF).

Schemes	Approved Budget £	Underspend Budget B/F £	2023/24 Budget £	Revised Budget £
Disabled Facilities Grants	800,000	656,900	1,456,900	1,536,600
Warm Homes on Prescription	-	25,750	25,750	100,000
			1,482,650	1,636,600

2. Housing Delivery Plan – Field Farm Development

As part of the Housing Delivery Plan, the scheme at Field Farm in Stapleford will deliver 26 affordable homes under a Legal Section 106 agreement. Contract negotiations with the developer, Peveril Homes, are drawing to a conclusion with the developer proposing long-stop dates of August 2025 for phase 1 and June 2029 for phase 2. These dates are the final dates that the contract allows for delivery to cater for any delays.

The developer will deliver the affordable units in two main phases, 18 units in phase 1 between April and August 2024 and the remaining eight units in 2028/29. It is therefore proposed to re-profile the budget in 2023/24 to £742,900 to include deposit payments. This will push £1m into future years with the remaining budget being reallocated two-thirds in 2024/25, with the final third to be spent in 2028/29. This scheme is being financed wholly from prudential borrowing.

Schemes	Approved Budget £	Underspend Budget B/F £	2023/24 Budget £	Revised Budget £
Housing Delivery Programme – Field Farm	1,250,000	492,900	1,742,900	742,900

3. Economic Regeneration – Kimberley Means Business – Levelling Up Fund

The Capital Programme for 2023/24 was approved around the same time that the Council received notice from the government that the Kimberley Levelling Up Fund bid had been successful. A total project of £16.5m was duly recognised for Kimberley Means Business to be funded by capital grants (LUF).

There is now an opportunity to re-profile this budget to recognise that all of this money will not be spent in this financial year. Following discussion with the Economic Regeneration team, it is anticipated that up to £4.634m of this funding may be utilised in this financial year (including spend brought forward from 2022/23). The remainder of the total grant funding will be included in the 2024/25 Capital Programme as it is a requirement that all funds must be committed by March 2025. It is therefore proposed to revise the 2023/24 Capital Programme as follows, with the scheme being fully funded by capital grants (LUF).

Schemes	Approved Budget £	Underspend Budget B/F £	2023/24 Budget £	Revised Budget £
Kimberley Means Business (Levelling-Up Fund)	-	200,000	200,000	4,634,000

4. Economic Regeneration – UK Shared Prosperity Fund

Given the timing of the notice of the grant award, the whole of the indicative UK Shared Prosperity Fund (UKSPF) budget of £627,300 for 2023/24 was recognised in the Capital Programme.

There is now an opportunity to amend the budgets in order to recognise that the majority of the grant funded schemes within this project are considered to be revenue in nature. The revised budgets are shown in the table below following discussions with the Economic Regeneration team. The combined capital and revenue budget in 2023/24 remains at £813,250 being fully funded by UKSPF grants.

Schemes	Approved Budget £	Underspend Budget B/F £	2023/24 Budget £	Revised Budget £
UK Shared Prosperity Fund (Capital CDEL)	627,300	11,500	638,800	123,600
UK Shared Prosperity Fund (Revenue RDEL)	-	174,450	174,450	689,650
Total			813,250	813,250

5. ICT and Business Transformation

There was an unfortunate omission on the list of capital budget carry forward requests approved by Cabinet on 4 July 2023. The report considered by Members included capital budget carry forwards totalling £11,564,550, whereas the actual amount requested should have read £11,982,400. The difference of £417,850 related to the ICT capital development budgets in the table below.

Although the total budget carry-forward was not formally recognised in the Cabinet resolution, the cost of the schemes and its financing have been fully recognised in the capital working papers for 2023/24. As such, the impact of tidying up this oversight will not have an impact on the overall budget position. The increase of £417,850, relating to unspent budgets brought forward from 202/23, will be funded from prudential borrowing and is already recognised in the capital financing budget for 2023/24.

Schemes	Approved Budget 2023/24 £	Underspend 2022/23 B/F £	Revised Budget £
ICT Replacement/Development Programme	112,000	43,500	155,500
ICT Technical Infrastructure Architecture	196,000	214,850	410,850
ICT eFacilities Initiatives	-	109,500	109,500
VoIP Telephony	-	50,000	50,000
Total	308,000	417,850	725,850