Cabinet **4 November 2025**

Report of the Portfolio Holder for Resources and Personnel Policy

Capital Programme 2025/26 – Capital Budget Variations

1. Purpose of Report

   To approve a series of budget revisions to the Capital Programme for 2025/26, in accordance with all the Council's priorities.

2. **Recommendation**

   Cabinet is asked to RESOLVE that the capital budget variations for 2025/26 as set out be approved.

3. Detail

   The Capital Programme for 2025/26 to 2027/28 was approved by Council on 5 March 2025 following recommended by Cabinet on 4 February 2025. The total value of the original Capital Programme for 2025/26 was £34.966m (£32.484m excluding 'reserve items').

   Several capital schemes require amendments 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 be adjusted accordingly to match spends.

   These schemes include Disabled Facilities Grants and Capital Works for both the Housing and General Properties. These are set out in the **Appendix** which includes the proposed amendments to the current Capital Programme together with likely financing that will be confirmed at the end of the financial year.

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

4. Key Decision

   This report is not considered a key decision as defined under Regulation 8 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

5. Updates from Scrutiny

   Not applicable.

6. Financial Implications

   The comments from the Assistant Director Finance Services were as follows:

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

7. Legal Implications

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

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

8. Human Resources Implications

   There were no comments from the Human Resources Manager.

9. Union Comments

   Not applicable.

10. Climate Change Implications

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

11. 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.

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 2025/26 – Proposed Capital Budget Changes

1. Disabled Facilities Grants and Warm Homes on Prescription

The Capital Programme for 2025/26 includes a budget of £800,000 for Disabled Facilities Grants (DFG), including the Warm Homes on Prescription scheme (WHOP). 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 £590,150 (DFG) and £76,500 (WHOP) was carried forward from unspent budgets in 2024/25.

The Council has since received confirmation of its DFG budget for 2025/26. An allocation from the BCF of £1,220,946 is now expected (less £114,713 retained as the Council's contribution to the handyperson scheme managed by the County Council on behalf of all Nottinghamshire districts). The finalised budget brought forward from 2024/25 is £751,576. This gives a total rounded budget of £1,857,800, with the proposed split of £1,782,800 for DFG and £75,000 for WHOP. The additional £391,150 will be recognised in the Capital Programme and be fully funded by capital grants (BCF).

DFG Schemes	Approved Budget 2025/26 £	Budget Brought Forward £	Total Budget 2025/26 £	**Revised Budget 2025/26 £**
Disabled Facilities Grants	800,000	590,150	1,390,150	**1,782,800**
Warm Homes on Prescription	-	76,500	76,500	**75,000**

2. Housing Capital Works

The Council is committed to the timely delivery of improvements to its social housing stock. Capital investment is key to achieving this and the approved budget for 2025/26 includes over £11.8m of HRA capital works schemes.

In order to enable the effective planning and delivery of housing investment programmes, the Council is moving towards a position where all investment must be made through data-led decisions and be based on standard lifecycle criteria. The capital works programme should be identified by examining stock condition data and understanding the serviceable life of key components. The Council is committed to updating stock condition data through the completion of individual surveys to each of its 4,300 HRA owned dwellings. This work is progressing and, going forward, the Council shall be undertaking stock condition surveys on around 20% of its stock annually to ensure that datasets are refreshed every five years.

In the meantime, following a line-by-line review, it is proposed to revise the following budgets in this cycle. These variations highlight the dynamic nature of capital investment and the need to adjust plans based upon evolving needs, especially in the immediate transition to a more data led approach to stock investment.

- Transfer £250,000 budget from 'Decent Neighbourhoods' to 'Aids and Adaptations'. This will support the backlog of work from occupational therapist referrals in addition to increased current and forecasted demand. This budget is reactive which can make forecasting difficult. The Aids and Adaptations Policy is scheduled for review next year and once updated, the Council will be in a better position to forecast this budgets more accurately, with clearer guidance on the types of works that can be undertaken.

- Transfer £200,000 budget from 'Modernisations' to 'Boiler Replacement'. The boiler replacement programme was reduced this year pending the completion of stock condition data, with the work stream being based on 250 units. However, boiler breakdowns requiring replacements have increased more than anticipated, with 149 already experienced by August 2025. A further 250 boiler breakdowns are now anticipated to occur before March 2026 based on the current trend, so the additional budget will ensure coverage of these works throughout the winter months. The modernisations budget will not be fully required due to a slightly reduced programme this year pending full stock condition data being obtained.

- Transfer £100,000 budget from 'Pre-Paint Repairs, Soffit and Fascia Renewal and Redecoration' to 'Structural Remedial Repairs'. Pre-paint and associated external repairs have largely been incorporated into the 'Decent Neighbourhoods' budget so will not be used going forward. The Structural Remedial Repairs is a reactive budget for major structural issues arising within the stock. The referrals received have led to some extensive work, including a 75m long, 2m high retaining wall at Scargill Walk that will require a full rebuild at £170,000. This will take a significant portion of the budget and could limit any potential new works. The budget transfer should provide the necessary coverage across the housing stock for the remainder of the financial year.

There will be no changes to capital financing arrangements, with these net budget virement have a nil impact on the overall budget.

Capital Works – HRA Schemes (Changes)	Approved Budget 2025/26 £	**Revised Budget 2025/26 £**
Housing Modernisations	270,000	**70,000**
Heating Replacements and Energy Efficiency Works - Boiler Replacement	650,000	**850,000**
Pre-Paint Repairs, Soffit and Fascia Renewal and Redecoration	120,000	**20,000**
Structural Remedial Repairs	150,000	**250,000**
Decent Neighbourhoods	1,460,000	**1,210,000**
Aids and Adaptations - Disabled Persons Works	385,000	**635,000**

3. <u>Capital Works – Craft Workshops</u>

The capital programme includes a project relating to roof repairs, roof insulation and external painting at the Craft Workshops in Eastwood. Since the initial budget submission, the costs of materials, scaffolding and labour have increased costs beyond the original budget of £40,000.

The property is in a conservation area the method and materials need to be appropriate. The works are required to remedy repair matters that are apparent on inspection and ensure that there is no deterioration to the assets. It is envisaged that the insulation will improve energy efficiency and allow the continued letting of the units.

The cost of works is quoted at £56,000. The necessary budget uplift will be funded by virement from two other schemes, namely utilising a £3,000 underspend on the Queen Elizabeth Pavillion Cladding scheme and £13,000 from the Beeston Square Phase 2 Fitting Out Works budget.

Capital Works – General Fund Schemes	Approved Budget 2025/26 £	**Revised Budget 2025/26 £**
Craft Workshops	40,000	**56,000**
Queen Elizabeth Pavillion – Cladding	30,000	**27,000**
Beeston Square Phase 2 Unit 4 – Fitting Out Works	150,000	**137,000**