

Capital Programme 2026/27 – Capital Budget Variations**1. Purpose of Report**

To approve a series of budget revisions to the Capital Programme for 2026/27, in accordance with all the Council's priorities.

2. Recommendation

Cabinet is asked to RESOLVE that the capital budget variations for 2026/27 as set out be approved.

3. Detail

The Capital Programme for 2026/27 to 2028/29 was approved by Council on 4 March 2026 following recommended by Cabinet on 3 February 2026. The total value of the original Capital Programme for 2026/27 was £27.7m (£24.0m excluding 'reserve items'). In addition to the capital budgets brought forward from 2052/56, there has since been several new budgets added, including the significant capital investment of £21.4m for the new replacement Bramcote Leisure Centre, as agreed by Cabinet on 10 March and 2 June 2026. The total Capital Programme is currently £66.8m.

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, Housing Delivery, Asset and Fleet Management and UKPSF. 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 Interim Deputy Chief Executive and Section 151 Officer were as follows:

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

7. Legal Implications

The comments from the Monitoring Officer / 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.

Capital Programme 2026/27 – Proposed Capital Budget Changes

1. Disabled Facilities Grants and Warm Homes on Prescription

The Capital Programme 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 framework. Further unspent budgets of £822,500 (DFG) and £36,200 (WHOP) were brought forward from 2025/26.

The Council has since received confirmation of its DFG budget for 2026/27. An allocation of £1,220,946 is now expected (less £114,713 retained as the Council's contribution to the HPAS handyperson scheme managed by the County Council on behalf of the districts). The finalised budget brought forward from 2025/26 is £858,716. There was an underspend of £30,522 on HPAS in 2025/26 that will be shared with the Council plus a further £85,861 held on account after receiving an additional allocation in March 2026.

This gives a total rounded budget of £2,081,400 with the proposed split of £2,006,400 for DFG and £75,000 for WHOP. The additional £422,600 will be recognised in the Capital Programme and be fully funded by capital grants.

DFG Schemes	Approved Budget 2026/27 £	Budget Brought Forward £	Total Budget 2026/27 £	Revised Budget 2026/27 £
Disabled Facilities Grants	800,000	822,500	1,622,500	2,006,400
Warm Homes on Prescription	-	36,200	36,200	75,000

2. Independent Living – Speech Call Units and Lifeline Services

The analogue phone lines used for the speech call units and lifeline alarm system within the Council's Independent Living schemes will be switched off on 31 January 2027. This system is vital in ensuring the safety of vulnerable residents and it is imperative that the system is updated to digital before the switch off to ensure the continuity of service for residents.

Whilst there is a capital budget of £213,000 for this purpose, it has become apparent that this will not be sufficient to ensure that all schemes are moved onto the digital platform before the deadline. It is therefore requested to provide an additional budget of £120,000, financed by HRA prudential borrowing, to complete this work. It is proposed that £50,000 of this uplift can be funded from the HRA Capital Contingency budget.

Housing (HRA)	Approved Budget 2026/27 £	Revised Budget 2026/27 £
Speech Call Units and Lifeline services	213,000*	333,000

* Includes budget brought forward

3. Housing Delivery Programme – New Build at Hemlock Gate

The nature of the housing delivery programme means that the delivery of some new build schemes can slip or accelerate, often beyond the control of the Council and its contracted partners.

The rate of progress for the new build scheme at Hemlock Gate, off Coventry Lane ('Land at Bramcote Crematorium') has been far quicker than anticipated. Due to the slowdown in the housing market, the developer is prioritising the build of the Council's social housing units. This will result in the properties now being completed in 2026/27, far sooner than anticipated. It is also likely that most of the balance of the payments will now become due this year.

Whilst the overall cost of the scheme remains as approved at £9.366m, it will be necessary to bring forward the budget profiled in future years to cover the accelerated rate of payments being made in 2026/27. The provisional Capital Programme for 2027/28 includes the final balance of a budget at £1.838m to complete this scheme. It is therefore proposed that this budget be brought forward in 2026/27 to support the remaining payments on this scheme. It is anticipated that only a small proportion of the budget will now be required in 2027/28 to cover retentions. The scheme is being financed by a mix of Section 106 contributions and prudential borrowing.

The uplift in budget in 2026/27 does not reflect an increase in costs. The scheme is expected to be delivered on budget but in a far quicker timeframe than had been originally anticipated. This earlier delivery may help to reduce overall costs and allow for earlier lettings that will generate vital rent income for the HRA.

