

## Blaby District Council

### Cabinet Executive

<b>Date of Meeting</b>	20 February 2023
<b>Title of Report</b>	<b>Quarter 3 Capital Programme Review 2022/23</b> This is a not Key Decision and is on the Forward Plan.
<b>Lead Member</b>	<b>Cllr. Maggie Wright - Finance, People &amp; Performance (Deputy Leader)</b>
<b>Report Author</b>	Accountancy Services Manager
<b>Corporate Priority</b>	Medium Term Financial Strategy (MTFS)

#### 1. What is this report about?

- 1.1 This report provides Members an update on expenditure against the Capital Programme for the third quarter of 2022/23.

#### 2. Recommendation(s) to Cabinet Executive and Council

- 2.1 That the report is noted.
- 2.2 That the latest Capital Programme for 2022/23 totalling £7,668,928 is approved.

#### 3. Reason for Decisions Recommended

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

#### 4.1 Background

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

Since then, there have been various additions and deletions to the original Capital Programme, including £2,847,013 brought forward from 2021/22, which culminated in Council approving a revised budget of £8,039,700 in November 2022.

The following table shows the movement in the Capital Programme in the year to date, including the latest proposed changes recommended for

approval. Those changes will result in a reduced capital programme total of £7,668,928.

Appendix A gives a complete breakdown of planned expenditure on a scheme-by-scheme basis, including how it will be resourced.

	£
Original Capital Programme – approved February 2022	2,452,500
Changes between April 2022 and November 2022	5,587,200
Latest Approved Capital Programme – November 2022	8,039,700
<u>New Additions</u>	
Refurbishment of Vacant Industrial Estate Units	450,000
Huncote Landfill Gas Works to facilitate early re-opening	80,000
External funding towards Blaby assisted toilets	70,000
Extension to Enderby Leisure Centre Car Park*	40,000
S106 Contributions allocated to new projects	89,646
Replacement Plan Printer	11,850
<u>Reductions and deferrals</u>	
Fleet Vehicle Replacement Programme	(496,897)
Disabled Facilities Grants	(175,624)
Walk & Ride Blaby*	(40,000)
HR & Payroll System	(100,000)
Various Corporate ICT Projects	(215,232)
Other Savings and Deferrals	(84,515)
<b>Revised Capital Programme 2022/23</b>	<b>7,668,928</b>

The reasons behind the additions and reductions highlighted in the table above are as follows:

#### Additions

- On 31<sup>st</sup> January 2023, Council approved capital expenditure of £450,000 to carry out essential works on two vacant units at Enderby Road Industrial Estate. The Council has identified a potential new tenant for the vacant units, who wishes to take up occupancy by 1<sup>st</sup> April 2023. In the event that this is achievable it may be possible to reduce the cost of works to £270,000.
- Additional works were approved by Council in July 2022 to enable Huncote Leisure Centre to re-open in October, in order to enhance the leisure management fee receivable.
- The Council had bid for external funding of £70,000 from the Changing Places fund to allow for assisted toilet facilities at Blaby. This is in addition to the Council's own funding of £100,000 already included in the Capital Programme.
- Quotes received in respect of the proposed extension to Enderby Leisure Centre Car Park are £40,000 higher than budgeted. Whilst this can be met from the contingency sum included in the Walk Ride Blaby

project, officers are continuing to look at ways to reduce the cost of works.

- The Planning Obligations Monitoring Group has allocated an additional £89,646 of S106 contributions to new projects for which funding bids have been submitted.
- An additional £11,850 is required to replace the existing plan printer used by Planning.

#### Reductions and deferrals

- The acquisition of a number of vehicles included in this year's Fleet Vehicle Replacement Programme has been deferred until the early part of 2023/24.
- The initial Disabled Facilities Grant allocation was top sliced by agreement with the Better Care Fund to allow for investment in various county-wide schemes including the employment of additional occupational therapists, and assistive technology. The Lightbulb is leading on many of these schemes and budget provision is included within the revenue budget.
- £40,000 has been transferred from the Walk Ride Blaby project contingency to cover a potential overspend on the leisure centre car park extension scheme.
- A new contract for provision of a cloud-based HR & Payroll system has now been signed. The contract remains with the Council's existing software supplier which means that up front implementation costs are not substantial. Allowance has been left within the budget to accommodate any additional resource that may be required to backfill for officers involved in the implementation.
- A number of ICT projects included in the original workplan have not progressed as soon as expected. The budget is therefore being deferred to the next financial year in line with expected completion dates.
- Some other schemes of a minor nature have been deferred to next financial year or are no longer necessary.

#### 4.2 Performance to date

At the end of the third quarter of 2022/23, the Council had spent £1,025,302 against its planned Capital Programme.

Explanations for the main variances in Quarter 3 are as follows:

- Disabled Facilities Grants – Works are continuing to progress, and in the third quarter of the financial year a total of £529,000 has been utilised, which is an increase from last year quarter 3. Increase costs of materials and labour attribute to this increase as well as there being an increase in demand. Currently there is a waiting list with adult social care Occupational Therapists assessments for adaptations. Also, we continue to see demand increase for Self-Assessment referrals via the website.
- Refurbishment of Industrial Estate Units – budget only approved on 31<sup>st</sup> January, but it is planned to complete the necessary works to allow for occupation by 1<sup>st</sup> April 2023.

- Replacement Boiler at Council Offices – The project was sent out for retender, unfortunately the prices quoted have not reduced significantly from those in the original exercise. The project will now progress given the need to carry out this work quite urgently.
- Huncote Landfill Gas Remedial Works – The Gas mitigation work carried out in December appears to have been successful. It is planned that the safety monitoring equipment that is currently on site should stay there for much of the remainder of Quarter 4, after which the reopening of the remainder of the site may be considered.
- Extension to Enderby Leisure Centre Car Park – The planning application is to be submitted in February and it is anticipated that the project will begin April or May.
- Walk Ride Blaby – The work on this project will start in February.
- HR & Payroll Software – initial implementation costs to be spent imminently (approximately £40,000), with the remainder of the budget required for backfilling.
- Blaby Town Centre Toilets - £170,000 including assisted facilities for which external funding has been secured. This project is proceeding with the planning application now submitted and installation works being planned should the application be successful.
- Resurfacing of Car Park at Fosse Meadows – This work should be completed by the end of the final quarter of this financial year.
- Refurbishment of Council Offices – phase three of the office alterations were completed shortly prior to Christmas; snagging and several extras remain to be completed by the end of Quarter 4.

## **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 a 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 managers 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. The overall affordability of the Capital Programme will be considered in terms of its impact on the Revenue Budget

	and projects will be deferred or removed from the programme as necessary
--	--

## **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 – Capital Monitoring Statement to 31<sup>st</sup> December 2022

## **11. Background paper(s)**

11.1 None

## **12. Report author's contact details**

Nick Quinn	Interim Accountancy Services Manager
nick.quinn@blaby.gov.uk	0116 272 7668