

**Blaby District Council
Council**

Date of Meeting	20 September 2022
Title of Report	Recommendations of the Cabinet Executive: Quarter 1 Capital Programme Review 2022/23 This is not a Key Decision and is on the Forward Plan
Lead Member	Cllr. Maggie Wright – Finance, People & Performance (Deputy Leader)
Report Author	Accountancy Services Manager
Corporate Priority	Medium Term Financial Strategy (MTFS)

1. What is this report about?

- 1.1 The report provides Members with an update on expenditure against the Capital Programme for the quarter ending 30th June 2022.

2. Recommendation(s) to Cabinet Executive and Council

- 2.1 That the report is accepted
- 2.2 That the latest Capital Programme totalling £5,507,463 is approved

3. Reason for Decisions Recommended

- 3.1 To ensure that the Council has adequate resources in place to meet its capital expenditure commitments.

4. Matters to consider

4.1 Background

The original Capital Programme for 2022/23 was approved by Council on 24th February 2022, and amounted to £2,452,500, which included a borrowing requirement of £1,168,500.

The following table shows the latest Capital Programme which now amounts to £5,507,463 (including S106 projects), taking into account £2,847,013 brought forward from 2021/22, which also includes projects which had been deferred during the financial year. Appendix A gives a complete breakdown of planned expenditure on a scheme by scheme basis, including how it will be resourced.

Approved Capital Programme 2022/23	£
	2,452,500
<u>Additions:</u>	
Incomplete schemes brought forward from 2021/22	2,847,013
Green Capital Grant Programme 2022/23	20,000
Huncote Landfill Gas Remedial Works	204,955
<u>Reductions:</u>	
Green Capital Grant Programme 2021/22	(3,504)
Capital Grant Programme 2021/22	(16,496)
	5,504,468
Add S106 Contributions allocated to projects in 2022/23	2,995
Revised Capital Programme 2022/23	5,507,463

- The project budget from the Green Capital Grants Programme 2021/22 and Capital Grant Programme, has been transferred to create the Green Capital Grants Programme 2022/23.
- Additional funds have been allocated from the Earmarked Reserve which was approved in November 2021, for the Gas Remedial Works required at Huncote Leisure Centre. These are to be used on installation of boreholes and monitoring equipment. An exempt report was taken to Council in July 2022 where a further £80,000 has been approved to be added to the Capital project for works to be undertaken to enable the Leisure Centre to reopen in October 2022. The additional project budget will be included in the 2nd quarterly report, and can be accommodated from within the £600,000 reserve set aside to tackle the emergency.

4.2 At the end of the first quarter of 2022/23, the Council had spent £267,970 against its planned Capital Programme, excluding Section 106 contributions. S106-backed schemes are covered in paragraph 4.3 below.

Explanations for the main variances in Quarter 1 are as follows:

- Huncote Gas Remedial Works – Installation of boreholes and associated monitoring equipment has been completed, the invoice had not been received as at 30th June.
- Council Offices Refurbishment Project 2022 – The project is due to commence in the 2nd quarter of the financial year and expected to complete in November 2022.
- HR & Payroll System – Procurement process is underway. It is not expected that the full budget will be required.
- Council Offices Green Heating Solution – A tender evaluation is currently in process and works expected to commence during the 2nd and 3rd quarter of the financial year.

- The procurement of the Revenues & Benefits system has commenced, with the specification complete. Work on the migration of the current document storage system is almost finalised.
- Fleet Replacement Programme – No commitments have currently been made in the 1st quarter of the year, orders are due to be raised during the 2nd quarter, however delays with delivery are expected.
- Extension of Enderby Leisure Centre Car Park – The project is expected to commence in the 2nd and 3rd quarter of the year.
- Bouskell Park: Bridge & Car Park Improvements – No expenditure was incurred in the first quarter of the year due to awaiting the outcome of the Car Park Strategy, which was taken to Council on the 19th July 2022, and the appointment of the Parks and Open Spaces Development Officer. At the time of writing the report a meeting had been set for revised quotations to be sought from the approved contractor. The new Parks and Open Spaces Development Officer has been successfully filled, with the Officer due to start in September 2022.
- Fosse Meadows: Resurface Car Parks – As per the above project, progress was put on hold due to the Car Park Strategy report and recruitment, which have both now been completed. Revised quotations are in progress.

4.3 Section 106 Contributions

The Council receives S106 contributions towards the cost of providing for additional infrastructure needs arising from new housing developments. This includes provision of new offsite open space, play equipment, or affordable housing. Often because of financial viability of sites, payments are triggered at different stages of development which can take place over a number of years.

S106 contributions are only recognised in the Capital Programme at the point at which they have been allocated to support a defined project.

At 1st April 2022, the Council was holding S106 contributions to the value of £1,051,501, and since then no further funds have been received from developers. In total, £246,710 of the balance received has been allocated to projects, as shown at Appendix A, and £23 has been spent as at 30th June 2022. This leaves a remaining balance of £246,687 which has been allocated to projects, as well as a further £804,791 which is unallocated.

5. **What will it cost and are there opportunities for savings?**

5.1 Not applicable

6. What are the risks and how can they be reduced?

6.1

Current Risk	Actions to reduce the risks
Net expenditure may exceed the approved budget due to shortfall in income or overspending	Ongoing budget monitoring to highlight variances at an early stage.
Rising inflation costs may cause project costs to exceed the approved budgets.	Regular monitoring of the project costs by the Project Manager, together with support from the Capital Accountant to address any concerns at an early stage. Any price rise that cannot be accommodated within normal tolerances will be reported back to Council before proceeding with the planned works.

7. Other options considered

7.1 None

8. Environmental impact

8.1 In preparing this report, the author has considered the impact on the Environment, and there are no areas of concern.

9. Other significant issues

9.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

10. Appendix

10.1 Appendix A – Budget Monitoring Statement to 30th June 2022

10. Background paper(s)

10.1 None

11. Report author's contact details

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