Housing Delivery Programme Schemes	Approved Budget 2026/27 £	Budget Brought Forward £	Total Budget 2026/27 £	Revised Budget 2026/27 £
New Build – Hemlock Gate (Land at Crematorium)	3,500,000	(191,500)	3,308,500	5,146,500

4. Capital Works – Council Offices

The Capital Programme includes a project for external works at the Council Offices in Beeston. This scheme includes scaffolding and safe access, replace and upgrade rainwater goods; replace fascias for UPVC; inspect, repair and, if necessary, replace roof tiles; and to remove all rubbish from site.

Since the initial budget submission, the cost of scaffolding has increased the total cost beyond the original budget of £75,000. The works are still required to address maintenance issues and ensure that the building is in good repair and condition. The cost of works is now quoted at up to £115,000.

The necessary budget uplift will be funded by virement from the allocation for Beeston Square Capital Works. All units at The Square are currently let and there is no immediate call for works to be carried out at this stage.

Capital Works – General Fund Schemes	Approved Budget 2026/27 £	Revised Budget 2026/27 £
Council Offices – External Works	75,000	115,000
Beeston Square Capital Works	130,000	90,000

5. Economic Regeneration – UK Shared Prosperity Fund

The Council has received UK Shared Prosperity Fund (UKSPF) for several years, most recently in 2025/26 being devolved and distributed by the Mayoral Combined Authorities, such as the East Midlands Combined County Authority (EMCCA).

A residual underspend balance of £61,500 has been carried forward into the 2026/27 Capital Programme to finalise the delivery programme. It has since been identified that a slight adjustment is required to reflect the actual grant remaining available for capital purposes. As such, it is proposed to increase the budget to £65,400. The UKPSF schemes are fully grant funded so the net impact on the Council's budget is nil.

UKSPF Schemes	Approved Budget 2026/27 £	Budget Brought Forward £	Total Budget 2026/27 £	Revised Budget 2026/27 £
UK Shared Prosperity Fund (Capital Only)	-	61,500	61,500	65,400

6. Improvements at Toton Lane Park and Ride

Following discussions with Tramlink Nottingham, the Council has contributed £10,000 towards speed ramps and signage improvements measures at the Toton Park and Ride site. Nottingham City Council also agreed to an equal share of these costs and has similarly contributed £10,000. The Council previously provided around £10,000 of financial support towards safety measures within the Toton Lane Park and Ride car park in 2024/25.

There is currently no budgetary provision for these additional works, so the cost will be funded from the General Fund Capital Contingency budget, of which £43,250 currently remains available in 2026/27 (subject to any other considerations as part of this agenda).

7. Car Parks - Replacement Pay and Display Machines

A scheme was approved in March 2024 to provide capital budget for the replacement of the pay and display machines across the Council car parks. This request was based upon the life expectancy of the machines becoming unreliable, costing more to maintain and therefore, no longer economically viable. The current machines are not meeting the public expectation in relation to payment options and are now risk critical due to majority of the terminals meeting end of life configuration support, tariffs and operational rules cannot be updated. All new ticket machines will have access to contactless card payments and will be powered via solar panels to reduce energy bills and promote carbon neutrality.

There is currently a budget of £36,000 for this scheme in 2026/27 (carried forward from 2025/26), however it is expected that a total of £72,000 will be required this financial year as work planned for 2025/26 was delayed, so both phases of the work will take place in 2026/27.

There is currently no budgetary provision for these additional works, so the uplift will be largely funded from the remaining balance of the General Fund Capital Contingency budget and be financed by prudential borrowing.

Business Growth	Approved Budget 2026/27 £	Revised Budget 2026/27 £
Car Parks - Replacement Pay and Display Machines	36,000*	72,000

* Includes budget brought forward

8. Fleet Management – Bartec System Upgrade

There is an urgent need to replace the Bartec units in the Council's vehicle fleet. The units provide the in-cab systems used by the crews, which allow managers to communicate directly with teams and enable crews to record issues and operational information while out on the rounds.

The proposal is to replace 17 units with tablet-based versions, with the quotations for this replacement being a total cost of £29,138. An available budget of £18,000 has been identified within the ICT eFacilities (Digital and Design) for this purpose, leaving a budget shortfall of £11,138.

The Council has received funding in relation to the Extended Producer Responsibility (EPR) allocations and, given the purpose of the EPR, this scheme would be an appropriate use of that funding allocation. The new units will support and improve the Council's recycling service by enabling more accurate recording of contamination, bins not being presented, access issues and other operational information. This will provide higher quality data, improve reporting, and help us identify trends and target interventions more effectively.

The overall capital cost of the scheme at £29,500 will be funded from EPR payment receipts (capital grant).

Environment and Climate Change and Resources Capital Programme	Approved Budget 2026/27 £	Revised Budget 2026/27 £
ICT eFacilities (Digital & Design)	47,800*	29,800
Fleet Management - Bartec System Upgrade	-	29,500

* Includes budget brought forward